

SHIRE OF MT MARSHALL



Local Emergency Management Committee

**Minutes of the Mt Marshall Local Emergency
Management Committee meeting held in
Council Chambers, 80 Monger St, Bencubbin on
Tuesday 13 November 2018,
commencing at 3.30pm.**

Attachment 11.1.1

Cr ARC Sachse Chairman

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**Minutes of the Mt Marshall Local Emergency Management Committee Meeting
held Tuesday 13 November 2018**

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**Minutes of the Mt Marshall Local Emergency Management Committee Meeting
held Tuesday 13 November 2018**

1.0 Declaration of Opening / Announcement of Visitors

Cr Sachse welcomed committee members and visitors to the meeting and declared the meeting open at 3.30pm.

2.0 Record of Attendance / Apologies

In Attendance

| | |
|--------------------|---------------------------------|
| Cr Anthony Sachse | Shire President/Chair |
| Mr John Nuttall | Chief Executive Officer |
| Mr Jack Walker | Regulatory Officer |
| Ms Olivia Granich | Community Development Officer |
| Mr Peter Geraghty | SJA Co-ordinator Kununoppin SC |
| Mr Damian Tomas | Chief Bush Fire Control Officer |
| Ms Sue Scully | RAN Bencubbin Silver Chain |
| Ms Leah Bohme | Principal Bencubbin PS |
| Mr Craig Lewington | Principal Beacon PS |
| Mr Michael Lovell | DFES Area Manager Mortlock |
| Mr Shaun Betley | SJA Community Paramedic |

Apologies

| | |
|-----------------------|--------------------------------|
| Acting Sgt Lily Unasa | Acting OIC Bencubbin Police |
| Ms Jo Spadaccini | DCP & Family Support |
| Mr Calvin Potter | Captain Beacon VES |
| Cr Ian Sanders | Shire Councillor |
| Beacon Agency Nurse | Relief RAN Beacon Silver Chain |

3.0 Confirmation of Minutes

3.1 Minutes of the Mt Marshall Local Emergency Management Committee Meeting held Tuesday 14 August 2018

LEMC2018/001 OFFICER RECOMMENDATION / COMMITTEE DECISION:

That the minutes of the Mt Marshall Local Emergency Management Committee meeting held on Tuesday 14 August 2018 be confirmed as a true and correct record of proceedings.

Moved Mr Shaun Betley

Seconded Mr Peter Geraghty

Carried 11/0

4.0 Reports of Officers

4.1 Regulatory Officer

4.1.7 Information for the Committee

- Beacon Airstrip upgrade – tender documents close on Friday 23rd November 2018 for this project.
- Exercise – the planned exercise for October was postponed and will be re-scheduled for February / March 2019.
- Sergeant Carter has been transferred and her replacement will commence in December.
- Cr Sachse and RO attended a DEMC meeting in Northam on Thursday 1 November 2018.
- Jo Spadaccini has been seconded to Perth for six (6) months.
- The afternoon session of the DEMC contained a briefing from BOM on the seasonal outlook and the services provided by BOM.
- There would be no compromise to the provision of water from the standpipes as a result of a change to the charging rates instigated by the Water Corporation

5.0 Other Reports

5.1 Chief Bush Fire Control Officer

- The Prohibited Burning season commenced on Thursday 1st November 2018 and is in force until Thursday 31st January 2019.
- Water tanks have been installed at Billibinning (50,000 litres) and Marshall Rock (45,000 litres)
- Full loadings are substantial and road verges not being sprayed or slashed are a concern.
- Fire appliances are getting more technical and require volunteers to spend more time familiarising themselves with the operating procedures of the appliances.

5.2 St John Ambulance Services

- AGM was held on Thursday 22 August 2018 in Bencubbin at 7.30pm
- Next committee meeting to be held on Wednesday 14 November 2018.
- A replacement van had been purchased for Bencubbin but not delivered.
- Beacon will receive a replacement in due course.
- Adam Harvey concert was very well presented.
- What type of lighting is being considered at the Beacon airstrip?
- What is the procedure for an ambulance to attend an incident in a paddock when a Harvest and Movement of Machinery in Paddock Ban has been implemented?

24B. Activities excepted from Act s. 22B(2) prescribed (Act s. 22B(4))

- (1) For the purposes of section 22B(4) of the Act, an activity that is carried out for the purpose of preventing an immediate and serious risk to the health or safety of a person or livestock is prescribed.
- (2) Subregulation (1) applies to an activity only if all reasonable precautions have been taken to prevent the activity from creating a bush fire danger.

[Regulation 24B inserted in Gazette 1 Dec 2009 p. 4834.]

- Farmers are required to have a minimum of 400 litres of water on site during harvesting operations and if necessary a fire appliance would be dispatched with the ambulance.

5.3 Department of Fire & Emergency Services

- RO continues to liaise with DFES manager regarding training.
- Community members appear reluctant to register for training, with the exception of brigade members from Welbungin.

5.4 Department of Child Protection and Family Services

District Emergency Services Officer – Wheatbelt Update: October 2018

The Local Emergency Management Plan for the Provision of Welfare Support (LWP) have been updated with details that were provided to me up to the end of September 2018. The plans remain in the old format at this stage but will be changed over to the new templates and will be renamed as the Local Emergency Welfare Plan (LEWP) Once the New State Welfare Plan has been endorsed by SEMC. Once completed they will be sent out to each of the Local Governments they refer to and will be tabled at the next available LEMC.

If any there are any changes to contact details or suppliers within your Shire please send them through to joanne.spadaccini@communities.wa.gov.au and they will be updated in the new version.

Department of Communities - Wheatbelt District - Contact arrangement for welfare support in emergencies.

In an emergency, if welfare support services are required, during business hours please contact the Department of Communities office listed in your LWP or after hours contact Crisis Care on 1800 199 008 to activate Communities.

During business hours the District Emergency Services officer is contactable on 0429 102 614, but as they are often on the road and out of phone service range, in the event of an emergency please contact your local office as your first point of contact. After business hours please contact Crisis Care as your first point of contact.

Local Government Guide and Checklist for Opening and Coordination of a Welfare Evacuation Centre

The feedback on the guide has been really positive, with some LGAs using it to develop their own processes and procedures for activation within their offices.

If you have any questions regarding the guide please let me know.

2018/2019 Training and Exercises

Exercise Microburst was completed in both Corrigin and Narrogin in June and In Bruce Rock in September. York Beverley and Brookton will get their opportunity in York on Monday 5th November. Feedback has been very positive to all sessions.

From April 2019, Evacuation Centre training and the Microburst exercise will be rolled out around the Wheatbelt. Each session will be planned for 3 to 4 surrounding LGs to participate in as this allows for increased awareness of how your neighbouring Shires will respond if an event was to happen.

DESO Whereabouts

I am currently acting in the Senior Project and Planning Officer Role in our Perth Unit and my Wheatbelt DESO role in Northam is being advertised. Until they have a person in my role I will be covering both positions. Once the new person is in the role I will send out their details and introduce them to as many of the Shires as I can. The phone number will remain the same as will the procedure for contacting them in the event of an activation.

If you would like any further information please call my mobile 0429 102 614 or email me (my new email address is joanne.spadaccini@communities.wa.gov.au)

Kind regards

Jo Spadaccini
Senior Project and Planning Officer (Acting)
Department of Communities - Emergency Services Unit
PO Box 6334, East Perth 6004
0429 102 614

5.5 Education Department

Beacon Primary School to provide the LEMC with a copy of its Emergency and Critical Incident Management Plan and Bush Fire Plan.

5.6 Bencubbin Police

Nil

5.7 Silver Chain Nursing Association

A new RAN would be commencing in Beacon on 12 December 2018
Beacon internet service was “hit and miss,” CEO, Mr John Nuttall suggested that the Silver Chain might like to sign up for the new Chrisp Wireless service.
Bencubbin Silver Chain would be open over the Christmas period, but maybe not during the New Year.

5.8 Disabilities Service Commission

Nil

5.9 Community Development

- CDO to liaise with the community and schools in regards to a presentation by SJA on the correct procedure to be followed as a result of a snake bite.

6.0 General Business

Nil

7.0 New Business of an Urgent Nature Introduced by Decision of the Meeting

Nil

8.0 Next Meeting – Tuesday 12 February 2019 commencing at 3.30pm in Council Chambers, 80 Monger Street, Bencubbin

9.0 Closure of Meeting

There being no further business the meeting closed at 4.35pm

These Minutes were confirmed at the Local Emergency Management Committee Meeting held on Tuesday 12th February 2019

Date

Cr ARC Sachse

Chair

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

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COMMUNITY VISION

Build an active, safe and vibrant community with shared social values based on mutual respect and fairness.

Principal place of business:
80 Monger Street
Bencubbin
WA 6477

**SHIRE OF MT MARSHALL
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018**

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

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

Signed on the

18th day of

December 2018



John Nuttall
Chief Executive Officer

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

| | NOTE | 2018 Actual \$ | 2018 Budget \$ | 2017 Actual \$ |
|--|-------|----------------------|----------------------|----------------------|
| Revenue | | | | |
| Rates | 24(a) | 1,394,128 | 1,388,256 | 1,327,625 |
| Operating grants, subsidies and contributions | 2(a) | 2,667,789 | 1,602,033 | 3,473,460 |
| Fees and charges | 2(a) | 512,654 | 551,882 | 524,373 |
| Interest earnings | 2(a) | 131,092 | 112,956 | 81,775 |
| Other revenue | 2(a) | 284,948 | 181,940 | 193,429 |
| | | 4,990,611 | 3,837,067 | 5,600,662 |
| Expenses | | | | |
| Employee costs | | (1,540,941) | (1,328,067) | (1,479,303) |
| Materials and contracts | | (1,563,290) | (1,983,595) | (1,192,417) |
| Utility charges | | (154,321) | (163,970) | (143,513) |
| Depreciation on non-current assets | 10(b) | (2,453,975) | (2,272,558) | (2,946,659) |
| Interest expenses | 2(b) | (51,606) | (51,960) | (18,989) |
| Insurance expenses | | (107,124) | (138,190) | (145,905) |
| Other expenditure | | (228,368) | (120,121) | (172,018) |
| | | (6,099,625) | (6,058,461) | (6,098,804) |
| | | (1,109,014) | (2,221,394) | (498,142) |
| Non-operating grants, subsidies and contributions | 2(a) | 3,033,313 | 2,751,808 | 2,375,395 |
| Profit on asset disposals | 10(a) | 23,305 | 73,000 | 19,208 |
| (Loss) on asset disposals | 10(a) | (84,739) | (133,000) | (235,242) |
| Fair value adjustments to financial assets at fair value through profit or loss | 4 | 70,068 | 0 | 0 |
| Net result | | 1,932,933 | 470,414 | 1,661,219 |
| Other comprehensive income | | | | |
| <i>Items that will not be reclassified subsequently to profit or loss</i> | | | | |
| Changes on revaluation of non-current assets | 11 | (1,617,867) | 0 | 2,407,203 |
| Reversal of Prior years revaluation of disposed land and buildings | | 0 | 0 | 51,721 |
| Total other comprehensive income | | (1,617,867) | 0 | 2,458,924 |
| Total comprehensive income | | 315,066 | 470,414 | 4,120,143 |

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

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

| | NOTE | 2018 Actual \$ | 2018 Budget \$ | 2017 Actual \$ |
|---|-------|----------------------|----------------------|----------------------|
| Revenue | | | | |
| | 2(a) | | | |
| Governance | | 45,634 | 28,399 | 49,490 |
| General purpose funding | | 3,791,814 | 2,669,903 | 4,836,924 |
| Law, order, public safety | | 19,998 | 13,443 | 16,246 |
| Health | | 183,142 | 70,800 | 0 |
| Education and welfare | | 100,724 | 81,101 | 80,434 |
| Housing | | 196,349 | 170,820 | 172,430 |
| Community amenities | | 159,347 | 139,899 | 134,683 |
| Recreation and culture | | 26,978 | 34,049 | 45,688 |
| Transport | | 207,975 | 272,120 | 6,753 |
| Economic services | | 173,250 | 221,935 | 201,433 |
| Other property and services | | 85,400 | 74,600 | 56,581 |
| | | 4,990,611 | 3,777,069 | 5,600,662 |
| Expenses | | | | |
| | 2(a) | | | |
| Governance | | (402,719) | (431,176) | (354,798) |
| General purpose funding | | (79,134) | (68,574) | (105,144) |
| Law, order, public safety | | (171,693) | (112,080) | (90,872) |
| Health | | (251,236) | (267,025) | (146,457) |
| Education and welfare | | (329,493) | (243,435) | (219,609) |
| Housing | | (494,912) | (450,589) | (326,167) |
| Community amenities | | (230,345) | (257,623) | (249,870) |
| Recreation and culture | | (879,056) | (804,675) | (761,292) |
| Transport | | (2,776,151) | (2,723,956) | (3,431,458) |
| Economic services | | (413,751) | (562,388) | (375,173) |
| Other property and services | | (19,529) | (24,982) | (18,975) |
| | | (6,048,019) | (5,946,503) | (6,079,815) |
| Finance Costs | | | | |
| | 2(b) | | | |
| General purpose funding | | (791) | (797) | (1,371) |
| Housing | | (6,291) | (6,348) | (9,629) |
| Recreation and culture | | (44,524) | (44,815) | (7,925) |
| Economic services | | 0 | 0 | (64) |
| | | (51,606) | (51,960) | (18,989) |
| | | (1,109,014) | (2,221,394) | (498,142) |
| Non-operating grants, subsidies and contributions | 2(a) | 3,033,313 | 2,751,808 | 2,375,395 |
| Profit on disposal of assets | 10(a) | 23,305 | 73,000 | 19,208 |
| (Loss) on disposal of assets | 10(a) | (84,739) | (133,000) | (235,242) |
| Fair value adjustments to financial assets at fair value through profit or loss | 4 | 70,068 | 0 | 0 |
| | | 3,041,947 | 2,691,808 | 2,159,361 |
| Net result | | 1,932,933 | 470,414 | 1,661,219 |
| Other comprehensive income | | | | |
| <i>Items that will not be reclassified subsequently to profit or loss</i> | | | | |
| Changes on revaluation of non-current assets | 11 | (1,617,867) | 0 | 2,407,203 |
| Reversal of Prior years revaluation of disposed Land and Buildings | | 0 | 0 | 51,721 |
| Total other comprehensive income | | (1,617,867) | 0 | 2,458,924 |
| Total comprehensive income | | 315,066 | 470,414 | 4,120,143 |

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

**STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2018**

| | NOTE | 2018 \$ | 2017 \$ |
|---|-------|--------------------|--------------------|
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 3 | 4,629,019 | 5,971,278 |
| Trade and other receivables | 6 | 388,399 | 276,255 |
| Inventories | 7 | 10,554 | 21,963 |
| TOTAL CURRENT ASSETS | | 5,027,972 | 6,269,496 |
| NON-CURRENT ASSETS | | | |
| Other receivables | 6 | 231,452 | 10,083 |
| Investment | 4 | 70,068 | 0 |
| Property, plant and equipment | 8 | 19,431,942 | 17,153,887 |
| Infrastructure | 9 | 89,267,953 | 90,476,261 |
| TOTAL NON-CURRENT ASSETS | | 109,001,415 | 107,640,231 |
| TOTAL ASSETS | | 114,029,387 | 113,909,727 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 12 | 737,672 | 814,716 |
| Current portion of long term borrowings | 13(a) | 109,182 | 106,412 |
| Provisions | 14 | 216,066 | 228,574 |
| TOTAL CURRENT LIABILITIES | | 1,062,920 | 1,149,702 |
| NON-CURRENT LIABILITIES | | | |
| Long term borrowings | 13(a) | 1,092,578 | 1,201,759 |
| Provisions | 14 | 17,939 | 17,382 |
| TOTAL NON-CURRENT LIABILITIES | | 1,110,517 | 1,219,141 |
| TOTAL LIABILITIES | | 2,173,437 | 2,368,843 |
| NET ASSETS | | 111,855,950 | 111,540,884 |
| EQUITY | | | |
| Retained surplus | | 80,394,688 | 77,607,676 |
| Reserves - cash backed | 5 | 2,669,161 | 3,523,240 |
| Revaluation surplus | 11 | 28,792,101 | 30,409,968 |
| TOTAL EQUITY | | 111,855,950 | 111,540,884 |

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

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

| | NOTE | RESERVES | | | TOTAL EQUITY |
|-----------------------------------|------|---------------------|---------------------------|------------------------|--------------------|
| | | RETAINED SURPLUS | CASH/INVESTMENT BACKED | REVALUATION SURPLUS | |
| | | \$ | \$ | \$ | \$ |
| Balance as at 1 July 2016 | | 77,294,455 | 2,123,521 | 28,054,486 | 107,472,462 |
| Comprehensive income | | | | | |
| Net result | | 1,661,219 | 0 | 0 | 1,661,219 |
| Changes on revaluation of assets | 11 | 51,721 | 0 | 2,355,482 | 2,407,203 |
| Total comprehensive income | | 1,712,940 | 0 | 2,355,482 | 4,068,422 |
| Transfers from/(to) reserves | | (1,399,719) | 1,399,719 | 0 | 0 |
| Balance as at 30 June 2017 | | 77,607,676 | 3,523,240 | 30,409,968 | 111,540,884 |
| Comprehensive income | | | | | |
| Net result | | 1,932,933 | 0 | 0 | 1,932,933 |
| Changes on revaluation of assets | 11 | 0 | 0 | (1,617,867) | (1,617,867) |
| Total comprehensive income | | 1,932,933 | 0 | (1,617,867) | 315,066 |
| Transfers from/(to) reserves | | 854,079 | (854,079) | 0 | 0 |
| Balance as at 30 June 2018 | | 80,394,688 | 2,669,161 | 28,792,101 | 111,855,950 |

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

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

| | NOTE | 2018 Actual | 2018 Budget | 2017 Actual |
|---|------|----------------|----------------|----------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | \$ | \$ | \$ |
| Receipts | | | | |
| Rates | | 1,414,581 | 1,388,256 | 1,316,911 |
| Operating grants, subsidies and contributions | | 2,634,289 | 1,602,033 | 3,725,766 |
| Fees and charges | | 512,654 | 551,882 | 524,373 |
| Interest earnings | | 129,461 | 112,956 | 81,775 |
| Goods and services tax | | 603,666 | 0 | 0 |
| Other revenue | | 281,906 | 181,940 | 193,429 |
| | | 5,576,557 | 3,837,067 | 5,842,254 |
| Payments | | | | |
| Employee costs | | (1,481,639) | (1,328,067) | (1,493,532) |
| Materials and contracts | | (1,722,289) | (1,983,595) | (677,743) |
| Utility charges | | (154,321) | (163,970) | (143,513) |
| Interest expenses | | (51,960) | (51,960) | (11,413) |
| Insurance expenses | | (107,124) | (138,190) | (145,905) |
| Goods and services tax | | (665,821) | 0 | 249 |
| Other expenditure | | (228,948) | (125,121) | (172,047) |
| | | (4,412,102) | (3,790,903) | (2,643,904) |
| Net cash provided by (used in) operating activities | 15 | 1,164,455 | 46,164 | 3,198,350 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Payments for purchase of property, plant & equipment | | (3,138,210) | (3,230,361) | (1,590,699) |
| Payments for construction of infrastructure | | (2,273,928) | (2,679,978) | (2,089,976) |
| Advances to community groups | | (250,000) | 0 | 0 |
| Non-operating grants, subsidies and contributions | | 3,033,313 | 2,751,808 | 2,375,366 |
| Proceeds from sale of fixed assets | | 209,115 | 260,000 | 197,542 |
| Net cash provided by (used in) investment activities | | (2,419,710) | (2,898,531) | (1,107,767) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | |
| Repayment of long term borrowings | | (106,411) | (106,412) | (74,272) |
| Proceeds from self supporting loans | | 19,407 | 10,913 | 10,333 |
| Proceeds from new long term borrowings | | 0 | 0 | 1,173,900 |
| Net cash provided by (used in) financing activities | | (87,004) | (95,499) | 1,109,961 |
| Net increase (decrease) in cash held | | (1,342,259) | (2,947,866) | 3,200,544 |
| Cash at beginning of year | | 5,971,278 | 5,971,278 | 2,770,734 |
| Cash and cash equivalents at the end of the year | 15 | 4,629,019 | 3,023,412 | 5,971,278 |

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

**RATE SETTING STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2018**

| | NOTE | 2018 Actual | 2018 Budget | 2017 Actual |
|---|-------|------------------|----------------|------------------|
| | | \$ | \$ | \$ |
| OPERATING ACTIVITIES | | | | |
| Net current assets at start of financial year - surplus/(deficit) | | 1,788,610 | 1,787,900 | 735,446 |
| | | 1,788,610 | 1,787,900 | 735,446 |
| Revenue from operating activities (excluding rates) | | | | |
| Governance | | 51,916 | 28,399 | 49,490 |
| General purpose funding | | 2,517,318 | 1,334,173 | 3,533,181 |
| Law, order, public safety | | 19,998 | 13,443 | 16,246 |
| Health | | 183,142 | 130,800 | 0 |
| Education and welfare | | 100,724 | 81,101 | 80,434 |
| Housing | | 196,349 | 170,820 | 172,430 |
| Community amenities | | 159,347 | 139,899 | 134,683 |
| Recreation and culture | | 26,978 | 34,049 | 45,688 |
| Transport | | 224,998 | 272,120 | 25,961 |
| Economic services | | 173,250 | 221,935 | 201,433 |
| Other property and services | | 85,400 | 74,600 | 56,581 |
| | | 3,739,420 | 2,501,339 | 4,316,127 |
| Expenditure from operating activities | | | | |
| Governance | | (402,719) | (431,176) | (357,127) |
| General purpose funding | | (79,925) | (69,371) | (106,515) |
| Law, order, public safety | | (206,269) | (112,080) | (132,004) |
| Health | | (251,236) | (267,025) | (146,457) |
| Education and welfare | | (329,493) | (243,435) | (219,609) |
| Housing | | (547,259) | (541,937) | (389,369) |
| Community amenities | | (230,345) | (257,623) | (249,870) |
| Recreation and culture | | (923,580) | (849,490) | (869,037) |
| Transport | | (2,780,258) | (2,771,956) | (3,469,846) |
| Economic services | | (413,751) | (562,388) | (375,237) |
| Other property and services | | (19,529) | (24,982) | (18,975) |
| | | (6,184,364) | (6,131,463) | (6,334,046) |
| Operating activities excluded | | | | |
| (Profit) on disposal of assets | 10(a) | (23,305) | (73,000) | (19,208) |
| Loss on disposal of assets | 10(a) | 84,739 | 133,000 | 235,242 |
| Initial recognition of investments | 4 | (70,068) | 0 | 0 |
| Movement in deferred pensioner rates (non-current) | | (418) | 0 | 0 |
| Movement in employee benefit provisions (non-current) | | 557 | 4 | 1,607 |
| Movement in employee entitlements reserve | | 2,255 | 0 | 2,035 |
| Depreciation and amortisation on assets | 10(b) | 2,453,975 | 2,272,558 | 2,946,659 |
| Amount attributable to operating activities | | 1,791,401 | 490,338 | 1,883,862 |
| INVESTING ACTIVITIES | | | | |
| Non-operating grants, subsidies and contributions | | 3,033,313 | 2,751,808 | 2,375,395 |
| Proceeds from disposal of assets | 10(a) | 209,115 | 260,000 | 197,542 |
| Purchase of property, plant and equipment | 8(b) | (3,138,210) | (3,230,361) | (1,590,699) |
| Purchase and construction of infrastructure | 9(b) | (2,273,928) | (2,679,978) | (2,089,976) |
| Amount attributable to investing activities | | (2,169,710) | (2,898,531) | (1,107,738) |
| FINANCING ACTIVITIES | | | | |
| Advances to community groups | | (250,000) | 0 | 0 |
| Repayment of long term borrowings | 13(a) | (106,411) | (106,412) | (74,272) |
| Proceeds from new long term borrowings | 13(b) | 0 | 0 | 1,173,900 |
| Proceeds from self supporting loans | 13(a) | 19,407 | 19,407 | 10,333 |
| Transfers to reserves (restricted assets) | 5 | (809,048) | (486,659) | (1,466,958) |
| Transfers from reserves (restricted assets) | 5 | 1,663,127 | 1,633,127 | 67,239 |
| Amount attributable to financing activities | | 517,075 | 1,059,463 | (289,758) |
| Surplus(deficiency) before general rates | | 138,766 | (1,348,730) | 486,366 |
| Total amount raised from general rates | 24 | 1,344,564 | 1,348,730 | 1,303,743 |
| Net current assets at June 30 c/fwd - surplus/(deficit) | 25 | 1,483,330 | 0 | 1,790,109 |

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

1. BASIS OF PREPARATION

The financial report comprises general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities and to the extent they are not in-consistent with the *Local Government Act 1995* and accompanying regulations.), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the *Local Government Act 1995* and accompanying regulations. Accounting policies which have been adopted in the preparation of this financial report have been consistently applied unless stated otherwise.

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

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

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 City 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 26 to these financial statements.

2. REVENUE AND EXPENSES

(a) Revenue

Other revenue

| | | |
|-------------------------------|---------|---------|
| Reimbursements and recoveries | 271,908 | 126,362 |
| Other | 13,040 | 67,067 |

Fees and Charges

| | 2018 Actual | 2017 Actual |
|-----------------------------|----------------|----------------|
| | \$ | \$ |
| Governance | 1,423 | 1,807 |
| General purpose funding | 1,188 | 1,155 |
| Law, order, public safety | 2,928 | 1,446 |
| Education and welfare | 48,613 | 40,495 |
| Housing | 175,976 | 167,501 |
| Community amenities | 110,381 | 96,744 |
| Recreation and culture | 6,835 | 7,032 |
| Economic services | 156,461 | 201,147 |
| Other property and services | 8,849 | 7,046 |
| | 512,654 | 524,373 |

There were two amendments to the Fees and Charges in the financial year 2017/2018.

1. Fees and Charges Amendment - Community Bus Hire - Item 12.1.56 Minutes dated 6 December 2017

That: 1. Subject to section 6.12(1)(b) of the Local Government Act 1995, the portion of the fee (relating to 94 kilometres) charged for the community bus to attend the Kalannie Concert relating to the travel from Bencubbin to Beacon and return be waived.

2. Subject to section 6.13(3)(b) of the Local Government Act 1995, the fee charged for use of the community bus be amended by adding the words "Beacon Bus Service Subsidy - first 86 kms".

2. Fees and Charges Amendment - New Fee - Item 14.2 Minutes dated 17 March 2018

That Council, subject to the Local Government Act 1995 section 6.16, impose new charges as follows:

* Private Works Labour - \$90 per hour

* Hire of Temporary Site Fencing - \$1 per metre per month

Effective as of Wednesday 18 April 2018

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Grant Revenue

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

| | 2018 | 2017 |
|--|------------------|------------------|
| | \$ | \$ |
| Operating grants, subsidies and contributions | | |
| Governance | 15,635 | 0 |
| General purpose funding | 2,266,733 | 3,386,783 |
| Law, order, public safety | 16,580 | 14,303 |
| Health | 35,504 | 0 |
| Education and welfare | 39,601 | 39,374 |
| Housing | 979 | 0 |
| Community amenities | 48,875 | 33,000 |
| Transport | 199,528 | 0 |
| Other property and services | 44,354 | 0 |
| | 2,667,789 | 3,473,460 |
| Non-operating grants, subsidies and contributions | | |
| Law, order, public safety | 330,521 | 726,348 |
| Recreation and culture | 1,267,400 | 15,206 |
| Transport | 1,435,392 | 1,633,841 |
| | 3,033,313 | 2,375,395 |
| Total grants, subsidies and contributions | 5,701,102 | 5,848,855 |

SIGNIFICANT ACCOUNTING POLICIES

Grants, Donations and Other Contributions

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

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

Grants, Donations and Other Contributions (Continued)

a particular period, and those conditions were undischarged as at the reporting date, the nature of and amounts pertaining to those undischarged conditions are disclosed in Note 23. That note also discloses the amount of contributions recognised as revenues in a previous reporting period which were obtained in respect of the local government's operations for the current period.

Interest earnings

- Loans receivable - clubs/institutions
 - Reserve funds
 - Other funds
- Other interest revenue (refer note 23 (e))

| 2018 Actual | 2018 Budget | 2017 Actual |
|----------------|----------------|----------------|
| \$ | \$ | \$ |
| 11,972 | 0 | 0 |
| 85,474 | 87,056 | 50,873 |
| 16,379 | 10,000 | 13,479 |
| 17,267 | 15,900 | 17,423 |
| 131,092 | 112,956 | 81,775 |

2. REVENUE AND EXPENSES (Continued)

(b) Expenses

Auditors remuneration

- Audit of the Annual Financial Report
- Other services

Interest expenses (finance costs)

Long term borrowings (refer Note 13(a))

| | 2018 | 2017 |
|--|--------|--------|
| | \$ | \$ |
| | 21,985 | 23,901 |
| | 850 | 3,062 |
| | 22,835 | 26,963 |
| | 51,606 | 18,989 |
| | 51,606 | 18,989 |

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

3. CASH AND CASH EQUIVALENTS

| | NOTE | 2018 \$ | 2017 \$ |
|---|------|------------|------------|
| Unrestricted | | 1,870,639 | 2,221,394 |
| Restricted | | 2,758,380 | 3,749,884 |
| | | 4,629,019 | 5,971,278 |
| The following restrictions have been imposed by regulations or other externally imposed requirements: | | | |
| Employee Entitlements | 5 | 95,669 | 93,414 |
| Plant Replacement | 5 | 645,180 | 423,392 |
| Aged Care Units | 5 | 91,017 | 169,020 |
| Community Housing | 5 | 0 | 39,103 |
| Council Staff Housing | 5 | 291,450 | 33,500 |
| Public Amenities & Buildings | 5 | 254,808 | 552,005 |
| Mt Marshall Aquatic Centre Development | 5 | 940,024 | 868,179 |
| Community Bus | 5 | 117,847 | 115,072 |
| Bencubbin Recreation Complex | 5 | 4,081 | 1,138,653 |
| Office Equipment | 5 | 16,325 | 15,941 |
| Economic Development | 5 | 75,602 | 4,250 |
| Integrated Planning/Financial Reporting | 5 | 0 | 1,877 |
| Beacon Accommodation | 5 | 121,384 | 68,834 |
| Medical Enhancement | 5 | 7,633 | 0 |
| Bencubbin Community Resource Centre | 5 | 8,141 | 0 |
| Unspent grants | 23 | 89,219 | 226,644 |
| | | 2,758,380 | 3,749,884 |

SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks and other short term highly liquid investments with original maturities of three months

or less that are readily convertible to known amounts of

Cash and cash equivalents (Continued)

cash and which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are reported as short term borrowings in current liabilities in the statement of financial position.

4. INVESTMENTS

Non-current

Financial assets at fair value through profit and loss

Financial assets at fair value through profit and loss

At the beginning of the year

Revaluation to income statement

Governance

Disposals

At the end of the year

Non-current

Interest in Local Government House Trust

| 2018 | 2017 |
|--------|------|
| \$ | \$ |
| 70,068 | 0 |
| 0 | 0 |
| 70,068 | 0 |
| 70,068 | 0 |
| 0 | 0 |
| 70,068 | 0 |
| 70,068 | 0 |
| 70,068 | 0 |
| 70,068 | 0 |

The Shire, along with other Local Authorities is a beneficiary of the Local Government Unit Trust. The Shire of Mt Marshall for the first time has capitalised the price paid for its 4 units in the Trust. As set out in the Trust Deed, units in the Trust can only be issued to Local Authorities recognised under the Local Government Act and cannot be commercially traded.

SIGNIFICANT ACCOUNTING POLICIES

Classification and subsequent measurement

(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) 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.

(iii) 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.

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).

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 classified as non-current.

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.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment (Continued)

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.

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:

- the amount in which the financial asset or financial liability is measured at initial recognition;
- less principal repayments and any reduction for impairment; and
- 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.

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.

