



Annual Report 2017/18



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Contents



	Page
General Information	1
Shire History	2
The Council	3
President's Report	5
Chief Executive Officer's Report	7
Annual Financial Report	8
Auditor's Report	60
Notice of Meeting – Annual General Meeting of Electors	63
Minutes of Annual General Meeting of Electors	64
Freedom of Information Statement	68
National Competition Policy	69
Disability Access & Inclusion Plan	70
Record Keeping Plan	71
Employee Remuneration	72
Complaints Register	73

General Information



Administration Office

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

Street Address

80 Monger St
BENCUBBIN WA 6477

Postal Address

PO Box 20
BENCUBBIN WA 6477

Tel: 08 9685 1202

Email: admin@mtmarshall.wa.gov.au

Website: www.mtmarshall.wa.gov.au

Facebook: www.facebook.com/ShireMtMarshall

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

Localities

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

Economy

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

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

Significant Local Events

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

Tourist Attractions

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

Statistics (2017/18)

Distance from Perth (km)	273
Area (sq km)	10,134
Length of Sealed Roads (km)	307
Length of Unsealed Roads (km)	1,440
Population	527
Number of Electors	402
Number of Dwellings	350
Total Rates Levied (\$)	1,394,128
Total Revenue (\$)	8,032,558
Number of Employees (FTE)	27

Shire History



The Sandalwood Shire

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

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

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

The Mt Marshall Roads Board was formed in 1923.



The Council



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

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

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

Elections

Elections for Councillors are conducted in October every second year with the term of office being four years. Approximately one half of Council's membership vacates each election. The next election is to be held in October 2019.

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

President

Cr Tony Sachse

Deputy President

Cr Nick Gillett

Elected Members

Name	Contact	Years of Service	Term Expires
Cr Stuart FAULKNER	T : 08 9686 1050 crfaulkner@mtmarshall.wa.gov.au	3	2019
Cr Nick GILLETT	T: 08 9686 2007 crgillett@mtmarshall.wa.gov.au	2	2021
Cr Leeanne GOBBART	T: 08 9684 8042 crgobbart@mtmarshall.wa.gov.au	1	2021
Cr Rachel KIRBY	T: 08 9686 1160 crkirby@mtmarshall.wa.gov.au	3	2019
Cr Stuart PUTT	T: 08 9686 2078 crputt@mtmarshall.wa.gov.au	1	2021
Cr Tony SACHSE	T: 08 9685 1257 crsachse@mtmarshall.wa.gov.au	3	2019
Cr Ian SANDERS	T: 08 9685 1213 crsanders@mtmarshall.wa.gov.au	1	2021

Wards

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

Council Meetings

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

Electors' General Meeting

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

Committees

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

The Council has formally resolved to establish the following committees and working groups: Mt Marshall Safety Committee; Bush Fire Advisory Committee; Economic Development Grant Fund Committee; Bencubbin Multipurpose Complex Steering Committee.

Representation on External Organisations

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

President's Report



It gives me great pleasure to be able to table the Presidents Report for the financial year ended 30 June, 2018.

Councillors

I would very much like to thank all of our Councillors for their considerable contribution during this period. Cr John Beagley, Cr Callum Lumsden and Cr Helen Shemeld retired in October, 2017. The October 2017 Council elections saw Cr Nick Gillett being re elected, with Cr Leeanne Gobbart, Cr Stuart Putt and Cr Ian Sanders duly elected. It was very pleasing to see many candidates stand for the position of Councillor. I would also like to acknowledge the excellent contribution of outgoing President Cr Rachel Kirby and outgoing Deputy President Cr Stuart Faulkner. Thank you to all the Councillors for their time, expertise and commitment for the benefit of our communities and residents. I would also congratulate past Councillor and President, Paul Gillett, who received the WALGA Long and Loyal Service Award in August, at the 2017 Annual WALGA Conference in Perth.

Chief Executive Officer

Our CEO, John Nuttall has now completed his first full year in this position. I very much appreciate his support for Councillors, Staff and our residents. I have enjoyed working with John, and with his guidance, Council's vision to progress our strategic direction has been further enacted. I also believe that strong and effective governance, which John has encouraged, has and will see our Council well positioned into the future.

Staff

Thank you very much to the Shire's previous works supervisor, Andrew Johnson, who finished in December, 2017. Alan Monson, who was acting in this role after Andrew, also made a very significant contribution. Welcome to Aaron Wooton, the new Works Supervisor who began here in April, 2018. Thanks to all of the very valued staff, the administration, outside and works crew, who have been able to deliver the necessary services and programs to our community. It is a team effort with all the staff's work and dedication combining to make for such a solid result.

Communities

The Shire of Mount Marshall was one of only two Councils in Australia with a volunteer rate exceeding 50% in Australia at the 2016 census. The excellent volunteer participation of our residents has continued on and their motivation and commitment has delivered considerable benefit to our communities. Well done to everyone for their contribution. 2017 was a particularly low rainfall year which impacted on agriculture, our main business within the Shire. The resilience though has paid off, as it so often does, with a much better year in 2018. The very severe 2018 Easter storms impacted on essential services with significant power and communication outages. Thank you to all Shire staff, volunteers, residents, and those outside service crews, who helped at this time. The Back to Beacon weekend, which was held in August, 2017 was a great success. Also successful was the 2018 Marsue Transport Bencubbin 400 off road car rally. Council are also thankful for those community members who have taken time to attend Council meetings, have engaged in meetings, surveys and contacted the Shire to provide information and feedback.

Capital Works

The road capital works program has continued as the main focus this year. Under the Regional Road Group, Black Spot, Roads to Recovery and construction costs areas, a very significant number of road projects were completed. The Works Supervisors and works crew are to be congratulated on these achievements. The Bencubbin Multipurpose Complex was completed and ready for handover with the official opening scheduled for September, 2018. The three CEACA aged care units and the associated land were budgeted for. The Beacon Recreation Ground power upgrade was completed. Also finalised were the Beacon oval and Bencubbin oval water collection projects. The Beacon Central and the Beacon Hall car park works were also completed. The Sandalwood Shops were repainted with some minor works also being undertaken at the cemeteries. Further footpath construction also took place. It was also very pleasing to see the much awaited construction of the 60 metre Beacon Telstra Telecommunication Tower. The financial year also saw \$120,000 put aside for the newly created Economic Development Fund for both club, group and business projects. Although not taken up in full, this grant funding allowed some very worthy projects to be undertaken.

Regional Collaboration

In August NEWROC were successful with grant funding of \$700,000 to deliver a \$958,500 Telecommunications Project for fast, fixed wireless telecommunications across the North Eastern Wheatbelt. In February 2018, the opening of the Kununoppin Health Services Redevelopment took place. As well as the major renovations to the hospital itself, which included medicines, catering and bathroom infrastructure, the new state of the art triage, emergency and hospital telehealth facilities were well received.

Emergency Management

Council places a great importance on our Local Emergency Management Committee, and the arrangement plans if there were to be an emergency. Being engaged, up to date and compliant is very important. We very much appreciate the support of all the agencies, their staff and volunteers, with their input and help in keeping our community safe.

Developing Projects

The Beacon Airstrip Upgrade, which will allow night RFDS flights, should be completed during the 2018/19 financial year, with both Federal and State funding helping deliver this much needed project. The CEACA aged care units are scheduled for completion in early 2019. With the impending closure of the Beacon Barracks, Council has budgeted for a significant upgrade to the Beacon Caravan Park. In June 2018, Council received the needs analysis report for the Mount Marshall Aquatic Facility. Potential grant funding opportunities and overall funding scenario/s will also be sought for the facility. The purchase of a new community bus is being planned, with the hope that the old bus can also be retained so that buses are available for each town. Additional governance training for Council is also being considered, with a view to an improvement of governance and reduced risk across the Shire.

In closing I would like to encourage everyone to continue being engaged. By working together the vision and future aspirations of our community can be maximized, within the constraints that we have, for the betterment of everyone.

Cr Tony Sachse
President

CEO's Report



The financial year 2017-2018 was a very busy one for the Shire of Mt Marshall. With staff and Councillors working together closely a significant amount was achieved during the year.

After much planning, deliberation and discussion a budget was passed and contractors appointed for the upgrade works to the Bencubbin Multipurpose Complex. Work started prior to Christmas 2017 and was completed in June 2018. As with all substantial projects there were some issues to overcome along the way, but the final project (constructed by Devlyn) is one the community can be proud of, and which has already brought significant praise from visitors.