5. RESERVES - CASH BACKED

| | 2018 Actual Opening Balance | 2018 Actual Transfer to | 2018 Actual Transfer (from) | 2018 Actual Closing Balance | 2018 Budget Opening Balance | 2018 Budget Transfer to | 2018 Budget Transfer (from) | 2018 Budget Closing Balance | 2017 Actual Opening Balance | 2017 Actual Transfer to | 2017 Actual Transfer (from) | 2017 Actual Closing Balance |
|---|--------------------------------------|----------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|----------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|----------------------------------|--------------------------------------|--------------------------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Employee Entitlements | 93,414 | 2,255 | 0 | 95,669 | 93,414 | 2,335 | 0 | 95,749 | 91,379 | 2,035 | 0 | 93,414 |
| Plant Replacement | 423,392 | 294,788 | (73,000) | 645,180 | 423,392 | 10,585 | (73,000) | 360,977 | 414,163 | 9,229 | 0 | 423,392 |
| Aged Care Units | 169,020 | 3,597 | (81,600) | 91,017 | 169,020 | 4,225 | (81,600) | 91,645 | 66,563 | 102,457 | 0 | 169,020 |
| Community Housing | 39,103 | 0 | (39,103) | 0 | 39,103 | 0 | (39,103) | 0 | 38,250 | 853 | 0 | 39,103 |
| Council Staff Housing | 33,500 | 257,950 | 0 | 291,450 | 33,501 | 214,941 | 0 | 248,442 | 32,771 | 729 | 0 | 33,500 |
| Public Amenities & Buildings | 552,005 | 11,503 | (308,700) | 254,808 | 552,005 | 13,800 | (308,700) | 257,105 | 539,973 | 12,032 | 0 | 552,005 |
| Mt Marshall Aquatic Centre Development | 868,179 | 71,845 | 0 | 940,024 | 868,179 | 71,704 | 0 | 939,883 | 740,930 | 127,249 | 0 | 868,179 |
| Community Bus | 115,072 | 2,775 | 0 | 117,847 | 115,072 | 2,877 | 0 | 117,949 | 112,565 | 2,507 | 0 | 115,072 |
| Bencubbin Recreation Complex | 1,138,653 | 24,275 | (1,158,847) | 4,081 | 1,138,653 | 28,466 | (1,128,847) | 38,272 | 7,967 | 1,182,925 | (52,239) | 1,138,653 |
| Office Equipment | 15,941 | 384 | 0 | 16,325 | 15,941 | 399 | 0 | 16,340 | 15,594 | 347 | 0 | 15,941 |
| Economic Development | 4,250 | 71,352 | 0 | 75,602 | 4,250 | 70,106 | 0 | 74,356 | 4,156 | 94 | 0 | 4,250 |
| Integrated Planning/Financial Reporting | 1,877 | 0 | (1,877) | 0 | 1,877 | 0 | (1,877) | 0 | 16,571 | 306 | (15,000) | 1,877 |
| Beacon Accommodation | 68,834 | 52,550 | 0 | 121,384 | 68,834 | 51,721 | 0 | 120,554 | 42,639 | 26,195 | 0 | 68,834 |
| Medical Enhancement | 0 | 7,633 | 0 | 7,633 | 0 | 7,500 | 0 | 7,500 | 0 | 0 | 0 | 0 |
| Bencubbin Community Resource Centre | 0 | 8,141 | 0 | 8,141 | 0 | 8,000 | 0 | 8,000 | 0 | 0 | 0 | 0 |
| | 3,523,240 | 809,048 | (1,663,127) | 2,669,161 | 3,523,241 | 486,659 | (1,633,127) | 2,376,772 | 2,123,521 | 1,466,958 | (67,239) | 3,523,240 |

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

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

| Name of Reserve | Anticipated date of use | Purpose of the reserve |
|---|-------------------------|--|
| Employee Entitlements | Ongoing | to fund Long Service Leave required/other accrued leave. |
| Plant Replacement | Ongoing | to fund the purchase of road construction plant, so as to avoid undue heavy burden in a single year. |
| Aged Care Units | Ongoing | to fund capital works on existing Aged Care Units or construction of new Aged Care Units. |
| Community Housing | Ongoing | to fund future maintenance of Homeswest Joint Venture/Community Housing projects. |
| Council Staff Housing | Ongoing | to fund the replacement of staff housing and any major maintenance. |
| Public Amenities & Buildings | June 2020 | to help fund future building maintenance requirements to the shire's buildings. |
| Mt Marshall Aquatic Centre Development | June 2019 | to finance future capital and maintenance upgrades for the Bencubbin Aquatic centre. |
| Community Bus | June 2018 | to finance the replacement of the community bus. |
| Bencubbin Recreation Complex | June 2018 | to provide funding for future extensions to the Bencubbin Complex. |
| Office Equipment | Ongoing | to replace office equipment as required. |
| Economic Development | Ongoing | to set aside funds for Economic Development initiatives. |
| Integrated Planning/Financial Reporting | June 2018 | to set aside funds for expenditure on Council's integrated planning process. |
| Beacon Accommodation | June 2019 | to set aside funds for reconstruction or major maintenance on the Beacon Barracks. |
| Medical Enhancement | Ongoing | to be used for projects that may arise through the NEWROC Health Strategy. |
| Bencubbin Community Resource Centre | Ongoing | to be used for refurbishment of the Bencubbin Community Resource Centre |

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

6. TRADE AND OTHER RECEIVABLES

Current

| | 2018 | 2017 |
|---------------------------------------|----------|----------|
| | \$ | \$ |
| Rates outstanding | 109,889 | 130,760 |
| Sundry debtors | 240,843 | 201,159 |
| GST receivable | 85,200 | 0 |
| Loans receivable - clubs/institutions | 17,411 | 7,769 |
| Accrued Income | 4,673 | 0 |
| Provision for doubtful debts | (69,617) | (63,433) |
| | 388,399 | 276,255 |

Non-current

| | | |
|---------------------------------------|---------|--------|
| Rates outstanding - pensioners | 1,915 | 1,497 |
| Loans receivable - clubs/institutions | 229,537 | 8,586 |
| | 231,452 | 10,083 |

Information with respect the impairment or otherwise of the totals of rates outstanding and sundry debtors is as follows:

Rates outstanding

Includes:

| | | |
|---------------------------|--------|---------|
| Past due and not impaired | 90,544 | 115,156 |
| Impaired | 21,260 | 17,101 |

The table illustrates the rates outstanding aging analysis (including non current pensioners)

| | | |
|---------------------|---------|---------|
| Up to one year | 54,011 | 68,429 |
| One to three years | 51,028 | 44,214 |
| Three or more years | 6,765 | 19,614 |
| | 111,804 | 132,257 |

Sundry debtors

Includes:

| | | |
|---------------------------|--------|---------|
| Past due and not impaired | 18,167 | 150,966 |
| Impaired | 48,357 | 50,193 |

The table illustrates the sundry debtors aging analysis

| | | |
|----------------------|---------|---------|
| Up to one month | 174,319 | 142,816 |
| One to three months | 7,210 | 5,863 |
| Three or more months | 59,314 | 52,480 |
| | 240,843 | 201,159 |

6. TRADE AND OTHER RECEIVABLES (Continued)

SIGNIFICANT ACCOUNTING POLICIES

Trade and other receivables

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

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

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

Classification and subsequent measurement

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

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

7. INVENTORIES

Current

Fuel and materials

| 2018 | 2017 |
|--------|--------|
| \$ | \$ |
| 10,554 | 21,963 |
| 10,554 | 21,963 |

SIGNIFICANT ACCOUNTING POLICIES

General

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

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

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

8 (a). PROPERTY, PLANT AND EQUIPMENT

| | 2018 | 2017 |
|---|-------------------|-------------------|
| | \$ | \$ |
| Land and buildings | | |
| Land - freehold land at: | | |
| - Independent valuation 2017 - level 2 | 742,359 | 756,359 |
| - Independent valuation 2017 - level 3 | 1,000 | 1,000 |
| - Land at Cost | 7,130 | 7,130 |
| | 750,489 | 764,489 |
| Land - vested in and under the control of Council at: | | |
| - Independent valuation 2017 - level 3 | 372,057 | 372,057 |
| | 372,057 | 372,057 |
| Total land | 1,122,546 | 1,136,546 |
| Buildings - non-specialised at: | | |
| - Independent valuation 2017 - level 2 | 2,288,397 | 2,336,000 |
| Less: accumulated depreciation | (84,944) | 0 |
| | 2,203,453 | 2,336,000 |
| Buildings - specialised at: | | |
| - Independent valuation 2017 - level 3 | 10,484,980 | 10,484,980 |
| - Additions after valuation - cost | 2,452,606 | 0 |
| Less: accumulated depreciation | (261,785) | 0 |
| | 12,675,801 | 10,484,980 |
| Total buildings | 14,879,254 | 12,820,980 |
| Total land and buildings | 16,001,800 | 13,957,526 |
| Furniture and equipment at: | | |
| - Management valuation 2016 - level 3 | 246,309 | 246,309 |
| Less: accumulated depreciation | (214,284) | (206,949) |
| | 32,025 | 39,360 |
| Plant and equipment at: | | |
| - Independent valuation 2016 - level 2 | 1,383,000 | 1,383,000 |
| - Management valuation 2016 - level 3 | 177,800 | 231,800 |
| - Additions after valuation - cost | 1,734,880 | 1,304,748 |
| Less: accumulated depreciation | (327,001) | (141,401) |
| | 2,968,679 | 2,778,147 |
| Motor Vehicles at: | | |
| - Independent valuation 2016 - level 2 | 177,496 | 327,000 |
| - Additions after valuation - cost | 315,641 | 82,566 |
| Less: accumulated depreciation | (63,699) | (30,712) |
| | 429,438 | 378,854 |
| Total property, plant and equipment | 19,431,942 | 17,153,887 |

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Movements in Carrying Amounts

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

| | Land - freehold land | Land - vested in and under the control of Council | Total land | Buildings - non- specialised | Buildings - specialised | Total buildings | Total land and buildings | Furniture and equipment | Plant and equipment | Motor Vehicles | Total property, plant and equipment |
|--|-------------------------|--|------------|---------------------------------|----------------------------|--------------------|--------------------------------|----------------------------|------------------------|-------------------|--|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Balance at 1 July 2016 | 877,000 | 372,057 | 1,249,057 | 2,394,080 | 8,158,930 | 10,553,010 | 11,802,067 | 47,387 | 1,848,825 | 350,000 | 14,048,279 |
| Additions | 7,130 | 0 | 7,130 | 0 | 196,255 | 196,255 | 203,385 | 0 | 1,304,748 | 82,566 | 1,590,699 |
| (Disposals) | (15,000) | 0 | (15,000) | (55,028) | (99,820) | (154,848) | (169,848) | 0 | (221,396) | (22,329) | (413,573) |
| Revaluation increments/ (decrements) transferred to revaluation surplus | (104,641) | 0 | (104,641) | 94,229 | 2,417,615 | 2,511,844 | 2,407,203 | 0 | 0 | 0 | 2,407,203 |
| Depreciation (expense) | 0 | 0 | 0 | (91,912) | (193,369) | (285,281) | (285,281) | (8,027) | (154,030) | (31,383) | (478,721) |
| Transfers | | | 0 | (5,369) | 5,369 | 0 | 0 | 0 | 0 | 0 | 0 |
| Carrying amount at 30 June 2017 | 764,489 | 372,057 | 1,136,546 | 2,336,000 | 10,484,980 | 12,820,980 | 13,957,526 | 39,360 | 2,778,147 | 378,854 | 17,153,887 |
| Additions | 0 | 0 | 0 | 22,397 | 2,452,606 | 2,475,003 | 2,475,003 | 0 | 430,132 | 233,075 | 3,138,210 |
| (Disposals) | (14,000) | 0 | (14,000) | (67,485) | 0 | (67,485) | (81,485) | 0 | (50,940) | (138,124) | (270,549) |
| Depreciation (expense) | 0 | 0 | 0 | (87,459) | (261,785) | (349,244) | (349,244) | (7,335) | (188,660) | (44,367) | (589,606) |
| Transfers | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Carrying amount at 30 June 2018 | 750,489 | 372,057 | 1,122,546 | 2,203,453 | 12,675,801 | 14,879,254 | 16,001,800 | 32,025 | 2,968,679 | 429,438 | 19,431,942 |

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

(c) Fair Value Measurements

| Asset Class | Fair Value Hierarchy | Valuation Technique | Basis of Valuation | Date of Last Valuation | Inputs Used |
|---|----------------------|--|--------------------------------|------------------------|---|
| Land and buildings | | | | | |
| Land - freehold land | 2 | Market approach using recent observable market data for similar properties | Independent registered valuers | June 2017 | Price per hectare |
| Land - freehold land | 3 | Improvements to land valued using cost approach using depreciated replacement cost | Independent registered valuers | June 2017 | Improvements to land using construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs |
| Land - vested in and under the control of Council | 3 | Improvements to land valued using cost approach using depreciated replacement cost | Independent registered valuers | June 2017 | Improvements to land using construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs |
| Buildings - non-specialised | 2 | Market approach using recent observable market data for similar properties | Independent registered valuers | June 2017 | Price per square metre |
| Buildings - specialised | 3 | Improvements to land valued using cost approach using depreciated replacement cost | Independent registered valuers | June 2017 | Improvements to land using construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs |
| Furniture and equipment | 3 | Cost approach using depreciated replacement cost | Management valuation | June 2016 | Purchase costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs |
| Plant and equipment | | | | | |
| - Independent valuation 2016 | 2 | Market approach using recent observable market data for similar items | Independent registered valuers | June 2016 | Price per item |
| - Management valuation 2016 | 3 | Cost approach using depreciated replacement cost | Management valuation | June 2016 | Purchase costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs |
| Motor Vehicles | 2 | Market approach using recent observable market data for similar items | Independent registered valuers | June 2016 | Price per item |

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

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

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

9 (a). INFRASTRUCTURE

Infrastructure - Roads

- Management valuation 2015 - level 3
- Management valuation 2018 - level 3
- Additions after valuation - cost
- Less: accumulated depreciation

| 2018 | 2017 |
|--------------|--------------|
| \$ | \$ |
| 0 | 108,016,733 |
| 115,212,656 | 0 |
| 0 | 3,824,768 |
| (30,993,474) | (26,234,239) |
| 84,219,182 | 85,607,262 |

Infrastructure - Footpaths

- Management valuation 2015 - level 3
- Management valuation 2018 - level 3
- Additions after valuation - cost
- Less: accumulated depreciation

| | |
|-----------|-----------|
| 0 | 1,091,023 |
| 1,149,337 | 0 |
| 0 | 21,171 |
| (321,352) | (520,936) |
| 827,985 | 591,258 |

Infrastructure - Parks and ovals

- Independent valuation 2015 - level 3
- Management valuation 2018 - level 3
- Less: accumulated depreciation

| | |
|-----------|-----------|
| 0 | 1,050,000 |
| 945,450 | 0 |
| (485,073) | (73,223) |
| 460,377 | 976,777 |

Infrastructure - Playground equipment

- Independent valuation 2015 - level 3
- Management valuation 2018 - level 3
- Less: accumulated depreciation

| | |
|----------|----------|
| 0 | 59,500 |
| 190,934 | 0 |
| (65,431) | (18,299) |
| 125,503 | 41,201 |

Infrastructure - Airports

- Independent valuation 2015 - level 3
- Management valuation 2018 - level 3
- Less: accumulated depreciation

| | |
|---------|----------|
| 0 | 790,000 |
| 651,138 | 0 |
| (5,700) | (31,616) |
| 645,438 | 758,384 |

Infrastructure - Other

- Independent valuation 2015 - level 3
- Management valuation 2018 - level 3
- Additions after valuation - cost
- Less: accumulated depreciation

| | |
|-------------|-----------|
| 0 | 2,352,500 |
| 5,759,480 | 0 |
| 0 | 288,849 |
| (2,770,012) | (139,970) |
| 2,989,468 | 2,501,379 |

Total infrastructure

| | |
|------------|------------|
| 89,267,953 | 90,476,261 |
|------------|------------|

9. INFRASTRUCTURE (Continued)

(b) Movements in Carrying Amounts

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

| | Infrastructure - Roads | Infrastructure - Footpaths | Infrastructure - Parks and ovals | Infrastructure - Playground equipment | Infrastructure - Airports | Infrastructure - Other | Total Infrastructure |
|---|---------------------------|-------------------------------|--|---|------------------------------|---------------------------|-------------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Balance at 1 July 2016 | 86,085,542 | 585,185 | 1,012,915 | 47,301 | 774,192 | 2,349,088 | 90,854,223 |
| Additions | 1,869,516 | 20,623 | 0 | 0 | 0 | 199,837 | 2,089,976 |
| Depreciation (expense) | (2,347,796) | (14,550) | (36,138) | (6,100) | (15,808) | (47,546) | (2,467,938) |
| Carrying amount at 30 June 2017 | 85,607,262 | 591,258 | 976,777 | 41,201 | 758,384 | 2,501,379 | 90,476,261 |
| Additions | 2,168,766 | 15,995 | 0 | 0 | 491 | 88,676 | 2,273,928 |
| Revaluation increments/ (decrements) transferred to revaluation surplus | (1,814,784) | 235,519 | (480,262) | 90,402 | (97,627) | 448,885 | (1,617,867) |
| Depreciation (expense) | (1,742,062) | (14,787) | (36,138) | (6,100) | (15,810) | (49,472) | (1,864,369) |
| Carrying amount at 30 June 2018 | 84,219,182 | 827,985 | 460,377 | 125,503 | 645,438 | 2,989,468 | 89,267,953 |

9. INFRASTRUCTURE (Continued)

(c) Fair Value Measurements

| Asset Class | Fair Value Hierarchy | Valuation Technique | Basis of Valuation | Date of Last Valuation | Inputs Used |
|---------------------------------------|----------------------|--|----------------------|------------------------|--|
| Infrastructure - Roads | 3 | Cost approach using depreciated replacement cost | Management valuation | June 2018 | Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs |
| Infrastructure - Footpaths | 3 | Cost approach using depreciated replacement cost | Management valuation | June 2018 | Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs |
| Infrastructure - Parks and ovals | 3 | Cost approach using depreciated replacement cost | Management valuation | June 2018 | Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs |
| Infrastructure - Playground equipment | 3 | Cost approach using depreciated replacement cost | Management valuation | June 2018 | Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs |
| Infrastructure - Airports | 3 | Cost approach using depreciated replacement cost | Management valuation | June 2018 | Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs |
| Infrastructure - Other | 3 | Cost approach using depreciated replacement cost | Management valuation | June 2018 | Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs |

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

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

10. FIXED ASSETS

SIGNIFICANT ACCOUNTING POLICIES

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.

Initial recognition and measurement between mandatory revaluation dates

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

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

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

Revaluation

The fair value of fixed assets is determined at least every three years in accordance with the regulatory framework. At the end of each period the valuation is reviewed and where appropriate the fair value is updated to reflect current market conditions.

This process is considered to be in accordance with *Local Government (Financial Management) Regulation 17A (2)* which requires property, plant and equipment to be shown at fair value.

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

Land under control

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

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

10. FIXED ASSETS (Continued)

(a) Disposals of Assets

The following assets were disposed of during the year.

| | Actual Net Book Value | Actual Sale Proceeds | Actual Profit | Actual Loss | Budget Net Book Value | Budget Sale Proceeds | Budget Profit | Budget Loss |
|----------------------------------|-----------------------------|----------------------------|------------------|----------------|-----------------------------|----------------------------|------------------|----------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Governance | | | | | | | | |
| Toyota Landcruiser | 46,445 | 52,727 | 6,282 | 0 | 47,000 | 60,000 | 13,000 | 0 |
| Law, order, public safety | | | | | | | | |
| 1998 Hino Fire Appliance | 50,940 | 16,364 | 0 | (34,576) | 0 | 0 | 0 | 0 |
| Health | | | | | | | | |
| Holden Trailblazer | 35,504 | 35,504 | 0 | 0 | 0 | 60,000 | 60,000 | 0 |
| Housing | | | | | | | | |
| Lot 158 Brown St, Bencubbin | 14,000 | 0 | 0 | (14,000) | 105,000 | 20,000 | 0 | (85,000) |
| Lot 19 Rowlands St, Beacon | 67,485 | 35,429 | 0 | (32,056) | 0 | 0 | 0 | 0 |
| Transport | | | | | | | | |
| Grader | 0 | 0 | 0 | 0 | 110,000 | 70,000 | 0 | (40,000) |
| UD Nissan 5 Tonne Mtc | 21,612 | 34,545 | 12,933 | 0 | 22,000 | 20,000 | 0 | (2,000) |
| Utility - MM276 | 13,041 | 9,091 | 0 | (3,950) | 13,000 | 10,000 | 0 | (3,000) |
| Utility - MM136 | 12,274 | 16,364 | 4,090 | 0 | 13,000 | 10,000 | 0 | (3,000) |
| Utility - MM170 | 9,248 | 9,091 | 0 | (157) | 10,000 | 10,000 | 0 | 0 |
| | 270,549 | 209,115 | 23,305 | (84,739) | 320,000 | 260,000 | 73,000 | (133,000) |

(b) Depreciation

| | 2018 | 2017 |
|---------------------------------------|-----------|-----------|
| | \$ | \$ |
| Buildings - non-specialised | 87,459 | 91,912 |
| Buildings - specialised | 261,785 | 193,369 |
| Furniture and equipment | 7,335 | 8,027 |
| Plant and equipment | 188,660 | 154,030 |
| Motor Vehicles | 44,367 | 31,383 |
| Infrastructure - Roads | 1,742,062 | 2,347,796 |
| Infrastructure - Footpaths | 14,787 | 14,550 |
| Infrastructure - Parks and ovals | 36,138 | 36,138 |
| Infrastructure - Playground equipment | 6,100 | 6,100 |
| Infrastructure - Airports | 15,810 | 15,808 |
| Infrastructure - Other | 49,472 | 47,546 |
| | 2,453,975 | 2,946,659 |

10. FIXED ASSETS (Continued)

(b) Depreciation (Continued)

SIGNIFICANT ACCOUNTING POLICIES

Depreciation

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

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

Depreciation rates

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 |
| gravel sheet | 12 years |
| Formed roads | |
| formation | not depreciated |
| pavement | 50 years |
| Footpaths - slab | 20 years |
| Sewerage piping | 100 years |
| Water supply piping & drainage systems | 75 years |

Depreciation (Continued)

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

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

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

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.

11. REVALUATION SURPLUS

| | 2018 Opening Balance | 2018 Revaluation Increment | 2018 Revaluation (Decrement) | 2018 Total Movement on Revaluation | 2018 Closing Balance | 2017 Opening Balance | 2017 Revaluation Increment | 2017 Revaluation (Decrement) | 2017 Total Movement on Revaluation | 2017 Closing Balance |
|---------------------------------------|----------------------------|----------------------------------|------------------------------------|---|----------------------------|----------------------------|----------------------------------|------------------------------------|---|----------------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Land and buildings | 6,784,657 | 0 | 0 | 0 | 6,784,657 | 4,429,175 | 2,407,203 | (51,721) | 2,355,482 | 6,784,657 |
| Infrastructure - Roads | 20,756,279 | 0 | (1,814,784) | (1,814,784) | 18,941,495 | 20,756,279 | 0 | 0 | 0 | 20,756,279 |
| Infrastructure - Footpaths | 196,272 | 235,519 | 0 | 235,519 | 431,791 | 196,272 | 0 | 0 | 0 | 196,272 |
| Infrastructure - Parks and ovals | 849,859 | 0 | (480,262) | (480,262) | 369,597 | 849,859 | 0 | 0 | 0 | 849,859 |
| Infrastructure - Playground equipment | 50,909 | 90,402 | 0 | 90,402 | 141,311 | 50,909 | 0 | 0 | 0 | 50,909 |
| Infrastructure - Airports | 790,000 | 0 | (97,627) | (97,627) | 692,373 | 790,000 | 0 | 0 | 0 | 790,000 |
| Infrastructure - Other | 981,992 | 448,885 | 0 | 448,885 | 1,430,877 | 981,992 | 0 | 0 | 0 | 981,992 |
| | 30,409,968 | 774,806 | (2,392,673) | (1,617,867) | 28,792,101 | 28,054,486 | 2,407,203 | (51,721) | 2,355,482 | 30,409,968 |

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.

12. TRADE AND OTHER PAYABLES

Current

| |
|--|
| Sundry creditors |
| Accrued interest on long term borrowings |
| Accrued salaries and wages |
| ATO liabilities |
| GST Payable |
| Housing Bonds |

| 2018 | 2017 |
|---------|---------|
| \$ | \$ |
| 630,770 | 801,178 |
| 7,701 | 8,055 |
| 40,066 | 4,823 |
| 36,010 | 0 |
| 23,125 | 80 |
| 0 | 580 |
| 737,672 | 814,716 |

SIGNIFICANT ACCOUNTING POLICIES

Trade and other payables

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

Trade and other payables (Continued)

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

13. INFORMATION ON BORROWINGS

(a) Repayments - Borrowings

| Particulars | Interest Rate | Principal 1 July 2017 | New Loans | Principal Repayments | | Principal 30 June 2018 | | Interest Repayments | |
|--|---------------|--------------------------|--------------|----------------------|--------|---------------------------|---------|---------------------|--------|
| | | | | Actual | Budget | Actual | Budget | Actual | Budget |
| | | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Housing | | | | | | | | | |
| Loan 118 - Staff Housing | 6.28% | 114,772 | 0 | 55,612 | 55,613 | 59,160 | 59,160 | 6,291 | 6,348 |
| Recreation and culture | | | | | | | | | |
| Loan 120 - Bencubbin Rec Complex Shire | 3.85% | 432,600 | 0 | 14,699 | 14,699 | 417,901 | 417,901 | 16,408 | 16,515 |
| Loan 121 - Bencubbin Rec SAR | 3.85% | 491,300 | 0 | 16,693 | 16,693 | 474,607 | 474,607 | 18,634 | 18,756 |
| | | 1,038,672 | 0 | 87,004 | 87,005 | 951,668 | 951,668 | 41,333 | 41,619 |

| Particulars | Interest Rate | Principal 1 July 2017 | New Loans | Principal Repayments | | Principal 30 June 2018 | | Interest Repayments | |
|---|---------------|--------------------------|--------------|----------------------|---------|---------------------------|-----------|---------------------|--------|
| | | | | Actual | Budget | Actual | Budget | Actual | Budget |
| | | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Self Supporting Loans | | | | | | | | | |
| General purpose funding | | | | | | | | | |
| Loan 119 - Benny Mart | 5.48% | 19,499 | 0 | 10,913 | 10,913 | 8,586 | 8,586 | 791 | 797 |
| Recreation and culture | | | | | | | | | |
| Loan 122 - Bencubbin Recreation Complex CRC | 3.85% | 250,000 | 0 | 8,494 | 8,494 | 241,506 | 241,506 | 9,482 | 9,544 |
| | | 269,499 | 0 | 19,407 | 19,407 | 250,092 | 250,092 | 10,273 | 10,341 |
| | | 1,308,171 | 0 | 106,411 | 106,412 | 1,201,760 | 1,201,760 | 51,606 | 51,960 |

Self supporting loans are financed by payments from third parties.
All other loan repayments were financed by general purpose revenue.
All loans are financed by WA Treasury Corporation.

Borrowings

| | 2018 | 2017 |
|-------------|-----------|-----------|
| | \$ | \$ |
| Current | 109,182 | 106,412 |
| Non-current | 1,092,578 | 1,201,759 |
| | 1,201,760 | 1,308,171 |

(b) New Borrowings - 2017/18

The Shire did not have any new borrowings as at 30 June 2018.

13. INFORMATION ON BORROWINGS (Continued)

(c) Unspent Borrowings

The Shire did not have any unspent debentures as at 30 June 2018.

| Particulars | Date Borrowed | Unspent Balance 1 July 17 | Borrowed During Year | Expended During Year | Unspent Balance 30 June 18 |
|--|---------------|------------------------------|-------------------------|-------------------------|-------------------------------|
| | | \$ | \$ | \$ | \$ |
| Loan 120 - Bencubbin Rec Complex Shire | April 2017 | 380,361 | 0 | (380,361) | 0 |
| Loan 121 - Bencubbin Rec SAR | April 2017 | 491,300 | 0 | (491,300) | 0 |
| Loan 122 - Bencubbin Rec Complex CRC | April 2017 | 250,000 | 0 | (250,000) | 0 |
| | | 1,121,661 | 0 | (1,121,661) | 0 |

(d) Undrawn Borrowing Facilities

Credit Standby Arrangements

Bank overdraft limit

Bank overdraft at balance date

Credit card limit

Credit card balance at balance date

Total amount of credit unused

Loan facilities

Loan facilities - current

Loan facilities - non-current

Total facilities in use at balance date

Unused loan facilities at balance date

| | 2018 | 2017 |
|--|-----------|-------------|
| | \$ | \$ |
| Bank overdraft limit | 0 | 0 |
| Bank overdraft at balance date | 0 | 0 |
| Credit card limit | 20,000 | 20,000 |
| Credit card balance at balance date | (582) | 0 |
| Total amount of credit unused | 19,418 | 20,000 |
| Loan facilities | | |
| Loan facilities - current | 109,182 | 106,412 |
| Loan facilities - non-current | 1,092,578 | 1,201,759 |
| Total facilities in use at balance date | 1,201,760 | 1,308,171 |
| Unused loan facilities at balance date | NIL | 1,121,661 * |

* - Unused loans held in Bencubbin Recreation Complex Reserve

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

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

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

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

Borrowing costs

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

14. PROVISIONS

Opening balance at 1 July 2017

Current provisions
Non-current provisions

Amounts used

Balance at 30 June 2018

Comprises

Current
Non-current

| Provision for Annual Leave | Provision for Long Service Leave | Total |
|----------------------------------|--|----------|
| \$ | \$ | \$ |
| 112,441 | 116,133 | 228,574 |
| 0 | 17,382 | 17,382 |
| 112,441 | 133,515 | 245,956 |
| (10,055) | (1,896) | (11,951) |
| 102,386 | 131,619 | 234,005 |
| 102,386 | 113,680 | 216,066 |
| 0 | 17,939 | 17,939 |
| 102,386 | 131,619 | 234,005 |

Annual leave and current long service leave liabilities have been classified as current as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

Current Provisions

Within 12 months of the end of the reporting period
More than 12 months after the end of the reporting period

| Annual/Sick Leave | Long Service Leave | Total |
|----------------------|-----------------------|---------|
| \$ | \$ | \$ |
| 72,729 | 113,680 | 186,409 |
| 29,657 | 17,939 | 47,596 |
| 102,386 | 131,619 | 234,005 |

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

Short-term employee benefits

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

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

Other long-term employee benefits

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

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

Other long-term employee benefits (Continued)

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

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

Provisions

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

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

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

15. NOTES TO THE STATEMENT OF CASH FLOWS

Reconciliation of Cash

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

| | 2018 Actual | 2018 Budget | 2017 Actual |
|--|------------------------|------------------------|------------------------|
| | \$ | \$ | \$ |
| Cash and cash equivalents | 4,629,019 | 3,023,412 | 5,971,278 |
| Reconciliation of Net Cash Provided By Operating Activities to Net Result | | | |
| Net result | 1,932,933 | 470,414 | 1,661,219 |
| Non-cash flows in Net result: | | | |
| Depreciation | 2,453,975 | 2,272,558 | 2,946,659 |
| (Profit)/loss on sale of asset | 61,434 | 60,000 | 216,033 |
| Fair value adjustments to fixed assets at fair value through profit or loss | (70,068) | 0 | 0 |
| Changes in assets and liabilities: | | | |
| (Increase)/decrease in receivables | (102,920) | (5,000) | 241,761 |
| (Increase)/decrease in inventories | 11,409 | 0 | (2,575) |
| Increase/(decrease) in payables | (77,044) | 0 | 496,061 |
| Increase/(decrease) in provisions | (11,951) | 0 | 14,587 |
| Non operating grants and contributions for the development of assets | (3,033,313) | (2,751,808) | (2,375,395) |
| Net cash from operating activities | 1,164,455 | 46,164 | 3,198,350 |

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

16. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

| | 2018 | 2017 |
|-----------------------------|--------------------|--------------------|
| | \$ | \$ |
| Governance | 1,197,144 | 1,479,313 |
| General purpose funding | 111,804 | 132,257 |
| Law, order, public safety | 1,384,585 | 1,172,005 |
| Health | 113,930 | 75,000 |
| Education and welfare | 1,268,927 | 1,297,000 |
| Housing | 2,190,212 | 2,170,123 |
| Community amenities | 828,448 | 795,144 |
| Recreation and culture | 13,380,363 | 12,181,895 |
| Transport | 88,236,941 | 89,411,902 |
| Economic services | 1,467,585 | 1,166,764 |
| Other property and services | 1,551,973 | 1,575,790 |
| Unallocated | 2,297,475 | 2,452,534 |
| | 114,029,387 | 113,909,727 |

17. CONTINGENT LIABILITIES

The Shire is not aware of any contingent liabilities as at 30 June 2018.

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

18. CAPITAL AND LEASING COMMITMENTS

(a) Capital Expenditure Commitments

Contracted for:

- capital expenditure projects

Payable:

- not later than one year

| | 2018 | 2017 |
|--|------|--------|
| | \$ | \$ |
| | | |
| | 0 | 83,051 |
| | 0 | 83,051 |

The Shire did not have any future capital expenditure commitments at the reporting date

(b) Operating Lease Commitments

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

SIGNIFICANT ACCOUNTING POLICIES

Leases

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

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

Leases (Continued)

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

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

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

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

19. JOINT ARRANGEMENTS

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

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

- (a) NEW Health joint arrangement 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 Mt Marshall.

The Shire of Mt Marshall holds the following assets on behalf of member shires. All associated expenses are attributed to member shires on the following basis:

| | |
|-------------|---------------|
| Wyalkatchem | 18.8% |
| Trayning | 18.8% |
| Mukinbudin | 18.8% |
| Koorda | 18.8% |
| Nungarin | 6.0% |
| Mt Marshall | 18.8% |
| | <u>100.0%</u> |

Shire of Mount Marshall expenses in relation to this joint venture amounted to \$25,670 in 2017/18 and \$33,182 in 2016/17.

| | 2018 | 2017 |
|--------------------------------|---------------|---------------|
| | \$ | \$ |
| Non-current assets | | |
| Light vehicles | 37,301 | 35,504 |
| Less: accumulated depreciation | (3,372) | 0 |
| | <u>33,929</u> | <u>35,504</u> |

- (b) 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 arrangement amounted to \$33,592 in 2017/18 and \$60,781 in 2016/17.

SIGNIFICANT ACCOUNTING POLICIES

Interests in joint arrangements

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

Separate joint arrangements providing joint ventures with an interest to net assets are classified as a joint venture and accounted for using the equity method. Refer to note 29 for a description of the equity method of accounting.

Interests in joint arrangements (Continued)

Joint operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Shire's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the financial statements.

20. RELATED PARTY TRANSACTIONS

Elected Members Remuneration

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

| | 2018 Actual | 2018 Budget | 2017 Actual |
|------------------------------|----------------|----------------|----------------|
| | \$ | \$ | \$ |
| Meeting Fees | 32,181 | 33,000 | 31,821 |
| President's allowance | 5,250 | 5,250 | 5,250 |
| Deputy President's allowance | 1,063 | 1,313 | 1,313 |
| Travelling expenses | 12,806 | 14,000 | 12,157 |
| Telecommunications allowance | 11,888 | 15,500 | 11,903 |
| | 63,188 | 69,063 | 62,444 |

Key Management Personnel (KMP) Compensation Disclosure

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

| | 2018 | 2017 |
|------------------------------|---------|---------|
| | \$ | \$ |
| Short-term employee benefits | 461,651 | 426,984 |
| Post-employment benefits | 48,858 | 53,323 |
| Other long-term benefits | 11,178 | 5,090 |
| | 521,687 | 485,397 |

Short-term employee benefits

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

Post-employment benefits

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

Other long-term benefits

These amounts represent long service benefits accruing during the year.

Transactions with related parties

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

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

The following transactions occurred with related parties:

| | 2018 | 2017 |
|---------------------------------|---------|---------|
| | \$ | \$ |
| Purchase of goods and services | | |
| - Building maintenance contract | 276,407 | 196,664 |
| - Lease of the rubbish tip | 1,000 | 1,000 |

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. This includes close family members of KMP and entities controlled or jointly controlled by any KMP.

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 proportionate consolidation method

The Shire has an interest in joint ventures as outlined in Note 18. The interest in the joint venture entity is accounted for in these financial statements using the proportionate consolidation method of accounting. For details of interests held in joint venture entities, refer to Note 19.

21. MAJOR LAND TRANSACTIONS

The Shire did not participate in any major land transactions during the 2017/2018.

22. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

The Shire did not participate in any trading undertakings or major trading undertakings during the 2017/2018.

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

23. CONDITIONS OVER GRANTS/CONTRIBUTIONS

| Grant/Contribution | Opening Balance ⁽¹⁾ 1/07/16 | Received ⁽²⁾ 2016/17 | Expended ⁽³⁾ 2016/17 | Closing Balance ⁽¹⁾ 30/06/17 | Received ⁽²⁾ 2017/18 | Expended ⁽³⁾ 2017/18 | Closing Balance 30/06/18 |
|--|--|------------------------------------|------------------------------------|---|------------------------------------|------------------------------------|--------------------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Community amenities | | | | | | | |
| Department of Water - Water Collection Projects | 112,652 | 33,000 | (106,686) | 38,966 | 28,875 | (67,841) | 0 |
| Department of Primary Industries & Regional Development - Combat Vegetation Decline | 0 | 0 | 0 | 0 | 20,000 | (15,990) | 4,010 |
| Transport | | | | | | | |
| Federal Government - Roads to Recovery Funding | 82,506 | 872,415 | (784,123) | 170,798 | 793,031 | (963,829) | 0 |
| MRWA - Blackspot Funding | 16,880 | 0 | 0 | 16,880 | 25,320 | (42,200) | 0 |
| Department of Infrastructure, Regional Development & Cities - Beacon Airstrip Grant | 0 | 0 | 0 | 0 | 85,700 | (491) | 85,209 |
| Total | 212,038 | 905,415 | (890,809) | 226,644 | 952,926 | (1,090,351) | 89,219 |

Notes:

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

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

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

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

24. RATING INFORMATION

(a) Rates

| RATE TYPE | Rate in \$ | Number of Properties | Rateable Value \$ | Rate Revenue \$ | Interim Rates \$ | Total Revenue \$ | Budget Total Revenue \$ | 2017 Total Revenue \$ |
|---|---------------|----------------------------|-------------------------|-----------------------|------------------------|------------------------|----------------------------------|--------------------------------|
| Differential general rate / general rate | | | | | | | | |
| Gross rental valuations | | | | | | | | |
| Residential | 0.126380 | 131 | 765,707 | 96,770 | 0 | 96,770 | 1,270,002 | 1,229,920 |
| Unimproved valuations | | | | | | | | |
| Rural | 0.018321 | 310 | 69,319,494 | 1,270,002 | (187) | 1,269,815 | 96,770 | 93,497 |
| Mining | 0.018321 | 1 | 41,090 | 753 | 0 | 753 | 753 | 1,093 |
| Sub-Total | | 442 | 70,126,291 | 1,367,525 | (187) | 1,367,338 | 1,367,525 | 1,324,510 |
| Minimum payment | \$ | | | | | | | |
| Gross rental valuations | | | | | | | | |
| Residential | 395 | 42 | 194,853 | 16,590 | 0 | 16,590 | 9,875 | 8,740 |
| Unimproved valuations | | | | | | | | |
| Rural | 395 | 25 | 53,998 | 9,875 | 0 | 9,875 | 16,590 | 15,960 |
| Mining | 395 | 12 | 10,593 | 4,740 | 0 | 4,740 | 4,740 | 2,280 |
| Sub-Total | | 79 | 259,444 | 31,205 | 0 | 31,205 | 31,205 | 26,980 |
| | | 521 | 70,385,735 | 1,398,730 | (187) | 1,398,543 | 1,398,730 | 1,351,490 |
| Discounts/concessions (refer note 24(d)) | | | | | | (53,979) | (50,000) | (47,747) |
| Total amount raised from general rate | | | | | | 1,344,564 | 1,348,730 | 1,303,743 |
| Specified Area Rate (refer note 24(b)) | | | | | | 28,259 | 28,262 | 7,186 |
| Ex-gratia rates | | | | | | 15,888 | 15,000 | 14,542 |
| Rates Written Off | | | | | | (3,261) | (200) | (208) |
| Movement in Excess Rates | | | | | | 8,678 | (3,536) | 2,347 |
| Totals | | | | | | 1,394,128 | 1,388,256 | 1,327,610 |

SIGNIFICANT ACCOUNTING POLICIES

Rates

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

24. RATING INFORMATION (Continued)

(b) Specified Area Rate

| Specified Area Rate | Basis of Valuation | Rate in \$ | Rateable Value | Revenue | Interim Rate Revenue | Total Specified Area Rate Revenue | Total Budget Revenue | Total Revenue 2017 |
|--|--------------------|------------|----------------|---------|----------------------|-----------------------------------|----------------------|--------------------|
| | | | \$ | \$ | \$ | \$ | \$ | \$ |
| Bencubbin Multipurpose Complex Redevelopment | GRV | 0.0050 | 509,970 | 2,346 | 0 | 2,346 | 2,346 | 627 |
| Bencubbin Multipurpose Complex Redevelopment | UV | 0.0010 | 34,099,760 | 25,916 | (3) | 25,913 | 25,916 | 6,559 |
| | | | | 28,262 | (3) | 28,259 | 28,262 | 7,186 |

(c) Service Charges

No service charges were imposed by the Shire during the year ended 2018.