As usual the annual road program took up the majority of the budget. Completion of the various projects was somewhat difficult, particularly as we lost our Works Supervisor before Christmas which caused a delay in starting the program. We were extremely fortunate to be able to use Allan Monson in a short term capacity to stand in as Works Supervisor for the second half of the year. His invaluable knowledge of the Shire from his previous role here, and the very hard work of the various outdoor crews allowed us to complete the required works on time and on budget. We also welcomed our new Works Supervisor Aaron Wootton at the end of the financial year.

Regrettably the swimming pool remained closed during the year with the facility not being fit to be used. Council budgeted for alternatives such as a refund on entry cost for residents using neighbouring pools, and subsidising the transport costs for the schools attending their lessons and carnivals.

Council elections in October meant some changes to the Council. I thank those retiring Councillors for their time and dedication to the community, and for the assistance they provided to me. Further I welcome the new Councillors and look forward to continuing the hard work and achievements to date. Particularly I pass my thanks and appreciation to outgoing Shire President Rachel Kirby with whom I worked very closely in my first full year as CEO, and my congratulations to incoming Shire President Tony Sachse with whom I have already been able to forge a strong working relationship.

Regionally the Shire continued to forge alliances, with involvement in significant projects such as the telecommunications grant awarded to NEWROC (for the Crisp Wireless internet project) and the appointment of contractors for the CEACA project amongst many others.

Finally my sincere thanks and acknowledgement of the Shire staff and volunteers. Your hard work and dedication to the community are invaluable and certainly appreciated by Council and I. We look forward to a bright future for the Shire.

John Nuttall
Chief Executive Officer

Annual Financial Report



SHIRE OF MT MARSHALL

FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2018

TABLE OF CONTENTS

Statement by Chief Executive Officer	9
Statement of Comprehensive Income by Nature or Type	10
Statement of Comprehensive Income by Program	11
Statement of Financial Position	12
Statement of Changes in Equity	13
Statement of Cash Flows	14
Rate Setting Statement	15
Notes to and Forming Part of the Financial Report	16
Independent Audit Report	60

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 St
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**

		RESERVES			
	NOTE	RETAINED SURPLUS	CASH/INVESTMENT BACKED	REVALUATION SURPLUS	TOTAL EQUITY
		\$	\$	\$	\$
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.

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

2. REVENUE AND EXPENSES

(a) Revenue

Other revenue

Reimbursements and recoveries
Other

Fees and Charges

Governance
General purpose funding
Law, order, public safety
Education and welfare
Housing
Community amenities
Recreation and culture
Economic services
Other property and services

2018 Actual	2017 Actual
\$	\$
271,908	126,362
13,040	67,067
284,948	193,429
1,423	1,807
1,188	1,155
2,928	1,446
48,613	40,495
175,976	167,501
110,381	96,744
6,835	7,032
156,461	201,147
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

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

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

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

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Movements in Carrying Amounts

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

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

9. INFRASTRUCTURE (Continued)

(b) Movements in Carrying Amounts

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

	Infrastructure - Roads	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:

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

Depreciation rates

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

Buildings	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.

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

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.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH 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
\$	\$
0	0
0	0
20,000	20,000
(582)	0
19,418	20,000
109,182	106,412
1,092,578	1,201,759
1,201,760	1,308,171
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 Bought 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)

Auditor's Report



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

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.

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

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.

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, intentional 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.

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

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.

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

Notice of Meeting

Annual General Meeting of Electors



Notice is hereby given that the Annual General Meeting of Electors of the Shire of Mt Marshall will be held on Tuesday 12 February 2019, in the Council Chambers, Bencubbin, commencing at 6:00pm.

Order of Business

1. Attendance and Apologies.
2. Confirmation of Minutes of the Annual General Meeting of electors held on Monday, 12 February 2018
3. Reading of the Auditors Report for 2017/2018.
4. Reading of the President's Report for the year ended 30 June 2018.
5. Receiving of the Annual Report for 2017/2018.
6. General Business as the President thinks fit or as the majority of the electors present may decide.