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

Rates Discounts

| Rate or Fee | Discount | Discount | 2018 | Budget | 2017 | Circumstances in which Discount is Granted |
|------------------|----------|----------|--------|--------|--------|---|
| Discount Granted | % | \$ | \$ | \$ | \$ | |
| Rates | 5.00% | | 53,979 | 50,000 | 47,747 | Discount applies if rates, (including arrears, waste and service charges) are paid in full within 21 days of the issue date of the rate notice. |
| | | | 53,979 | 50,000 | 47,747 | |

Waivers or Concessions

The Shire did not apply waivers or concessions in relation to Rates in 2017/18.

24. RATING INFORMATION (Continued)

(e) Interest Charges & Instalments

| Instalment Options | Date Due | Instalment Plan Admin Charge | Instalment Plan Interest Rate | Unpaid Rates Interest Rate |
|---------------------|-----------|------------------------------|-------------------------------|----------------------------|
| | | \$ | % | % |
| Option One | | | | |
| Single full payment | 6-Oct-17 | | | 11.00% |
| Option Two | | | | |
| First instalment | 6-Oct-17 | | | 11.00% |
| Second instalment | 8-Dec-17 | 12 | 5.00% | 11.00% |
| Third instalment | 9-Feb-18 | 12 | 5.00% | 11.00% |
| Fourth instalment | 13-Apr-18 | 12 | 5.00% | 11.00% |

| | 2018 | 2018 Budget | 2017 Actual |
|-----------------------------|--------|-------------|-------------|
| | \$ | \$ | \$ |
| Interest on unpaid rates | 15,642 | 15,400 | 15,417 |
| Interest on instalment plan | 1,145 | 1,500 | 1,509 |
| DFES Penalty Interest | 480 | 500 | 497 |
| Charges on instalment plan | 1,188 | 1,200 | 1,155 |
| | 18,455 | 18,600 | 18,578 |

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

25. NET CURRENT ASSETS

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

| | 2018 (30 June 2018 Carried Forward) \$ | 2017 (1 July 2017 Brought Forward) \$ |
|---|---|--|
| Surplus/(Deficit) 1 July 17 brought forward | 1,483,330 | 1,790,107 |
| CURRENT ASSETS | | |
| Cash and cash equivalents | | |
| Unrestricted | 1,870,639 | 2,221,394 |
| Restricted | 2,758,380 | 3,749,884 |
| Receivables | | |
| Rates outstanding | 109,889 | 132,257 |
| Sundry debtors | 240,843 | 201,159 |
| GST receivable | 85,200 | 0 |
| Loans receivable - clubs/institutions | 17,411 | 7,769 |
| Accrued Income | 4,673 | 0 |
| Provision for doubtful debts | (69,617) | (63,433) |
| Inventories | | |
| Fuel and materials | 10,554 | 21,963 |
| LESS: CURRENT LIABILITIES | | |
| Trade and other payables | | |
| Sundry creditors | (630,770) | (801,179) |
| Accrued interest on long term borrowings | (7,701) | (8,055) |
| Accrued salaries and wages | (40,066) | (4,823) |
| ATO liabilities | (36,010) | 0 |
| GST Payable | (23,125) | (80) |
| Housing Bonds | 0 | (580) |
| Current portion of long term borrowings | (109,182) | (106,413) |
| Provisions | | |
| Provision for annual leave | (102,386) | (112,441) |
| Provision for long service leave | (113,680) | (116,133) |
| Unadjusted net current assets | 3,965,052 | 5,121,289 |
| Adjustments | | |
| Less: Reserves - restricted cash | (2,669,161) | (3,523,240) |
| Less: Loans receivable - clubs/institutions | (17,411) | (7,769) |
| Add: Current portion of long term borrowings | 109,182 | 106,413 |
| Add: Component of leave liability not required to be funded | 95,668 | 93,414 |
| Adjusted net current assets - surplus/(deficit) | 1,483,330 | 1,790,107 |

Difference

There is one difference between the surplus/(deficit) 1 July 2017 brought forward position used in the 2018 audited financial report and the surplus/(deficit) carried forward position as disclosed in the 2017 audited financial report.

Deferred pensioner rates are reported under non-current assets in 17/18 whereas they were reported under current rates outstanding in the 16/17 Annual Financial report.

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

26. FINANCIAL RISK MANAGEMENT

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

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

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

The Shire held the following financial instruments at balance date:

| | Carrying Value | | Fair Value | |
|------------------------------|----------------|-----------|------------|-----------|
| | 2018 | 2017 | 2018 | 2017 |
| | \$ | \$ | \$ | \$ |
| Financial assets | | | | |
| Cash and cash equivalents | 4,629,019 | 5,971,278 | 4,629,019 | 5,971,278 |
| Receivables | 619,851 | 286,338 | 619,851 | 286,338 |
| | 5,248,870 | 6,257,616 | 5,248,870 | 6,257,616 |
| Financial liabilities | | | | |
| Payables | 737,672 | 814,716 | 737,672 | 814,716 |
| Borrowings | 1,201,760 | 1,308,171 | 1,244,975 | 1,334,701 |
| | 1,939,432 | 2,122,887 | 1,982,647 | 2,149,417 |

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.

26. FINANCIAL RISK MANAGEMENT (Continued)

(a) Cash and Cash Equivalents

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

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

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

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

| | 2018 | 2017 |
|--|--------|--------|
| Impact of a 1% ⁽¹⁾ movement in interest rates on cash | | |
| - Equity | 38,613 | 36,748 |
| - Statement of Comprehensive Income | 38,613 | 36,748 |

Notes:

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

26. FINANCIAL RISK MANAGEMENT (Continued)

(b) Receivables

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

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

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

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

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

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

| | 2018 | 2017 |
|--|---------|---------|
| | % | % |
| Percentage of rates and annual charges | | |
| - Current | 0.00% | 0.00% |
| - Overdue | 100.00% | 100.00% |
| Percentage of other receivables | | |
| - Current | 88.00% | 71.00% |
| - Overdue | 12.00% | 29.00% |

26. FINANCIAL RISK MANAGEMENT (Continued)

(c) Payables and borrowings

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

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

| | Due within 1 year | Due between 1 & 5 years | Due after 5 years | Total contractual cash flows | Carrying values |
|-------------|-------------------------|-------------------------------|-------------------------|------------------------------------|--------------------|
| 2018 | \$ | \$ | \$ | \$ | \$ |
| Payables | 737,672 | 0 | 0 | 737,672 | 737,672 |
| Borrowings | 155,445 | 338,803 | 1,185,810 | 1,680,058 | 1,201,760 |
| | 893,117 | 338,803 | 1,185,810 | 2,417,730 | 1,939,432 |

2017

| | | | | | |
|------------|---------|---------|-----------|-----------|-----------|
| Payables | 814,716 | 0 | 0 | 814,716 | 814,716 |
| Borrowings | 158,372 | 338,805 | 1,270,511 | 1,767,688 | 1,308,171 |
| | 973,088 | 338,805 | 1,270,511 | 2,582,404 | 2,122,887 |

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

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

| Year ended 30 June 2018 | <1 year | >1<2 years | >2<3 years | >3<4 years | >4<5 years | >5 years | Total | Weighted Average Effective Interest Rate |
|---|---------|------------|------------|------------|------------|-----------|-----------|---|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | % |
| Borrowings | | | | | | | | |
| Fixed rate | | | | | | | | |
| Long term borrowings | 67,746 | 0 | 0 | 0 | 0 | 1,134,014 | 1,201,760 | 3.98% |
| Weighted average Effective interest rate | 6.18% | | | | | 3.85% | | |
| Year ended 30 June 2017 | | | | | | | | |
| Borrowings | | | | | | | | |
| Fixed rate | | | | | | | | |
| Long term borrowings | 0 | 134,272 | 0 | 0 | 0 | 1,173,899 | 1,308,171 | 4.09% |
| Weighted average Effective interest rate | | 6.16% | | | | 3.85% | | |

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

27. TRUST FUNDS

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

| | 1 July 2017 | Amounts Received | Amounts Paid | 30 June 2018 |
|--------------------------|--------------------|-------------------------|---------------------|---------------------|
| | \$ | \$ | \$ | \$ |
| Police Licensing | 36,023 | 165,557 | (191,470) | 10,110 |
| Aged Care Beautification | 829 | 0 | 0 | 829 |
| Unclaimed Monies | 59 | 0 | 0 | 59 |
| Nomination Deposits | 0 | 560 | (560) | 0 |
| Tree Planting Nursery | 1,000 | 0 | 0 | 1,000 |
| Housing Bonds | 9,580 | 3,630 | (3,090) | 10,120 |
| Staff Social Club | 4,280 | 3,185 | (4,785) | 2,680 |
| Deposit on Land | 1,000 | 0 | (1,000) | 0 |
| Rehabilitation Bonds | 5,000 | 0 | 0 | 5,000 |
| | 57,771 | 172,932 | (200,905) | 29,798 |

28. 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:

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

Notes:

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

28. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS FOR APPLICATION IN FUTURE PERIODS (Continued)

| | Title | Issued / Compiled | Applicable (1) | Impact |
|------|---|-------------------|----------------|---|
| (iv) | AASB 1058 Income of Not-for-Profit Entities | 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"> - Assets received below fair value; - Transfers received to acquire or construct non-financial assets; - Grants received; - Prepaid rates; - Leases entered into at below market rates; and - Volunteer services. <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:

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

Adoption of New and Revised Accounting Standards

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

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

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

29. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

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

c) Rounding off figures

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

d) Comparative figures

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

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

e) Budget comparative figures

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

f) Superannuation

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

g) Fair value of assets and liabilities

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

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

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

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

h) Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

i) Impairment of assets

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

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

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

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

30. ACTIVITIES/PROGRAMS

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

| PROGRAM NAME | OBJECTIVE | ACTIVITIES |
|------------------------------------|---|---|
| GOVERNANCE | To provide a decision making process for the efficient allocation of scarce resources | Administration and operation of facilities and services to members of 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 | To collect revenue to allow for the provision of services. | Rates, general purpose government grants and interest revenue. |
| LAW, ORDER, PUBLIC SAFETY | To provide services to help ensure a safer community. | Supervision of various by-laws, fire prevention, emergency services and animal control. |
| HEALTH | To provide an operational framework for good community health. | Food and water quality, pest control, immunisation services, child health services and health education. |
| EDUCATION AND WELFARE | To meet the needs of the community in these areas. | 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 | To help ensure adequate housing. | Provision of residential housing for council staff. Provision of housing for aged persons, low income families, government and semi government employees. |
| COMMUNITY AMENITIES | Provide services required by the community. | Rubbish collection services and disposal of waste, stormwater drainage, protection of the environment, town planning and regional development and other community amenities (cemeteries and public toilets). |
| RECREATION AND CULTURE | To establish and manage efficiently infrastructure and resources which will help the social wellbeing of the community. | Public halls, recreation and aquatic centres, parks and reserves, libraries, heritage and culture. |
| TRANSPORT | To provide effective and efficient transport services to the community. | Construction and maintenance of roads, footpaths, bridges, street cleaning and lighting, road verges, streetscaping and depot maintenance. |
| ECONOMIC SERVICES | To help promote the Municipality and improve its economic wellbeing. | The regulation and provision of tourism, area promotion, building control, noxious weeds, vermin control and standpipes. |
| OTHER PROPERTY AND SERVICES | To monitor and control the Shire's overhead operating accounts. | Private works, public works overheads, plant and equipment operations, town planning schemes and activities not reported in the above programs. |

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

31. FINANCIAL RATIOS

| | 2018 | 2017 | 2016 |
|-----------------------------------|--------|--------|--------|
| Current ratio | 2.35 | 2.60 | 1.88 |
| Asset consumption ratio | 0.65 | 0.53 | 0.69 |
| Asset renewal funding ratio | 0.84 | 0.83 | 0.98 |
| Asset sustainability ratio | 1.53 | 1.18 | 0.96 |
| Debt service cover ratio | 8.89 | 24.14 | 0.79 |
| Operating surplus ratio | (0.47) | (0.33) | (1.36) |
| Own source revenue coverage ratio | 0.38 | 0.34 | 0.33 |

The above ratios are calculated as follows:

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

Notes:

Three of the ratios disclosed above were distorted by the early receipt of Financial Assistance Grants. In addition, two of the ratios were impacted by revenue and expenses associated with flood damage re-instatement which is considered one-off in nature.

| | 2017/18 | 2016/17 | 2015/16 |
|--|-----------|-----------|-----------|
| | \$ | \$ | \$ |
| Amount of Financial Assistance Grant received during the year relating to the subsequent year. | 0 | 1,178,694 | 0 |
| Amount of Financial Assistance Grant received in prior year relating to current year. | 1,178,694 | 0 | 1,139,984 |

If the events detailed above did not occur, the impacted ratios in the 2018, 2017 and 2016 columns above would be as follows:

| | 2018 | 2017 | 2016 |
|--------------------------|--------|--------|----------|
| Current ratio | 1.13 | 1.49 | As above |
| Debt service cover ratio | 1.43 | 11.50 | 9.28 |
| Operating surplus ratio | (0.97) | (0.88) | (0.08) |

INDEPENDENT AUDITOR'S REPORT TO THE COUNCILLORS OF THE SHIRE OF MT MARSHALL

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2 The Esplanade, Perth, WA 6000

PO Box 5785, St Georges Terrace, WA 6831

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Opinion

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 2018, 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:

- i. is based on proper accounts and reports; and
- ii. fairly represents, in all material respects, the results of the operations of the Shire for the year ended 30 June 2018 and its financial position at the end of that period in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

Basis for 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 Shire 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.

Emphasis of Matter – Basis of Preparation

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

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

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

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

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

Attachment 11.2.1b

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

- a) All required information and explanations were obtained by us.
- b) All audit procedures were satisfactorily completed in conducting our audit.
- c) In my opinion, the asset consumption ratio and the asset renewal ratio included in the annual financial report were supported by verifiable information and reasonable assumptions.

Matters Relating to the Electronic Publication of the Audited Financial Report

This auditor's report relates to the annual financial report of the Shire of Mt Marshall for the year ended 30 June 2018 included on the Shire's website. The Shire's management is responsible for the integrity of the Shire's website. This audit does not provide assurance on the integrity of the Shire's website. The auditor's report refers only to the financial report described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this financial report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.



GREG GODWIN
PARTNER

MOORE STEPHENS
CHARTERED ACCOUNTANTS

Signed at Perth this 18th day of December 2018.



WESTERN AUSTRALIAN
Electoral Commission

LGE 028

Mr John Nuttall
Chief Executive Officer
Shire of Mount Marshall
PO Box 20
BENCUBBIN WA 6477

| | |
|-------------------------|------|
| SHIRE OF MT MARSHALL | |
| Received | |
| 7 4 OCT 2018 | |
| File No. | A1/4 |
| Officer | CEO |
| Copy | |

Dear Mr Nuttall

Local Government Ordinary Election: 2019

The next local government ordinary elections are being held on 19 October 2019. While this is still some distance in the future, I have enclosed an estimate for your next ordinary election to assist in your 2019/2020 budget preparations.

The estimated cost for the 2019 election if conducted as a postal ballot is \$12,000 inc GST, which has been based on the following assumptions:

- 450 electors
- response rate of approximately 80%
- 3 vacancies
- count to be conducted at the offices of the Shire of Mount Marshall
- appointment of a local Returning Officer
- regular Australia Post delivery service to apply for the lodgement of the election packages.

An additional amount of \$90 will be incurred if your Council decides to opt for the Australia Post Priority Service for the lodgement of election packages. The Commission is of the view that the regular service is adequate for outgoing mail for most local governments, particularly in the metropolitan area.

Costs not incorporated in this estimate include:

- any legal expenses other than those that are determined to be borne by the Western Australian Electoral Commission in a Court of Disputed Returns
- one local government staff member to work in the polling place on election day
- any additional postage rate increase by Australia Post.

Attachment 12.1.49

The Commission is required by the *Local Government Act* to conduct local government elections on a full cost recovery basis and you should note that this is an estimate only and may vary depending on a range of factors including the cost of materials or number of replies received. The basis for charges is all materials at cost and a margin on staff time only. Should a significant change in this figure become evident prior to or during the election you will be advised as early as possible.

The current procedure required by the Act is that my written agreement has to be obtained before the vote by Council is taken. To facilitate the process, you can take this letter as my agreement to be responsible for the conduct of the ordinary elections in 2019 for the Shire of Mount Marshall in accordance with section 4.20(4) of the *Local Government Act 1995*, together with any other elections or polls that may also be required. My agreement is subject to the proviso that the Shire of Mount Marshall also wishes to have the election undertaken by the Western Australian Electoral Commission as a postal election.

In order to achieve this, your council would need to pass the following two motions by absolute majority:

- Declare, in accordance with section 4.20(4) of the *Local Government Act 1995*, the Electoral Commissioner to be responsible for the conduct of the 2019 ordinary elections together with any other elections or polls which may be required
- Decide, in accordance with section 4.61(2) of the *Local Government Act 1995* that the method of conducting the election will be as a postal election.

I look forward to conducting this election for the Shire of Mount Marshall in anticipation of an affirmative vote by Council. If you have any further queries please contact Phil Richards Manager, Election Events on 9214 0400.

Yours sincerely



David Kerslake
ELECTORAL COMMISSIONER

19 October 2018

Nadine Richmond

From: Nadine Richmond
Sent: Wednesday, 12 December 2018 11:27 AM
To: Nadine Richmond
Subject: FW: Fixed Standpipe documents



Nadine Richmond

Executive Assistant
80 Monger Street
PO Box 20 BENCUBBIN WA 6477
T: (08) 9685 1202
E: ea@mtmarshall.wa.gov.au



www.mtmarshall.wa.gov.au

From: Wendy Mathews [<mailto:Wendy.Mathews@watercorporation.com.au>]
Sent: Monday, 12 November 2018 2:44 PM
To: John Nuttall <ceo@mtmarshall.wa.gov.au>
Subject: RE: Fixed Standpipe documents

Hi John

Thanks for your email. Again I apologise for the confusion over the 'free' community standpipe. I take full accountability for not explaining this in greater detail on my face-to-face visit, but definitely had to bring this back to your attention so you would not be impacted with the Standard Contribution Charges.

Based on more recent visitations I have been undertaking, I have been explaining the difference in greater detail between what Water Corporation is paying as part of a new Community standpipe and what any new costs local governments will incur.

If you decide going forward to downgrade an existing standpipe to a Community standpipe, then no Standard Contribution Charge is applicable as Water Corporation will cover that cost. This charge is only applicable on a new service.

If I can be of any further assistance in providing additional information for your next Council meeting, please let me know.

Regards

Wendy Mathews

Specialist - Customer & Stakeholder
Customer & Industry Partnerships

E: Wendy.Mathews@watercorporation.com.au



T: 08 6330 6694
M: 0438 732 952

Attachment 12.1.50a

 Please consider the environment before printing this email.

From: John Nuttall [<mailto:ceo@mtmarshall.wa.gov.au>]

Sent: Monday, 12 November 2018 1:44 PM

To: Wendy Mathews

Subject: RE: Fixed Standpipe documents

Hi Wendy,

Many thanks for your email which puts a very different complexion upon the situation. When you visited my office you said that any 'community' outlet would be installed at no cost to the Shire, and that is the information which I passed onto Council when they made their decision. It is extremely unfortunate that this information was unclear – as when you say 'installation is free' I believe that would suggest to anyone just that – it is free.

I will have to revisit the situation with Council and it is unlikely that I will now be able to do that until our December meeting. Council will then have to determine what they would wish to spend on installations – bearing in mind of course that we already have a budget for the year which does not include these items.

Regards,

John

Hi John

Thanks for sending through your Action Plan information. I have only just had a chance to review what you have written and need to clarify a few things in relation to your completed Action Plan.

'Free Community Standpipe' - I need to clarify what the 'free' installation of a community standpipe actually entails. In the FAQ document I provided, this explains that we are providing installation and administration costs for free, but the Shire would still have to pay the Standard infrastructure contribution (SICs) applicable for a 20mm or 25mm. I have attached the Standard infrastructure contributions (SICs) information relating to 20mm and 25mm meters and the relevant section is highlighted in orange.

As you are requesting quite a few additional community standpipes, I need to make you aware of this as the Shire would be incurring quite a lot of additional charges. I apologise that this was not explained better at our face-to-face meeting.

For clarity on the downgrading and decommissioning of existing standpipes, this is 100% covered by the Water Corporation – definitely no additional costs.

I am contacting you as I did not want you to get any surprises based on what you have selected in your current Action Plan. If you need to now change what you have provided on your Action Plan, please let me know and I can extend the timeline out to the 28 February 2019.

Again, apologies for not explaining this better.

Also, our FAQs have been updated in relation to the guidelines for an LA standpipe as per below. Other refinements have been made too based on other local government visitations so please use this latest version.

Can contractors working on Local Government projects access a Local Authority standpipe if required as part of the project?

Contractors working on Shire projects are permitted to use locked LA standpipes, thereby minimising the volumetric costs incurred by Local Government. Contractors are not entitled to use an LA standpipe for other commercial purposes. They will need to access a Commercial standpipe from the 1 July 2019.

Can Local Government still obtain a concessional rate for any water taken from a Commercial standpipe for Shire purposes?

Yes, but there will now be a requirement to provide evidence of the volume taken. Local Government will need to submit a Claim form via the Water Corporation website to obtain the concessional rate from a Commercial standpipe. This option available from 1 July 2019.

I have also attached a copy of our new standpipe brochure. A few hard copies are being mailed to you as well.

If you have any further questions, please do not hesitate to get in touch.

Regards

Wendy Mathews

Specialist - Customer & Stakeholder
Customer & Industry Partnerships

E: Wendy.Mathews@watercorporation.com.au

T: 08 6330 6694

M: 0438 732 952



Keep in touch



W: watercorporation.com.au

Please consider the environment before printing this email.

From: John Nuttall [<mailto:ceo@mtmarshall.wa.gov.au>]

Sent: Tuesday, 30 October 2018 4:20 PM

To: Wendy Mathews

Cc: Nadine Richmond

Subject: RE: Fixed Standpipe documents

Good afternoon Wendy,

Please find attached completed action plan form regarding stand pipes as requested.

I also attach our Shire Council minutes, as there are some complications, which I hope will explain clearly what we are wanting.

In effect all the current large services (50mm and above) will be retained as LG and Fire fighting only. We would also like another fire fighting service at one of the current 20mm services if possible. At all of those sites we would then request a 25mm service also (if possible) so that we can continue to offer community water alongside our LG water.

Finally there is one stand pipe we do not use and can be removed.

I would be more than happy to discuss any of these matters with you if further clarification is required.

Regards,

John

Hi John

It is your choice providing there is direct access to the main water scheme. You will still be responsible for anything past the meter.

We will provide an open ended outlet at the small meter 25mm which you can connect to your tank. The outlet of your tank can be any size you choose but please bear in mind that the tank needs to be raised above ground or a pump installed on the outlet to increase the flow capacity.

Regarding Beacon, yes as it is non potable it is not part of this project.

Regards
Wendy

Sent from my iPhone

On 11 Oct 2018, at 8:57 am, John Nuttall <ceo@mtmarshall.wa.gov.au> wrote:

Good morning Wendy,

Another question regarding the standpipes if I may. The email chain below will provide more detail if necessary.

There is still some consternation regarding the small flow meter – so the question is:

If the WC installs a new community sized meter in a location where there is currently a tank and large outlet (which will be locked) will the new installation be from the tank or a separate standpipe service from the mains?

One of the issues is that it is a commonly held view that anything 'after the meter' is no longer the WC responsibility but the Shires – hence if the new small outlet is connected (by WC or us) to the tank, anything beyond that is up to the Shire (who pay the bill) and we could therefore provide a larger outlet (which will obviously only last as long as the tank does). Hope that makes sense?

Separately the Beacon service I told you about is FK0510077 – but it is marked non potable so suspect it is outside this issue?

Many thanks,

John

From: Cr Putt
Sent: Wednesday, 10 October 2018 9:17 PM
To: John Nuttall <ceo@mtmarshall.wa.gov.au>
Cc: Councillors <Councillors@mtmarshall.wa.gov.au>
Subject: Re: Fixed Standpipe documents

John,

John I am a little confused at the conclusion that the outlet of the tank will be metered at the smaller size. My take from the emails is that the water authority are willing to add a smaller community size meter to an existing standpipe with a larger flow meter to be locked for fire or shire use if the infrastructure is there already, like the tanks that we have. I don't know how the other councillors feel but I would like a definitive answer to this before we act further and would like you to ask Wendy Mathews,

1. If a community size meter is added to a standpipe with a current large meter (to be locked) will both meters flow into the tanks that the shire has at the standpipes already?

2. If yes how many are the water authority willing to do? Can we do all of the current larger flow standpipes with tank infrastructure in place in the shire?

In my opinion the answers to these two questions are crucial to the debate particularly question one, if the answer is no to question one then there is almost no point to having the community meter.

Stuart

Sent from my iPad

On 9 Oct 2018, at 9:02 am, John Nuttall <ceo@mtmarshall.wa.gov.au> wrote:

Good morning Councillors,

Further to the last OCM and the item regarding standpipes, emails have been exchanged with the Water Corporation and copies are below.

In essence the information I have received is that the 'community' outlet will be the smaller size, not the inlet to the tank.

The document provided will show that there are 2 possible flow rate options, and we could ask for the larger of those. I understand, however that would not necessarily be a fast enough flow.

Time is fairly short to deal with this issue and I therefore would ask for you to send a response by email (to the group) regarding your thoughts. As I see it, based on this information there are really only 2 options:

1. Continue as has been resolved and accept the slower flow rates for community outlets.
2. Re-visit the issue and open some larger outlets to the community and then find a way to charge or carry the vastly increased costs.

I'm not going to be able to get this issue to Council for next week but if you can send any feedback prior to then we may be able to discuss briefly after the meeting next Tuesday?

Regards,

John

Hi John

Thanks for your email.

Our new pricing structure and the new classifications are based on what the Shire of Mt Marshall will be charged by the Water Corporation. It is then up to the Shire to decide if they wish to continue to provide subsidised water to its end users or introduce a

charge to cover maintenance of the service to the wider community to cover your costs.

A small meter at the tank is okay and you can decide to get the service that provides a flow rate (L/Minute) that suits you best. I have attached a document that shows the flow rates for various meter sizes for reference. As you will see, we offer different flow rate options and there is different pricing associated with this. Some other Shires already have two different options with a small and a large service at one location, so it should be okay if the water scheme is not impacted significantly.

If you are however, still wanting to provide a larger meter for the community\commercial operators to use, you can do so, but you will be charged the Commercial rate for that size meter and the annual water service charge for that meter size by the Water Corporation.

I hope this is clear. Also, as you already have a tank, our Work Team would assess and probably approve the additional service at that location. All requests on the Action Plan will be discussed with each Shire as the Work Orders are activated.

In relation to your request about the Beacon standpipe that appears to be missing off our list, is it possible for you to provide a meter number for this as we can then use this to locate the information in our database. As I explained at our meeting, our own internal processes have been an issue in relation to standpipes, and this project is also reviewing the data we have, as we know some information has not been entered correctly. Since Beacon was not on the information I provided, it must be due to the wrong code being placed into our billing system as it was not in our report for standpipes when ran for all Local Government standpipes or is not relevant to the project.

Remember that my project only covers potable water standpipes and maybe Beacon is non-potable. Can you confirm?

Regards

Wendy Mathews

Specialist - Customer & Stakeholder
Customer & Industry Partnerships

<image001.jpg>

E: Wendy.Mathews@watercorporation.com.au

T: 08 6330 6694

M: 0438 732 952


<image001.jpg>

<image002.jpg>

Keep in

touch <image003.jpg> <image004.jpg> <image005.jpg> <image006.jpg>
watercorporation.com.au

<image001.jpg>

 **Please consider the environment before printing this email.**

From: John Nuttall [<mailto:ceo@mtmarshall.wa.gov.au>]

Sent: Thursday, 20 September 2018 1:57 PM

To: Wendy Mathews

Subject: RE: Fixed Standpipe documents

Hi Wendy,

Many thanks for this response. Council considered the situation at a meeting earlier this week, and a determination has been made regarding the standpipes.

There is however one issue outstanding which I hope you will be able to assist me with.

In a situation where a request is made for a smaller (community) meter alongside a larger meter (to be locked up and used say for fire service only) – in our case where there is a tank at the standpipe (which is most of our services) – will the smaller meter feed into the tank (with the ability to use the larger meter for access but the tank fills up more slowly) or at the point of supply (so the water supply itself is slowed down to say 25mm)?

Hope all of that makes sense?

Additionally I have noticed that the standpipe in Beacon town is not on the list – are you able to supply meter details for that so I can add it to the form when I return it to you?

Many thanks in advance,

John

Hi John

We can have two services on one site if there is capacity to do this in our water scheme. Put the request on the Action Plan and it will be assessed by our work teams as we create the work orders.

We would only pay for the 20-25mm service on a site that already has the larger service and incorporate the new one into the infrastructure. We would not move and install another large service as part of this project in a different location.

Hope this is clear or give me a call. I am on the road today so am accessible by mobile.

Regards

Wendy - 0438 732 952

Sent from my iPhone

On 6 Sep 2018, at 9:36 am, John Nuttall <ceo@mtmarshall.wa.gov.au> wrote:

Hi Wendy,

Further to our meeting and your email follow up I intend to put this matter to Council at the next meeting.

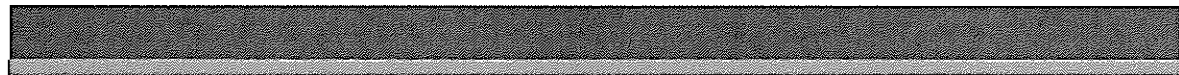
We have had discussions and one of the questions I was asked was:

Is it possible to have 2 services at a site so that it could be a community standpipe at 20mm, but also have a (locked) 80mm service that could be used if there was a fire?

If that possibility exists would WC pay for such a new set up?

Many thanks,

John



From: Wendy Mathews
[mailto:Wendy.Mathews@watercorporation.com.au]
Sent: Tuesday, 14 August 2018 11:36 AM
To: John Nuttall <ceo@mtmarshall.wa.gov.au>
Subject: Fixed Standpipe documents

Hi John

Can you confirm you received the information I sent through electronically on standpipes as discussed, as I have just realised the file sizes were quite large and you might not have received them.

Thanks.

Regards

Wendy Mathews
Specialist - Customer & Stakeholder
Customer & Industry Partnerships

<image001.jpg>

E: Wendy.Mathews@watercorporation.com.au

T: 08 6330 6694

M: 0438 732 952


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touch <image003.jpg> <image004.jpg> <image005.jpg> <watercorporation.com.au

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 **Please consider the environment before printing this email.**

From: Wendy Mathews
Sent: Wednesday, 8 August 2018 4:12 PM
To: 'ceo@mtmarshall.wa.gov.au'
Subject: Fixed Standpipe documents

Hi John

Apologies for the delay in getting the electronic documents to you relating to regional fixed standpipes that I promised to send through when we met a couple of weeks ago.

Attached are the electronic copies of the Standpipe Map, FAQs, Action Plan and also the 17 year water history that covers all your Water Corporation accounts which might assist you in reviewing your water usage trends over the years.

If you have any further questions, please get in touch. Just a reminder that the Action Plan needs to be completed and returned to me by the 30 October 2018 as agreed. Ignore the current date on the attached Action Plan.

Regards

Wendy Mathews

Specialist - Customer & Stakeholder
Customer & Industry Partnerships

<image001.jpg>

E: Wendy.Mathews@watercorporation.com.au

T: 08 6330 6694

M: 0438 732 952


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<Fixed_Standpipes_-_Flow_rates.pdf>



Using a fixed standpipe in regional Western Australia





What is a fixed standpipe?

A fixed standpipe is a metered service which provides access to bulk water supplies directly from a point on a water supply main.

In regional WA, fixed standpipes connected to our service can be privately owned or owned by local government. Some local government owned fixed standpipes are available for use by the community and businesses.

Fixed standpipes provide an essential source of water for people in communities who are remote from reticulated water schemes and may otherwise have limited or no water for household purposes, firefighting or to supplement water for stock. Businesses remote from a reticulated water supply may rely on water carted from fixed standpipes to provide essential input to their business for production and for staff amenity.

Accessing existing fixed standpipes

To access a fixed standpipe, please contact the local shire in the area you require water. They will be able to advise where the publicly accessible standpipes are located.

If you require more than 49 kilolitres per day for any purpose, you must contact Water Corporation to discuss your needs.

It is the user's responsibility to ask the shire for advice on how to safely access the fixed standpipe before operating it as the ongoing maintenance and repair of these is managed by the shire.

| Type of fixed standpipes | Description |
|---------------------------------|---|
| Local Authority Standpipe | <p>Use: For use by shire only - locked and no public access available.</p> <p>Meter: Can be any size service as long as it is for direct Shire use.</p> |
| Community Use Standpipe | <p>Use: Available for public use to assist local farmers, households not connected to the water schemes and limited use by shire for their own purposes.</p> <p>Meter: Only available for 20mm and 25mm standpipes that are publicly accessible.</p> <p>Farmlands tariff applies to each kilolitre of water used.</p> |
| Commercial or Private Standpipe | <p>Use: Available for public use by commercial customers; may include major road building, water carting for large projects, farming.</p> <p>If greater than 49 kilolitres per day is required, contact Water Corporation for alternative options.</p> <p>Meter: Any meter above 25mm</p> <p>Town based charges apply which are regulated by the government.</p> |
| Fire Standpipe | <p>For fire fighting only - Access by DFES and volunteer fire fighting units. No public access and should be locked or controlled to limit access.</p> |

Public access usage costs

The cost per kilolitre (1000 litres) of water from a public fixed standpipe is determined by the size and the flow rate of the meter.

Low flow rate fixed standpipes are charged a discounted rate and are provided for the benefit of households, farmers or the local shire. These fixed standpipes are 20mm or 25mm in size only.

Commercial users are encouraged to use high flow standpipes. High flow standpipes are charged the town based rate and are open for use by the general public. These are above 25mm in size.

Charging town based tariffs for high flow rate fixed standpipes provides consistency and equity across all commercial users in Western Australia. This ensures some businesses are not unfairly accessing subsidised rates.

Charges also vary between shires. Your local shire will be able to provide up-to-date information on the current rates.

Fixed fire standpipes exist for fire fighting and training purposes only. They generally have high flow rates to assist with firefighting and are controlled to limit access. They are not available for general public use.

Relevant fees and charges for fixed standpipes are updated annually and can be accessed on the Water Corporation website.

Need a new fixed standpipe?

If public standpipes are not available, you can apply for a permanent or temporary fixed standpipe online through BuilderNet on the Water Corporation website.

Please note fixed standpipes are a last resort to be used when all other alternative water sources are not available or do not meet the water quality requirements.

Temporary fixed standpipes can only be provided where there is capacity in the scheme to support the additional demand. Please note, all temporary services, including fixed standpipes, are charged a minimum 6 month infrastructure charge even if the service is required for a shorter duration.

How to apply for a new fixed standpipe

All applicants requiring access to water from a fixed standpipe for dust suppression must demonstrate that all alternative water sources have been thoroughly investigated prior to requesting a fixed standpipe water service from the water supply scheme.