By order of Council

John Nuttall
Chief Executive Officer

Minutes of the Annual General Meeting of Electors



SHIRE OF MT MARSHALL



MINUTES

Electors' General Meeting

**Minutes of Annual General Meeting of Electors
held on Tuesday 12 February 2018, in Council
Chambers, 80 Monger Street, Bencubbin
commencing at 6:00pm**

TABLE OF CONTENTS

- 1. Declaration Of Opening**
- 2. Attendance and Apologies**
- 3. Confirmation of Minutes of the Electors' General Meeting held on Tuesday 14 February 2017**
- 4. Reading of the Auditor's Report for 2016/2017**
- 5. Reading of the President's Report for the year ended 30 June 2017**
- 6. Receiving of Annual Report for the year ending 30 June 2017.**
- 7. General business as the President thinks fit or as the majority of the electors present may decide.**
- 8. Closure of Meeting**

1.0 Declaration of Opening / Announcement of Visitors

The Presiding Member declared the meeting open at 6:00pm

2.0 Record of Attendance / Apologies / Approved Leave of Absence

In Attendance

Cr ARC Sachse	President / Presiding Member / Elector
Cr NR Gillett	Deputy President / Elector
Cr RM Kirby	Councillor / Elector
Cr SE Faulkner	Councillor / Elector
Cr LN Gobbart	Councillor / Elector
Cr IC Sanders	Councillor / Elector
Cr SR Putt	Councillor / Elector
Mr John Nuttall	Chief Executive Officer
Ms Nadine Richmond	Executive Assistant / Elector
Ms Tanika McLennan	Finance Administration Manager / Elector
Mrs Olivia Granich	Community Development Officer / Elector
Mr Leonard Cargeeg	Elector
Mrs Tanya Gibson	Elector

Apologies

Nil

3.0 Confirmation of Minutes of Previous Electors' General Meeting

3.1 Minutes of the Electors' General Meeting held 14 February 2017

2018/1-001 ELECTORS RESOLUTION:

That the Minutes of the Electors' General Meeting held on Tuesday 14 February 2017 be confirmed as a true and correct record of proceedings.

Moved Mrs Tanya Gibson

Seconded Mr Leonard Cargeeg

Carried

4.0 Reading of the Auditor's Report for 2016/17

5.0 Reading of the President's Report for the Year Ended 30 June 2017

6.0 Receiving of Annual Report for the year ending 30 June 2017

2018/1-002 ELECTORS RESOLUTION:

That the Annual Report for the year ended 30 June 2017 as previously adopted by Council incorporating;

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

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

Moved Ms Tanika McLennan

Seconded Mr Leonard Cargeeg

Carried

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

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

- Contractors staying in the Shire and facilities available for them
- New Aquatic Centre location
- Decline in schools and communities population
- Divide between the two main communities within the Shire

8.0 Closure of Meeting

The Presiding Member thanked everyone for their attendance and declared the meeting closed at 6:37pm.

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

Date

President

Freedom of Information Statement



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

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

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

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

During the year ended 30 June 2018, no Freedom of Information applications were received.

National Competition Policy



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

1. Competitive Neutrality

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

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

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

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

2. Legislation Review

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

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

3. Structural Reform

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

The Shire of Mt Marshall did not privatise any activities in 2017/18, consequently there were no obligations for structural reform. Nevertheless, the Shire of Mt Marshall is committed to the principles of structural reform under National Competition Policy.

Disability Access & Inclusion Plan



The Shire of Mt Marshall Disability Plan has been in place since 1996. The Shire's Disability and Access Plan is required to be reviewed every five years. A review of the Shire's 2012-2017 plan began in 2018 and will soon be submitted to Council for endorsement as well as being made available to the public during the community consultation period. The plan will be valid from 2018 – 2023.

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

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

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

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

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

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

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

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

Record Keeping Plan



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

Evaluation

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

Staff Training

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

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

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

Employee Remuneration



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

One employee received a salary between \$130,000 and \$140,000 during the year ended 30 June 2018.

One employee received a salary between \$140,000 and \$150,000 during the year ended 30 June 2018.

Complaints Register



As per Section 5.53(2)(hb) of the Local Government Act 1995, the annual report must contain details of entries made under section 5.121 during the financial year in the register of complaints, including —

- (i) the number of complaints recorded in the register of complaints; and
- (ii) how the recorded complaints were dealt with.

During the year ended 30 June 2018, no complaints were recorded in the register of complaints.