The alternatives could include:

- water courses
- bores
- dams
- drilling of a bore – apply to the Department of Water and Environmental Regulation and allow 3 months for your application to be assessed.

Water Corporation will need you to provide evidence of sourcing alternative water sources prior to approving a fixed standpipe being used for dust suppression.

How to apply for a temporary fixed standpipe service

Once you have accessed the Water Corporation website, select BuilderNet under Quicklinks on the homepage. Request a temporary water service by selecting 'Lodge a water service application' and completing the form.

You will also need to complete and attach the Temporary Service Form - 'Water supply application' prior to submission.

If you need assistance to complete the application form, please call our BuilderNet Help Line on **1800 016 015** or use the online chat service. Both services are available during business hours.

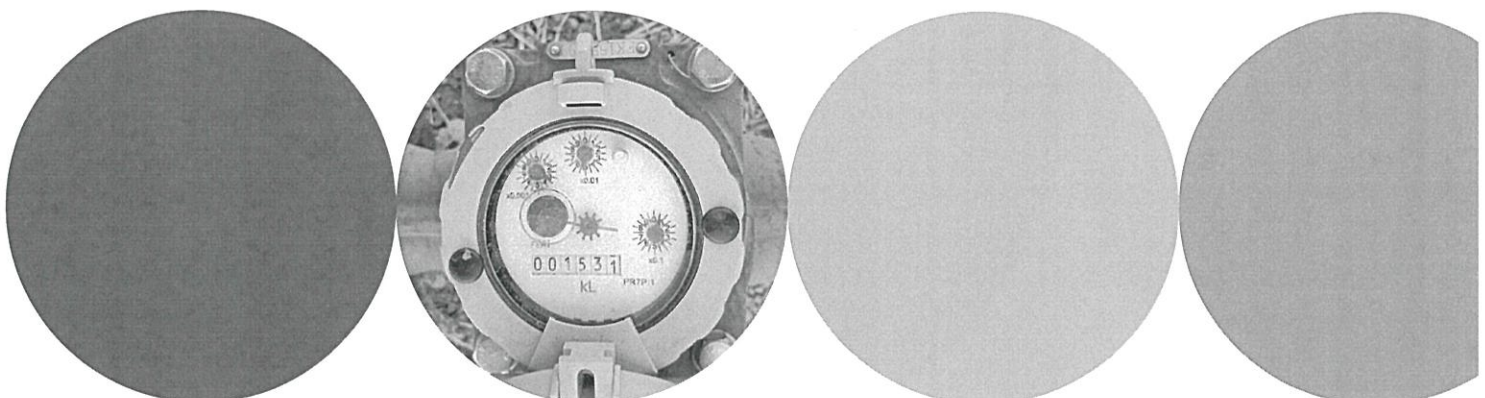
How to apply for a permanent service

Once you have logged into BuilderNet, you can request the type of service you require by selecting 'Lodge a water service application' and completing the form.

Permanent fixed standpipe fees will be discussed as part of the application process and will depend on the infrastructure chosen and flow rate required.

The following fees apply for a fixed standpipe service:

- an administrative fee
- infrastructure contributions
- by-law charges for each kilolitre of water used
- connection and disconnection fees
- loss or damage to the water meter or water service (if applicable)
- annual service charge for non-local government fixed standpipes.



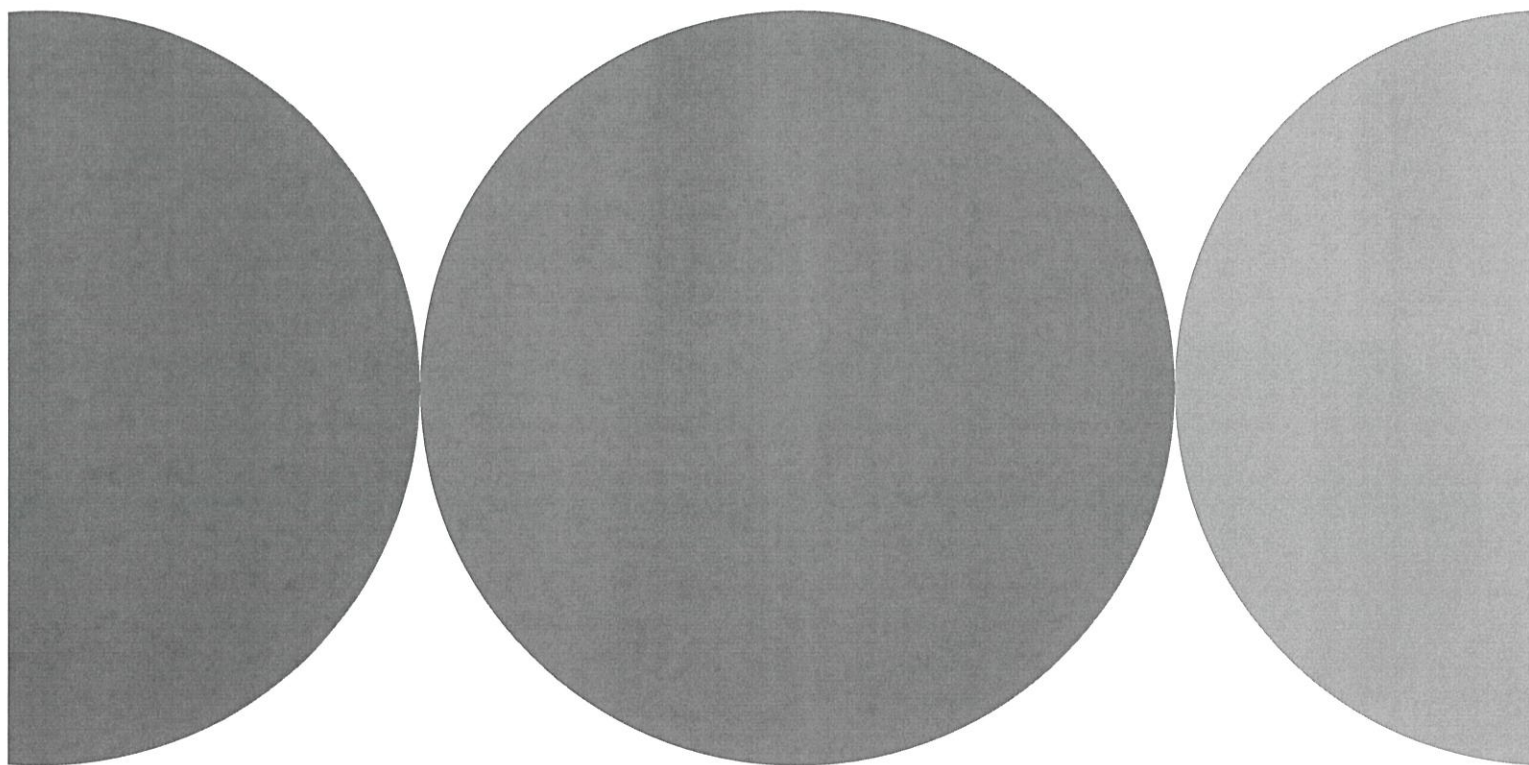
Drought conditions

A 'Water Deficiency Declaration' is a government response to safeguard the use of this precious resource during very dry periods.

When a state government declared drought zone exists, all large shire-owned fixed standpipes will be made available at concessional rates to the community for drought relief in accordance with the terms of the declaration conditions. If conditions for commercial use relief are not specified then standard rates will apply.

User responsibilities

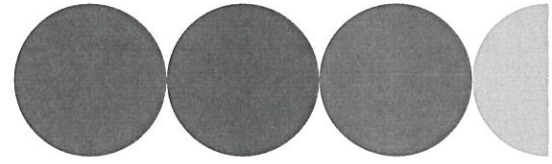
- Public standpipes that develop a fault or are damaged must be reported to the shire.
- You must ask the shire for advice on how to safely access the fixed standpipe before operating it.
- From time to time, Water Corporation may declare a public fixed standpipe is not to be used for operational reasons. You must comply with this directive to ensure protection of the drinking water supply.
- Do not access water from a fire fighting standpipe as these are for use by DFES or volunteer country fire services only.
- It is the responsibility of the standpipe owner to ensure suitable high rated backflow prevention is installed. These devices require annual testing. Your licensed plumbing contractor certified in backflow prevention will be able to assist you in meeting these requirements.





Other information

For further information on fixed standpipes, please visit the Water Corporation website at watercorporation.com.au or phone our BuilderNet Help Line on **1800 016 015** for assistance in completing an application.



13 13 85 Account Enquiries (8am - 5pm weekdays)
13 13 75 Faults, Emergencies and Security (24 hours)
13 36 77 National Relay Service

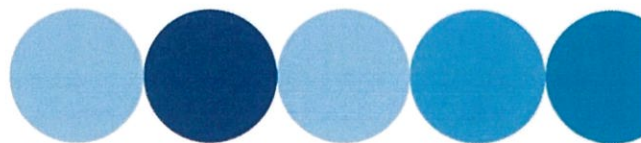
This information is available in alternative formats on request.

watercorporation.com.au/contact

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September 2018

Fixed Standpipes



Frequently Asked Questions

Pricing for Local Government owned Fixed Standpipes in country regions is changing. This factsheet is provided to address frequently asked questions. This pricing structure relates to potable water only.

What is changing?

Local Government Authorities (LGAs) are entitled to access concessional pricing for water used for their own purposes. This will not change; however high flow rate LGA owned fixed standpipes that are publicly accessible will no longer be charged concessional rates and commercial rates will instead apply.

Who does this pricing change affect?

This change will affect users of high flow LGA owned fixed standpipes in country areas. Although the price is charged to the LGA directly, the costs may be passed on to businesses, farmers and properties not connected to the scheme.

How will rates and charges be applied to fixed standpipes?

The new pricing structure is linked to the size of the standpipe meter, as this determines the flow rate. Small standpipes (20mm and 25mm) generally deliver between 20 – 40 litres per minute. Large standpipes (any pipe larger than 25mm) generally deliver from 80 litres per minute and above.

All LGA standpipes with a meter size of 20mm or 25mm will receive concessional rates and are to be used by the LGA or for community purposes only (such as drought assistance for farmers or households not connected to scheme water when a drought condition is announced by the Government). All standpipes with a meter size above 25mm will be charged at a commercial rate, but an exemption to consumption charges will apply for water used for fire-fighting purposes.

Standpipes with a meter above 25mm that are located in a shire depot or locked for Shire use only will be able to access the concessional rate by providing evidence of the ability to control user access.

There will be no change to Fire Standpipes or fixed standpipes installed on privately owned property.

Why is 25mm the cut off for a concessional service?

The lower flow rate is less likely to be able to deliver more than 49 kilolitres per day, which would qualify for a Major Consumer Agreement. Anything above 25mm is viewed as being used for a commercial purpose.

What are the new prices for Standpipe use?

¹ The new pricing structure is outlined in Appendix 1.

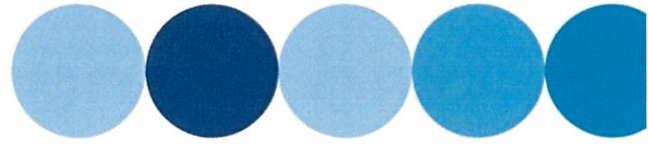
Why are these changes being made?

Some commercial customers have in the past accessed LGA owned standpipes with concessional rates which are below the regulated Town Class rate for the location as set by Government. Water is a precious resource and is regulated like any other valuable natural resource and correct pricing must be enforced.

When the incorrect water rates are used, it creates inequity and results in the community and State Government subsidising the activities of private enterprises on an unequal basis.

Fixed standpipes provide an essential source of water for customers who are remote from reticulated water schemes, amenities to communities by enabling local governments to maintain street trees and undertake minor building activities, and enable economic growth by supplying businesses that rely on carted water as an input to production

These changes will ensure the rate commercial customers pay is consistent across the state.

**When do the changes come in to effect?**

The changes will be effective from the 1 July 2019.

Why are water use charges higher for customers in regional areas?

Prices for water use in most regional towns are higher than in the metropolitan area because the cost of supplying water is higher, usually due to their remote location and smaller population size (where costs are spread over fewer customers).

The maximum charge per kilolitre i.e. \$8.353/kL for non-residential customers (in 2018-19) protects customers from very high water bills, even when the cost of providing water services may be substantially higher than this.

How can Shires better manage and control the use of standpipes?

Many standpipe infrastructure suppliers offer control systems for standpipes. Some Shires already have these installed for better management of their own standpipes.

Water Corporation can provide contact information for these suppliers, or information on which Shires have them installed, so you can speak to them directly on costs involved in making the change and understand the benefits of such a system.

Can contractors working on Local Government projects access a Local Authority standpipe if required as part of the project?

Contractors working on Shire projects are permitted to use locked LA standpipes, thereby minimising the volumetric costs incurred by Local Government. Contractors are not entitled to use an LA standpipe for other commercial purposes. They will need to access a Commercial standpipe from the 1 July 2019.

Can Local Government still obtain a concessional rate for any water taken from a Commercial standpipe for Shire purposes?

Yes, but there will now be a requirement to provide evidence of the volume taken. Local Government will need to submit a Claim form via the Water Corporation website to obtain the concessional rate from a Commercial standpipe.

Can Shires continue to on-sell water?

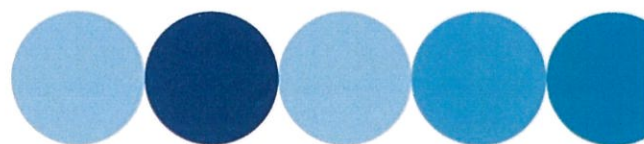
Yes, Shires are able to set the price for on-selling at their discretion.

My Shire has been charging GST on water from a local government owned standpipe to third parties, can this continue?

No, charging GST on water is not allowed. The ruling surrounding this is outlined by the Australian Tax Office via their website – www.ato.gov.au.

There are no 'small' standpipes in our Shire, how will we access the concessional rates?

Upon request, Water Corporation will provide the installation of one 20mm or 25mm connection, as nominated by the LGA, free of installation and administration fees (but not Standard Infrastructure Contributions) as part of the implementation of the new charging regime.



The current Infrastructure Contribution charges applicable for a Community standpipe are:

| Meter size (mm) | Flow rate range: Guaranteed minimum to flow-controlled maximum (L/Minute) | 2018-19 |
|-----------------------------|---|---------|
| 20 Base level of service | 20 – 49 | \$2,211 |
| 25 | 40 - 59 | \$4,422 |
| 25 | 60 – 82 | \$6,633 |

To take up this offer, the Water Corporation must be advised as soon as possible. The free connection offer will not be available after the 1 July 2019.

Can Shires request a free commercial size LA standpipe as part of the planned change?

No, Water Corporation is only providing free infrastructure for a 20-25mm service.

Is there an 'amnesty' period?

No. All affected users are being provided with more than six months' notice to ensure a smooth understanding and transition prior to the change on the 1 July 2019.

Do standpipes require backflow prevention?

Yes. It is the owner of the standpipes responsibility to ensure suitable high rated backflow prevention is installed. These devices also require annual testing. Your licensed plumbing contractor certified in backflow prevention, will be able to assist you in meeting these backflow requirements.

Does backflow prevention impact on water pressure?

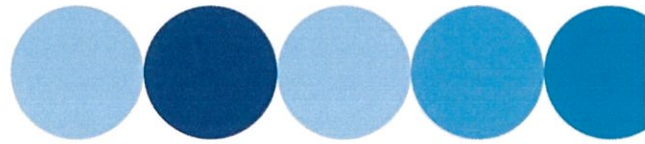
Yes. Some forms of backflow prevention will reduce water pressure and flow rate downstream of the device. If water pressure and flow rate is critical for the activities on your property, you need to consult with a licensed plumbing contractor or hydraulics consultant before choosing and installing a backflow prevention device.

Are the design standards for new standpipes changing?

Yes, all new standpipes will require the installation of a gate valve to ensure adequate control over water flow when standpipes are turned on and off to prevent water hammering in the pipes.

This requirement is for all new standpipes only, however if an existing standpipe has been identified as constantly being a problem, the Water Corporation will discuss an upgrade to a gate valve option with the cost being borne by the standpipe owner. Having a gate valve installed will help reduce breakages in the water pipes, which customers are currently being billed for if evidence shows the standpipe is being impacted through water hammering occurring from the standpipe.

Will any costs relating to installing a storage tank at the standpipe for access to higher flow rates be covered or subsidised by the Water Corporation?



No, this will be the responsibility of the standpipe owner. The owner would make an assessment as to the need for this service for their customers.

If a Shire no longer requires a fixed standpipe, what is the charge for it to be decommissioned?

The cost to decommission a fixed standpipe is \$769.57 (based on pricing for 2018\2019). This cost applies across all meter sizes and the Water Corporation will provide this for free.

How do Shires notify their users of the change?

All affected shires will be notified in person or in writing and supporting documentation such as brochures will be available to assist with communicating to users. More information will be available at www.watercorporation.com.au/home/business/starting-up/fixed-standpipes (available from April 2019).

Water Corporation can also be contacted by current users for further information if required.

What are the options for charging the costs associated with accessing water from a standpipe?

- Coin operated
- Swipe card (prepay or post pay options available)
- Credit card
- Honesty system – part of this project will be to encourage these systems to cease or be better controlled.

Ideally, a more controlled standpipe is the best option for everyone. The Water Corporation can assist in providing information on WA suppliers who offer controlled systems if required or direct owners to Shires who currently have these automated control systems in place to offer further advice.

How do I know if commercial users are accessing water from our Shire use meter, we work on an honesty system?

Shires are responsible for knowing who is using their standpipes and if it is being used inappropriately. Introducing a control system may support this, e.g. Swipe card or managed within LGA depot to identify major users.

Why is the cost of water going up for commercial users when we have been accessing water without any issue?

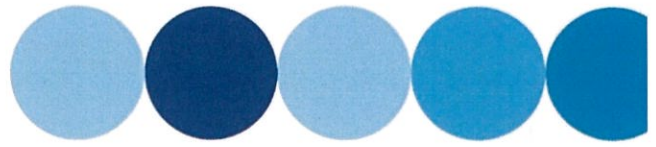
Water is a valuable resource and regulated charges are set by the State Government based on its use. Pricing of water is based on a 'user pays' principle and in regional Western Australia it has not been implemented according to legislation for fixed standpipes. Having a regulated pricing structure ensures all users are paying the correct rate for water use no matter where they are located across the State.

Current usage patterns on fixed standpipes have shown that commercial suppliers are getting charged at the concessional level by accessing LGA standpipes which is inequitable for other commercial operators that are charged correctly.

Accessing large volumes of water from a fixed standpipe can also cause water supply issues to other users on the scheme and any large users need to be directed to the Water Corporation to be set up on a major consumer agreement.

Will high-flow standpipes be accessible for commercial use?

Yes, but they will now be charged a commercial rate and not have access to concessional rates.



However if more than 49 kilolitres per day is required, the Shire should direct these commercial users (if known) to the Water Corporation so a Major Consumer Agreement can be set up instead.

From time to time, Water Corporation may restrict access if the high usage affects other users on the scheme.

What happens in drought conditions for the price of water to farmers?

A 'Water Deficiency Declaration' is a government response to safeguard the commercial interests of farmers during very dry periods.

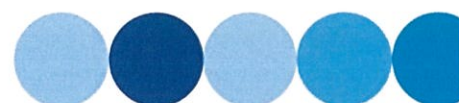
When a state government declared drought zone exists, all large shire-owned fixed standpipes will be made available at concessional rates to the community for drought relief in accordance with the terms of the declaration conditions. If conditions for commercial use relief are not specified then standard rates will apply.

If water carters are hired by farmers to transport water during a drought, this cost is the responsibility of the farmer and water will be available at the concessional rate since the end use is for the farmer.

How do I get more information?

Contact your local Shire or the Water Corporation.

Fixed Standpipes FAQ

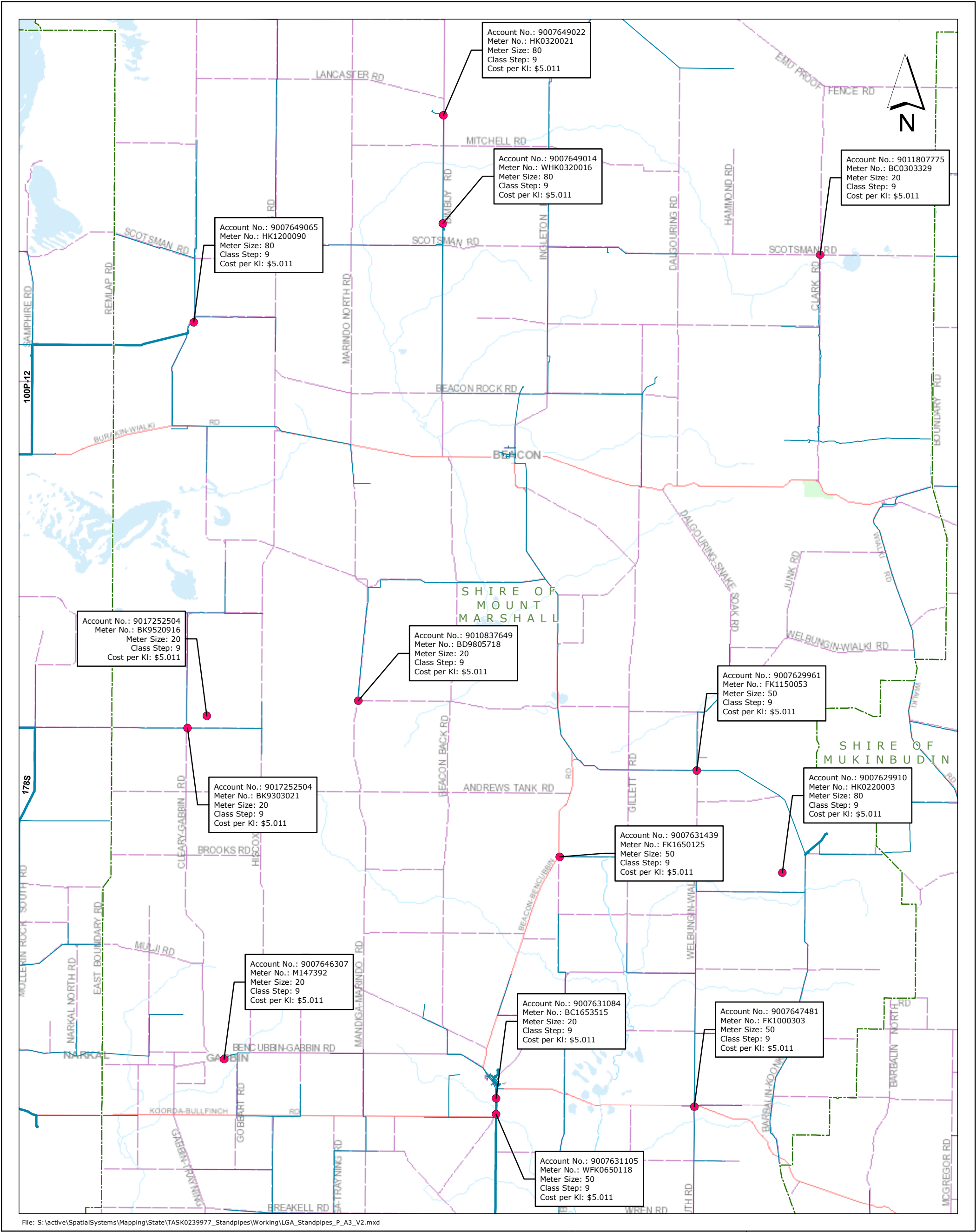


Appendix 1- New Standpipe Charges

| Type of standpipe: (Water Corporation code) | Rates 2018/2019 New Description |
|--|--|
| Local Authority Standpipe | <p>Use: For use by Shire only – must be locked or within a depot and not available for public access.</p> <p>Meter: Can be any size service as long as it is for direct Shire use.</p> <p>Contractor access is for Shire projects only.</p> <p>Service Charge: No Service Charge.</p> <p>Commercial Class 1 tariff: \$2.534 per kilolitre (kL).</p> |
| Community Use Standpipe | <p>Use: Available to assist local farmers for topping up their water tanks, households not connected to schemes etc.</p> <p>Limited use by Shire for their own purposes.</p> <p>Meter: 20mm and 25mm standpipes that are publicly accessible.</p> <p>Storage tanks can be installed by Shires at these sites to improve accessibility to larger volumes of water in a timely manner if required.</p> <p>Service Charge: 20mm Service Charge only.</p> <p>Farmlands tariff: \$2.534 per kilolitre (kL).</p> |
| Commercial Standpipe | <p>Use: For use by commercial customers; may include major road building, water carting for large projects, and farming.</p> <p>Meter: Any meter above 25mm.</p> <p>Service Charge: Meter-based service charges (according to the size of the meter).</p> <p>Town based charges: ranging from \$2.534 cents to \$8.353 per kilolitre.</p> |
| Fire Standpipe | <p>Remains as is – no changes to current concessions. However, if a fire standpipe remains unlocked, Commercial charges will apply</p> <p>Service Charge: No Fee. 100% discount.</p> <p>Water Use Charge: No Fee.</p> <p>Note: Currently some Shire standpipes have signs advising they are for fire-fighting only and are unlocked. Shires will need to implement a locked system or commercial rates apply, unless evidence provided it was for fire-fighting purposes, to obtain a refund.</p> |
| Water Corporation standpipe | <p>Offer to handover/gift these standpipes to Shires where there is a desire to manage an additional service.</p> <p>If Shires are not interested, service to be disconnected.</p> <p>Charge to handover: No charge.</p> |
| Private, Recycled and non-potable standpipes | <p>Remains as is – no changes.</p> |

FLOW RATES – Infrastructure Contribution Table

| Meter size (mm) | Flow rate range: Guaranteed minimum to flow- controlled maximum (L/Minute) | 2018-19 |
|--------------------------------|---|-------------|
| 20 Drinking tap meter | 2.3 | |
| 20 Rural water supply meter | 1.4 – 2.3 | |
| 20 Farlands meter | 2.8 – 3.5 See (2) for greater flows | |
| 20 Base level of service | 20 – 49 | \$2,211 |
| 25 | 40 - 59 | \$4,422 |
| 25 | 60 – 82 | \$6,633 |
| 40 | 80 – 102 | \$8,844 |
| 40 | 120 – 150 | \$13,266 |
| 50 | 180 – 199 | \$19,899 |
| 50 | 230 – 260 | \$25,426.50 |
| 80 | 340 – 398 | \$37,587 |
| 80 | 470 – 550 | \$51,958.50 |
| 100 | 600 – 756 | \$66,330 |
| 100 | 750 – 900 | \$82,912.50 |
| 150 | 1100 – 1512 | \$559,360 |
| 150 | 1500 – 2002 | \$165,825 |
| 150 | 2000 – 2500 | \$221,100 |



Water Standpipe Class

| | | | |
|---|---|----|----|
| 0 | 4 | 8 | 12 |
| 1 | 5 | 9 | 13 |
| 2 | 6 | 10 | 14 |
| 3 | 7 | 11 | 15 |

1:225,000 at A3

0 2200 4400 6600 8800 Metres

Coordinate System: GDA 1994 MGA Zone 50
Vertical Datum: AHD

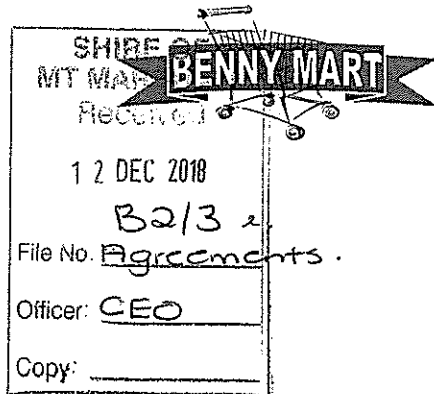
| | |
|------------------------------------|-----------------|
| AUTHOR: FLETTN0 | DATE: 9/07/2018 |
| BRANCH: DTG - MAPPING & GEOSPATIAL | |

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Attachment 12.1.50c

SHIRE OF MOUNT MARSHALL

Standpipe Locations



The Shire Councillors
Shire of Mt Marshall
BENCUBBIN WA 6477

Benny Mart
PO Box 124
BENCUBBIN WA 6477
Tel: (08) 9685 1442
Fax: (08) 9685 1443
Email: bennymart@outlook.com

12th December 2018

Dear Councillors

RE: BENNY MART LEASE OF THE BENCUBBIN TOWN HALL

As you will be aware, the lease Millbrook Nominees Pty Ltd t/as Benny Mart has on the Town Hall is due to expire on 27th March, 2019.

On behalf of Nic, Steve, Tracey and myself, I would like to ask the Councillors to consider renewing the lease to Millbrook Nominees for another three (3) year period with a rental of \$50.00 per week. I offer this lesser figure for the following reasons.

For the most part of the past ten (10) years we have owned the Benny Mart, the business has made a substantial loss to keep a vital service in Bencubbin. Like all businesses, there are the usual staff wages, weekly overheads and the general running of the business but due to limited support from within the community the Benny Mart has not been profitable. I am happy to provide Profit and Loss Statements from my accountant if required.

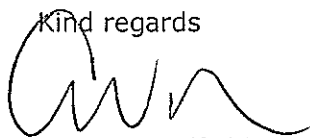
By continuing to operate the business will mean that the town of Bencubbin can continue to have a supermarket giving residents the option to not travel to other towns to do their shopping.

Employment will still be able to be offered to the local community.

Benny Mart will also be able to continue to offer sponsorship and donations to local sporting clubs as well as discounts to other locally based functions.

And finally, as you may (or may not) be aware, the Town Hall is an old building and in Winter it is a very, very cold environment to work in. In Summer, it is the complete opposite. Even with the commercial air conditioners operating, the inside of the building gets very, very hot. Once the temperature reaches over 30 degrees the hot air just gets pushed around. The fridges and freezers really struggle on the extra hot days and give off even more hot air. By having to operate these two huge air conditioners constantly through Summer as well as heaters through Winter the electricity bill escalates significantly for at least six (6) months of the year, therefore I would be very grateful if you would consider my above offer.

Kind regards


Carrie Woodfield
BENNY MART

Valuation Report

| | | | | |
|-----------------|---|----------------|-----------------|----------------|
| Property | 67 Monger Street, Bencubbin, WA 6477 | | | |
| Prepared for | Shire of Mt Marshall | | | |
| Instructed by | Nadine Richmond, Shire of Mt Marshall. This valuation is in accordance with the instructions of the party for whom it was prepared. | | | |
| Purpose | Current Market Value Purposes. | | | |
| Interest holder | Shire of Mt Marshall | | | |
| Dates | Assessment date | 1 October 2018 | Inspection Date | 1 October 2018 |
| LMW ref | 3189763 | | | |



National Property Valuers and Consultants

LMW (WA) Pty Ltd trading as LMW Perth ABN 85 009 324 403 ACN 009 324 403
 Level 2, 420 Bagot Road, Subiaco, WA 6008 / PO Box 124, Subiaco, WA 6904
 T: (08) 9489-9489 F: (08) 9388-2701 perth@lmw.com.au www.lmw.com.au
 National Offices: NSW VIC QLD WA & SA



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67 Monger Street, Bencubbin, WA 6477

Executive Summary

IMPORTANT: All data provided in this summary is wholly reliant on and must be read in conjunction with the information provided in the attached report. It is a synopsis only designed to provide a brief overview and must not be acted on in isolation. The Valuer/Firm (in addition to the principal valuer) has no Potential Conflict of Interest or Pecuniary Interest (real or perceived) relating to the subject property.

For the purpose of this report "LMW" means the company identified on the front of this report.

1.1 Property being valued

| | |
|-------------------------|--|
| Submission date | 17/10/2018 |
| Address | 67 Monger Street, Bencubbin, WA 6477 |
| Title details | Lot 82 on Deposited Plan 148004 as contained within Certificate of Crown Land Title Volume LR3146 Folio 418. |
| Status order/interest | Reserve under Management Order |
| Primary interest holder | Shire of Mt Marshall |
| Encumbrances | Encumbrances are noted in the section Land Particulars. |

1.2 Instructions and property details

| | | | |
|------------------------|--|--------------------|-----------------------------------|
| Instructed by | Nadine Richmond, Shire of Mt Marshall. | | |
| Interest valued | Freehold | | |
| Assessment type | Standard | | |
| Basis for assessment | Market Value | | |
| Primary approach | Direct Comparison | | |
| Relevant dates | Assessment Date: 1 October 2018 | | Inspection Date: 1 October 2018 |
| Specific instructions | None. | | |
| Title searched | 5 October 2018. | | |
| Site identified by | The property has been satisfactorily identified by visual inspection and reference to the cadastral map. Buildings appear to be within the site boundaries. | | |
| Local authority/Zoning | Shire of Mount Marshall | | Commercial |
| Town planning scheme | The current town planning scheme is Local Planning Scheme No. 3 | | |
| Highest and best use | The highest and best use is considered to be the current use as commercial premises. | | |
| Areas | Site Area: | 988 m ² | Lettable Area: 494 m ² |
| Tenants | Tenancy Areas Available: | 1 | No. of Tenants: 1 |
| Occupancy | By Area: | 100.00% | By Net Market Rent: 100.00% |
| Largest tenant | Annual Base Rent: | \$14,000 | % of Total Rent: 100.00% |
| Brief description | The property comprises a grocery store which was previously the town hall. The property comprises a 1,011sqm corner block on the main commercial street of Bencubbin. Improvements comprise the original 1927 built rendered concrete block/tile store front which comprises a front patio area with room to either side, with a main hall to the rear which has a raised stage and backstage area. To the rear of the backstage is a kitchen and storeroom. | | |



67 Monger Street, Bencubbin, WA 6477

1.3 Income summary – applying market effective rents

| | | |
|---|------------------------|-------------|
| Net annual rental income (current/market) | \$14,000 | \$9,680 |
| Rental for occupied areas – Rate/m ² pa Net (current/market) | \$28 | \$20 |
| Vacancy (current/permanent vacancy allowance) | Nil | Nil |
| Total outgoings | \$22/m ² pa | \$11,000 pa |
| Weighted average lease expiry for existing tenants based on income | 5 months | 0.42 years |
| Weighted average lease expiry based on total market income, including vacancies | 5 months | 0.42 years |

1.4 Recent sale history

| | | |
|-----------------|---|-----|
| Sale date/Price | N/A | N/A |
| Comment | There are no sales listed for the property. | |

1.5 Valuation (exclusive of GST)

| | |
|---|----------|
| Market Value | \$95,000 |
| Diminishing Asset Component (defined under heading 8.2 Definitions) | \$1,772 |

1.6 Reversions

| | |
|--|----------|
| Rental reversions (profit rent and rental shortfall) | \$1,772 |
| Leasing-up allowances (includes incentives where applicable) | -\$7,718 |

1.7 Analysed results

| | | |
|---|-------|--------|
| Analysed market yield/Reversionary yield – pa net (effective rents) | 9.59% | 10.19% |
| Initial yield – pa net | | 14.74% |
| Rate/m ² lettable area | | \$192 |
| Rate/m ² of site area (improved) | | \$96 |

1.8 Risk profile

The purpose of risk ratings is to alert the reader to anything that is readily apparent and known to the Valuer at the date of valuation and that may impact on the current market value or marketability of the subject property, limited to the Valuers area of professional expertise.

The indicators in this risk summary are drawn from opinions of the Valuer and are expressed as opinion not fact.

| Category | Low | Low/Medium | Medium | Medium/High | High |
|-------------|-----|------------|--------|-------------|------|
| Cash flow | | | | | |
| Asset | | | | | |
| Market | | | | | |
| Environment | | | | | |
| Management | | | | | |



67 Monger Street, Bencubbin, WA 6477

1.9 General market comment

The following comment is a statement of opinion and not a fact or warranty.

Broader property and economic indicators suggest the market will remain subdued to deteriorating in the foreseeable future.

Valuer

Brad Koenig
AAPI CPV 65295
WA Licence No. 44509

Entity
Office

LMW (WA) Pty Ltd trading as LMW
Perth



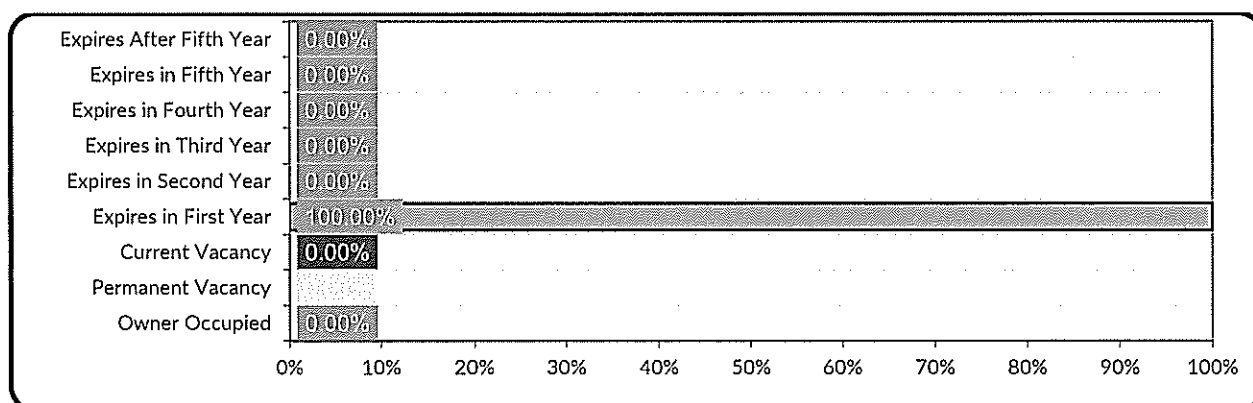
67 Monger Street, Bencubbin, WA 6477

Risk Profile

2.1 Cash flow

2.1.1 Expiry

– Graph of Lease Expiry Profile based on Net rental income.



WALE By area 5 months 0.41 years

– The following table measures the potential cost impact of the current lease expiry profile.

| | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 |
|------------------------------|--------|--------|--------|--------|--------|--------|--------|
| area expiring m ² | 494 | | | | | | |
| lease up (months) | 6 | | | | | | |
| cost if tenant vacates (\$) | 13,442 | | | | | | |

Note: The 'cost if tenant vacates' is based on a lease up allowance including agent's commissions. The table is provided to help quantify the risk associated with the expiry profile of current tenant(s) in the premises. It is not based on an expectation that the tenant will remain or vacate but simply provides guidance to the possible cost expressed in today's terms based on current rent levels.

Lease-up periods

The letting up period for the subject property is considered to be approximately six months allowing for a professional marketing campaign by suitably qualified real estate agent familiar with this type of property in the general locality.

2.1.2 Other matters

| | |
|-------------------------|--|
| – Vacancy/Trend | Limited properties available for lease and are likely to remain so in the medium term. |
| – Market incentives | Minimal incentive required. |
| – Occupant quality | The occupants in the locality are predominantly owner occupiers. |
| – Rental arrears | We are not aware of any rental arrears. |
| – Lease documents | I have sighted executed copies of the lease documents. |
| – Outgoings | Outgoings are estimated based on industry averages. |
| – Vacancy allowance | I have not made a permanent vacancy allowance. |
| – Cash flow risk rating | Medium/High |
| – Comment | <i>Limited demand to lease properties, with few prospective tenants.</i> |



67 Monger Street, Bencubbin, WA 6477

2.2 Asset profile

| | |
|----------------------------------|--|
| - Site quality | Corner allotment suitable for the current use. |
| - Flooding | My enquiries indicate that the property is not subject to flooding. |
| - Access quality | Good access to the property, with the property situated on the corner of Rupe Street and Monger Street. |
| - Exposure | The property is situated on the main street in town. |
| - Building design & construction | The building is functional and efficient. |
| - Facilities & services | Adequate considering age of the building. |
| - Current use | Compatible with the predominant land use in the location. |
| - Parking | Adequate parking provided on site. |
| - Planning | Current use is in line with planning guidelines. There appears to be no adverse planning or environmental issues with this property. |
| - Essential services | All essential services are available/connected. |
| - Asset risk rating | Low/Medium |

2.3 Market

| | |
|----------------------|--|
| - Supply/Trend | Low levels of supply, with limited properties available on the market. This is anticipated to remain in the medium term. |
| - Demand/Trend | Demand is low, due to the small local economy, which is not anticipated to change in the medium term. |
| - Volume of sales | Low due to few similar properties in this location. |
| - Market direction | Prices are stable to slightly deteriorating. |
| - Market activity | Sales activity is currently stable. |
| - Marketability | Fair only, due to the age of the improvements. |
| - Evidential support | There is a low level of comparable evidence to the subject in the immediate locality. |
| - Saleability | Given a continuation of the market conditions that were experienced leading up to the date of valuation and a competent marketing campaign reflecting the nature of the property, I consider the property is saleable at valuation over a normal 6 month marketing period. |
| - Buyer profile | The most likely buyer is generally an owner occupier. |
| - Market risk rating | Medium |



67 Monger Street, Bencubbin, WA 6477

2.4 Environment

- Environmental Issues None apparent.
- Uses The current use is not identified as a risk use in the API guidance notes.
- Environmental checklist The environmental checklist has been completed.
- Contaminated site I have checked the relevant contaminated sites database and the subject does not appear to be listed.
- Asbestos I have not been issued with an Asbestos Materials Report and though no obvious signs of asbestos were noted during my inspection the valuation is subject to there being no areas of asbestos contamination affecting Workplace Health and Safety requirements.
- Environmental risk rating Low/Medium

2.5 Management risk

- Management experience The property is most likely to be owner occupied or single tenanted where there is low management risk.
- Management risk rating Low/Medium



3.1 Special instructions

This valuation is in accordance with the instructions of the party for whom it was prepared.

3.2 Assumptions, conditions and limitations

- All investigations have been conducted independently and without influence from a third party in any way.
- Based on my observations, the site does not appear to be contaminated and I assume that no remediation works are required.
- Any objective information, data or calculations set out in the Valuation will be accurate so far as is reasonably expected from a qualified and experienced valuer, reflecting due skill, care and diligence (except where the information, data or calculation originates from a third party source).
- In undertaking my valuation I have relied upon various financial and other information submitted by the client. Where possible, within the scope of my retainer and limited to my expertise as a valuer, I have reviewed this information including by analysis against industry standards. Based upon that review, I have no reason to believe that the information is not fair and reasonable or that material facts have been withheld. However, my enquiries are necessarily limited by the nature of my role and I do not warrant that I have identified or verified all of the matters which a full audit, extensive examination or "due diligence" investigation might disclose. This valuation is conditional upon the information supplied being correct.
- With respect to lease details, I note that all leases have been sighted. Should there be any variation, I reserve the right to review my valuation. This valuation is conditional upon there being no side agreements in relation to incentives whether it be by way of rental abatements, fitout contributions or cash payments. The right to any rental guarantee, security deposit, bank guarantee or any other form of guarantee provided in respect to any leases to which the property is subject will pass to a purchaser of the property.
- I have relied upon the lettable areas indicated during my on-site inspection. Should any subsequent surveys indicate a variation to the areas adopted within, the matter should be referred to me for review of the valuation.
- I have not been provided with any reports relating to the condition of any plant, equipment, facilities or services at the property and assume for the purposes of my assessment that such are adequate for the continued ongoing utility of the property without the need for any specific short term capital expenditure.
- It should be noted that this valuation does not purport to be a structural survey of the improvements nor was any such survey sighted or undertaken. This valuation is conditional upon detailed reports in respect of the structure and serviced installations of the property not revealing any defects requiring significant expenditure. Additionally, in the absence of a Building Certificate issued by Council or other approved certifier, this valuation is conditional upon the property complying with all relevant statutory requirements in respect of such matters as health, building and fire safety regulations.
- **Verifiable assumptions** relate to environmental issues, structural integrity of the improvements, compliance with applicable building regulations, condition of building services, zoning and encroachments, and can be confirmed by obtaining appropriate documentation relating to each.
- **Assumptions based upon opinion** are detailed in Section 7 Sales Evidence to Section 9 Valuation Reconciliation of this report.
- Should any of the assumptions upon which my valuation assessment is made prove to be incorrect or inaccurate, this report should be referred to LMW for reassessment.



67 Monger Street, Bencubbin, WA 6477

Land Particulars

4.1 Title details

| | |
|----------------------------|---|
| Status order/interest | Reserve under Management Order. |
| Primary interest holder | Shire of Mt Marshall |
| Legal description | Lot 82 on Deposited Plan 148004 as contained within Certificate of Crown Land Title Volume LR3146 Folio 418. |
| Encumbrances and interests | 1. Reserve 18654 for the purpose of Municipal Offices & Hall Site Management Order. Contains conditions to be observed. |

The above reserve lists the current purpose as "Municipal Offices & Hall Site", with the Land Use listed as "Administration Centre – Local Hall". The current use for a Grocery store does not appear to be permitted, however we note that this is a use organised/arranged by the Primary Interest Holder the Shire of Mt Marshall.

Overall, there are considered to be no onerous covenants or interests reported on Title that adversely affect the value, marketability and continued utility of the property. If there are any encumbrances, encroachments, restrictions, leases or covenants which are not noted in this report, they may affect the assessment of value. If such matters are known or discovered, I should be advised and asked as to whether they affect my assessment of value.

The valuation is provided on the basis that the land is not subject to any encumbrances or restrictions on Title other than those noted here and that the property is unaffected by any road alteration proposals.

4.2 Land area based on cadastral map

The subject property is a regular shaped allotment with south-western frontage to Monger Street of 10.06m, a north-western boundary of 50.29m, a south-eastern boundary of 50.29m and a north-eastern (rear) boundary of 20.11m. The site encompasses a total land area of 988m².

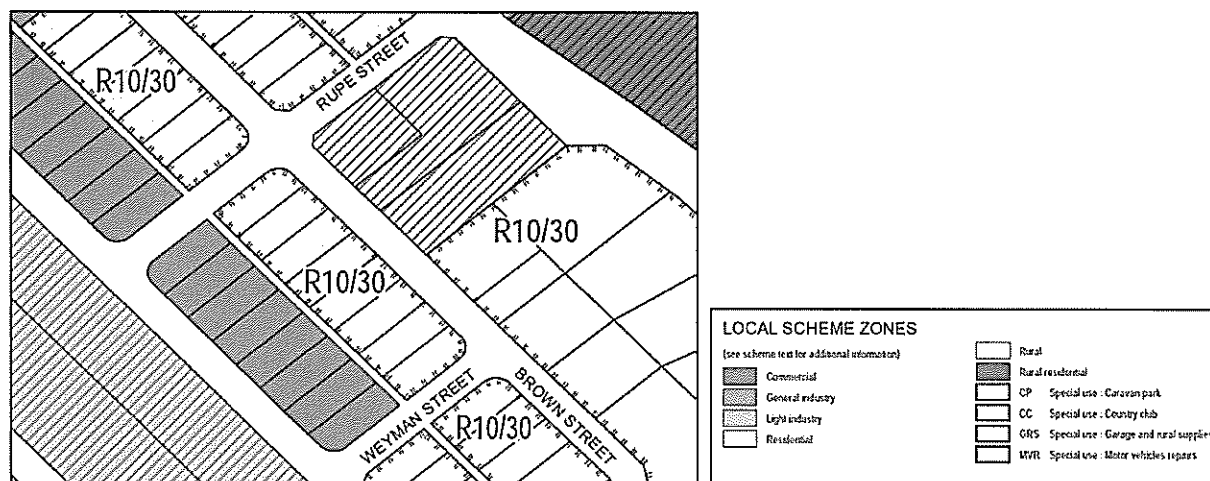
Whilst I have physically identified the boundaries of the subject property on inspection, I am not a qualified Surveyor and no warranty can be given without the benefit of a formal identification survey.





67 Monger Street, Bencubbin, WA 6477

4.3 Town planning summary



| | |
|--------------------|--|
| Local authority | Shire of Mount Marshall |
| Planning Scheme | Local Planning Scheme No. 3 |
| Zoning/Designation | Commercial |
| Zone objectives | <ul style="list-style-type: none"> • To maintain a coordinated, consolidated, compact and accessible centre. • To centralise commercial, office, showroom, open air display and service functions. • To maintain safety and efficiency of traffic flows and provide for adequate facilities for the storage and circulation of vehicles. • To preclude the storage of bulky and unsightly goods where they may be in public view. • To maintain the compatibility with the general streetscape for all new buildings in terms of scale, height, style, materials, street alignment and design of facades. • To reduce uses attracting large volumes of heavy vehicle traffic other than to service retail outlets. • To provide for residential uses only where the residential uses are combined with a commercial use, e.g. hotel, or where the residential uses occupy a floor level or location where it is impracticable or inappropriate to establish a shop or office. • To provide street furniture, planting and sheltered places for pedestrians. • To encourage the provision of public art to improve the amenity and ambiance of the town centre area. |
| Permissible uses | The current use appears to comply with the permissible uses under the zoning. |

The planning information noted has been obtained from the relevant local authority. This information has been relied upon in my assessment of value and no responsibility is accepted for the accuracy of the planning information provided. Should the information prove incorrect in any significant respect, the matter should be referred to me for review of the valuation.



67 Monger Street, Bencubbin, WA 6477

4.4 Site description

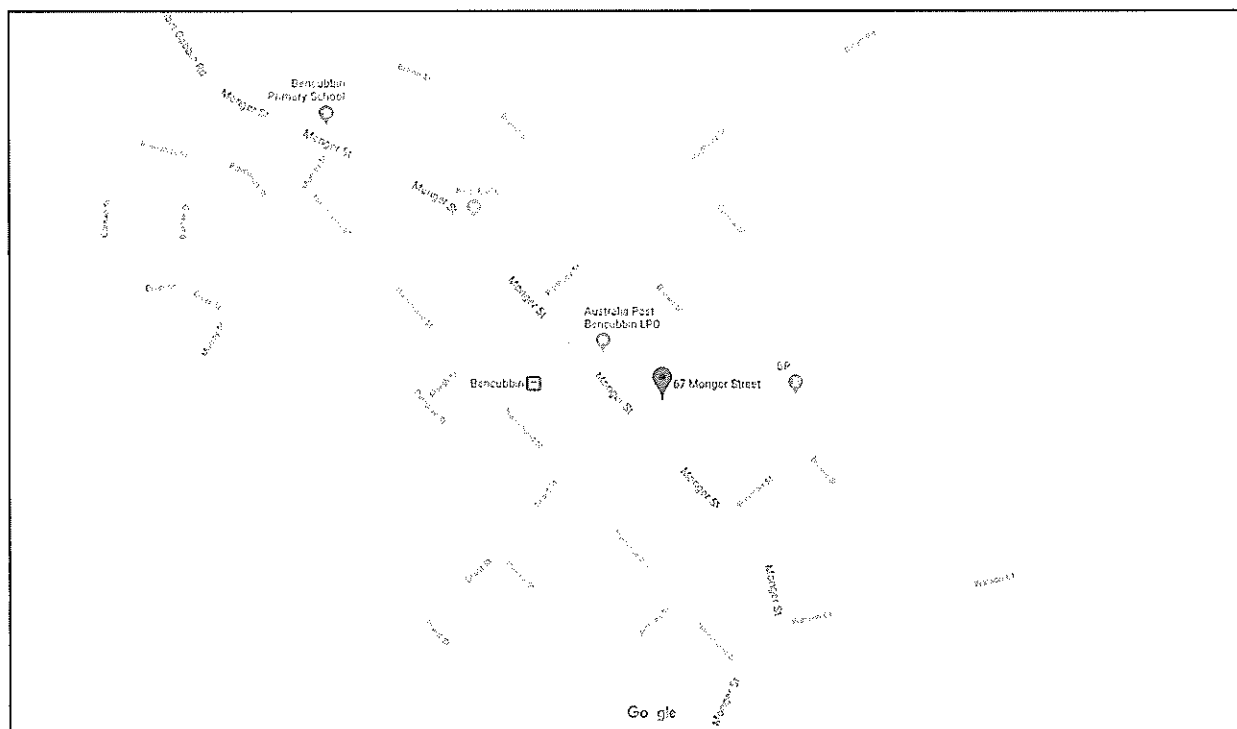
| | |
|------------------|--|
| Identification | The property has been satisfactorily identified by visual inspection and reference to the cadastral map. |
| Position | The land is situated on the north-eastern side of Monger Street, being positioned to the eastern corner of the intersection between Monger Street and Rupe Street. |
| Shape/Topography | Corner allotment suitable for the current use. |
| Flood status | My enquiries indicate that the property is not subject to flooding. |

The flooding information noted has been obtained from Department of Water. This information has been relied upon in my assessment of value and no responsibility is accepted for the accuracy of the flooding information provided. Should the information prove incorrect in any material respect, the matter should be referred to me for review of the valuation as I deem appropriate.

4.5 Services

Electricity, town water and telephone are all available for connection, sewerage is unavailable. In addition, all roads in the area are bitumen sealed, concrete kerbed and provide adequate drainage.

4.6 Location and neighbourhood



Source: Google Maps

Bencubbin is a small country town, located 283km north-east of Perth, with a population of roughly 150. The town has limited amenities, including a primary school and general store. The nearest major regional centre is Merredin, 110km south of Bencubbin. Its main local economy is agriculture.



67 Monger Street, Bencubbin, WA 6477

4.7 Environmental issues

| Issues | |
|--|--|
| Current use and commencement | Grocery Store - 2009 |
| Existing issues raising concern | None |
| Uses identified on API Guidance Note 1 | None. |
| Previous uses | Unknown. |
| Environmental report provided | No, an environmental report has not been provided. |
| Environmental checklist | The environmental checklist has been completed. |
| WA contaminated sites act | By the Commencement of the Contaminated Sites Act 2003, a Public Register is now kept in Western Australia of land that has been classified as being either contaminated – remediation required; contaminated – restricted use or remediated for restricted use. In arriving at any assessment of the value of the land, a basic search of that register has been undertaken which discloses that the land is not classified . I do not accept any responsibility or liability whatsoever for the accuracy of the information contained in the search of the Contaminated Sites Register. In addition to searching the Register I have undertaken general enquiries on the previous use of the land and have relied on the accuracy of the information provided by you to use for this purpose. |
| Fire Risk | The property is not within a bush fire prone area as defined by FESA. |

No soil tests or environmental studies have been made available for my perusal. Therefore, it should be noted that my valuation is subject to there being no surface or sub-surface soil problems including instability, toxic or hazardous wastes, toxic mould, asbestos or building material hazards in or on the property that would adversely affect its existing or potential use or reduce its marketability. Should any problems be known or arise, then the valuation should be referred to me for review of the valuation as I deem appropriate.

It should be noted that an Asbestos Materials Report has not been provided. Should any such matters be known or discovered, no reliance should be placed on my assessment of value unless I have been advised of these matters and I have confirmed that my assessment is not affected.

I am not an expert in this regard and if more detailed advice is required, an environmental consultant should be retained.



5.1 Building construction details

The property comprises a grocery store which was previously the town hall. Improvements comprise the original 1927 built rendered concrete block/tile store front which comprises a front patio area with room to either side, with a main hall to the rear, which has a raised stage and back stage area. To the rear of the backstage is a kitchen and storeroom.

Internally the store front comprises two rooms with the patio between the two rooms comprising a coolroom. One of the rooms is being utilised as the shire archive room, while the other features a small kitchenette. Both rooms comprise carpeted floor coverings, fluorescent lighting and a fire place.

The Hall comprises timber floors, with a 5m peak height truss ceiling, two large commercial evaporative air conditioners and fluorescent lighting. At the rear of the stage area is a storage and kitchen, which comprising vinly floorcoverings, stainless steel sink and rangehood.

Externally there is also a side patio and main customer entrance to the store.

To the rear of the block are male and female public toilets which are maintained by the shire.

5.2 Lettable areas (NLA)

| Building component | Area m ² |
|--------------------|---------------------|
| Office | 440 |
| Patio | 29 |
| Verandah | 25 |
| Toilets | 21 |
| Lettable Area | 494 |

5.3 Photographs



Street Front



Street front



67 Monger Street, Bencubbin, WA 6477



01-10-2018 04:55 PM

Archive Room



01-10-2018 04:55 PM

Store Room



01-10-2018 05:03 PM

Public Toilets



01-10-2018 05:04 PM

Public Toilets



01-10-2018 05:04 PM

Public Toilets



01-10-2018 05:04 PM

Rear Elevation



67 Monger Street, Bencubbin, WA 6477



Hall



Hall



Raised Stage



Hall



Office/Store



Kitchen



67 Monger Street, Bencubbin, WA 6477

Income Assessment

6.1 Lease details

Lease details are summarised as follows:

| | |
|-------------------|---------------------------------|
| Lessor | Shire of Mt Marshall |
| Lessee | Millbrook Nominees Pty Ltd |
| Demised premises | 67 Monger St, Bencubbin |
| Commencement date | 27 March 2009 |
| Term | 10 years |
| Options | Nil |
| Rental review | Nil |
| Commencing rental | \$14,000 pa |
| Current rental | \$14,000 pa |
| Outgoings | Payable by lessee. |
| GST | Payable in addition to the rent |

6.2 Assessment of outgoings

I have not been provided with a schedule of outgoings for the subject property, however estimate that these would be in the order of \$25/m² pa. Please note that outgoings are payable by the tenant under a net lease arrangement, however will be a cost in any lease up allowances if required.

6.3 Rental evidence

7 FENTON PL WONGAN HILLS WA



| | |
|------------------------|-----------|
| Commencement Date | 9/2016 |
| NLA | 700 sqm |
| Rent PA | \$42,000 |
| Leasable Area \$ / sqm | \$60 Net |
| Tenant | Primaries |

This property comprises a 2,226m² landholding split over two adjoining titles being lot 136 and 137 each of 1,113m². The property is located on the corner of Wilson St and Fenton Pl which is the main road of Wongan Hills providing good exposure for the property. The site is improved with an office/warehouse development. The office comprises a rendered brick and iron heritage listed building. The attached warehouse is fully enclosed with a low truss height with a high pitched roof. The property also has a detached fully enclosed zincalume storage shed at the rear of the property with gable roof and 4m clearance with roller doors.

Externally the property is gated and fenced with cyclone mesh and barbed wire fencing to the boundaries. The property also has a large gravel hardstand to the side of the property.

We are unaware of the lease commencement date however we were informed that in September 2016 the passing rent was \$42,000 pa, leased until 30 September 2020 with a 5 year option to 2025.

The rent is hypothetically apportioned as follows:

Office 200m² @ \$80/m² \$16,000. Warehouse 420m² @ \$50/m² \$21,000. Shed 80m² @ \$40/m² \$3,200. Excess Hardstand 500m² @ \$4/m² \$1,800

*We are unaware of specific building areas and as such these have been estimated.

Comparisons: The leased premises are larger than the subject property and in a superior town. Overall a lower rate per square metre and per annum is anticipated for the subject property.



67 Monger Street, Bencubbin, WA 6477

MACHINERY SHED NO 1/ 66 ARCTURUS ST SOUTHERN CROSS WA



| | |
|------------------------|---------------------------|
| Commencement Date | 7/2018 |
| NLA | 421 sqm |
| Rent PA | \$9,548 |
| Leasable Area \$ / sqm | \$23 |
| Tenant | Southern Cross Crane Hire |
| Term (years) | 1 |

The leased premises comprises a 1980's built steel frame and iron clad machinery shed. Features include 5m truss, 3 phase power, suspended vapour lamps, 34% concrete floor and attached open skillion lean-to with earth floor.

Comparisons: The leased premises are slightly smaller than the subject property, and it comprises an industrial property. Southern Cross is a larger town, situated along Great Eastern Highway. Overall a slightly lower rate per square metre, with a broadly comparable rent per annum.

UNIT 2/ 32 BASHFORD ST JURIE BAY WA



| | |
|------------------------|----------------|
| Commencement Date | 5/2016 |
| NLA | 80 sqm |
| Rent PA | \$15,071 |
| Leasable Area \$ / sqm | \$188 |
| Tenant | Haven Boutique |
| Term (years) | 2 |
| Options | 2 + 2 |

The tenancy provides a 1990's built brick and iron construction of 80sqm lettable area utilised for a small retail shop having suspended internal ceilings, carpeted floors and fluorescent lighting. To the rear of the shop is a change room area, small kitchen/meals area, and a single ablution facility. The property is situated on the main commercial/retail strip of Jurien bay adjoining the home hardware store, offices and cafés with good exposure.

Comparisons: The leased premises are significantly smaller than the subject property, in a larger tourist town. Overall a lower rate per square metre and a lower rent per annum is considered to apply.

16 DANDARAGAN RD MOORA WA



| | |
|------------------------|------------|
| Commencement Date | 11/2016 |
| NLA | 190.00 sqm |
| Rent PA | \$28,350 |
| Leasable Area \$ / sqm | \$149 Net |
| Tenant | Rabo Bank |

Comprises a 1.356m² site on the main retail/commercial street of town surrounded by other retail, food outlets, cafes and offices. Considered one of the better locations in town for retail/office purposes. The property is improved with a circa early 1900's built rendered brick and iron shop with an adjoining 1980's built office to the side. This adjoining office component is leased to RaboBank supposedly on a newly signed long term lease however we have not been privy to the new lease information. We have been verbally advised that the new lease terms are in line with the previous lease details indicated above.

The rent is hypothetically apportioned as follows:

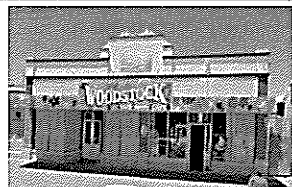
Office - 190m² @ \$150/m².

Comparisons: The leased premises are smaller than the subject property, in a superior location. Overall a lower rate per square metre and a lower rent per annum is considered to apply.



67 Monger Street, Bencubbin, WA 6477

97 GARDINER ST MOORA WA



| | |
|------------------------|-------------|
| Commencement Date | 11/2016 |
| NLA | 185 sqm |
| Rent PA | \$18,200 |
| Leasable Area \$ / sqm | \$98 Net |
| Tenant | Jean D'More |
| Term (years) | 5 |
| Options | 5 |

Comprises a 'strip shop' style retail tenancy, within an ageing building on the eastern side of the train line. Lessee advised that the tenancy was refurbished at the Lessee's expense at the commencement of the Lease.

Comparisons: This is a far superior location. The property offers a much smaller lettable area however, quality of accommodation is inferior. A lower rate and overall rental value is expected to apply to the subject.

2 - 4 BORONIA AVE WUNDOWIE WA



| | |
|------------------------|-----------|
| Commencement Date | 7/2016 |
| NLA | 345 sqm |
| Rent PA | \$27,196 |
| Leasable Area \$ / sqm | \$79 Net |
| Tenant | Unknown |
| Term (years) | 3 |
| Options | 3 + 3 + 3 |

Comprises an older style, fibro and asbestos roof building which incorporates a 230m² shop/restaurant with commercial kitchen and attached residence of 115m² (areas approximate, as per advertisement).

Leased to an Indian takeaway restaurant for a 3+3+3+3 year term with fixed 3% annual reviews. Allowing say \$200/week for the residence, results in approx. \$73/m² pa net for the retail/restaurant component.

Comparisons: This is considered to offer an inferior level of accommodation however, the location is superior. On an overall basis, we expect a lower rental value and rate to apply to the subject.

The rental evidence has been based on various third party sources of information. While I believe the information to be accurate, not all details have been formally verified.

Given the size of the subject property, an overall rental amount per annum, in addition to a rate per square metre basis has been considered.

Evidence is compared on a net after allowance for all outgoings (highlighted below) effective rental basis because this is the basis upon which the information was predominantly made available to me.

Adopted Net Rental:

\$20 /m² pa

6.4 Market effective rental assessment

In light of the above market rental evidence I believe a purchaser in today's market would apply the following market rental levels (expressed in today's terms) as achievable when the next market review occurs or the premises becomes vacant.

| Tenant | Area m ² | Com. date | Initial term | Market review | Net passing rent/pa | Net passing rent/m ² | Net market rent/m ² | Net market rent/pa |
|----------------------------|------------------------|--------------|-----------------|------------------|---------------------------|---------------------------------------|--------------------------------------|--------------------------|
| Millbrook Nominees Pty Ltd | 494 | 27-03-09 | 10 | 28-03-19 | \$14,000 | \$28 | \$20 | \$9,680 |



67 Monger Street, Bencubbin, WA 6477

Sales Evidence

7.1 Sales evidence

The following sales provide a sample of the information that has been investigated and analysed for the purpose of this assessment. Whilst I believe the information to be accurate, it was obtained from third party sources and not all details have been formally verified.

| Address | Sale Date Sale Price | Site Area \$/m ² Impld | Analysis | | Bldg Area \$/m ² |
|-------------------------------|-------------------------|--------------------------------------|----------|-----|--------------------------------|
| | | | IY RY | AMY | |
| 60 Midlands Rd Mingenew WA | 12/2017 \$200,000 | 6,123 sqm \$33 | - - | - | - |



Lease Comments: The property sold with vacant possession.

General Comment: This sale comprises a 6123sqm irregular shaped allotment located in the regional locality of Mingenew. The improvements comprise the local Mingenew Hotel. The hotel comprises hotel rooms, motel style units, public bar, lounge, dining room and a beer garden. The property is reportedly in a poor condition and requires some maintenance work prior to reopening.

Comparison: This property features a significantly larger site area and larger improvements however, there is work required and limited demand for hotel accommodation in Mingenew. This is a superior property however, due to the size, a higher rate on site area is anticipated or the subject.

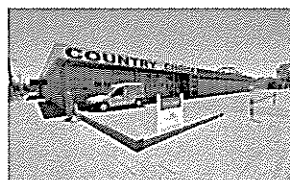
| | | | | | |
|-----------------------------|-----------------------|-------------------|--------|---|---|
| 23 Solomon Tce Morawa WA | 6/2017 \$30,001.00 | 1,012 sqm \$30 | - - | - | - |
|-----------------------------|-----------------------|-------------------|--------|---|---|



General Comment: This property comprises a 1012sqm regular shaped allotment improved with a 1900's built brick and iron roof strip front shop/office building which is in a poor condition. There is a garden shed to the side of the house.

Comparison: The sale offers a similar sized land holding, with inferior quality of improvements. The improvements are in an inferior condition and have a lower added value. A higher rate on site area is anticipated for the subject property.

| | | | | | |
|----------------------------|---------------------|--------------------|-------------|--------|------------------|
| 91 Gardiner St Moora WA | 1/2017 \$275,000 | 1,821 sqm \$151 | - 14.96% | 13.25% | 683 sqm \$403 |
|----------------------------|---------------------|--------------------|-------------|--------|------------------|



Area Break-up: Shop - 114.18 m². Showroom - 568.82 m².

Lease Comments: Effective market net income is \$41,133 pa or \$60 /m² pa overall. It is apportioned as net effective rent: shop - \$136/m² pa with 12 months left on the lease at \$15,500pa. showroom is owner occupied and we have assessed an effective market rent at \$45/m² pa or \$30,269pa. We expect a 6 month leasing up period required.

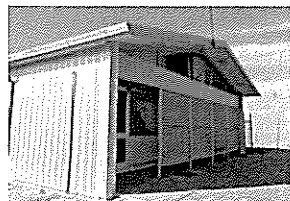
General Comment: Comprises an 1,822 sqm site at the corner intersection of Dargai Street on one of the main commercial streets in Moora. Improvements comprise an approximately 683 sqm 1972 built single level retail / showroom facility. The showroom area provides neat open retail showroom space currently used as a ladies fashion store. The premise currently offers two tenancies. Tenancy one is a 114 m² beauty shop which is currently tenanted. Tenancy two is a 569 m² showroom which is currently owner occupied.

Comparison: The sale has a superior location with larger improvements and a larger site area. Overall, a superior property. We anticipate a broadly comparable rate on site area, with a lower yield to apply to the subject property, due to the subjects smaller size.



67 Monger Street, Bencubbin, WA 6477

| Address | Sale Date Sale Price | Site Area \$/ m ² Imp'd | Analysis | | Bldg Area \$/ m ² |
|------------------------------|-------------------------|---------------------------------------|------------|-------|---------------------------------|
| | | | IY RY | AMY | |
| 3 Gabbedy Pl Meckering WA | 5/2016 \$110,000 | 1,771 sqm \$62 | - 5.00% | 4.84% | 220 sqm \$500 |



Area Break-up: Office - 110m² Warehouse - 110 m².

Lease

Comments:

General

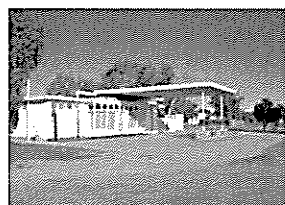
Comment:

The property sold with vacant possession however we have assessed the market net income as \$5,500 pa or \$25 /m² pa.

This property comprises a 1,771m² allotment which is improved with a circa 1970's built steel frame office warehouse which was previously utilised as the old post office. The office section is positioned towards the front of the block with the warehouse adjoining to the rear. The warehouse is concrete floored and powered with access via two roller doors to the side and rear. There is a bitumen hardstand to the front half of the block which is fully fenced and the remainder of the block gravel hardstand and backs onto a slip road.

Comparison: The sale occupies a slightly superior location. The land holding is slightly larger, with smaller improvements and the majority of the value being in the land. Overall, we consider this property to be broadly comparable, with a slightly higher rate on site area to apply, due to the subject's smaller area. This yield reflects the high underlying land component. We expect a higher yield to apply to the subject.

| | | | | | |
|-------------------------------|--------------------|-------------------|------------|-------|--------|
| 86 Midlands Rd Mingenew WA | 5/2015 \$90,000 | 1,540 sqm \$58 | - 4.62% | 4.35% | - - |
|-------------------------------|--------------------|-------------------|------------|-------|--------|



Lease

Comments:

General

Comment:

Sold vacant possession. We have assessed a market net income: \$4,160 pa or \$416 /m² pa. Based on a letting up of 12 months

This sale comprises a 1950's built, single level, fibro and iron building occupying a 1,540sqm lot on the main road through town. The property was previously used as a road house however has been used as a residence in recent times. We understand that fuel tanks previously existing on the property have been removed for some time. Accommodation comprises an entry/main living area, large bedroom which could be partitioned into two bedrooms, kitchen, basic laundry and bathroom and a sleepout/meals area. Extending from the eastern side of the building is a male and female toilet block each with a toilet, shower and vanity. Extending from the western side of the building is a large single garage with a roller door. Extending from the northern side of the building is a 75sqm covered parking area with concrete hardstand.

Internally, the building requires some cleaning and maintenance however appears structurally sound. The toilet blocks require cleaning and some repairs to tiling. We believe the cost to repair/complete these items to be in the order of \$1000 to \$3,000 however this could vary significantly depending on quality and extent of materials used in addition to the labour required.

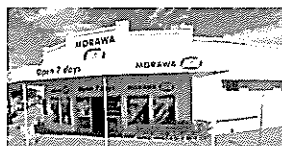
To the rear of the residence is a 30sqm living quarters comprising two partitioned bedrooms each with individual access and wall mounted air-conditioning units.

Comparison: The property is situated in a relatively small town, similar in size to the subject property, although with a larger land component, and inferior quality of improvements. A higher rate on site area is anticipated, with a higher yield to apply to the subject property.



67 Monger Street, Bencubbin, WA 6477

| Address | Sale Date Sale Price | Site Area \$/ m ² Imp'd | Analysis | | Bldg Area \$/ m ² |
|-----------------------------|-------------------------|---------------------------------------|-------------|--------|---------------------------------|
| | | | IY RY | AMY | |
| 34 Winfield St Morawa WA | 4/2015 \$500,000 | 1,158 sqm \$432 | - 12.00% | 11.13% | 490 sqm \$1,020 |

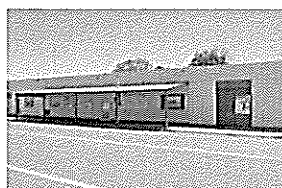


Lease Comments: The property was sold as part of a going concern and is owner occupied. We have assessed a market net income at \$60,000 pa or \$122 /m² pa. we are advised turnover for the store is \$4,000,000 pa and the assessed rent is at 1.5% of turnover.

General Comment: Comprises a 1950's built, older style, brick and iron building which comprises a local supermarket situated on the main street of Morawa. Sale details: We have been advised turnover was approximately \$4,000,000. The property sold on a "walk-in walk-out" basis for \$975,000 plus stock (\$100,000 plant, \$375,000 goodwill, property \$500,000). The purchase price based on current turnover would reflect 1.5% of turnover as market rent. This is a high turnover store and has a captured market being the only supermarket in town.

Comparison: This is considered to be a superior location and the improvements are superior and operational. Overall, a superior property with a lower rate to apply to the subject. A lower yield is anticipated for the subject property.

| | | | | | |
|------------------------------|-----------------------|------------------------------|--------|--------|--------|
| 40 Fowler St Perenjori WA | FOR SALE \$180,000 | 1,468m ² \$123 | - - | - - | - - |
|------------------------------|-----------------------|------------------------------|--------|--------|--------|



General Comment: This property comprises a 1,468sqm regular shaped allotment located along a main road for the locality. Improvements comprise a fibro/iron shop which was previously a cafe and newsagency. There is dwelling located behind the shop and an iron shed located to the rear of the property.

Comparison: Limited weighting has been placed on this evidence given it is available for sale only. However, the property features a larger site area and larger improvements, although in similar condition to the subject. Overall a broadly comparable rate on site area is considered to apply to the subject.

| | | | | | |
|-------------------------------|---------------------|-----------------------------|--------|--------|--------|
| 23 Monger St, Bencubbin WA | 10/2013 \$28,000 | 1,011m ² \$28 | - - | - - | - - |
|-------------------------------|---------------------|-----------------------------|--------|--------|--------|



General Comment: This property comprises a 1,011sqm regular shaped allotment located along the main road in Bencubbin. Improvements comprise an iron clad shed, with bituminised hardstand surrounding. Current improvements are considered dated.

Comparison: The sale is very dated, but is considered to be one of the last commercial properties to have sold in the town site. A similar land value rate is considered to apply to the subject property.



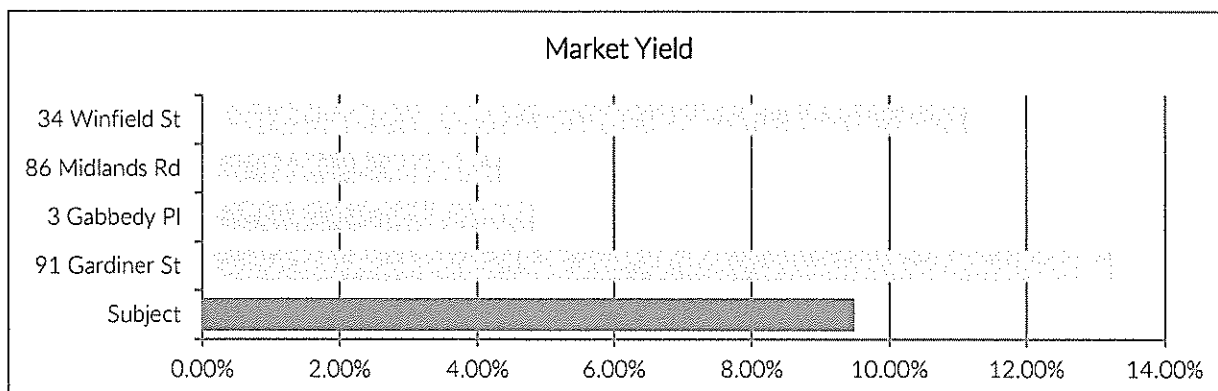
67 Monger Street, Bencubbin, WA 6477

7.2 Rationale for capitalisation rate

The sales evidence reflects a yield range between 4.35% and 13.25%.

Given the size of the property, the quality of improvements, and the secondary location, I have adopted a yield to the middle of the above range.

Having regard to the evidence above, other market research and my knowledge I have adopted 9.50% as the appropriate market capitalisation rate and applied this in my calculations.



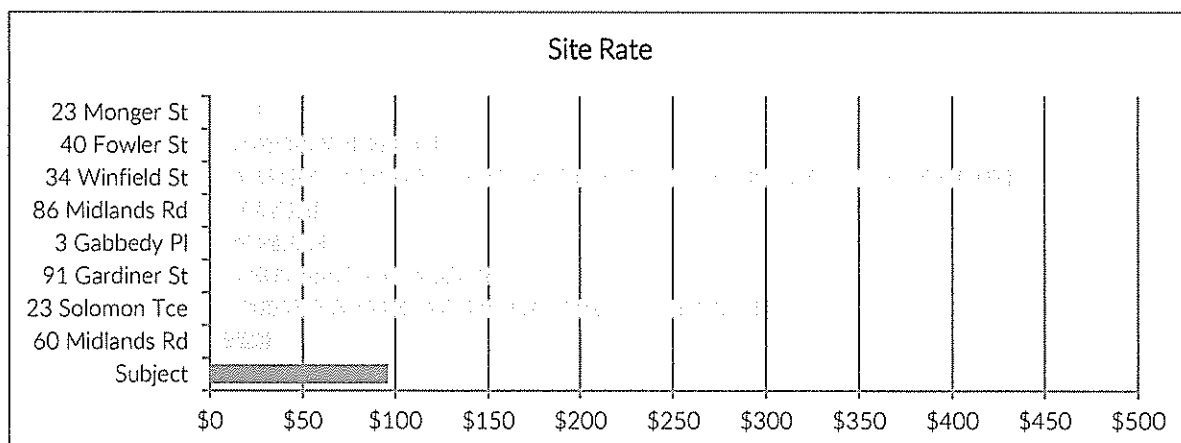
7.3 Rationale for direct comparison

7.3.1 Site area

The sales evidence reflects a range/m² on site area between \$27/m² and \$430/m².

A land value rate is considered to be at the lower of the above range, while properties in significantly superior locations reflect a rate to the upper end on this range.

Having regard to the evidence above, other market research and my knowledge I have adopted \$85/m² to \$100/m² as the appropriate range and applied this in my calculations.





8.1 Valuation approaches

The most appropriate methods of valuation are direct comparison on a rate per square metre of site area and rate per square metre of lettable area.

8.2 Definitions

Market value is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

Diminishing assets form part of the market value of the property at the date of valuation, however it should be noted that the value of this component, which is included in the adopted market value, reduces, or may reduce, incrementally until the next relevant market review(s) or the expiry of the lease term certain. It may include, where applicable, profit/overage rent and income from infrastructure such as communication towers. I recommend that a lender consider this in their assessment of the securable value of the property.

Highest and Best Use is the use of an asset that maximises its potential and that is physically possible, legally permissible and financially feasible.

Analysed rates:

- **Initial Yield (IY)** is the Passing Income divided by the Purchase Price or Adopted Value, after adjustment for Surplus Land and/or Capital Works if applied in the valuation. Passing Income includes non-core income (i.e. income not capitalised in perpetuity – e.g. communication towers).
- **Analysed Market Yield (AMY)** is the Assessed Market Income divided by the Purchase Price or Adopted Value adjusted for reversions including, inter alia, vacancy, rental shortfalls or overage, capital expenditure required etc.
- **Reversionary Yield (RY)** is the Assessed Market Income divided by the Purchase Price or Adopted Value. If an allowance has been made for Surplus Land or Capital Works the Purchase Price or Adopted Value is adjusted for these items prior to calculating the Reversionary Yield.
- **Rate/m² lettable/building area** is the Purchase Price or Adopted Value divided by the lettable area of the building.
- **Rate/m² site area** is the Purchase Price or Adopted Value divided by the gross land area or useable land area.
- **Vacant Possession (VP)** refers to a right to possession of land or built-up property in respect of which there is no current occupant.
- **Weighted Average Lease Expiry (WALE)** is the weighted average time to lease expiry of existing leases in place at the date of valuation.

8.3 Recent sale history

| | Sale date | Sale price |
|----------|---|------------|
| Transfer | N/A | N/A |
| Comment | There are no sales listed for the property. | |



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8.4 Capitalisation method – market effective rent approach

Under this approach, the current net market income generated by the property is capitalised at an appropriate market yield to establish the property's current market value fully leased. Appropriate capital adjustments are then made to reflect the specific cash flow profile and general characteristics of the property.

8.4.1 Valuation inputs and reversions

| Valuations inputs and assumptions | |
|-----------------------------------|--|
| Capitalisation rate | 9.50% |
| Reversions horizon | Reversions have been applied to leases that expire within a period of 24 months after the date of valuation. |
| Renewal probability | A renewal likelihood of 50.00% and a letting up period of 6 months have been adopted. |
| Agent's commission | 15.00% |

| Reversions | |
|---------------------|--|
| Profit/Overage rent | The present value of the passing rents, over and above the market rents during the initial term of the lease. The reversion has been discounted at 9.50%. |
| Lease up allowance | The present value of lost income on vacant space over the reversion horizon based on the letting up period above. It includes leasing agent's commission. In the calculations below this can be apportioned as "Lease up allowance" for current vacancy and "Allowance for future lease expiry" relating to expiry within the reversion horizon. |

8.4.2 Capitalisation calculations

| | | |
|--------------------------------------|----------|-----------|
| Market net income | | \$9,680 |
| Capitalisation rate | 9.50% | |
| Capitalised value before adjustments | | \$101,895 |
| Adjustments | | |
| Profit/overage rent | \$1,772 | |
| Allowance for future lease expiry | -\$7,718 | |
| Total adjustments | | -\$5,946 |
| Derived value | | \$95,949 |

8.4.3 Sensitivity – based on capitalisation approach

| | | |
|---|-------|----------|
| Increase capitalisation rate to/resultant value | 9.75% | \$93,336 |
| Applied capitalisation rate/resultant capitalised value | 9.50% | \$95,949 |
| Decrease capitalisation rate to/resultant value | 9.25% | \$98,703 |



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8.5 Direct comparison method

This approach utilises sales that have been analysed on a rate/m² of site area (improved) basis and compares the equivalent rates to the subject to establish the property's current market value.

| Site area | | | |
|--------------------------------|----------|-----|----------|
| Area (m ²) | | 988 | |
| Value range (/m ²) | \$85 | to | \$100 |
| Resultant values | \$84,000 | to | \$99,000 |

8.6 Summation check calculations

I have examined a Summated Value as a check method of valuation. This method adds the land value to the added value of the in situ improvements after allowing for both physical and functional obsolescence.

The calculation in respect to a land value plus the added value of the improvements is as follows:

| Item | Area (m ²) | Added value (\$/m ²) | Adopt |
|-------------|------------------------|----------------------------------|-----------|
| Land | 988 | \$22 | \$22,000 |
| Office | 440 | \$160 | \$70,400 |
| Patio | 29 | \$90 | \$2,610 |
| Verandah | 25 | \$90 | \$2,250 |
| Toilets | 21 | \$120 | \$2,520 |
| Total Value | | | \$100,000 |



67 Monger Street, Bencubbin, WA 6477

Valuation Reconciliation

9.1 Adopted value

The following table presents the results from the approaches that have been utilised in this valuation report and the value that has been adopted for the subject property.

| Capitalisation | Direct comparison (site) | Summation | Adopted |
|----------------|--------------------------|-----------|----------|
| \$96,000 | \$84,000 - \$99,000 | \$100,000 | \$95,000 |

The primary method of valuation is Direct Comparison and I have weighted my valuation to reflect this.

| Apportionment of adopted value | |
|--------------------------------|----------|
| Land | \$22,000 |
| Improvements | \$73,000 |

| Analysis of adopted value | |
|--|----------|
| Initial yield | 14.74% |
| Analysed market yield | 9.59% |
| Reversionary yield | 10.19% |
| Land value (Rate/m ² site area) | \$22 |
| Added value of improvements | \$73,000 |
| Added value of improvements as Rate/m ² lettable area | \$148 |
| Rate/m ² of site area (improved) | \$96 |
| Rate/m ² of lettable area (improved) | \$192 |

9.2 GST implications

A Goods and Services Tax (GST) became effective in Australia on 1 July 2000. The supplier (more commonly known as 'vendor' in the case of real estate transactions) of a good or service is required to pay the GST liability.

The assessment of a GST is based on one of the three (3) methods.

- **General Tax Rule** (Standard or Normal method) being 1/11th of the GST inclusive sale price;
- **Margin Scheme** being 1/11th of the value margin between the current GST inclusive sale price and the value at 1 July 2000 or the original purchase date, or the date at which the vendor was deemed required to be registered for the GST, whichever is the most recent and subject to additional criteria; or
- **Going Concern** being a GST-free supply if certain criteria are met including the supplier and the recipient both being registered for GST and having agreed in writing that the supply is of a going concern.

The application of these methods, as determined by a Taxation Professional, will vary dependent upon the circumstances of the vendor and the sale conditions. Sales of commercial 'going concerns' do not attract GST and are usually sold on a GST Exclusive basis. Other commercial property transactions are usually transferred 'Inclusive of GST'; however, this can vary dependent upon many conditions. The basis of GST payment on sold properties needs to be established to allow proper market comparison.

Sales of established residential and some rural properties do not attract a GST and are sometimes termed 'Inclusive of Nil GST', where the GST is payable or not. Where a property sale is GST exempt, a net return to the vendor is the GST Inclusive Value or Gross Selling Price.

For consistency and comparison purposes, all analysis and valuation assessments in this report are made on the same basis and, for the purposes of this valuation, are shown as 'Exclusive of GST' unless otherwise stated.



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9.3 Replacement value for insurance purposes

An assessment of the GST exclusive replacement value of improvements is provided as indicative advice only and should an accurate assessment be required the services of a qualified Architect and /or Quantity Surveyor should be engaged.

The replacement and reinstatement value exclusive of GST of the improvements for insurance purposes including loss of income (based on the gross market income excluding any permanent vacancy allowance and income streams not capitalised in perpetuity), removal of debris, Council and professional fees and escalation in building costs over the 12 month policy life and rebuilding period (excludes lease-up following completion) is considered to be \$794,000.

| Replacement cost calculations | | |
|---|---------|-----------|
| Building area (m ²) | 515 | |
| Replacement cost/m ² | \$1,230 | |
| Total cost | | \$633,500 |
| Cost escalation | | |
| Design and documentation (months) | 3 | |
| Calling tenders and appraisal (months) | 3 | |
| Construction and fit-out (months) | 10 | |
| Total months | 16 | |
| Escalation rate (%/month) | 0.25% | |
| Total escalation (%) | 4.00% | |
| Escalation amount (\$) | | \$25,340 |
| Other costs | | |
| Professional fees (%) | 5.00% | |
| Removal of debris (\$/m ²) | \$100 | |
| Total other costs | | \$84,442 |
| Cost escalation in lapse period | | |
| Period (months) | 12 | |
| Rate (%/month) | 0.25% | |
| Total escalation (%) | 3.00% | |
| Escalation amount | | \$22,298 |
| Replacement value for insurance (including loss of income) | | |
| Estimated replacement value for insurance purposes (exclusive of GST) | | \$765,580 |
| Allowance for loss of Income (rent and outgoings) | | \$27,573 |
| Total of Replacement value and Loss of Income | | \$794,000 |



67 Monger Street, Bencubbin, WA 6477

Valuation

Subject to the qualifications and assumptions contained within the body of this report, I assess the Market Value exclusive of GST, as at 2 October 2018, to be:

Market Value

(includes a diminishing asset component of \$1,772).

\$95,000

(NINETY-FIVE THOUSAND DOLLARS)

This valuation is for the private and confidential use only of Shire of Mt Marshall and for the specific purpose for which it has been requested. No third party is entitled to use or rely upon this report in any way and neither the valuer nor LMW shall have any liability to any third party who does.

Only an electronically signed valuation submitted through a digital valuation instruction broker system, a signed hardcopy original of this valuation, a scanned version of a signed hardcopy original of this valuation or an electronic version of this valuation signed with an electronic signature should be relied upon and no responsibility or liability will be accepted for unauthorised copies of the valuation.

No part of this valuation or any reference to it may be included in any other document or reproduced or published in any way without written approval of the form and context in which it is to appear.

Neither the valuer nor LMW has any pecuniary interest giving rise to a conflict of interest in valuing the property.

The value assessed herein is based on the definition of market value unless otherwise stated in the report and does not represent the realisable value based on a mortgagee or receiver sale.

This valuation is current at the date of valuation only. The value assessed herein may change significantly and unexpectedly over a relatively short period including as a result of general market movements or factors specific to the particular property. I do not accept liability for losses or damage arising from such subsequent changes in value including consequential or economic loss. Without limiting the generality of the above comment, I do not assume any responsibility or accept any liability where this valuation is relied upon after the expiration of three months from the date of the valuation, or such earlier date if you become aware of any factors that have any effect on the valuation.

Quality Assurance procedures are undertaken prior to reports being released requiring internal compliance and verification checks. The reviewing Director has not inspected the property. Their signature confirms a genuine authorised LMW document. The opinion of value expressed in this report is that of the valuer only.

Valuer Brad Koenig
AAPI CPV 65295
WA Licence No. 44509
Entity LMW (WA) Pty Ltd trading as LMW
Office Perth

Reviewing Will Gamlin
party AAPI CPV 65316
WA Licence No. 44338
Position Director

Liability limited by a scheme approved under Professional Standards Legislation.

WESTERN



AUSTRALIA

| REGISTER NUMBER | |
|-------------------|-----------------------|
| 82/DP148004 | |
| DUPLICATE EDITION | DATE DUPLICATE ISSUED |
| N/A | N/A |

RECORD OF QUALIFIED CERTIFICATE
OF
CROWN LAND TITLE

VOLUME LR3146 FOLIO 418

UNDER THE TRANSFER OF LAND ACT 1893
AND THE LAND ADMINISTRATION ACT 1997
NO DUPLICATE CREATED

The undermentioned land is Crown land in the name of the STATE OF WESTERN AUSTRALIA, subject to the interests and Status Orders shown in the first schedule which are in turn subject to the limitations, interests, encumbrances and notifications shown in the second schedule.

REGISTRAR OF TITLES



LAND DESCRIPTION:

LOT 82 ON DEPOSITED PLAN 148004

STATUS ORDER AND PRIMARY INTEREST HOLDER:
(FIRST SCHEDULE)

STATUS ORDER/INTEREST: RESERVE UNDER MANAGEMENT ORDER

PRIMARY INTEREST HOLDER: SHIRE OF MT MARSHALL

LIMITATIONS, INTERESTS, ENCUMBRANCES AND NOTIFICATIONS:
(SECOND SCHEDULE)

- I. RESERVE 18654 FOR THE PURPOSE OF MUNICIPAL OFFICES & HALL SITE
MANAGEMENT ORDER. CONTAINS CONDITIONS TO BE OBSERVED.

Warning: (1) A current search of the sketch of the land should be obtained where detail of position, dimensions or area of the lot is required.
Lot as described in the land description may be a lot or location.
(2) The land and interests etc. shown hereon may be affected by interests etc. that can be, but are not, shown on the register.
(3) The interests etc. shown hereon may have a different priority than shown.

-----END OF CERTIFICATE OF CROWN LAND TITLE-----

STATEMENTS:

The statements set out below are not intended to be nor should they be relied on as substitutes for inspection of the land and the relevant documents or for local government, legal, surveying or other professional advice.

SKETCH OF LAND: DP148004
PREVIOUS TITLE: LR3146-418
PROPERTY STREET ADDRESS: 67 MONGER ST, BENCUBBIN.
LOCAL GOVERNMENT AUTHORITY: SHIRE OF MOUNT MARSHALL
RESPONSIBLE AGENCY: DEPARTMENT OF PLANNING, LANDS AND HERITAGE (SLSD)

NOTE 1: K132551 CORRESPONDENCE FILE 02503-1924-01RO.

| CHIEF EXECUTIVE OFFICER - JOHN NUTTALL | | | | |
|---|--|-----------------|--|-----------------------------|
| REF | DECISION | STATUS | COMMENT | ESTIMATED COMPLETION |
| 2018/11-006 December 2018 | Direct the Chief Executive Officer to communicate the above resolution to the Water Corporation, and make the necessary arrangements for the transfer of the assets into the control of the Shire of Mt Marshall. | Ongoing | | |
| 2018/11-005 December 2018 | Decline the offer from Water Corporation of the transfer of ownership from the Water Corporation to the Shire of Mt Marshall of the following AA Dams: <ul style="list-style-type: none"> • Wiacubbing Dam • Gabbin Dam | Complete | Water Corporation notified. | |
| 2018/11-004 December 2018 | That Council accept the offer from Water Corporation of the transfer of ownership from the Water Corporation to the Shire of Mt Marshall of the following AA Dams: <ul style="list-style-type: none"> • Warkutting Tank • Gabbining Tank • Marindo Rocks • Beebeegnying Tank • Sand Soak Dam • Snake Soak Dam | Ongoing | Application made to the Department of Lands regarding Snake Soak Dam. | |
| 2018/10-019 November 2018 | That Council direct the Chief Executive Officer to: <ol style="list-style-type: none"> 1. Proceed with legal action for failing to comply with the Notice served on 23 July 2018 under the provisions of the Health (Miscellaneous Provisions) Act 1911 Part V – Dwellings; Division 1 – Houses unfit for occupation; sections 135, 137 and 138. 2. Subject to section 140 of the Health (Miscellaneous Provisions) Act 1911 (Local Government May Act in Default of Owner) carry out the terms of the Notice, including demolition of the dwelling house, asbestos remediation works and seek recovery of all expenses from the owner. | Ongoing | Quotes for demolition sought | March 2019 |

| CHIEF EXECUTIVE OFFICER - JOHN NUTTALL | | | | |
|---|---|-----------------|--|-----------------------------|
| REF | DECISION | STATUS | COMMENT | ESTIMATED COMPLETION |
| 2018/10-011 November 2018 | That: <ol style="list-style-type: none"> 1. the offer from Mr Paul Hogan be accepted that the Shire of Mt Marshall receive by way of donation from him the land at Lot 53 Monger Street, Bencubbin; 2. Council direct the CEO to write to Mr Hogan confirming the resolution 1; and 3. In accordance with section 5.42 of the Local Government Act 1995, the CEO be delegated authority to complete all necessary paperwork and affix the common seal to effect the transfer. | Ongoing | Letter sent to Paul Hogan advising him of Council decision. | April 2019 |
| 2018/10 – 010 November 2018 | That Council direct the Chief Executive Officer to respond to the Perth Transport Authority indicating that the Shire wishes to lodge an expression of interest in a new licence to occupy L5283, Beacon. | Complete | Awaiting new licence | |

| CHIEF EXECUTIVE OFFICER - JOHN NUTTALL | | | | |
|--|--|----------|---|----------------------|
| REF | DECISION | STATUS | COMMENT | ESTIMATED COMPLETION |
| 2018/10 – 008 November 2018 | That Council direct the Chief Executive Officer to write to the Department of Water and Environmental Regulation expressing the belief that there is not currently a proposal to locate a container deposit scheme refund point within a sufficient distance of the Shire, and that one should be located somewhere within the NEWROC area. | Complete | | |
| 2018/10 – 004 November 2018 | That Council direct the Chief Executive Officer to undertake a period of community feedback regarding the current location of the 50km speed zones on Koorda-Bullfinch Road and Beacon-Bencubbin Road, and the option of requesting Main Roads to move the current 50km zone closer to the town site. | Ongoing | Submissions close 21 December | Feb 2019 |
| 2018/9 – 006 October 2018 | That Council authorise the Chief Executive Officer to enter negotiations with the Department of Lands regarding a new lease to enable the retention of the Caltex Fuel Depot in Bencubbin. | Ongoing | | |
| 2018/9 – 003 October 2018 | That Council, pursuant to Section 3.57 of the Local Government Act, 1995 and Division 2 of the Local Government (Functions and General) Regulations, 1996 call for Tenders (RFT MM03. 18/19) for the upgrade works to the Beacon Airstrip through the WALGA Preferred Supplier Program (r. 11 (2)(b). That Council, pursuant to Section 3.57 of the Local Government Act, 1995 and Division 2 of the Local Government (Functions and General) Regulations, 1996 set the Qualitative Evaluation Criteria for RFT MM03. 18/19, as follows: Price 50% Previous Experience 25% Availability of Contractor 25% That Council pursuant to Section 5.42 of the Local Government Act, 1995 delegate authority to the Chief Executive Officer to award the Beacon Airstrip Upgrade Works Contract(s) in accordance with the results of the tender evaluation process. | Ongoing | Contractor appointed. Received clearing permit and works to be undertaken in February 2019 | April 2019 |

| CHIEF EXECUTIVE OFFICER - JOHN NUTTALL | | | | |
|--|--|---------|--------------------------------------|----------------------|
| REF | DECISION | STATUS | COMMENT | ESTIMATED COMPLETION |
| 2018/8 – 006 September 2018 | That Council: 1. Endorse the proposed usage status of the Shire standpipes as per the following list: (See Minutes for details) 2. Direct the Chief Executive Officer to enter negotiations with Water Corporation regarding the possibility of a community size meter being installed where it is proposed standpipes become Shire use only. | Ongoing | Item in December 2018 Agenda. | February 2019 |
| 2018/7 – 006 August 2018 | That the Chief Executive Officer be authorised to make an application to the Department of Local Government, Sports and Communities for the current CSRFF funding round to fund the proposed redevelopment of the current aquatic facility located in Bencubbin. | Ongoing | Application lodged 28.9.2018 | February 2019 |
| 2018/6 - 015 July 2018 | That Council: 1. agree that it will fund the cost of CEACA purchasing and transferring 3 Rowlands Street, Beacon for the purpose of construction of a third aged care unit in the current CEACA construction phase; 2. direct the Chief Executive Officer to confirm to CEACA that it is willing to contribute \$35,000 towards the additional costs of construction of a third unit in Beacon; and 3. the cost of the purchase, transfer and construction contribution be budgeted in the Shire's 2018/19 annual budget. | Ongoing | | March 2019 |

| CHIEF EXECUTIVE OFFICER - JOHN NUTTALL | | | | |
|--|--|--|---|----------------------|
| REF | DECISION | STATUS | COMMENT | ESTIMATED COMPLETION |
| 2018/3 – 004 April 2018 | <p>That Council:</p> <ol style="list-style-type: none"> 1. Direct the Chief Executive Officer to make arrangements for a new lease for the use of the Pergandes Sheep Yards as a tourist destination between the Shire and Mr & Mrs Cooper; and 2. That any costs associated with the preparation and execution of the new lease be borne by the Shire. | Ongoing | <p>Lease is being prepared by lawyers</p> <p>Lease discussions ongoing with owners.</p> | January 2019 |
| 2017/09-15 September 2017 | <p>That Council:</p> <ol style="list-style-type: none"> 1. resolve that new workers accommodation be constructed in Beacon to replace the Beacon Barracks accommodation; 2. resolve that the new accommodation be sited to the West of the current Beacon Caravan Park; 3. direct the Chief Executive Officer and obtain full costings for the new camp and present them to Council for a budget to be agreed as soon as possible; and 4. direct the Chief Executive Officer to write to Public Transport Authority (WA) and request that one of the existing rooms be retained and gifted to the Shire to be preserved and used as a historical feature for the town. | <p>Ongoing</p> <p>Complete</p> <p>Complete</p> <p>Complete</p> | <p>Extension on the date of Beacon Barracks closure to December 2018.</p> <p>Clearing Application made</p> <p>Investigations into options underway.</p> <p>See item in October agenda</p> | April 2019 |
| 2017/07-4 July 2017 | That Council, pursuant to section 58 Land Administration Act 1997 and clause 9 Land Administration Regulations 1998, endorse the closure of the section of Bencubbin-Kellerberrin Road as outlined in the sketch, and direct the Chief Executive Officer to request the Minister for Lands to take the necessary steps to permanently close that section of road. | Ongoing | A request has been sent to the Minister and awaiting their response. | October 2018 |

| CHIEF EXECUTIVE OFFICER - JOHN NUTTALL | | | | |
|--|--|---------|---|----------------------|
| REF | DECISION | STATUS | COMMENT | ESTIMATED COMPLETION |
| 2017/04-10 April 2017 | <p>That Council:</p> <ol style="list-style-type: none"> 1. Subject to funding being provided by Water Corporation for essential works as indicated in attachment 12.1.15a accept the offer from Water Corporation of the transfer of ownership from the Water Corporation to the Shire of Mt Marshall of the following AA Dams: <ul style="list-style-type: none"> • Warkutting Tank • Gabbining Tank • Marindo Rocks • Beebeegnying Tank • Sand Soak Dam 2. Decline the offer from Water Corporation of the transfer of ownership from the Water Corporation to the Shire of Mt Marshall of the following AA Dams: <ul style="list-style-type: none"> • Wiacubbing Dam • Gabbin Dam • Snake Soak Dam 3. Direct the Chief Executive Officer to communicate the above resolution to the Water Corporation, and make the necessary arrangements for the transfer of the assets into the control of the Shire of Mt Marshall | Ongoing | <p>Correspondence sent to Water Corporation advising them of the resolution, and asking to enter discussions regarding funding.</p> <p>Water Corp have agreed to pay \$5,000 per tank. Transfer of assets is underway.</p> <p>Matter sits with the Department of Lands.</p> <p>Department waiting on the outcome of native title settlement prior to any transfer.</p> <p>Native title settlement completed November 2018.</p> <p>Rescinded at Special Meeting of Council 3 December 2018.</p> | February 2019 |

| CHIEF EXECUTIVE OFFICER - JOHN NUTTALL | | | | |
|--|---|---------|---|----------------------|
| REF | DECISION | STATUS | COMMENT | ESTIMATED COMPLETION |
| 2017/022 February 2017 | <p>That:</p> <ol style="list-style-type: none"> 1. Council Acknowledge an historic equity imbalance in the provision of facilities between the towns of Beacon and Bencubbin; 2. A desktop review be undertaken on proposed infrastructure upgrades for Beacon and that a further report be made to Council with a view to implementing a 5 year development program for the town; 3. That the Shire's Community Development Officer investigate and report on other local government models for the development and support of volunteers in both communities; and 4. That any agreed infrastructure development program and volunteer support program be incorporated into the Shire's Community Strategic Plan | Ongoing | <p>This will be a 'work in progress' for some time. Initial conversations have taken place with CDO. This will link to the SCP which will be adopted by the end of the financial year.</p> <p>The Strategic Community Plan is being presented to the August meeting, which is the starting point of the review.</p> <p>The Strategic Community Plan and the Corporate Business Plan were adopted in September and will hopefully address some issues.</p> | |

| ENVIRONMENTAL HEALTH OFFICER – PETER TOBOSS | | | | |
|--|---|--------|---------|----------------------|
| REF | DECISION | STATUS | COMMENT | ESTIMATED COMPLETION |
| 2018/10-019 November 2018 | <p>That Council direct the Chief Executive Officer to:</p> <ol style="list-style-type: none"> 1. Proceed with legal action for failing to comply with the Notice served on 23 July 2018 under the provisions of the Health (Miscellaneous Provisions) Act 1911 Part V – Dwellings; Division 1 – Houses unfit for occupation; sections 135, 137 and 138. 2. Subject to section 140 of the Health (Miscellaneous Provisions) Act 1911 (Local Government May Act in Default of Owner) carry out the terms of the Notice, including demolition of the dwelling house, asbestos remediation works and seek recovery of all expenses from the owner. | | | |
| 2018/6 – 012 July 2018 | <p>Shire of Mt Marshall Health Local Law 2018</p> <p>That Council: (See Minutes)</p> | | | |

| ENVIRONMENTAL HEALTH OFFICER – PETER TOBOSS | | | | |
|---|--|--------|---------|----------------------|
| REF | DECISION | STATUS | COMMENT | ESTIMATED COMPLETION |
| 2018/6 – 011 July 2018 | <p>That:</p> <ol style="list-style-type: none"> 1. In accordance to section 135 of the Health (Miscellaneous Provisions) Act 1911, the dwelling on Lot 10 Hammond Street Gabbin, being of brick veneer, suspended timber floors and timber framed roof with clay tiles be declared unfit for human habitation by reason of want of repairs and must not be occupied or inhabited by any persons from immediate effect of date of notification; 2. Subject to section 137 of the Health (Miscellaneous Provisions) Act 1911 grant approval for a Notice be issued to the owner to take down and remove the house, without giving him the alternative of amending the same; 3. Subject to section 138 of the Health (Miscellaneous Provisions) Act approval be granted for a Notice to be issued to the owner to clean the land to the satisfaction of the Principal Environmental Health Officer, and remove all rubbish to a place appointed by Principal Environmental Health Officer; and 4. A period of time being 60 days of notification of dwelling unfit for habitation to be allowed to do such works. | | | |

| ENVIRONMENTAL HEALTH OFFICER – PETER TOBOSS | | | | |
|---|--|---------|--|----------------------|
| REF | DECISION | STATUS | COMMENT | ESTIMATED COMPLETION |
| 2009/081 April 2009 | That the dwelling located on Lot 94, Lindsay St, Beacon being of weather board walls over wooden stud frames, suspended timber floors and timber framed iron clad roof be declared unfit for human habitation from immediate effect of date of notification and also the Council place a work order on the said dwelling to bring the dwelling up to a standard deemed by the Environmental Health Officer/Building Surveyor to be compliant with the Health Act 1911, Shire of Mt Marshall Health Local Laws 2007 and Local Government (Miscellaneous Provisions) 1960 and that a period of time being 90 days of notification of dwelling unfit for habitation to be allowed to do such works and in the event of works not commenced to bring the dwelling to the said standard that a demolition order be placed on the said dwelling. | Ongoing | <p>Works inspected by EHO/BS and are acceptable. House Unfit for habitation to stay in effect until rear plumbing is confirmed done. Discussions with Ruth DeJong said they were keen to fix plumbing so they could get workers into the house BUT were out on jobs Statewide. Works ongoing when workhands available.</p> <p>House inspected on 10/08/2016. The house remains unfit for habitation by the owner's workers. The owner has been informed that the house needs to be made good before the order can be lifted and used for habitation.</p> <p>November 2017 - PEHO conducted site inspection; property is vacant with no person living in it. Health Notice on the door at the time of inspection. PEHO is yet to establish contact with the owner/owners.</p> | Ongoing. |

| FINANCE & ADMINISTRATION MANAGER – TANIKA MCLENNAN | | | | |
|--|---|----------|-------------------|----------------------|
| REF | DECISION | STATUS | COMMENT | ESTIMATED COMPLETION |
| 2018/10 – 017 November 2018 | That the following bad debts be written off: | Complete | Debts written off | Complete |
| | Debtor No. Debtor Name Amount | | | |
| | 81527 Sarah Smith/SSharp Hair Design \$2,449.78 | | | |
| | 81562 Nathan McConnell/Jeek Shearing \$2,341.60 | | | |
| | 81053 & 81299 Thomas Henry Rowling/Bencubbin Smash Repairs \$44,444.85 | | | |

| FINANCE & ADMINISTRATION MANAGER – TANIKA MCLENNAN | | | | |
|--|---|--------|--|----------------------|
| REF | DECISION | STATUS | COMMENT | ESTIMATED COMPLETION |
| 2016/172 November 2016 | That: 1) In accordance with section 6.71 of the Local Government Act 1995, ownership of Lots 45 and 46 Rowlands Street, Beacon (A6870 and A6871) be transferred to the Shire of Mt Marshall; 2) In accordance with section 6.8 of the Local Government Act 1995, expenditure of \$1,300.02 be approved to settle outstanding water rates on Lots 45 and 46 Rowlands Street, Beacon; and 3) In accordance with section 6.12 of the Local Government Act 1995, the following rates be written off: A6870 \$7,867.50 A6871 \$7,867.50 | | Transfer lodged, awaiting notification of completion. | Complete |
| | | | Document rejected for want of the Common Seal. Awaiting its return to affix Common Seal. | Complete |
| | | | Landgate advised that documents were still progressing through their legal team and could not give an estimated completion time. | Complete |
| | | | Landgate rejected paperwork. Resubmitted with requested changes | Complete |
| | | | Landgate requested further changes and assessment for stamp duty by Office of State Revenue. Completed and resubmitted 12/9/18. | Complete |
| | | | Further requisition from Landgate received in November. CEO & President names did not match exactly with their ID. Changes authorised on form. | December 2018 |

REGULATORY OFFICER – JACK WALKER

| REF | DECISION | STATUS | COMMENT | ESTIMATED COMPLETION |
|-------------------------------|---|---------|---|----------------------|
| 2018/1 – 012 February 2018 | That Council, pursuant to section 58 Land Administration Act 1997 and clause 9 Land Administration Regulations 1998, endorse the closure of the section of Potts Road as outlined by the Department of Planning, Lands and Heritage SmartPlan below and direct the Chief Executive Officer to request the Minister for Lands to take the necessary steps to permanently close that section of road. | Ongoing | <p>Correspondence has been received from the Department of Planning, Lands and Heritage seeking confirmation that the adjoining land owners will purchase the land as well as confirmation that the Shire of Mt Marshall will be responsible for any costs associated with the road closure.</p> <p>Confirmation that Faulkner Brothers and Mr Sachse have agreed to purchase the land has been sent and informed the Dept that the Shire will not cover any costs associated with the road closure. The long delay in the road closure process looks like causing the Development Application to lapse as no substantial works have been commenced in two years.</p> | February 2019 |

REGULATORY OFFICER – JACK WALKER

| REF | DECISION | STATUS | COMMENT | ESTIMATED COMPLETION |
|---------------------------|--|--------------------------|---|--|
| 2017/05-18 May 2017 | That: 1. Council resolve not to proceed with the Extractive Industries Local Law. 2. The Chief Executive Officer be directed to draw up and present to Council an Extractive Industries Local Planning Policy. | Completed Current | Staff are in the process of drafting a policy | February, 2019 |
| 2016/178 November 2016 | That: 1. an application be submitted to Main Roads WA to have Medlin Street, Calderwood Drive, Lindsay Street, Shemeld Street and Hamilton Street Beacon added to the RAV Network 4 and RAV Network 7; and 2. an application be submitted to Main Roads WA seeking permission to install Give Way signs at the East end of Calderwood Drive, Beacon and the West end of the Beacon Grain Bin Road. | Completed Ongoing | A further application has been received from Callum Lumsden to have Calderwood Drive and Medlin Street included on the RAV 7 Network. This application has been forwarded to MRDWA. Still waiting for MRDWA to install give way signs. | February 2019 February 2019 |

| REGULATORY OFFICER – JACK WALKER | | | | |
|-----------------------------------|---|---------|---|-----------------------|
| REF | DECISION | STATUS | COMMENT | ESTIMATED COMPLETION |
| 2016/155 Oct 2016 Continued | h) Consent is given to the Department of Fire and Emergency Services to issue identity cards to Mt Marshall Fire Brigade members. | Ongoing | Waiting for DFES to provide instructions on what they require. | February, 2019 |

| REGULATORY OFFICER – JACK WALKER | | | | |
|----------------------------------|--|---------|---|-----------------------|
| REF | DECISION | STATUS | COMMENT | ESTIMATED COMPLETION |
| 2016/110 July 2016 | <p>That Council endorse the recommendation of the Wheatbelt North East Sub Regional Road Group in relation to the Wheatbelt Freight Plan as follows:</p> <p>That:</p> <p>a) The following “Collector” Routes within the WNE SRRG road network:</p> <ol style="list-style-type: none"> 1 Wyalkatchem to Southern Cross Route 2 Cunderdin to Wyalkatchem Route 3 Wongan Hills to Koorda Route 4 Hines Hill to Burakin Route 5 Kulja to Dalwallinu Route 6 Kellerberrin to Beacon Route 7 Warralakin to Burracoppin Route 8 Bruce Rock to Moorine Rock Route <p>be endorsed as our Wheatbelt Freight Plan routes.</p> <p>b) All of the 2030 roads within these eight (8) WFP “collector” routes be allocated a single RAV access level of Network 7.</p> <p>c) All of the 2030 roads within these eight (8) WFP “collector” routes be allocated an AMMS level of 2, except for the Mukinbudin / Wialki Rd within the Shire of Mukinbudin from SLK 0.0 – 25.00 (Mukinbudin – Bonnie Rock Rd intersection), which is to be kept at its current level 3.</p> | Ongoing | Awaiting confirmation that the Wheatbelt Freight Plan has been adopted. | February, 2019 |

| ENGINEERING ADMINISTRATION OFFICER – JACK WALKER | | | | |
|--|--|---------|------------------------------------|----------------------|
| REF | DECISION | STATUS | COMMENT | ESTIMATED COMPLETION |
| 2008/083 April 2008 | <p>That the Shire of Mt Marshall Local Law Relating to Dogs be amended as follows:</p> <p>15 2) Remove (e) Beacon Recreation Reserve No 36172</p> <p>15 (2) Remove (f) Bencubbin Recreation Reserve No 21535</p> <p>15 (2) Amend (g) to be denoted (e)</p> <p>Insert 15 (3) Fouling of Streets and Public Places</p> <p>Any person liable for the control of a dog as defined in Section 3(1) of the Act, who permits the dog to excrete on any street or public place or on any land within the District without the consent of the occupier commits an offence unless the excreta is removed forthwith and disposed of either on private land with the consent of the occupier or in such other manner as the local government may approve.</p> <p>16 (2) Remove (a) All freehold land owned by the Shire of Mt Marshall.</p> <p>16 (2) Remove (b) All reserves owned by the Shire of Mt Marshall or under the care control and management of the Shire.</p> <p>Insert 16 (2) (a) Beacon Recreation Reserve No 36172 (outside the fenced oval area) providing there are no organised activities upon this reserve.</p> <p>Insert 16 (2) (b) Bencubbin Recreation Reserve No 29824.</p> | Ongoing | Proposed changes to be advertised. | September 2009 |

| EXECUTIVE ASSISTANT – NADINE RICHMOND | | | | |
|--|---|--------------------------|---|----------------------|
| REF | DECISION | STATUS | COMMENT | ESTIMATED COMPLETION |
| 2018/10-021 November 2018 | That Council, subject to Local Government Act 1995 section 6.16, impose a new charge as follows: Gymnasium Key Deposit \$10 This new rate is to come into effect as of Wednesday 21 November 2018. | Complete | Advertising is in place. Fees and Charges document updated. | |
| 2018/10-018 November 2018 | 2. The results of the survey be advertised in local papers and on the Shire's website; and | Complete | | |
| 2018/10-007 November 2018 | 1. Mt Marshall residents be reimbursed by the Shire upon presentation of tickets for entry into Mukinbudin, Trayning or Koorda Aquatic Centres for the 2018/2019 season. 2. The Beacon & Bencubbin Primary Schools are reimbursed for the costs of transporting students to In-term Swimming Lessons in 2018. | Complete Complete | Local advertising is in place. CEO has informed the schools of Council's decision. | |
| 2018/9 – 011 October 2018 | That Council endorses the following office closure during the 2018/19 Christmas and New Year period: Friday 21 December - 9.00am to 4.00pm Monday 24 December - Closed – Christmas Eve Tuesday 25 December - Closed – Christmas Day Wednesday 26 Dec Closed Boxing Day Thursday 27 December - Closed Friday 28 December -Closed Monday 31 December -Closed – New Year's Eve Tuesday 1 January - Closed – New Year's Day Wednesday 2 January - 9.00am to 4.00pm | Ongoing | Advertising will take place closer to the holiday period. | |

| COMMUNITY DEVELOPMENT OFFICER – OLIVIA GRANICH | | | | | | | | |
|--|--|--------------------|---|-------------------------|---------|---------|--|-----|
| REF | DECISION | STATUS | COMMENT | ESTIMATED COMPLETION | | | | |
| 2015/5-014 June 2018 | <p>That the following 2017/18 Club Support Fund Applications be approved for funding by Council;</p> <table><tr><td>Beacon Hockey Club</td><td>\$3,500</td></tr><tr><td>Bencubbin Football Club</td><td>\$6,380</td></tr></table> | Beacon Hockey Club | \$3,500 | Bencubbin Football Club | \$6,380 | Ongoing | <p>Beacon Ladies Hockey Club have been advised in writing that they have been successful in there 2018 application.</p> <p>Bencubbin Football Club have been advised in writing that their 2018 application has been successful.</p> | TBA |
| Beacon Hockey Club | \$3,500 | | | | | | | |
| Bencubbin Football Club | \$6,380 | | | | | | | |
| 2017/022 February 2017 | <p>That:</p> <ol style="list-style-type: none">1. Council Acknowledge an historic equity imbalance in the provision of facilities between the towns of Beacon and Bencubbin;2. A desktop review be undertaken on proposed infrastructure upgrades for Beacon and that a further report be made to Council with a view to implementing a 5 year development program for the town;3. That the Shire’s Community Development Officer investigate and report on other local government models for the development and support of volunteers in both communities; and4. That any agreed infrastructure development program and volunteer support program be incorporated into the Shire’s Community Strategic Plan | Ongoing | <p>CDO liaising with Volunteers WA Wheatbelt Hub to source information that will assist with the development of the report.</p> | | | | | |

COMMUNITY DEVELOPMENT OFFICER – OLIVIA GRANICH

| REF | DECISION | STATUS | COMMENT | ESTIMATED COMPLETION |
|------------------------------|---|---------|--|----------------------|
| 2016/190 December 2016 | <p>That:</p> <ol style="list-style-type: none"> the Shire of Mt Marshall engage a consultant to undertake a Needs Assessment & Feasibility Study for a new Mt Marshall Aquatic Centre based on the methodology and deliverables outlined in the Needs Assessment & Feasibility Study Criteria; and for the purposes of the study, the site for any new aquatic facility be confined to the Beacon Recreation Complex site, the Bencubbin Recreation Complex site and the current aquatic centre site. | Ongoing | <p>CDO acquired quotes from consultants to undertake this work. ABV Leisure Consultants to undertake the project. ABV currently reviewing Shires strategic documents and pool history. Survey and public consultation complete. Draft Needs Assessment presented in September, provided to Council to review.</p> <p>ABV are currently working on the Feasibility Study and cost estimates for the recommended options from the Needs Analysis. Draft report expected to be presented in Feb/March 18.</p> <p>CDO is acquiring quotes to engage a Quantity Surveyor to cost the capital works, lifecycle costings and lifespan replacement cost for the Mt Marshall Aquatic centre. Concept plans are nearing completion and are expected to be presented April 18.</p> <p><i>Continued over page</i></p> | |

COMMUNITY DEVELOPMENT OFFICER – OLIVIA GRANICH

| REF | DECISION | STATUS | COMMENT | ESTIMATED COMPLETION |
|------------------------------|----------|---------|---|----------------------|
| 2016/190 December 2016 | | Ongoing | <p>Quantity Surveyor has been engaged and costings expected to be complete by the end of April 18. Research is still being conducted on the feasibility of the Aquatic Centre. Further research has been conducted by the CEO and engagement with external stakeholders by the CEO and CDO to review options for the Mt Marshall Aquatic Centre. This research will be presented in June 18.</p> <p>Council have requested more research by the CEO and CDO involving alternative aquatic centre options.</p> | |



Shire of Mt Marshall

Monthly Statement of Financial Activity

For the Period 1 July 2018 to 30 November 2018

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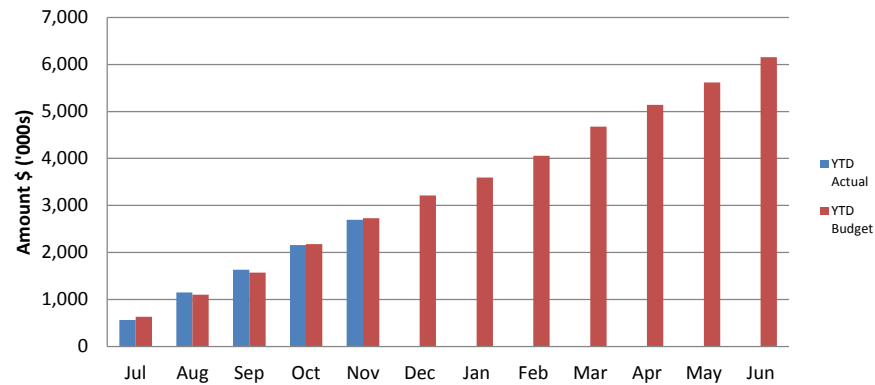
Shire of Mt Marshall
Statement of Financial Activity
For the period 1 July 2018 to 30 November 2018

| | NOTE | Actual YTD 2018/2019 | Budget YTD 2018/2019 | Original Full Year Budget 2018/2019 | Variance Budget to Actual YTD | |
|--|----------|---------------------------|---------------------------|--|----------------------------------|----------|
| | | | | | % | \$ |
| Operating Revenue | | | | | | |
| Governance | | 15,965 | 6,320 | 15,199 | 153% | 9,645 |
| General Purpose Funding | | 625,773 | 713,288 | 1,378,277 | (12%) | (87,515) |
| Law, Order & Public Safety | | 7,748 | 7,640 | 28,321 | 1% | 108 |
| Health | | 49,018 | 80,580 | 193,400 | (39%) | (31,562) |
| Education & Welfare | | 38,216 | 42,716 | 94,601 | (11%) | (4,499) |
| Housing | | 92,946 | 72,870 | 174,920 | 28% | 20,076 |
| Community Amenities | | 123,312 | 110,980 | 117,985 | 11% | 12,332 |
| Recreation & Culture | | 12,516 | 14,465 | 58,076 | (13%) | (1,949) |
| Transport | | 799,080 | 682,444 | 1,218,397 | 17% | 116,636 |
| Economic Services | | 69,951 | 68,410 | 189,257 | 2% | 1,541 |
| Other Property & Services | | 24,290 | 27,445 | 65,900 | (11%) | (3,155) |
| | | 1,858,816 | 1,827,157 | 3,534,333 | | |
| Operating Expenses | | | | | | |
| Governance | | (206,521) | (284,626) | (405,325) | (27%) | 78,105 |
| General Purpose Funding | | (24,353) | (33,005) | (89,229) | (26%) | 8,652 |
| Law, Order & Public Safety | | (86,829) | (78,767) | (167,378) | 10% | (8,062) |
| Health | | (114,533) | (117,505) | (295,737) | (3%) | 2,972 |
| Education & Welfare | | (101,910) | (108,242) | (281,003) | (6%) | 6,332 |
| Housing | | (125,321) | (127,423) | (308,362) | (2%) | 2,102 |
| Community Amenities | | (101,936) | (109,420) | (250,265) | (7%) | 7,484 |
| Recreation & Culture | | (436,210) | (403,100) | (886,631) | 8% | (33,110) |
| Transport | | (1,166,841) | (1,226,979) | (2,870,287) | (5%) | 60,138 |
| Economic Services | | (182,321) | (209,791) | (454,721) | (13%) | 27,470 |
| Other Property & Services | | 2,611 | (38,969) | (17,858) | (107%) | 41,580 |
| | | (2,544,166) | (2,737,827) | (6,026,795) | | |
| <u>Adjustments for Non-Cash (Revenue) and Expenditure</u> | | | | | | |
| (Profit)/Loss on Asset Disposals | 2 | 0 | 0 | 135,500 | | |
| Employee benefit Provisions Cash Backed | | 554 | 4 | 4 | | |
| Movement in employee benefit provisions (non-current) | | 0 | 0 | 0 | | |
| Movement in deferred pensioner Rates/ESL | | (789) | 0 | 0 | | |
| Depreciation on Assets | | 1,071,894 | 817,820 | 2,453,460 | | |
| <u>Capital Revenue and (Expenditure)</u> | | | | | | |
| Purchase Property Plant & Equipment | 1 | (79,224) | (220,000) | (1,586,000) | | |
| Purchase Infrastructure Assets | 1 | (897,271) | (920,835) | (2,182,400) | | |
| Repayment of Debenture | 3 | (25,247) | (25,247) | (109,182) | | |
| Proceeds from New Debenture | 3 | 0 | 0 | 135,000 | | |
| Self-Supporting Loan Principal Income | | 9,096 | 9,096 | 17,411 | | |
| Proceeds from Disposal of Assets | 2 | 0 | 0 | 332,500 | | |
| <u>Reserves and Restricted Funds</u> | | | | | | |
| Transfers to Reserves | 4 | (133,647) | (133,647) | (183,821) | | |
| Transfers from Reserves | 4 | 0 | 0 | 640,057 | | |
| ADD Net Current Assets July 1 B/Fwd. | 5 | 1,483,330 | 1,483,330 | 1,449,421 | | |
| LESS Net Current Assets Year to Date | 5 | (2,125,406) | (1,490,363) | 0 | | |
| Amount Raised from Rates | 6 | <u>(1,382,060)</u> | <u>(1,390,512)</u> | <u>(1,390,512)</u> | | |

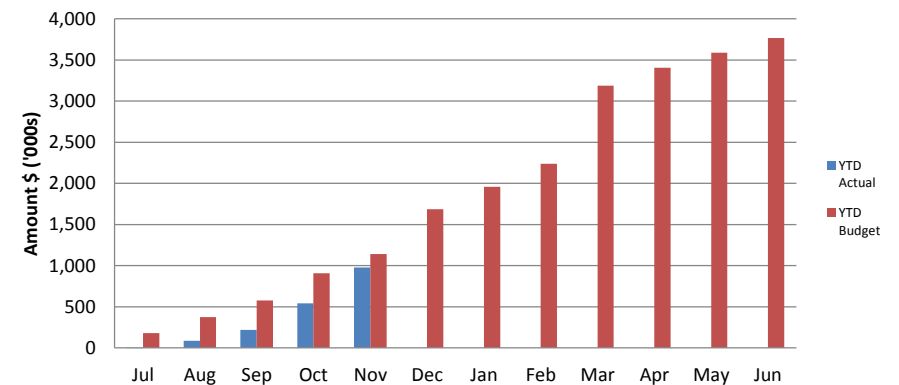
Shire of Mt Marshall

For the period 1 July 2018 to 30 November 2018

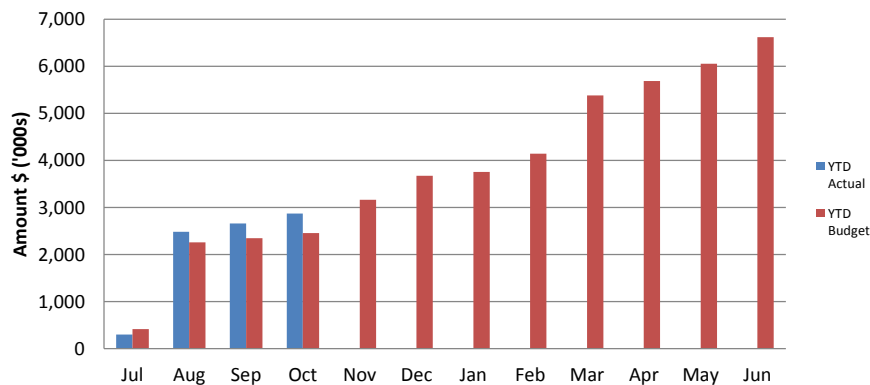
Operating Expenditure



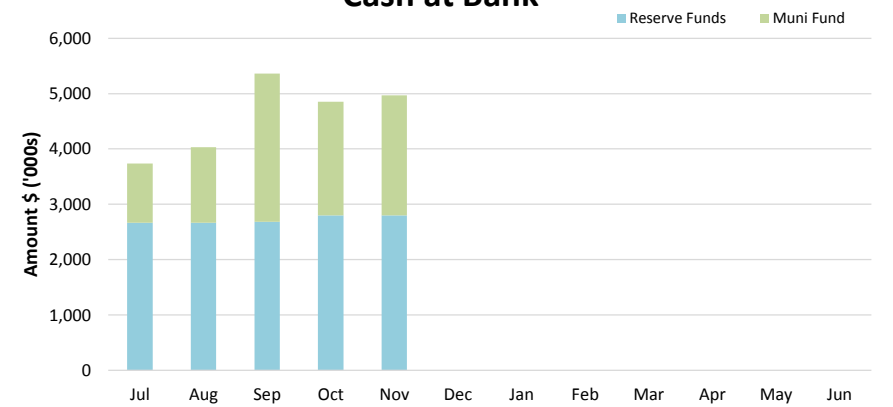
Capital Works & Equipment Purchases



Operating Income



Cash at Bank



Shire of Mt Marshall

Notes to and forming part of the Statement of Financial Activity

For the Period 1 July 2018 to 30 November 2018

| | 2018/19 Adopted Budget \$ | 30-Nov-18 Actual \$ | 30-Nov-18 Budget YDT \$ |
|---|------------------------------------|---------------------------|----------------------------------|
| 1. ACQUISITION OF ASSETS | | | |
| The following assets have been acquired during the period under review: | | | |
| <u>By Program</u> | | | |
| Governance | | | |
| <i>Administration General</i> | | | |
| Purchase Vehicle - Admin | 60,000 | 0 | 0 |
| Admin Office Upgrade | 12,000 | 0 | 0 |
| Health | | | |
| <i>NEW Health Vehicles</i> | | | |
| New Health Purchase Of Motor Vehicle | 80,000 | 0 | 40,000 |
| Housing | | | |
| <i>Staff Housing</i> | | | |
| Land & Buildings - Staff Housing | 51,000 | 0 | 31,000 |
| Community Amenities | | | |
| <i>Protection of the Environment</i> | | | |
| Land & Buildings - Community Amenities | 5,000 | 0 | 5,000 |
| <i>Other Community Ammenities</i> | | | |
| Beacon And Bencubbin Water Collection | 0 | 47 | 0 |
| Purchase Of Plant | 100,000 | 0 | 0 |
| Recreation and Culture | | | |
| <i>Public Halls and Civic Centres</i> | | | |
| Land & Buildings - Halls & Civic Centres | 40,000 | 0 | 0 |
| <i>Sporting Facilities</i> | | | |
| Old Police Station Museum Capital | 15,000 | 14,837 | 15,000 |
| Land & Buildings - Bencubbin Recreation | 52,000 | 0 | 0 |
| Land & Buildings - Bencubbin | | | |
| Recreation Complex Redevelopment | 10,000 | 17,561 | 10,000 |
| Transport | | | |
| <i>Construction - Roads, Bridges, Depots</i> | | | |
| Roads To Recovery Road Works | 456,000 | 250,250 | 189,935 |
| State Road Projects Grant | 923,400 | 609,920 | 384,710 |
| Municipal Road Construction | 294,000 | 14,834 | 122,440 |
| Footpath Construction | 20,000 | 0 | 20,000 |
| <i>Road Plant Purchases</i> | | | |
| Plant Purchases | 730,000 | 0 | 0 |
| Motor Vehicle Purchases | 119,000 | 44,766 | 119,000 |
| <i>Airstrips</i> | | | |
| Beacon Airstrip Upgrade | 489,000 | 22,220 | 203,750 |
| Economic Services | | | |
| Buildings | 35,000 | 0 | 0 |
| Beacon Workers Camp - Capital | 255,000 | 2,061 | 0 |
| Other Property and Services | | | |
| Purchase Land And Buildings - Eng | 22,000 | 0 | 0 |
| | <u>3,768,400</u> | <u>976,495</u> | <u>1,140,835</u> |

Shire of Mt Marshall

Notes to and forming part of the Statement of Financial Activity

For the Period 1 July 2018 to 30 November 2018

| | 2018/19 Adopted Budget \$ | 30-Nov-18 Actual \$ | 30-Nov-18 Budget YDT \$ |
|---|------------------------------------|---------------------------|----------------------------------|
| 1. ACQUISITION OF ASSETS (Continued) | | | |
| The following assets have been acquired during the period under review: | | | |
| <u>By Class</u> | | | |
| Land Held for Resale - Current | 0 | 0 | 0 |
| Land Held for Resale - Non Current | 0 | 0 | 0 |
| Land | 0 | 0 | 0 |
| Land & Buildings | 497,000 | 34,459 | 61,000 |
| Furniture & Equipment | 0 | 0 | 0 |
| Motor Vehicles | 259,000 | 44,766 | 159,000 |
| Plant & Equipment | 830,000 | 0 | 0 |
| Infrastructure - Roads | 1,673,400 | 875,004 | 697,085 |
| Infrastructure - Footpaths | 20,000 | 0 | 20,000 |
| Infrastructure - Ovals & Parks | 0 | 0 | 0 |
| Infrastructure - Other | 489,000 | 22,267 | 203,750 |
| | <u>3,768,400</u> | <u>976,495</u> | <u>1,140,835</u> |

Shire of Mt Marshall

Notes to and forming part of the Statement of Financial Activity

For the Period 1 July 2018 to 30 November 2018

2. DISPOSALS OF ASSETS

The following assets have been disposed of during the period under review:

| <u>By Program</u> | Written Down Value | | Sale Proceeds | | Profit(Loss) | |
|-----------------------------|-------------------------|----------------------------------|-------------------------|----------------------------------|-------------------------|----------------------------------|
| | 2018/19 Budget \$ | November 2018 Actual \$ | 2018/19 Budget \$ | November 2018 Actual \$ | 2018/19 Budget \$ | November 2018 Actual \$ |
| Administration | | | | | | |
| Admin Vehicle | 45,000 | | 45,000 | | 0 | 0 |
| Health | | | | | | |
| NEW Health Vehicles | 60,000 | | 60,000 | | 0 | 0 |
| Housing | | | | | | |
| Lot 158 Brown St, Bencubbin | 101,000 | | 37,500 | | (63,500) | 0 |
| Transport | | | | | | |
| Ford Ranger XLS C/Cab | 30,000 | | 30,000 | | 0 | 0 |
| Mitsubishi Triton MM279 | 12,000 | | 10,000 | | (2,000) | 0 |
| Mitsubishi Triton MM254 | 12,000 | | 10,000 | | (2,000) | 0 |
| Grader MM349 | 105,000 | | 70,000 | | (35,000) | 0 |
| Grader MM5081 | 103,000 | | 70,000 | | (33,000) | 0 |
| | 468,000 | 0 | 332,500 | 0 | (135,500) | 0 |

| <u>By Class of Asset</u> | Written Down Value | | Sale Proceeds | | Profit(Loss) | |
|--------------------------|-------------------------|----------------------------------|-------------------------|----------------------------------|-------------------------|----------------------------------|
| | 2018/19 Budget \$ | November 2018 Actual \$ | 2018/19 Budget \$ | November 2018 Actual \$ | 2018/19 Budget \$ | November 2018 Actual \$ |
| Motor Vehicles | 159,000 | 0 | 155,000 | 0 | (4,000) | 0 |
| Land & Buildings | 101,000 | 0 | 37,500 | 0 | (63,500) | 0 |
| Plant & Equipment | 208,000 | 0 | 140,000 | 0 | (68,000) | 0 |
| | 468,000 | 0 | 332,500 | 0 | (135,500) | 0 |

Summary

Profit on Asset Disposals
Loss on Asset Disposals

| 2018/19 Adopted Budget \$ | November 2018 Actual \$ |
|------------------------------------|----------------------------------|
| 0 | 0 |
| (135,500) | 0 |
| (135,500) | 0 |

Shire of Mt Marshall

Notes to and forming part of the Statement of Financial Activity

For the Period 1 July 2018 to 30 November 2018

3. INFORMATION ON BORROWINGS

(a) Debenture Repayments

| Particulars | Expiry | Principal 1-Jul-18 | New Loans | | Principal Repayments | | Principal Outstanding | | Interest Repayments | |
|--|------------|-----------------------|-------------------------|-------------------------|-------------------------|-------------------------|--------------------------|-------------------------|-------------------------|-------------------------|
| | | | 2018/19 Budget \$ | 2018/19 Actual \$ | 2018/19 Budget \$ | 2018/19 Actual \$ | 2018/19 Budget \$ | 2018/19 Actual \$ | 2018/19 Budget \$ | 2018/19 Actual \$ |
| General Purpose Funding | | | | | | | | | | |
| Loan 119 - Benny Mart * | 27/03/2019 | 8,586 | 0 | 0 | 8,586 | 4,726 | 0 | 3,860 | 797 | 148 |
| Housing | | | | | | | | | | |
| Loan 118 - Staff Housing | 25/06/2019 | 59,159 | 0 | 0 | 59,159 | 0 | 0 | 59,159 | 6,348 | (61) |
| Recreation & Culture | | | | | | | | | | |
| Loan 120 - Bencubbin Rec Complex Shire | 28/04/2037 | 417,902 | 0 | 0 | 15,270 | 7,562 | 402,632 | 410,340 | 16,515 | 5,231 |
| Loan 121 - Bencubbin Rec SAR | 28/04/2037 | 474,607 | 0 | 0 | 17,342 | 8,588 | 457,265 | 466,019 | 18,756 | 5,941 |
| Loan 122 - Bencubbin Rec Complex CRC* | 28/04/2037 | 241,506 | 0 | 0 | 8,825 | 4,370 | 232,681 | 237,136 | 9,544 | 3,023 |
| Economic Services | | | | | | | | | | |
| Beacon Workers Camp | | | 135,000 | 0 | 0 | 0 | 135,000 | 0 | 0 | 0 |
| | | 1,201,760 | 135,000 | 0 | 109,182 | 25,247 | 1,227,578 | 1,176,513 | 51,960 | 14,282 |

(*) Self supporting loan financed by payments from third parties.

All other loan repayments were financed by general purpose revenue.

Shire of Mt Marshall

Notes to and forming part of the Statement of Financial Activity

For the Period 1 July 2018 to 30 November 2018

| | 2018/19 Adopted Budget \$ | November 2018 Actual \$ |
|---|------------------------------------|----------------------------------|
| 4. CASH BACKED RESERVES | | |
| (a) Plant Replacement Reserve | | |
| Opening Balance | 645,180 | 645,180 |
| Amount Set Aside / Transfer to Reserve | 16,129 | 3,738 |
| Amount Used / Transfer from Reserve | (295,550) | 0 |
| | <u>365,759</u> | <u>648,918</u> |
| (b) Aged Care Units Reserve | | |
| Opening Balance | 91,017 | 91,017 |
| Amount Set Aside / Transfer to Reserve | 2,275 | 528 |
| Amount Used / Transfer from Reserve | (48,517) | 0 |
| | <u>44,775</u> | <u>91,545</u> |
| (c) Housing Reserve | | |
| Opening Balance | 291,451 | 291,451 |
| Amount Set Aside / Transfer to Reserve | 84,786 | 79,638 |
| Amount Used / Transfer from Reserve | 0 | 0 |
| | <u>376,237</u> | <u>371,089</u> |
| (d) Employee Entitlements Reserve | | |
| Opening Balance | 95,669 | 95,669 |
| Amount Set Aside / Transfer to Reserve | 2,392 | 554 |
| Amount Used / Transfer from Reserve | 0 | 0 |
| | <u>98,061</u> | <u>96,223</u> |
| (e) Public Amenities & Buildings Reserve | | |
| Opening Balance | 254,808 | 254,810 |
| Amount Set Aside / Transfer to Reserve | 6,370 | 1,476 |
| Amount Used / Transfer from Reserve | (51,667) | 0 |
| | <u>209,511</u> | <u>256,286</u> |
| (f) Mt Marshall Aquatic Centre Development Reserve | | |
| Opening Balance | 940,024 | 940,024 |
| Amount Set Aside / Transfer to Reserve | 63,501 | 45,679 |
| Amount Used / Transfer from Reserve | 0 | 0 |
| | <u>1,003,525</u> | <u>985,703</u> |
| (g) Community Bus Reserve | | |
| Opening Balance | 117,847 | 117,847 |
| Amount Set Aside / Transfer to Reserve | 2,946 | 683 |
| Amount Used / Transfer from Reserve | (100,000) | 0 |
| | <u>20,793</u> | <u>118,530</u> |

Shire of Mt Marshall

Notes to and forming part of the Statement of Financial Activity

For the Period 1 July 2018 to 30 November 2018

| | 2018/19 Adopted Budget \$ | November 2018 Actual \$ |
|--|------------------------------------|----------------------------------|
| 4. RESERVES (Continued) | | |
| (h) Bencubbin Recreation Complex Reserve | | |
| Opening Balance | 4,081 | 4,081 |
| Amount Set Aside / Transfer to Reserve | 102 | 24 |
| Amount Used / Transfer from Reserve | 0 | 0 |
| | <u>4,183</u> | <u>4,105</u> |
| (i) Office Equipment Reserve | | |
| Opening Balance | 16,324 | 16,324 |
| Amount Set Aside / Transfer to Reserve | 0 | 95 |
| Amount Used / Transfer from Reserve | (16,324) | 0 |
| | <u>0</u> | <u>16,419</u> |
| (j) Economic Development Reserve | | |
| Opening Balance | 75,602 | 75,602 |
| Amount Set Aside / Transfer to Reserve | 1,890 | 438 |
| Amount Used / Transfer from Reserve | 0 | 0 |
| | <u>77,492</u> | <u>76,040</u> |
| (k) Beacon Accommodation Reserve | | |
| Opening Balance | 121,384 | 121,384 |
| Amount Set Aside / Transfer to Reserve | 3,035 | 704 |
| Amount Used / Transfer from Reserve | (120,000) | 0 |
| | <u>4,419</u> | <u>122,088</u> |
| (l) Medical Enhancement Reserve | | |
| Opening Balance | 7,633 | 7,633 |
| Amount Set Aside / Transfer to Reserve | 191 | 44 |
| Amount Used / Transfer from Reserve | 0 | 0 |
| | <u>7,824</u> | <u>7,677</u> |
| (m) Bencubbin Community Resource Centre Reserve | | |
| Opening Balance | 8,141 | 8,141 |
| Amount Set Aside / Transfer to Reserve | 204 | 47 |
| Amount Used / Transfer from Reserve | (8,000) | 0 |
| | <u>345</u> | <u>8,188</u> |
| Total Cash Backed Reserves | <u><u>2,212,924</u></u> | <u><u>2,802,810</u></u> |

All of the above reserve accounts are to be supported by money held in financial institutions.

Shire of Mt Marshall

Notes to and forming part of the Statement of Financial Activity

For the Period 1 July 2018 to 30 November 2018

| | 2018/19 Adopted Budget \$ | November 2018 Actual \$ |
|---|------------------------------------|----------------------------------|
| 4. RESERVES (Continued) | | |
| Cash Backed Reserves (Continued) | | |
| Summary of Transfers To Cash Backed Reserves | | |
| Transfers to Reserves | | |
| Plant Replacement Reserve | 16,129 | 3,738 |
| Aged Care Units Reserve | 2,275 | 528 |
| Community Housing Reserve | 0 | 0 |
| Housing Reserve | 84,786 | 79,638 |
| Employee Entitlements Reserve | 2,392 | 554 |
| Public Amenities & Buildings Reserve | 6,370 | 1,476 |
| Mt Marshall Aquatic Centre Development Rese | 63,501 | 45,679 |
| Community Bus Reserve | 2,946 | 683 |
| Bencubbin Recreation Complex Reserve | 102 | 24 |
| Office Equipment Reserve | 0 | 95 |
| Economic Development Reserve | 1,890 | 438 |
| Integrated Planning/Financial Reporting Reserv | 0 | 0 |
| Beacon Accommodation Reserve | 3,035 | 704 |
| Medical Enhancement Reserve | 191 | 44 |
| Bencubbin Community Resource Centre Reser | 204 | 47 |
| | 183,821 | 133,647 |
| Transfers from Reserves | | |
| Plant Replacement Reserve | (295,550) | 0 |
| Aged Care Units Reserve | (48,517) | 0 |
| Community Housing Reserve | 0 | 0 |
| Housing Reserve | 0 | 0 |
| Employee Entitlements Reserve | 0 | 0 |
| Public Amenities & Buildings Reserve | (51,667) | 0 |
| Mt Marshall Aquatic Centre Development Rese | 0 | 0 |
| Community Bus Reserve | (100,000) | 0 |
| Bencubbin Recreation Complex Reserve | 0 | 0 |
| Office Equipment Reserve | (16,324) | 0 |
| Economic Development Reserve | 0 | 0 |
| Integrated Planning/Financial Reporting Reserv | 1 | 0 |
| Beacon Accommodation Reserve | (120,000) | 0 |
| Medical Enhancement Reserve | 0 | 0 |
| Bencubbin Community Resource Centre Reser | (8,000) | 0 |
| | (640,057) | 0 |
| Total Transfer to/(from) Reserves | (456,236) | 133,647 |

Shire of Mt Marshall

Notes to and forming part of the Statement of Financial Activity

For the Period 1 July 2018 to 30 November 2018

4. RESERVES (Continued)

In accordance with council resolutions in relation to each reserve account, the purpose for which the reserves are set aside are as follows:

Plant Replacement Reserve

- To fund the purchase of plant which exceeds Council's capitalisation threshold, so as to avoid undue heavy burden in a single year

Aged Care Units Reserve

- To fund capital works on existing Aged Care Units or construction of new Aged Care Units.

Housing Reserve

- To fund the replacement of housing and any major maintenance

Employee Entitlement Reserve

- To be used to fund Long Service Leave requirement / other accrued leave

Public Amenities & Buildings

- To help fund future building maintenance requirements to the shire's buildings.

Mt Marshall Aquatic Centre Development

- To finance future capital and maintenance upgrades for the Mt Marshall Aquatic Centre

Community Bus Reserve

- To finance the replacement of the community bus

Bencubbin Recreation Complex

- To provide funding for future extensions to the Bencubbin Complex

Office Equipment

- To replace office equipment as required

Economic Development Reserve

- To set aside funds for Economic Development initiatives.

Beacon Accommodation Reserve

- To set aside funds for the provision of transient accommodation in Beacon.

Medical Enhancement Reserve

- To be used for projects that may arise through the NEWROC Health Strategy

Bencubbin Community Resource Centre Reserve

- To be used for refurbishment of the Bencubbin Community Resource Centre

Shire of Mt Marshall

Notes to and forming part of the Statement of Financial Activity

For the Period 1 July 2018 to 30 November 2018

| | 2018/19 B/Fwd Per Approved Budget \$ | 2017/18 B/Fwd Per Financial Report \$ | November 2018 Actual \$ |
|--|---|--|----------------------------------|
| 5. NET CURRENT ASSETS | | | |
| Composition of Estimated Net Current Asset Position | | | |
| CURRENT ASSETS | | | |
| Cash - Unrestricted | 1,959,858 | 1,959,858 | 2,229,282 |
| Cash - Restricted Unspent Grants | 0 | 0 | 0 |
| Cash - Restricted Unspent Loans | 0 | 0 | 0 |
| Cash - Restricted Reserves | 2,669,161 | 2,669,161 | 2,802,808 |
| Rates Outstanding | 109,889 | 109,889 | 243,005 |
| Sundry Debtors | 269,949 | 240,843 | 41,487 |
| Provision for Doubtful Debts | (69,713) | (69,617) | (20,381) |
| Gst Receivable | 1 | 85,200 | 43,583 |
| Accrued Income/Payments In Advance | (32,854) | 4,673 | (4,081) |
| Loans - Clubs/Institutions | 0 | 0 | 0 |
| Inventories | 10,554 | 10,554 | 17,379 |
| | <u>4,916,845</u> | <u>5,010,561</u> | <u>5,353,082</u> |
| LESS: CURRENT LIABILITIES | | | |
| Sundry Creditors | (630,169) | (630,770) | (272,976) |
| Accrued Interest On Loans | (8,701) | (7,701) | 0 |
| Accrued Salaries & Wages | (40,067) | (40,067) | (348) |
| Income In Advance | 0 | 0 | 0 |
| Gst Payable | 0 | (23,125) | (2,956) |
| Payroll Creditors | 0 | (27,898) | (28,745) |
| Accrued Expenses | 0 | 0 | 0 |
| FBT Liability | 0 | (8,112) | 0 |
| Current Employee Benefits Provision | (214,995) | (216,066) | (216,066) |
| Current Loan Liability | (2) | (109,182) | (83,936) |
| | <u>(893,934)</u> | <u>(1,062,921)</u> | <u>(605,027)</u> |
| NET CURRENT ASSET POSITION | 4,022,911 | 3,947,640 | 4,748,055 |
| Less: Cash - Reserves - Restricted | (2,669,161) | (2,669,161) | (2,802,808) |
| Less: Cash - Unspent Grants - Restricted | 0 | 0 | 0 |
| Add Back : Component of Leave Liability not Required to be Funded | 95,669 | 95,669 | 96,223 |
| Add Back : Current Loan Liability | 2 | 109,182 | 83,936 |
| Adjustment for Trust Transactions Within Muni | 0 | 0 | 0 |
| ESTIMATED SURPLUS/(DEFICIENCY) C/FWD | <u>1,449,421</u> | <u>1,483,330</u> | <u>2,125,406</u> |

Shire of Mt Marshall

NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

For the Period 1 July 2018 to 30 November 2018

6. RATING INFORMATION

| RATE TYPE | Rate in \$ | Number of Properties | Rateable Value \$ | 2018/19 Rate Revenue \$ | 2018/19 Interim Rates \$ | 2018/19 Back Rates \$ | 2018/19 Total Revenue \$ | 2018/19 Budget \$ |
|--------------------------------------|-----------------------|----------------------------|-------------------------|----------------------------------|-----------------------------------|--------------------------------|-----------------------------------|-------------------------|
| General Rate | | | | | | | | |
| GRV | 0.128889 | 131 | 733,228 | 94,505 | | | 94,505 | 94,505 |
| UV | 0.018875 | 311 | 69,741,987 | 1,316,381 | (1,969) | | 1,314,411 | 1,316,380 |
| Mining | 0.018875 | 1 | 42,416 | 801 | | | 801 | 801 |
| Sub-Totals | | 443 | 70,517,631 | 1,411,686 | (1,969) | 0 | 1,409,717 | 1,411,686 |
| Minimum Rates | Minimum \$ | | | | | | | |
| GRV | 406 | 43 | 29,182 | 17,458 | | | 17,458 | 17,458 |
| UV | 406 | 24 | 187,560 | 9,744 | | | 9,744 | 9,744 |
| Mining | 406 | 4 | 7,109 | 1,624 | | | 1,624 | 1,624 |
| Sub-Totals | | 71 | 223,851 | 28,826 | 0 | 0 | 28,826 | 28,826 |
| Discounts | | | | | | | 1,438,543 | 1,440,512 |
| Total Amount of General Rates | | | | | | | (56,483) | (50,000) |
| Movement in Excess Rates | | | | | | | 1,382,060 | 1,390,512 |
| Ex Gratia Rates | | | | | | | (32,854) | 6,451 |
| Specified Area Rates | | | | | | | 16,363 | 16,400 |
| Rates Written off | | | | | | | 35,357 | 35,449 |
| | | | | | | | (86) | (3,300) |
| Total Rates | | | | | | | 1,400,840 | 1,445,512 |

All land except exempt land in the Shire of Mt Marshall is rated according to its Gross Rental Value (GRV) in townsites or Unimproved Value (UV) in the remainder of the Shire.

The general rates detailed above have been determined by Council on the basis of raising the revenue required to meet the deficiency between the total estimated expenditure proposed in the budget and the estimated revenue to be received from all sources other than rates and also bearing considering the extent of any increase in rating over the level adopted in the previous year.

The minimum rates have been determined by Council on the basis that all ratepayers must make a reasonable contribution to the cost of the Local Government services/facilities.

Shire of Mt Marshall

Notes to and forming part of the Statement of Financial Activity

For the Period 1 July 2018 to 30 November 2018

7. TRUST FUNDS

Funds held at balance date over which the Municipality has no control and which are not included in this statement are as follows:

| Detail | Balance 01-Jul-18 \$ | Amounts Received \$ | Amounts Paid (\$) | November 2018 Balance \$ |
|--------------------------|----------------------------|---------------------------|-------------------------|-----------------------------------|
| Police Licensing | 10,110 | 49,673 | (59,783) | 0 |
| Aged Care Beautification | 829 | 0 | 0 | 829 |
| Unclaimed Monies | 59 | 0 | 0 | 59 |
| Nomination Deposits | 0 | 0 | 0 | 0 |
| Tree Planting Nursery | 1,000 | 0 | 0 | 1,000 |
| Sundry Creditors | 0 | 0 | 0 | 0 |
| Housing Bonds | 10,120 | 2,110 | (920) | 11,310 |
| Staff Social Club | 2,680 | 1,360 | (2,787) | 1,253 |
| Portable Toilet Bonds | 0 | 0 | 0 | 0 |
| Deposit on Land | 0 | 0 | 0 | 0 |
| Rehabilitation Bonds | 5,000 | 5,030 | 0 | 10,030 |
| | 29,798 | 58,173 | (63,490) | 24,481 |

Shire of Mt Marshall

Notes to and forming part of the Statement of Financial Activity

For the Period 1 July 2018 to 30 November 2018

8. OPERATING STATEMENT

| | November 2018 Actual \$ | 2018/19 Adopted Budget \$ | 2017/18 Actual \$ |
|---|----------------------------------|------------------------------------|-------------------------|
| OPERATING REVENUES | | | |
| Governance | 15,965 | 15,199 | 121,985 |
| General Purpose Funding | 2,007,835 | 2,768,789 | 3,791,814 |
| Law, Order, Public Safety | 7,748 | 28,321 | 350,520 |
| Health | 49,018 | 193,400 | 183,142 |
| Education and Welfare | 38,216 | 94,601 | 100,724 |
| Housing | 92,946 | 174,920 | 196,349 |
| Community Amenities | 123,312 | 117,985 | 159,347 |
| Recreation and Culture | 12,516 | 58,076 | 1,294,378 |
| Transport | 799,079 | 1,218,399 | 1,660,389 |
| Economic Services | 69,951 | 189,257 | 173,250 |
| Other Property and Services | 24,290 | 65,900 | 85,400 |
| TOTAL OPERATING REVENUE | 3,240,876 | 4,924,847 | 8,117,298 |
| OPERATING EXPENSES | | | |
| Governance | 206,521 | 405,325 | 402,719 |
| General Purpose Funding | 24,353 | 89,229 | 79,926 |
| Law, Order, Public Safety | 86,829 | 167,378 | 206,269 |
| Health | 114,533 | 295,737 | 251,236 |
| Education and Welfare | 101,910 | 281,003 | 329,493 |
| Housing | 125,321 | 308,362 | 547,259 |
| Community Amenities | 101,936 | 250,265 | 230,345 |
| Recreation & Culture | 436,210 | 886,631 | 923,580 |
| Transport | 1,166,841 | 2,870,287 | 2,780,258 |
| Economic Services | 182,321 | 454,721 | 413,751 |
| Other Property and Services | (2,609) | 17,858 | 19,529 |
| TOTAL OPERATING EXPENSE | 2,544,166 | 6,026,795 | 6,184,365 |
| CHANGE IN NET ASSETS RESULTING FROM OPERATIONS | 696,710 | (1,101,949) | 1,932,933 |

Shire of Mt Marshall

Notes to and forming part of the Statement of Financial Activity

For the Period 1 July 2018 to 30 November 2018

9. BALANCE SHEET

| | November 2018 Actual \$ | 2017/18 Actual \$ |
|--------------------------------------|----------------------------------|-------------------------|
| CURRENT ASSETS | | |
| Cash and Cash Equivalents | 5,032,090 | 4,629,019 |
| Trade and Other Receivables | 311,927 | 388,399 |
| Inventories | 17,379 | 10,554 |
| TOTAL CURRENT ASSETS | 5,361,396 | 5,027,972 |
| NON-CURRENT ASSETS | | |
| Other Receivables | 302,310 | 301,521 |
| Inventories | 0 | 0 |
| Property, Plant and Equipment | 19,217,628 | 19,431,941 |
| Infrastructure | 89,387,359 | 89,267,954 |
| Work in Progress | 0 | 0 |
| TOTAL NON-CURRENT ASSETS | 108,907,297 | 109,001,416 |
| TOTAL ASSETS | 114,268,693 | 114,029,388 |
| CURRENT LIABILITIES | | |
| Trade and Other Payables | 305,025 | 737,672 |
| Long Term Borrowings | 83,936 | 109,182 |
| Provisions | 216,066 | 216,066 |
| TOTAL CURRENT LIABILITIES | 605,027 | 1,062,920 |
| NON-CURRENT LIABILITIES | | |
| Trade and Other Payables | 0 | 0 |
| Long Term Borrowings | 1,092,578 | 1,092,578 |
| Provisions | 17,939 | 17,939 |
| TOTAL NON-CURRENT LIABILITIES | 1,110,517 | 1,110,517 |
| TOTAL LIABILITIES | 1,715,544 | 2,173,437 |
| NET ASSETS | 112,553,149 | 111,855,951 |
| EQUITY | | |
| Trust Imbalance | 0 | 0 |
| Retained Surplus | 80,957,750 | 80,394,688 |
| Reserves - Cash Backed | 2,802,808 | 2,669,161 |
| Revaluation Surplus | 28,792,100 | 28,792,100 |
| TOTAL EQUITY | 112,552,658 | 111,855,949 |

Shire of Mt Marshall

For the Period 1 July 2018 to 30 November 2018

Report on Significant Variances (greater than 10% and \$5,000)

Purpose

The purpose of the Monthly Variance Report is to highlight circumstances where there is a major variance from the YTD Monthly Budget and YTD Actual figures. These variances can occur because of a change in timing of the activity, circumstances change (e.g. grants were budgeted for but not received) or changes to the original budget projections. The Report is designed to highlight these issues and explain the reason for the variance.

The Materiality variances adopted by Council are:

| | |
|---|---------------------------|
| Actual Variance to YTD Budget up to 5%: | Don't Report |
| Actual Variance exceeding 10% of YTD Budget | Use Management Discretion |
| Actual Variance exceeding 10% of YTD Budget and a value greater than \$5,000: | Must Report |

Shire of Mt Marshall
Report on Significant Variances - Operating Income & Expenditure
For the Period 1 July 2018 to 30 November 2018

| | 30 November 2018 YTD | Budget to Actual YTD | Budget to Actual YTD | Components of Variance | |
|----------------------------------|-------------------------|-------------------------|-------------------------|-------------------------------|--|
| | Actual | Budget | % | Favourable/ (Unfavourable) | Favourable/ (Unfavourable) |
| | \$ | \$ | % | \$ | \$ |
| Revenues/Sources | | | | | |
| Governance | 15,965 | 6,320 | 153% | 9,645 | 6,273 3,372 Admin reimbursements over budget Minor Items |
| General Purpose Funding | 625,773 | 713,288 | (12%) | (87,515) | (35,539) Movement in excess rates (11,483) Interest on reserves under budget - timing Rates debt collection income under budget - (8,330) timing, offset by expenditure (934) Rates penalty interest under budget (28,864) FAGS under budget (2,365) Minor Items |
| Law, Order, Public Safety | 7,748 | 7,640 | 1% | 108 | 108 Minor Items |
| Health | 49,018 | 80,580 | 0% | (31,562) | (31,562) NEW Health November Reimbursement invoice not yet done - Minor Items |
| Education and Welfare | 38,216 | 42,716 | (11%) | (4,499) | (4,499) Minor Items |
| Housing | 92,946 | 72,870 | 28% | 20,076 | (6,461) Staff housing reimbursements under budget - timing (9,300) Rental Income Other Housing under budget - Vacancies 6 Dunne St, 97B Monger St Proceeds of sale Brown St, asset disposal not yet processed 33,857 1,980 Minor Items |
| Community Amenities | 123,312 | 110,980 | 11% | 12,332 | 5,370 State NRM grant, unbudgeted income 5,282 Insurance claim - greenhouse 1,680 Minor Items |
| Recreation and Culture | 12,516 | 14,465 | (13%) | (1,949) | (1,949) Minor Items |
| Transport | 799,080 | 682,444 | 17% | 116,636 | 76,284 MRWA Direct Grant more than estimated 24,570 Proceeds on asset disposal - not yet processed 107,171 R2R Funding - timing (98,320) RRG Funding - timing 6,931 Minor Items |
| Economic Services | 69,951 | 68,410 | 2% | 1,541 | 1,541 Minor Items |
| Other Property and Services | 24,290 | 27,445 | (11%) | (3,155) | (3,486) Private works under budget - offset by expenditure 331 Minor Items |
| Total Revenues excl Rates | 1,858,816 | 1,827,157 | 2% | 31,659 | |
| | | | | | |
| Amount Raised from Rates | 1,382,060 | 1,382,060 | 0% | 0 | 0 Minor Items |

Shire of Mt Marshall
Report on Significant Variances - Operating Income & Expenditure
For the Period 1 July 2018 to 30 November 2018

| | 30 November 2018 YTD | Budget to Actual YTD | Budget to Actual YTD | Components of Variance | |
|------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------------|---|
| | Actual | Budget | % | Favourable/ (Unfavourable) | Favourable/ (Unfavourable) |
| (Expenses)/(Applications) | \$ | \$ | | \$ | \$ |
| Governance | (206,521) | (284,626) | 27% | 78,105 | 25,000 16,266 4,000 8,316 8,862 5,029 8,925 1,708 Records Management timing Admin Salaries under budget - timing Elected Member Traingin under budget - timing Audit Fees under budget - timing FBT under budget - timing Admin Building Mtc under budget - timing Computer Support timing Minor Items |
| General Purpose Funding | (24,353) | (33,005) | 26% | 8,652 | 7,236 1,415 Rates debt collection expenditure under budget - timing offset by income Minor Items |
| Law, Order, Public Safety | (86,829) | (78,767) | (10%) | (8,062) | (10,041) 1,979 Wialki fire truck water pump repairs. To be claimed through ESL Minor Items |
| Health | (114,533) | (117,505) | 3% | 2,972 | 2,972 Minor Items |
| Education and Welfare | (101,910) | (108,242) | 6% | 6,332 | 7,453 (1,121) CDO wages & super under budget Minor Items |
| Housing | (125,321) | (127,423) | 2% | 2,102 | 2,102 Minor Items |
| Community Amenities | (101,936) | (109,420) | 7% | 7,484 | 9,891 (2,407) Cemeteries timing Minor Items |
| Recreation & Culture | (436,210) | (403,100) | (8%) | (33,110) | (40,650) 9,116 (1,576) Change in deprectiation rates due to reval Other culture timing Minor Items |
| Transport | (1,166,841) | (1,226,979) | 5% | 60,138 | 25,389 30,000 4,748 Change in deprectiation rates due to reval Loss on disposal of assets timing Minor Items |
| Economic Services | (182,321) | (209,791) | 13% | 27,470 | 32,500 (5,030) Economic Development Fund - no applications Minor Items |
| Other Property and Services | 2,611 | (38,969) | 107% | 41,580 | 41,580 Minor Items |
| Total Expenses/Applications | (2,544,166) | (2,737,827) | (6%) | 48,980 | |

Shire of Mt Marshall
Capital Expenditure Report on Significant Variances
For the Period 1 July 2018 to 30 November 2018

| | Full Year Budget | 30 November 2018 YTD Actual | 30 November 2018 YTD Budget | Budget to Actual YTD % | Budget to Actual YTD Favourable/ (Unfavourable) | Commentary |
|---|---------------------|-----------------------------------|-----------------------------------|------------------------------|--|--|
| | \$ | \$ | \$ | % | \$ | |
| Capital Expenditure | | | | | | |
| Governance | | | | | | |
| Purchase Vehicle - Admin | 60,000 | - | - | 0% | - | |
| Admin Office Upgrade | 12,000 | - | - | 0% | - | |
| Health | | | | | | |
| New Health Purchase Of Motor Vehicle | 80,000 | - | 40,000 | 0% | 40,000 | Timing |
| Housing | | | | | | |
| Land & Buildings - Staff Housing | 51,000 | - | 31,000 | 100% | 31,000 | Capital works not yet commenced |
| Community Amenities | | | | | | |
| Land & Buildings - Community Amenities | 5,000 | - | 5,000 | 0% | 5,000 | Cemetery Works not yet commenced |
| Water Collection Projects | - | 47 | - | 100% | (47) | |
| Portable Toiles | 100,000 | - | - | 0% | - | |
| Recreation & Culture | | | | | | |
| Land & Buildings - Halls & Civic Centres | 40,000 | - | - | 0% | - | |
| Old Police Station Museum Capital Expenditure | 15,000 | 14,837 | 15,000 | 0% | 163 | |
| Bencubbin Rec Complex | 52,000 | - | - | 0% | - | |
| Bencubbin Rec Complex | 10,000 | 17,561 | 10,000 | (76%) | (7,561) | Final Site & Develyn accounts. Amounts were unknown when budget was set. |
| Transport | | | | | | |
| Road Construction | 1,673,400 | 875,004 | 697,085 | (26%) | (177,919) | Timing |
| Footpath Construction | 20,000 | - | 20,000 | 0% | 20,000 | Timing - work not yet commenced |
| Plant Purchases | 730,000 | - | - | 0% | - | |
| Beacon Airstrip Upgrade | 489,000 | 22,220 | 203,750 | 89% | 181,530 | Timing - subject to October 2018 agenda item re tender |
| Motor Vehicle Purchases | 119,000 | 44,766 | 119,000 | 0% | 74,234 | Timing of changeovers |
| Economic Services | | | | | | |
| Bencubbin CRC | 35,000 | - | - | 0% | - | |
| Beacon Workers Camp - Capital Expenditure | 255,000 | 2,061 | - | 100% | (2,061) | |
| Other Property & Services | | | | | | |
| Depot Shed | 22,000 | - | - | 0% | - | |
| Total Capital Expenditure | 3,768,400 | 976,495 | 1,140,835 | 14% | 164,340 | |

F&R.2.4 USE OF SHIRE OF MT MARSHALL CREDIT CARDS

Council Policy:

All Shire of Mt Marshall Credit Cards should be used within the following policy provisions.

Objective:

To establish strict guidelines for the use of Shire of Mt Marshall Credit Cards.

Operational Guidelines:

1. Credit Cards should only be used for purchasing goods and services on behalf of the Shire of Mt Marshall. An Australian Business Number must be received for all transactions.
2. Personal expenditure and cash withdrawals from Credit Cards are prohibited and will result in instant dismissal.
3. Credit Card Purchases by facsimile, telephone or electronically should be backed up with a receipt or transaction number at the time of transaction.
4. Credit Cards may not be transferred to other users without Council approval.
5. Prior to issue of a Shire of Mt Marshall Credit Card, an agreement, which includes this policy and details of credit card numbers, expiry date, limit and person to whom issued, must be signed by the potential cardholder and witnessed by a staff member.
6. Any benefits from reward schemes received on individual Credit Cards remain the property of the Shire of Mt Marshall.
7. Credit Cards must be stored in the safe during periods of leave and other extended absence.
8. All Credit Card balances must be paid prior to the due date in order that interest is not charged.
- ~~8.9.~~ [Purchases made using a Shire credit card do not require a purchase order.](#)

Date

Resolve

d:

Amend

ment:

F&R.2.5 PURCHASING POLICY

Council Policy: Disclaimers (where appropriate) shall be used when providing advice or information to either the public or other statutory bodies.

Objective:

- To provide compliance with the Local Government Act, 1995 and the Local Government Act (Functions and General) Regulations, 1996 (as amended in March 2007).
- To deliver a best practice approach and procedures to internal purchasing for the Local Government.
- To ensure consistency for all purchasing activities that integrates within all the Local Government operational areas.

1.1. WHY DO WE NEED A PURCHASING POLICY?

The Shire of Mt Marshall is committed to setting up efficient, effective, economical and sustainable procedures in all purchasing activities. This policy:

- Provides the Shire of Mt Marshall with a more effective way of purchasing goods and services.
- Ensures that purchasing transactions are carried out in a fair and equitable manner.
- Strengthens integrity and confidence in the purchasing system.
- Ensures that the Shire of Mt Marshall receives value for money in its purchasing.
- Ensures that the Shire of Mt Marshall considers the environmental impact of the procurement process across the life cycle of goods and services.
- Ensures the Shire of Mt Marshall is compliant with all regulatory obligations.
- Promotes effective governance and definition of roles and responsibilities.
- Uphold respect from the public and industry for the Local Government's purchasing practices that withstands probity.

Operational Guidelines:

1.2. ETHICS & INTEGRITY

All officers and employees of the Local Government shall observe the highest standards of ethics and integrity in undertaking purchasing activity and act in an honest and professional manner that supports the standing of the Local Government.

The following principles, standards and behaviours must be observed and

enforced through all stages of the purchasing process to ensure the fair and equitable treatment of all parties:

- full accountability shall be taken for all purchasing decisions and the efficient, effective and proper expenditure of public monies based on achieving value for money;
- all purchasing practices shall comply with relevant legislation, regulations, and requirements consistent with the Local Government policies and code of conduct;
- purchasing is to be undertaken on a competitive basis in which all potential suppliers are treated impartially, honestly and consistently;
- all processes, evaluations and decisions shall be transparent, free from bias and fully documented in accordance with applicable policies and audit requirements;
- any actual or perceived conflicts of interest are to be identified, disclosed and appropriately managed; and
- any information provided to the Local Government by a supplier shall be treated as commercial-in-confidence and should not be released unless authorised by the supplier or relevant legislation.

1.3. VALUE FOR MONEY

Value for money is an overarching principle governing purchasing that allows the best possible outcome to be achieved for the Local Government. It is important to note that compliance with the specification is more important than obtaining the lowest price, particularly taking into account user requirements, quality standards, sustainability, life cycle costing, and service benchmarks.

An assessment of the best value for money outcome for any purchasing should consider:

- all relevant whole-of-life costs and benefits whole of life cycle costs (for goods) and whole of contract life costs (for services) including transaction costs associated with acquisition, delivery, distribution, as well as other costs such as but not limited to holding costs, consumables, deployment, maintenance and disposal.
- the technical merits of the goods or services being offered in terms of compliance with specifications, contractual terms and conditions and any relevant methods of assuring quality;
- financial viability and capacity to supply without risk of default. (Competency of the prospective suppliers in terms of managerial and technical capabilities and compliance history);
- a strong element of competition in the allocation of orders or the awarding of contracts. This is achieved by obtaining a sufficient number of competitive quotations wherever practicable.

Where a higher priced conforming offer is recommended, there should be clear and demonstrable benefits over and above the lowest total priced, conforming offer.

1.4. SUSTAINABLE PROCUREMENT

Sustainable Procurement is defined as the procurement of goods and services that have less environmental and social impacts than competing products and services.

Local Government is committed to sustainable procurement and where appropriate shall endeavour to design quotations and tenders to provide an advantage to goods, services and/or processes that minimise environmental and negative social impacts.

Sustainable considerations must be balanced against value for money outcomes in accordance with the Local Government's sustainability objectives.

Practically, sustainable procurement means the Local Government shall endeavour at all times to identify and procure products and services that:

- Have been determined as necessary;
- Demonstrate environmental best practice in energy efficiency / and or consumption which can be demonstrated through suitable rating systems and eco-labelling.
- Demonstrate environmental best practice in water efficiency.
- Are environmentally sound in manufacture, use, and disposal with a specific preference for products made using the minimum amount of raw materials from a sustainable resource, that are free of toxic or polluting materials and that consume minimal energy during the production stage;
- Products that can be refurbished, reused, recycled or reclaimed shall be given priority, and those that are designed for ease of recycling, re-manufacture or otherwise to minimise waste.
- For motor vehicles – select vehicles featuring the highest fuel efficiency available, based on vehicle type and within the designated price range;
- For new buildings and refurbishments – where available use renewable energy and technologies.

1.5. PURCHASING THRESHOLDS

Where the value of procurement (excluding GST) for the value of the contract over the full contract period (including options to extend) is, or is expected to be:-

Amount of Purchase

Model Policy

| | |
|----------------------|---|
| Up to \$10,000 | Direct purchase from suppliers requiring only two verbal quotations. |
| \$10,001 - \$19,999 | Obtain at least two verbal or written quotations if possible see Note 1 |
| \$20,000 - \$39,999 | Obtain at least three written quotations |
| \$40,000 - \$149,999 | Obtain at least three written quotations containing price and specification of goods and services (with procurement decision based on all value for money considerations). See Note 1 |
| \$150,000 and above | Conduct a public tender process. |

Where it is considered beneficial, tenders may be called in lieu of seeking quotations for purchases under the \$150,000 threshold (excluding GST). If a decision is made to seek public tenders for Contracts of less than \$150,000, a Request for Tender process that entails all the procedures for tendering outlined in this policy must be followed in full.

Note:1 If it is not possible to get the required number of written quotations, a supplier's written "decline to quote" will be sufficient.

1.5.1. Up to \$10,000

Where the value of procurement of goods or services does not exceed \$10,000, purchase on the basis of at least two verbal quotations is permitted. However it is recommended to use professional discretion and occasionally undertake market testing with a greater number or more formal forms of quotation to ensure best value is maintained.

This purchasing method is suitable where the purchase is relatively small and low risk.

Record keeping requirements must be maintained in accordance with record keeping policies. The Local Government Purchasing and Tender Guide contains a sample form for recording verbal quotations.

1.5.2. \$10,001 to \$19,999

This category is for the procurement of goods or services where the value of such procurement ranges between \$10,001 and \$19,999. At least 2 written or verbal quotations (or a combination of both) are required. Where this is not practical, e.g. due to limited suppliers, it must be noted through records relating to the process.

The general principles for obtaining verbal quotations are:

- Ensure that the requirement / specification is clearly understood by the Local Government employee seeking the verbal quotations.
- Ensure that the requirement is clearly, accurately and consistently communicated to each of the suppliers being invited to quote.
- Read back the details to the Supplier contact person to confirm their accuracy.
- Written notes detailing each verbal quotation must be recorded.

Record keeping requirements must be maintained in accordance with record keeping policies. [The Local Government Purchasing and Tender Guide contains sample forms for recording verbal and written quotations.](#)

1.5.3. \$20,000 to \$39,999

For the procurement of goods or services where the value exceeds \$20,000 but is less than \$39,999, it is required to obtain at least three written quotes (commonly a sufficient number of quotes would be sought according to the type and nature of purchase).

The responsible officer is expected to demonstrate due diligence seeking quotes and to comply with any record keeping and audit requirements. Record keeping requirements must be maintained in accordance with record keeping policies.

NOTES: The general principles relating to written quotations are;

- An appropriately detailed specification should communicate requirement(s) in a clear, concise and logical fashion.
- The request for written quotation should include as a minimum:
 - Written Specification
 - Selection Criteria to be applied
 - Price Schedule
 - Conditions of responding
 - Validity period of offer
- Invitations to quote should be issued simultaneously to ensure that all parties receive an equal opportunity to respond.
- Offer to all prospective suppliers at the same time any new information that is likely to change the requirements.
- Responses should be assessed for compliance, then against the selection criteria, and then value for money and all evaluations documented.

- Respondents should be advised in writing as soon as possible after the final determination is made and approved.

The Local Government Purchasing and Tender Guide produced by the Western Australian Local Government Association (WALGA) should be consulted for further details and guidance.

1.5.4. \$40,000 to \$149,999

For the procurement of goods or services where the value exceeds \$40,000 but is less than \$149,999, it is required to obtain at least three written quotations containing price and a sufficient amount of information relating to the specification of goods and services being purchased.

The Local Government Purchasing and Tender Guide has a series of forms including a Request for Quotation Template which can assist with recording details. Record keeping requirements must be maintained in accordance with record keeping policies.

For this procurement range, the selection should not be based on price alone, and it is strongly recommended to consider some of the qualitative factors such as quality, stock availability, accreditation, time for completion or delivery, warranty conditions, technology, maintenance requirements, organisation's capability, previous relevant experience and any other relevant factors as part of the assessment of the quote.

1.6. PURCHASE ORDERS

A purchase order must be issued for all purchases with the exception of those made at point of sale using a Shire credit card.

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1.6.1.7. REGULATORY COMPLIANCE

1.7.1 Tender Exemption

In the following instances public tenders or quotation procedures are not required (regardless of the value of expenditure):

- An emergency situation as defined by the Local Government Act 1995;
- The purchase is under a contract of WALGA (Preferred Supplier Arrangements), Department of Treasury and Finance (permitted Common Use Arrangements), Regional Council, or another Local Government;
- The purchase is under auction which has been authorised by Council;
- The contract is for petrol, oil, or other liquid or gas used for internal combustion engines;

- Any of the other exclusions under Regulation 11 of the Functions and General Regulations apply.

1.7.2 Sole Source of Supply (Monopoly Suppliers)

The procurement of goods and/or services available from only one private sector source of supply, (i.e. manufacturer, supplier or agency) is permitted without the need to call competitive quotations provided that there must genuinely be only one source of supply. Every endeavour to find alternative sources must be made. Written confirmation of this must be kept on file for later audit.

Note: The application of provision “sole source of supply” should only occur in limited cases and procurement experience indicates that generally more than one supplier is able to provide the requirements.

1.7.3 Anti-Avoidance

The Local Government shall not enter two or more contracts of a similar nature for the purpose of splitting the value of the contracts to take the value of consideration below the level of \$150,000, thereby avoiding the need to publicly tender.

1.7.4 Tender Criteria

The Local Government shall, before tenders are publicly invited, determine in writing the criteria for deciding which tender should be accepted.

The evaluation panel shall be established prior to the advertising of a tender and include a mix of skills and experience relevant to the nature of the purchase.

For Requests with a total estimated (Ex GST) price of:

- Between \$40,000 and \$149,999, the panel must contain a minimum of 2 members; and
- \$150,000 and above, the panel must contain a minimum of 3 members.

1.7.5 Advertising Tenders

Tenders are to be advertised in a state wide publication e.g. “The West Australian” newspaper, Local Government Tenders section, preferably on a Wednesday or Saturday.

The tender must remain open for at least 14 days after the date the tender is advertised. Care must be taken to ensure that 14 full days are provided as a minimum.

The notice must include;

- a brief description of the goods or services required;
- information as to where and how tenders may be submitted;

- the date and time after which tenders cannot be submitted; and
- particulars identifying a person from whom more detailed information as to tendering may be obtained.

A reference to detailed information includes a reference to:

- such information as the local government decides should be disclosed to those interested in submitting a tender;
- detailed specifications of the goods or services required;
- the criteria for deciding which tender should be accepted;
- whether or not the local government has decided to submit a tender; and
- whether or not the CEO has decided to allow tenders to be submitted by facsimile or other electronic means, and if so, how tenders may so be submitted,
- After a notice has been given under subregulation (1) or (2), a local government may vary the information referred to in subregulation (3) by taking reasonable steps to give each person who has sought copies of the tender documents or each acceptable tenderer, as the case may be, notice of the variation.

1.7.6 Issuing Tender Documentation

Tenders will not be made available (counter, mail, internet, referral, or other means) without a robust process to ensure the recording of details of all parties who acquire the documentation.

This is essential as if clarifications, addendums or further communication is required prior to the close of tenders, all potential tenderers must have equal access to this information in order for the Local Government not to compromise its Duty to be Fair.

1.7.7 Tender Deadline

A tender that is not received in full in the required format by the advertised Tender Deadline shall be rejected.

1.7.8 Opening of Tenders

No tenders are to be removed from the tender box, or opened (read or evaluated) prior to the Tender Deadline.

Tenders are to be opened in the presence of the Chief Executive Officer's delegated nominee and preferably at least one other Council Officer. The details of all tenders received and opened shall be recorded in the Tenders Register.

Tenders are to be opened in accordance with the advertised time and place. There is no obligation to disclose or record tendered prices at

the tender opening, and price information should be regarded as commercial-in- confidence to the Local Government. Members of the public are entitled to be present.

The Tenderer's Offer form, Price Schedule and other appropriate pages from each tender shall be date stamped and initialled by at least two Local Government Officers present at the opening of tenders.

1.7.9 No Tenders Received

Where the Local Government has invited tenders, however no compliant submissions have been received, direct purchases can be arranged on the basis of the following:

- a sufficient number of quotations are obtained;
- the process follows the guidelines for seeking quotations between \$40,000 & \$149,999 (listed above);
- the specification for goods and/or services remains unchanged;
- purchasing is arranged within 6 months of the closing date of the lapsed tender.

1.7.10 Tender Evaluation

Tenders that have not been rejected shall be assessed by the Local Government by means of a written evaluation against the pre-determined criteria. The tender evaluation panel shall assess each tender that has not been rejected to determine which tender is most advantageous.

1.7.11 Addendum to Tender

If, after the tender has been publicly advertised, any changes, variations or adjustments to the tender document and/or the conditions of tender are required, the Local Government may vary the initial information by taking reasonable steps to give each person who has sought copies of the tender documents notice of the variation.

1.7.12 Minor Variation

If after the tender has been publicly advertised and a successful tenderer has been chosen but before the Local Government and tenderer have entered into a Contract, a minor variation may be made by the Local Government.

A minor variation will not alter the nature of the goods and/or services procured, nor will it materially alter the specification or structure provided for by the initial tender.

1.7.13 Notification of Outcome

Each tenderer shall be notified of the outcome of the tender following Council resolution. Notification shall include:

- The name of the successful tenderer
- The total value of consideration of the winning offer

The details and total value of consideration for the winning offer must also be entered into the Tenders Register at the conclusion of the tender process.

1.7.14 Records Management

All records associated with the tender process or a direct purchase process must be recorded and retained. For a tender process this includes:

- Tender documentation;
- Internal documentation;
- Evaluation documentation;
- Enquiry and response documentation;
- Notification and award documentation.

For a direct purchasing process this includes:

- Quotation documentation;
- Internal documentation;
- Order forms and requisitions.

Record retention shall be in accordance with the minimum requirements of the State Records Act, and the Local Government's internal records management policy.

**Date
Resolved:**

Amendment:

