



Annual Report

2017/2018



Our Vision

A proud, green, go-ahead and healthy Wiluna

Our Mission

Working together to enhance our future through good governance

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Annual Report for the period of 1 July 2017 to 30 June 2018

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PRESIDENT'S REPORT

2018 has finally been a year of some visible progress.

The Admin refurbishment (Wiluna Club Hotel) was completed in August and moved into. The builders are to be congratulated on their standard of refurbishment.

Councillors now have a dedicated board room along with "The Moonlight Hall" Community Function Centre. The original kitchen and dining hall have been maintained hopefully to be utilised at some stage for dining.

The Canning Stock Route/Gunbarrel Highway Discovery centre was also completed, and some interpretation done for the official opening. Once fully completed and landscaped, it should be an attraction for tourists.

To celebrate the official opening of these two facilities a "Back to Wiluna" event was organised for early September. This attracted many old Wiluna Residents and several Members of Parliament. This was followed by two days of Community events as well as concerts and a fireworks display. It was well attended and enjoyed by all, with good positive comments.

The Shire completed construction of 5 houses. This should allow for better recruitment of staff.

Several projects have been delayed, much to Councillors frustrations. Council are very conscious and eager to progress these, including the Main street refurbishment. Making the town green, colourful, inviting and liveable is one of Councils' priorities.

The challenge continues with mining companies wanting to house their workforce on site instead of in town. There is NO reason why they cannot live in town if their mine site is a short commuting distance from town. It is needed to help grow the town and improve services. This should be a mandatory component of them earning their Social Licence to operate in the shire.

The Shire continues to support the Wiluna School training Centre with financial contributions. It would be great to see some of the wealthier, if not ALL the mining companies contributing financially to ensure it continues to operate and provide the much-needed job ready training it is successfully delivering.

Horticultural development of Desert Farm is still a work in progress by potential investors. This development will add to town population and provide employment opportunities.

There has been NO progress on completing the sealing of the Goldfields Highway, much to everyone's frustration and dismay. It will be a catalyst to trigger substantial investment and local opportunity as well as Closing the Gap. Let's hope it has some priority in the forthcoming budgets.

As always there is still much to be done. Financial constraints will delay delivery of some, but a stronger Council focus on productivity, efficiency and procurement will accelerate this delivery. Council will have a stronger focus on all of community satisfaction of their Local Government delivery of operations and service.

CHIEF EXECUTIVE OFFICER'S REPORT

I was appointed to the position of Chief Executive Officer for the Shire of Wiluna on a three-year employment contract at the October 2017 Ordinary Council Meeting. I would like to thank my staff, Councillors and the Wiluna community for all their support over the past twelve months. Being a remote rural community, Wiluna has a lot going for it.

The Shire has successfully recruited a Recreation and Leisure Coordinator to support various youth and adult programs/activities. It has been two to three years since the Shire had employed an officer who specialised in delivering recreation and leisure services to the Wiluna community.

The new Administration Centre will soon be a place to hold adult activities and events as the renovation works also includes the establishment of a new Moonlight Hall which will be located upstairs with excellent views of Wiluna.

A number of major projects were started in the 2017/18 financial year, but are expected to be fully completed at the beginning of the next financial year. These projects include the renovation of the new Administration Centre, construction of 5 x residential houses and the final stages of Canning-Gunbarrel Discovery Centre building and interpretation works.

The Shire is planning a big community celebration of the official opening of the new Administration Centre and Canning-Gunbarrel Discovery Centre, which will be held over a number of days in early September 2018.

Council had approved a concept design for the Wiluna Caravan Park, where it is proposed to completely renovate the entire facility. The first stage of this project was to remove all current infrastructure which was located within the caravan park site with the works being completed at the end of the 2017/18 financial year. A copy of the concept plan for the redevelopment of the Wiluna Caravan Park can be viewed in the reception area of the new Administration Centre.

Colin Bastow
Chief Executive Officer

ELECTED MEMBERS

The Shire of Wiluna is comprised of 7 elected members. Each member has a term of 4 years. Of these elected positions, four are going to expire in 2019 and three in 2021.

Elected members until 2019:

Cr Stacey Petterson (Deputy President)
Cr. Graham Harris
Cr Caroline Thomas
Cr Norma Ward

Elected members until 2021:

Cr Jim Quadrio (President) (re-elected to Council in October 2017)
Cr Lena Long (elected to Council in October 2017)
Cr Peter Grundy (elected to Council in October 2017)

The Council meets in the afternoon of the fourth Wednesday of each month and is open to the general public. Special council meetings are advertised in advance. Agendas and Minutes of Council meetings are made available to the members of public at the Shire's Administration office or from the Shire's website.

ORDINARY COUNCIL MEETING DATES 2019

Date	Venue	Starting Time
27 February 2019	O'Shaughnessy Council Chambers	9.00 am
27 March 2019	O'Shaughnessy Council Chambers	9.30 am
24 April 2019	O'Shaughnessy Council Chambers	9.00 am
22 May 2019	O'Shaughnessy Council Chambers	9.00 am
26 June 2019	O'Shaughnessy Council Chambers	9.00 am
24 July 2019	O'Shaughnessy Council Chambers	9.00 am
28 August 2019	O'Shaughnessy Council Chambers	9.00 am
25 September 2019	O'Shaughnessy Council Chambers	9.00 am
23 October 2019	O'Shaughnessy Council Chambers	9.00 am
27 November 2019	O'Shaughnessy Council Chambers	9.00 am
18 December 2019	O'Shaughnessy Council Chambers	9.00 am

STATUTORY REPORTS

National Competition Policy

In 1995, the Council of Australian Governments entered into several agreements collectively known as the National Competition Policy. The policy is a whole-of-Government approach to bring about reform in the public sector to encourage Government to become more competitive.

Local government

Clause 7 of the Competition Principles Agreement extended elements of the National Competition Policy reform agenda to local government. States and territories undertook to work with local government to apply legislation review and reform, competitive neutrality and structural reform principles at local government level. Each state and territory published a policy statement in 1996 on the application of these principles to local government.

Key application to local government documents on this site

-)] The Competition Principles Agreement (see clause 7)
-)] State and territory local government policy statements
-)] State and territory annual National Competition Policy reports
-)] National Competition Council progress assessment reports

The Shire of Wiluna is required to comply with certain policies contained within the National Competition Policy Statement and report on progress in connection with Competitive Neutrality Principle and review of Local Laws.

The Shire of Wiluna has incorporated the principles and assessment of National Competition Policy into its practices and activities and does not believe to have undertaken activities that would breach the requirements of the National Competition policy.

Disability Services Act

Section 5.53 of the Local Government Act 1995 and section 29 of the Disability Services Act 1993 require the Shire to include a report in its Annual Report about the implementation of its Disability Access and Inclusion Plan (DAIP).

The Council adopted the Shire of Wiluna's current DAIP (*Shire of Wiluna Disability Access and Inclusion Plan 2017–22*) in June 2017 and it was submitted to the Disability Services Commission in July 2017 (along with the DAIP Review Report). The DAIP is available (upon request) in standard, large-print, and audio formats.

Schedule 3 of the Disability Services Regulations 2004 specifies seven desired outcomes of DAIPs.

1. People with disabilities have the same opportunities as other people to access the services of, and any events organised by, a public authority.
2. People with disabilities have the same opportunities as other people to access the buildings and other facilities of a public authority.
3. People with disabilities receive information from a public authority in a format that will enable them to access the information as readily as other people are able to access it.
4. People with disabilities receive the same level and quality of service from the staff of a public authority as other people receive from the staff of the public authority.
5. People with disabilities have the same opportunities as other people to make complaints to a public authority.
6. People with disabilities have the same opportunities as other people to participate in any public consultation by a public authority.

7. People with disabilities have the same opportunities as other people to obtain and maintain employment with a public authority.

As required by the Act, the Shire of Wiluna is required to review the progress of the DAIP, comparing proposed outcomes to achievements. The Shire remains committed to the above outcomes and ensures that activities undertaken are conducted in a manner consistent with the provision requirements of the Act. The DAIP 2017/2018 progress report was submitted to the Disability Service Commission on 2nd July 2018.

Records Management and State Records Act 2000

A new Shire of Wiluna Record Keeping Plan was drawn up in 2016 and presented to the State Records Commission for approval. At its meeting on 24 October 2017 the State Records Commission approved the amended Recordkeeping Plan. In accordance with section 28 of the *State Records Act 2000*, the Plan for the Shire is to be reviewed within five years of its approval date. Once completed, a report of the review must be submitted to the State Records Office by **24 October 2022**.

In compliance with the act requirements outlined in State Records Commission Standard 2, the Shire of Wiluna reports on:

-) The efficiency and effectiveness of the organisation's recordkeeping system.

Performance indicators are used to assess the adequacy of the records creation and capture and file management. Overall performance in recordkeeping processes has improved with ongoing implementation of the Shire's recordkeeping system.

-) The efficiency and effectiveness of the recordkeeping training program.

The Shire's recordkeeping training program includes recordkeeping awareness for staff and strategies to ensure full and meaningful compliance with the standard.

Plan for the Future

The Local Government Act requires Council to plan for the future of its district and that plans made "are in accordance with any regulations made about planning for the future".

The Shire has complied with the entire Integrated Planning and Reporting Framework requirement established by the Department of the Local Government. However, the plans do need to be updated to include the list of Strategic Projects that had been reviewed by the local community and endorsed by Council.

It is also the requirement of the Act, that the Annual Report must include an overview of the Plan for the Future including the major initiatives that are proposed to continue or commence in the next financial year.

The following major projects that are proposed to continue or commence in 2017/2018:

-) Ongoing Renovation of Canning-Gunbarrel Discovery Centre,
-) Interpretation displays (Stage 1),
-) New Administration Centre, and
-) Main Street Revitalisation.

The following major projects that are proposed to continue or commence in 2018/19:

-) Renovation of Canning-Gunbarrel Discovery Centre (Completed),
-) Interpretive Displays (Stage 1) (Completed)
-) New Administration Centre (Completed), and
-) Main Street Revitalisation.

The Shire has engaged the services of Moore Stephens to help with the updating of the Shire's Integrated planning and reporting plans in 2017/18. The following plans will be updated:

-) Strategic Community Plan,
-) Corporate Business Plan,
-) Workforce Plan, and
-) Strategic Resource Plan (Asset Management Plan and Long-Term Financial Plan).

Community consultation will begin in March 2018, so the Shire is in a position to update the above plans, as required. The Strategic Community Plan was updated by Council in the 2017/18 Financial Year, with the remaining Plans being updated in the 2018/19 financial year.

Employee Remuneration Information

Local Government Act 1995, Section 5.53 and Administration Regulations 1996 – Reg. 19B require local governments to disclose in their annual report the number of employees entitled to annual salary of \$100,000 or more, and the number of employees with an annual salary with entitlement that falls within each band of \$10,000 over \$100,000.

For the reporting period, the Shire of Wiluna had two employees with an annual salary exceeding \$100,000:

-) One employee within the \$110,000 - \$120,000 band
-) One employee within the \$140,000 - \$150,000 band
-) One employee within the \$170,000 - \$180,000 band

Freedom of Information Statement

In accordance with section 96 of the Freedom of Information Act 1992, the Shire of Wiluna is required to publish its Freedom of Information (FOI) Statement in its Annual Report.

It is the aim of the Shire of Wiluna to make information available promptly and at the least possible cost, and whenever possible documents will be provided outside the FOI process. If information is not routinely available, the *Freedom of Information Act* 1992 provides the right to apply for documents held by the Shire of Wiluna and to enable the public to ensure that personal information in documents is accurate, complete, up to date and not misleading. Routine information which does not require an FOI application include documents that is available to the public for purchase or free distribution (e.g. agenda/minutes), documents available for public inspection, State archives to which a person has a right to be given access under Part 6 of the State Records Act 2000, publicly available library material for reference purposes or a document made or acquired by an art gallery, museum or library and preserved for public reference or exhibition purposes.

Freedom of Information Applications

Access applications have to:

-) Be in writing and addressed to the Chief Executive Officer of the Shire of Wiluna, PO Box 38, Wiluna WA 6646. No special forms are required.
-) Give enough information so that the documents requested can be specifically identified and does not involve unreasonable time and resource to the Shire, otherwise, your application may be refused.
-) Give an Australian address to which notices can be sent and if possible, provide your telephone, fax numbers and email address to help hasten the process.
-) Be lodged at the Shire of Wiluna with any application fee payable.

Applications will be acknowledged in writing and you will be notified of the decision within 45 days once the application has been accepted.

Application Charges

A scale of fees and charges set under the FOI Act Regulations are stated below.

)	<i>Personal information about the applicant</i>	<i>No fee</i>
)	<i>Application fee (for non-personal information)</i>	<i>\$30.00</i>
)	<i>Charge for time dealing with the application</i> <i>(per hour, or pro rata)</i>	<i>\$30.00</i>
)	<i>Access time supervised by staff</i> <i>(per hour, or pro rata)</i>	<i>\$30.00</i>
)	<i>Photocopying staff time</i> <i>(per hour, or pro rata)</i>	<i>\$30.00</i>
)	<i>Per photocopy</i>	<i>\$0.20</i>
)	<i>Transcribing from tape, film or computer</i> <i>(per hour, or pro rata)</i>	<i>\$30.00</i>
)	<i>Duplicating a tape, film or computer information</i>	<i>Actual Cost</i>
)	<i>Delivery, packaging and postage</i>	<i>Actual Cost</i>

Deposits

)	Advance deposit may be required of the estimated charges	25%
)	Further advance deposit may be required to meet the charges for dealing with the application.	75%

For financially disadvantaged applicants or those issued with prescribed pensioner concession cards, the charge payable is reduced by 25%.

Access Arrangements

Access to documents can be granted by way of inspection, a copy of a document, a copy of an audio or video tape, a computer disk, a transcript of a recorded, shorthand or encoded document from which words can be reproduced.

Notice of Decision

As soon as possible but in any case, within 45 days you will be provided with a notice of decision which will include details such as -

-) the date on which the decision was made
-) the name and the designation of the officer who made the decision
-) if the document is an exempt document the reasons for classifying the matter exempt; or the fact that access is given to an edited document
-) information on the right to review and the procedures to be followed to exercise those rights.

Refusal of Access

Applicants who are dissatisfied with a decision of the agency are entitled to ask for an **internal review** by the agency. Application should be made in writing within 30 days of receiving the notice of decision. You will be notified of the outcome of the review within 15 days.

If you disagree with the result you then can apply to the Information Commissioner for an **external review**, and details would be advised to applicants when the internal review decision is issued.

One Freedom of Information application was received by the Shire of Wiluna in the year 2017-2018.

Complaints Register

Section 5.121 requires that a register of all complaints, made in relation to conduct of members, be disclosed in the Annual Report.

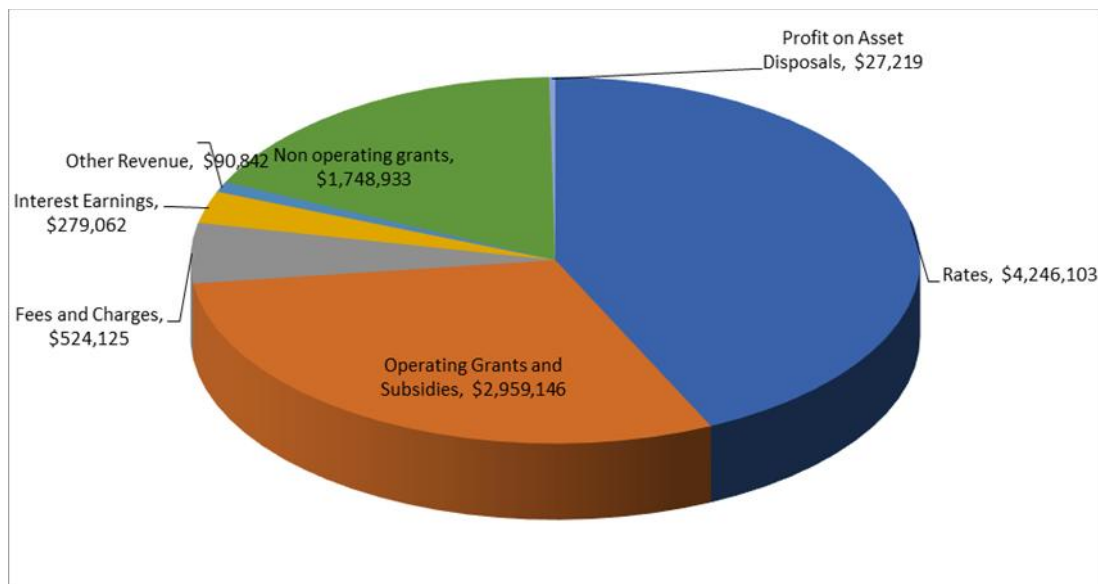
For the year ended 30 June 2018, the Shire of Wiluna had no complaints of this nature to disclose.

FINANCIAL PERFORMANCE

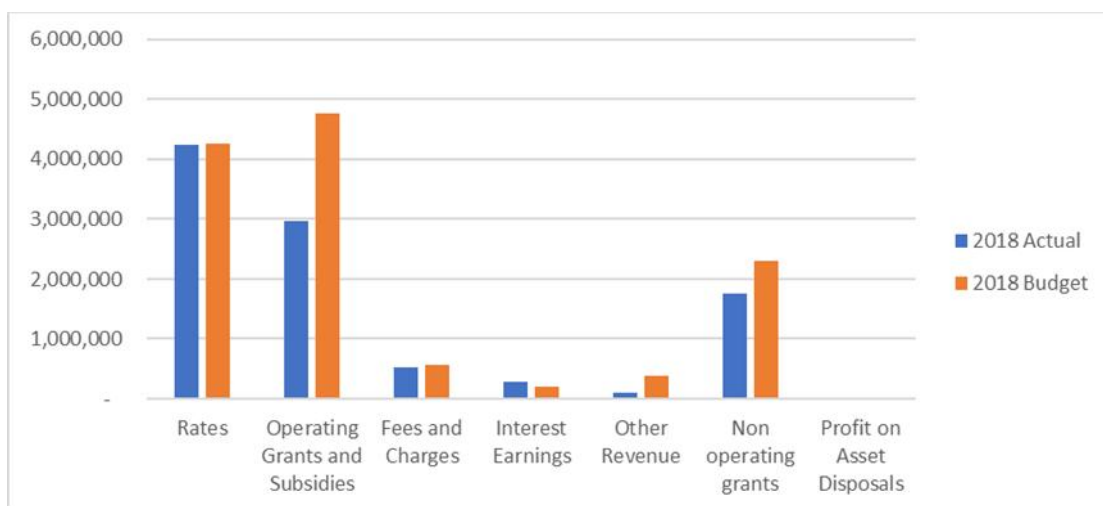
The 2017-18 audited financial statements are shown attached. This page highlights relevant information.

The Shire's total revenue for this financial year was \$9.75 million and expenses were \$9.25 million, there was a negative \$114 million loss through a revaluation of Road Infrastructure, airport and other infrastructure. This resulted in a total comprehensive income of -\$113 million. The composition of these revenue and expenses are illustrated in the range of charts following. {Excluding Revaluation Loss}.

OPERATING INCOME:

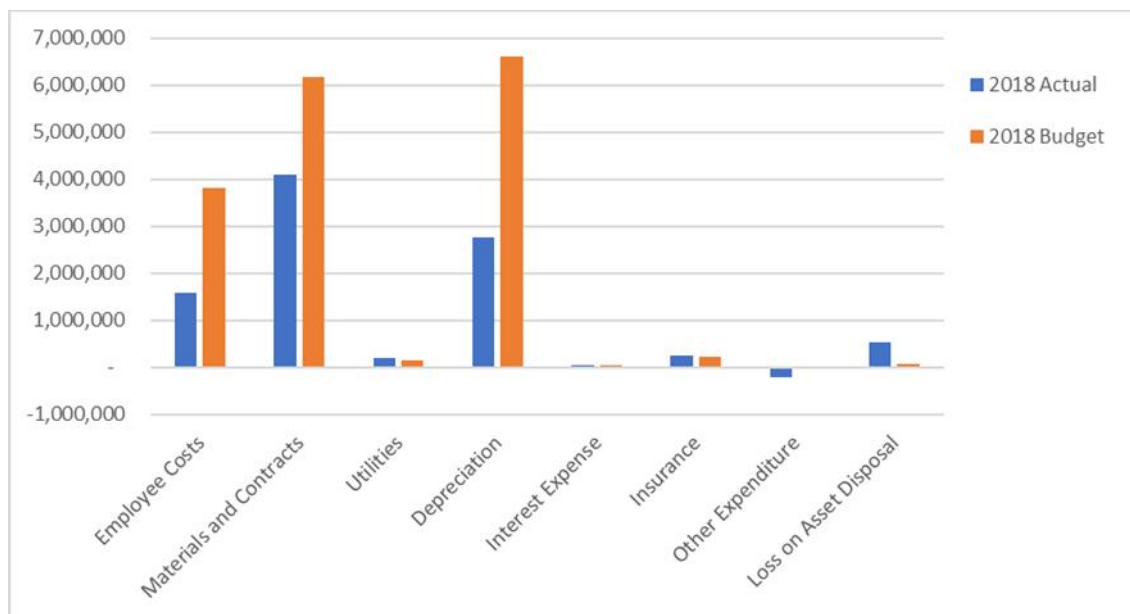
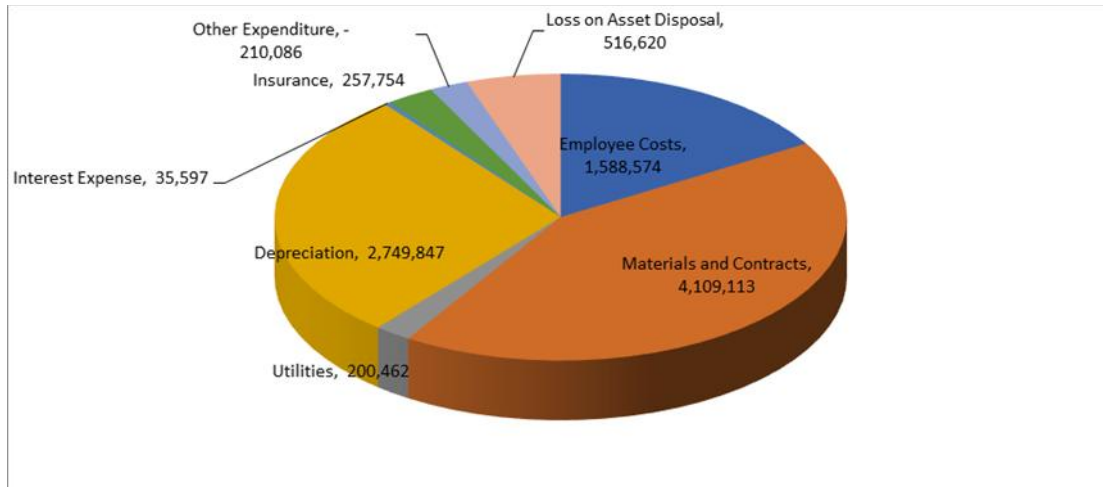


INCOME ACTUAL V BUDGET:

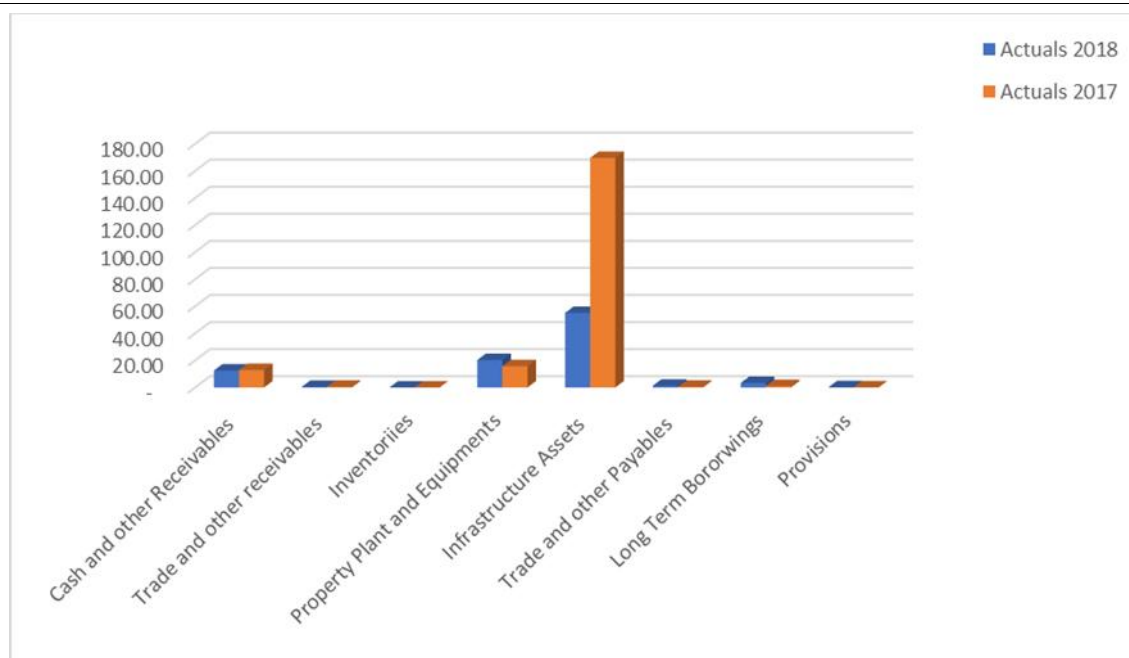


The above two graphs show three main components of revenue as follows; rates \$4.24 million (43%), operating and non-operating grants \$4.70 million (48%) and fees and charges \$0.52 million (5.31%). The remaining \$0.42 million (4%) has come from other sources of revenue such as interest, services charges and other revenue.

OPERATING INCOME:



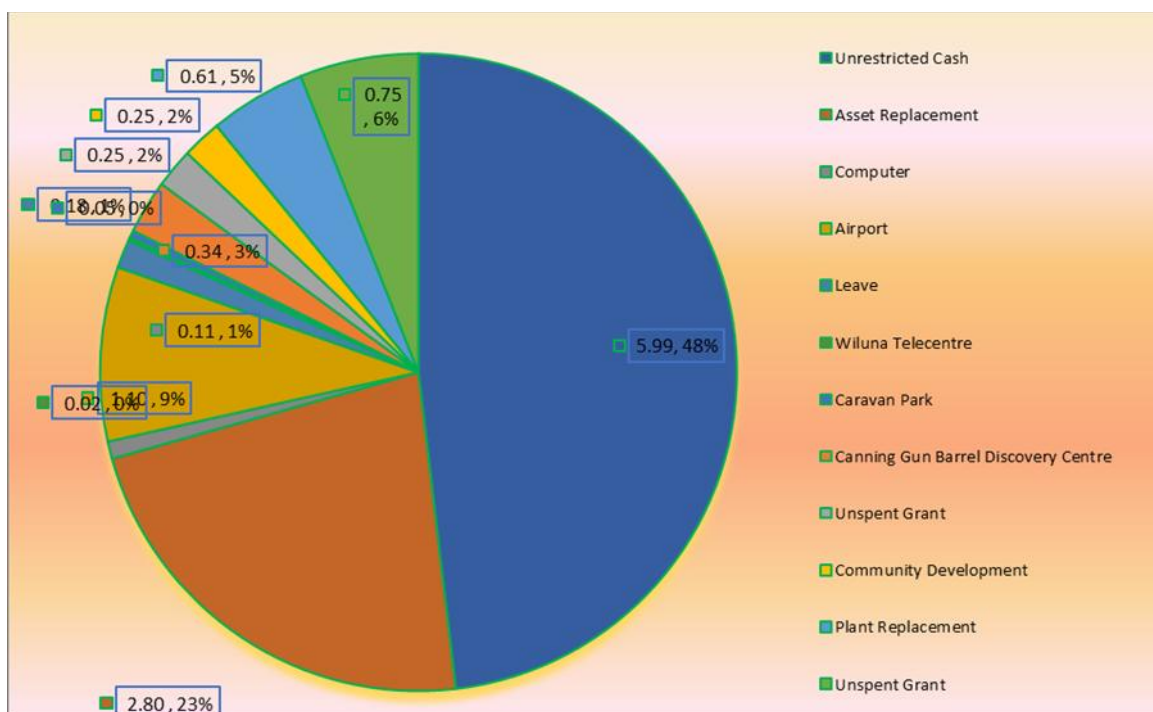
The above two graphs show that the three main components of expenditure was made up of \$1.6 million (17%) employee cost, \$4.1 million (44%), \$2.7 million (30%) in depreciation of non-current assets with the remaining \$0.8 million (9%) being made up of utility charges, interest expenses, insurance expenses, other expenditure and loss on disposal of assets.



The statement of Financial Position shows our net assets has decreased by \$114 million. This is a result of a decrease of \$118 million in roads and increase of \$4 million in Airport and other infrastructure. There was a net increase of \$2.23 million in long term borrowings.

CASH:

The graph below shows \$5.99 million (48%) in unrestricted funds, \$6.5 Millions (52%) in restricted funds held in various reserves.



The Shire of Wiluna concluded the financial year 2017-18 in a good financial position. The staff is committed to safeguarding the Shire's finances and meeting the compliance requirements.

I personally thank the finance staff for their dedication, enthusiasm and commitment in their respective responsibilities, ensuring that tasks are done accurately, satisfactorily and on time.

Mr. Rajinder S Sunner

Manager of Finance

ANNUAL FINANCIAL REPORT

FOR YEAR ENDED 30TH JUNE 2017

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

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COMMUNITY VISION

One proud, inclusive sustainable community welcoming growth and opportunities

Principal place of business:
70 Wotton Street
WILUNA WA 6646

**SHIRE OF WILUNA
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 WILUNA 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 WILUNA 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 seventh day of March 2019



Chief Executive Officer

Mr Colin Bastow

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

	NOTE	2018 Actual \$	2018 Budget \$	2017 Actual \$
Revenue				
Rates	18(a)	4,246,103	4,260,474	3,710,948
Operating grants, subsidies and contributions	2	2,959,146	4,761,921	4,129,147
Fees and charges	2	524,125	556,060	734,557
Interest earnings	2(a)	279,062	209,926	253,084
Other revenue	2(a)	90,842	388,280	93,600
		8,099,278	10,176,661	8,921,336
Expenses				
Employee costs		(1,588,574)	(3,801,973)	(1,618,661)
Materials and contracts		(4,109,113)	(6,173,122)	(2,334,608)
Utility charges		(200,462)	(141,521)	(135,714)
Depreciation on non-current assets	9(b)	(2,749,847)	(6,616,791)	(2,727,092)
Interest expenses	2(a)	(35,597)	(41,885)	(84,235)
Insurance expenses		(257,751)	(210,700)	(202,928)
Other expenditure		210,086	(12,700)	(373,293)
		(8,731,258)	(16,998,692)	(7,476,531)
		(631,980)	(6,822,031)	1,444,805
Non-operating grants, subsidies and contributions	2	1,748,933	2,309,261	513,903
Profit on asset disposals	9(a)	27,219	10,000	42,737
(Loss) on asset disposals	9(a)	(516,620)	(5,000)	0
(Loss) on revaluation of Non-Current Assets		0	(50,000)	0
Net result		627,552	(4,557,770)	2,001,445
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	10	(114,239,173)	0	(2,124,234)
Total other comprehensive income		(114,239,173)	0	(2,124,234)
Total comprehensive income		(113,611,621)	(4,557,770)	(122,789)

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		101	500	63
General purpose funding		6,999,423	5,378,873	7,766,596
Law, order, public safety		16,452	17,170	9,780
Health		127	780	763
Housing		49,399	500	3,588
Community amenities		81,493	86,513	72,093
Recreation and culture		188,643	237,900	219,523
Transport		749,396	4,376,636	806,953
Economic services		14,694	37,650	15,575
Other property and services		(450)	45,139	26,402
		<u>8,099,278</u>	<u>10,181,661</u>	<u>8,921,336</u>
Expenses	2(a)			
Governance		(228,957)	(194,953)	(520,256)
General purpose funding		(1,195,523)	(1,731,889)	(1,204,649)
Law, order, public safety		(117,283)	(232,740)	(113,771)
Health		(56,708)	(135,649)	(85,762)
Education and welfare		(39,990)	(63,002)	(15,606)
Housing		2,956	(143,820)	(154,000)
Community amenities		(328,764)	(676,210)	(519,723)
Recreation and culture		(1,074,427)	(1,866,614)	(957,421)
Transport		(3,923,169)	(11,385,670)	(3,571,846)
Economic services		(215,955)	(470,575)	(271,035)
Other property and services		(1,517,841)	(60,685)	21,773
		<u>(8,695,661)</u>	<u>(16,961,807)</u>	<u>(7,392,296)</u>
Finance Costs	2(a)			
General purpose funding		2,153	0	(772)
Housing		(7,619)	0	0
Recreation and culture		(6,145)	(12,319)	(27,442)
Economic services		(18,544)	(29,566)	(56,021)
Other property and services		(5,442)	0	0
		<u>(35,597)</u>	<u>(41,885)</u>	<u>(84,235)</u>
		<u>(631,980)</u>	<u>(6,822,031)</u>	<u>1,444,805</u>
Non-operating grants, subsidies and contributions	2	1,748,933	2,309,261	513,903
Profit on disposal of assets	9(a)	27,219	10,000	42,737
(Loss) on disposal of assets	9(a)	(516,620)	(5,000)	0
(Loss) on revaluation of Non-Current Assets		0	(50,000)	0
		<u>1,259,532</u>	<u>2,264,261</u>	<u>556,640</u>
Net result		<u>627,552</u>	<u>(4,557,770)</u>	<u>2,001,445</u>
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	10	(114,239,173)	0	(2,124,234)
Total other comprehensive income		<u>(114,239,173)</u>	<u>0</u>	<u>(2,124,234)</u>
Total comprehensive income		<u>(113,611,621)</u>	<u>(4,557,770)</u>	<u>(122,789)</u>

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

SHIRE OF WILUNA
STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2018

	NOTE	2018	2017
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	3	12,545,790	12,914,669
Trade and other receivables	5	426,710	515,595
Inventories	6	15,845	10,861
TOTAL CURRENT ASSETS		12,988,345	13,441,125
NON-CURRENT ASSETS			
Property, plant and equipment	7	20,298,671	15,731,407
Infrastructure	8	55,071,668	169,675,555
TOTAL NON-CURRENT ASSETS		75,370,339	185,406,962
TOTAL ASSETS		88,358,684	198,848,087
CURRENT LIABILITIES			
Trade and other payables	11	1,343,617	516,697
Current portion of long term borrowings	12(a)	253,831	165,647
Provisions	13	170,002	110,649
TOTAL CURRENT LIABILITIES		1,767,450	792,993
NON-CURRENT LIABILITIES			
Long term borrowings	12(a)	3,079,231	933,062
Provisions	13	36,216	34,625
TOTAL NON-CURRENT LIABILITIES		3,115,447	967,687
TOTAL LIABILITIES		4,882,897	1,760,680
NET ASSETS		83,475,787	197,087,408
EQUITY			
Retained surplus		24,081,455	22,683,088
Reserves - cash backed	4	5,795,098	6,565,913
Revaluation surplus	10	53,599,234	167,838,407
TOTAL EQUITY		83,475,787	197,087,408

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

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

	NOTE	RESERVES			TOTAL EQUITY
		RETAINED SURPLUS	CASH BACKED	REVALUATION SURPLUS	
		\$	\$	\$	\$
Balance as at 1 July 2016		22,810,095	4,437,461	169,962,641	197,210,197
Comprehensive income					
Net result		2,001,445	0	0	2,001,445
Changes on revaluation of assets	10	0	0	(2,124,234)	(2,124,234)
Total comprehensive income		2,001,445	0	(2,124,234)	(122,789)
Transfers from/(to) reserves		(2,128,452)	2,128,452	0	0
Balance as at 30 June 2017		22,683,088	6,565,913	167,838,407	197,087,408
Comprehensive income					
Net result		627,552	0	0	627,552
Changes on revaluation of assets	10	0	0	(114,239,173)	(114,239,173)
Total comprehensive income		627,552	0	(114,239,173)	(113,611,621)
Transfers from/(to) reserves		770,815	(770,815)	0	0
Balance as at 30 June 2018		24,081,455	5,795,098	53,599,234	83,475,787

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

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

	NOTE	2018 Actual	2018 Budget	2017 Actual
		\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		4,288,597	4,260,474	3,986,606
Operating grants, subsidies and contributions		3,149,024	5,761,921	5,016,151
Fees and charges		524,125	556,060	734,557
Interest earnings		279,062	209,926	253,084
Goods and services tax		56,399	0	(87,306)
Other revenue		90,842	388,280	93,600
		8,388,049	11,176,661	9,996,692
Payments				
Employee costs		(1,516,483)	(3,801,973)	(1,677,988)
Materials and contracts		(3,071,326)	(6,173,122)	(2,668,846)
Utility charges		(200,462)	(141,521)	(135,714)
Interest expenses		(52,509)	(41,885)	(57,410)
Insurance expenses		(257,751)	(210,700)	(202,928)
Other expenditure		0	(12,700)	(373,293)
		(5,298,417)	(10,381,901)	(5,116,179)
Net cash provided by (used in) operating activities	14	3,089,632	794,760	4,880,514
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment		(6,215,049)	(9,027,597)	(2,971,682)
Payments for construction of infrastructure		(1,977,751)	(4,680,813)	(710,536)
Non-operating grants, subsidies and contributions		1,748,933	2,309,262	513,903
Proceeds from sale of fixed assets		751,002	535,000	202,727
Net cash provided by (used in) investment activities		(5,692,865)	(10,864,148)	(2,965,588)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of long term borrowings		(165,647)	(165,647)	(159,277)
Proceeds from self supporting loans		0	0	(62,256)
Proceeds from new long term borrowings		2,400,000	1,500,000	0
Net cash provided by (used in) financing activities		2,234,353	1,334,353	(221,533)
Net increase (decrease) in cash held		(368,880)	(8,735,035)	1,693,393
Cash at beginning of year		12,914,670	12,914,670	11,221,277
Cash and cash equivalents at the end of the year	14	12,545,790	4,179,635	12,914,670

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

SHIRE OF WILUNA
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)		6,247,867	5,480,047	7,337,562
		6,247,867	5,480,047	7,337,562
Revenue from operating activities (excluding rates)				
Governance		101	500	63
General purpose funding		2,753,320	1,118,399	4,055,674
Law, order, public safety		16,452	17,170	9,780
Health		127	780	763
Housing		49,399	500	3,588
Community amenities		81,493	86,513	72,093
Recreation and culture		188,643	237,900	219,523
Transport		776,615	4,376,636	813,941
Economic services		14,694	37,650	15,575
Other property and services		(450)	45,139	62,125
		3,880,394	5,921,187	5,253,125
Expenditure from operating activities				
Governance		(228,957)	(194,953)	(520,256)
General purpose funding		(1,193,370)	(1,731,889)	(1,205,421)
Law, order, public safety		(117,283)	(232,740)	(113,771)
Health		(56,708)	(135,649)	(85,762)
Education and welfare		(39,990)	(63,002)	(15,606)
Housing		(4,663)	(143,820)	(154,000)
Community amenities		(328,764)	(676,210)	(519,723)
Recreation and culture		(1,080,572)	(1,878,933)	(984,863)
Transport		(4,123,374)	(11,385,670)	(3,571,846)
Economic services		(234,499)	(500,141)	(327,056)
Other property and services		(1,839,698)	(60,687)	21,773
		(9,247,878)	(17,003,694)	(7,476,531)
Operating activities excluded				
(Profit) on disposal of assets	9(a)	(27,219)	(10,000)	(42,737)
Loss on disposal of assets	9(a)	516,620	5,000	0
Loss on revaluation of fixed assets	8(b)	0	50,000	0
Movement in employee benefit provisions (non-current)		1,591	0	(8,275)
Depreciation and amortisation on assets	9(b)	2,749,847	6,616,791	2,727,092
Amount attributable to operating activities		4,121,222	1,059,331	7,790,236
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions		1,748,933	2,309,261	513,903
Proceeds from disposal of assets	9(a)	751,002	535,000	202,727
Purchase of property, plant and equipment	7(b)	(6,215,049)	(9,027,597)	(2,971,682)
Purchase and construction of infrastructure	8(b)	(1,977,751)	(4,680,813)	(710,536)
Amount attributable to investing activities		(5,692,865)	(10,864,149)	(2,965,588)
FINANCING ACTIVITIES				
Repayment of long term borrowings	12(a)	(165,647)	(165,647)	(159,277)
Proceeds from new long term borrowings	12(b)	2,400,000	1,500,000	0
Proceeds from self supporting loans	12(a)	0	0	0
Transfers to reserves (restricted assets)	4	(1,032,908)	(675,063)	(2,128,452)
Transfers from reserves (restricted assets)	4	1,803,723	4,885,054	0
Amount attributable to financing activities		3,005,168	5,544,344	(2,287,729)
Surplus(deficiency) before general rates		1,433,525	(4,260,474)	2,536,919
Total amount raised from general rates	18	4,246,103	4,260,474	3,710,948
Net current assets at June 30 c/fwd - surplus/(deficit)	19	5,679,628	0	6,247,867

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

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

1. BASIS OF PREPARATION

The financial report comprises general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and Interpretations of the Australian Accounting Standards Board, and the Local Government Act 1995 and accompanying regulations.

The *Local Government (Financial Management) Regulations 1996* take precedence over Australian Accounting Standards. Regulation 16 prohibits a local government from recognising as assets Crown land that is a public thoroughfare, such as land under roads, and land not owned by but under the control or management of the local government, unless it is a golf course, showground, racecourse or 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.

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.

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

CRITICAL ACCOUNTING ESTIMATES

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

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

THE LOCAL GOVERNMENT REPORTING ENTITY

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

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

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

2. REVENUE AND EXPENSES

(a) Revenue	2018	2017
	Actual	Actual
	\$	\$
Fees and Charges		
Governance	101	0
General purpose funding	17,423	7,455
Law, order, public safety	1,063	210
Health	127	763
Housing	4,560	575
Community amenities	81,493	72,093
Recreation and culture	24,245	17,321
Transport	383,302	616,717
Economic services	14,650	15,491
Other property and services	(2,839)	3,932
	524,125	734,557

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

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

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Grant Revenue

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

	2018	2017
	\$	\$
Operating grants, subsidies and contributions		
General purpose funding	2,439,760	3,764,102
Law, order, public safety	15,389	9,570
Recreation and culture	145,000	165,240
Transport	358,997	190,236
	2,959,146	4,129,148
Non-operating grants, subsidies and contributions		
Recreation and culture	0	14,700
Transport	1,748,933	419,376
Economic services	0	79,827
	1,748,933	513,903
Total grants, subsidies and contributions	4,708,079	4,643,051

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 17.

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 18(b))

	2018 Actual	2018 Budget	2017 Actual
	\$	\$	\$
	145,853	95,000	137,804
	108,009	78,000	84,687
	25,200	36,926	30,593
	279,062	209,926	253,084

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
- Acquittal audit and other services

2018	2017
\$	\$
37,755	32,513
0	19,416
37,755	51,929

Interest expenses (finance costs)

- Long term borrowings (refer Note 12(a))
- Other interest expenses

35,597	83,464
0	772
35,597	84,236

SHIRE OF WILUNA
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		5,998,292	5,476,637
Restricted		6,547,498	7,438,032
		<u>12,545,790</u>	<u>12,914,669</u>

The following restrictions have been imposed by regulations or other externally imposed requirements:

Reserve - Asset Replacement	4	2,848,947	4,238,322
Reserve - Computer	4	106,210	103,769
Reserve - Airport	4	1,141,641	1,115,415
Reserve - Leave	4	179,102	174,987
Reserve -Wiluna Telecentre	4	16,685	16,301
Reserve -Caravan Park	4	46,053	45,000
Reserve - Canning-Gun Barrel Discovery Centre	4	344,308	570,752
Reserve - Unspent Grant	4	250,959	301,367
Reserve - Community Development	4	250,000	0
Reserve - Plant Replacement	4	611,193	0
Unspent grants	17	<u>752,400</u>	<u>872,119</u>
		6,547,498	7,438,032

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 that are readily convertible to known amounts of cash and which are subject to an insignificant risk

Cash and cash equivalents (Continued)

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. 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
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Reserve - Asset Replacement	4,238,322	110,625	(1,500,000)	2,848,947	4,238,321	398,412	(3,347,000)	1,289,733	3,163,590	1,074,732	0	4,238,322
Reserve - Computer	103,769	2,441	0	106,210	103,147	1,683	0	104,810	100,871	2,898	0	103,769
Reserve - Airport	1,115,415	26,226	0	1,141,641	1,108,717	17,880	0	1,126,597	1,084,261	31,154	0	1,115,415
Reserve - Leave	174,987	4,115	0	179,102	174,538	2,815	0	177,353	72,893	102,094	0	174,987
Reserve - Wiluna Telecentre	16,301	384	0	16,685	16,204	261	0	16,465	15,846	455	0	16,301
Reserve - Caravan Park	45,000	1,053	0	46,053	45,000	0	(45,000)	0	0	45,000	0	45,000
Reserve - Canning-Gun Barrel Discovery Centre	570,752	11,986	(238,430)	344,308	570,752	0	(570,752)	0	0	570,752	0	570,752
Reserve - Unspent Grant	301,367	14,885	(65,293)	250,959	1,556,446	0	(922,302)	634,144	0	301,367	0	301,367
Reserve - Community Development	0	250,000	0	250,000	0	254,032	0	254,032	0	0	0	0
Reserve - Plant Replacement	0	611,193	0	611,193	0	0	0	0	0	0	0	0
	6,565,913	1,032,908	(1,803,723)	5,795,098	7,813,125	675,063	(4,885,054)	3,603,134	4,437,461	2,128,452	0	6,565,913

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 shire 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
Reserve - Asset Replacement	2019 Forward	-To be used for the purchase and replacement of equipment, furniture, plant, buildings, infrastructure (Inc. roads, & footpaths) and recreation facilities. May be used for short term funding of WANDRRA projects.
Reserve - Computer	2019 Forward	-To be used to ensure that administration computer system is maintained. May be used for short term funding of WANDRRA projects.
Reserve - Airport	2019 Forward	-To be used to fund the long term maintenance and upgrading of the Wiluna airstrip. May be used for short term funding of WANDRRA projects.
Reserve - Leave	N/A	-To be used to fund annual and long service leave requirements. May be used for short term funding of WANDRRA projects.
Reserve - Wiluna Telecentre	2019 Forward	-To be used to fund the replacement and upgrading of the IT equipment provided for the use of community. May be used for short term funding of WANDRRA projects.
Reserve - Caravan Park	2019 Forward	-To be used to fund the expenses for constructions and renovating a Caravan Park. May be used for short term funding of WANDRRA projects.
Reserve - Canning-Gun Barrel Discovery Centre	2019 Forward	-To be used to fund the remaining work at the Canning-Gun Barrel Discovery Centre. May be used for short term funding of WANDRRA projects.
Reserve - Unspent Grant	2019 Forward	-To be expended as stipulated by the grant agreement. May be used for short term funding of WANDRRA projects.
Reserve - Community Development	2019 Forward	-To be used to fund community projects. May be used for short term funding of WANDRRA projects.
Reserve - Public Infrastructure	2019 Forward	-To be used to fund Public Infrastructure. May be used for short term funding of WANDRRA projects.
Reserve - Plant Replacement	2019 Forward	-To be used to fund Plant Replacement. May be used for short term funding of WANDRRA projects.
Reserve - Retention Bond	2019 Forward	-To be used to fund release of Retention after warranty period.

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

5. TRADE AND OTHER RECEIVABLES

Current

	2018	2017
	\$	\$
Rates outstanding	77,268	119,762
Sundry debtors	110,927	257,924
GST receivable	238,515	95,028
Payment in Advance	0	42,881
	<u>426,710</u>	<u>515,595</u>

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

- 1 - 3 months	1,368	18,239
- 3 months to one year	75,900	101,523

Sundry debtors

Past due and not impaired

- 1 - 3 months	109,921	207,416
- 3 months to one year	1,006	50,508

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.

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

6. INVENTORIES

Current

Fuel Oil and Materials on hand

2018	2017
\$	\$
15,845	10,861
15,845	10,861

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.

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

7 (a). PROPERTY, PLANT AND EQUIPMENT

	2018	2017
	\$	\$
Land and buildings		
Land - freehold land at:		
- Independent valuation 2017 - level 2	335,000	335,000
	335,000	335,000
Total land	335,000	335,000
Buildings - non-specialised at:		
- Independent valuation 2017 - level 2	18,761,934	13,247,117
Less: accumulated depreciation	(232,873)	0
	18,529,061	13,247,117
Total buildings	18,529,061	13,247,117
Total land and buildings	18,864,061	13,582,117
Furniture and equipment at:		
- Management valuation 2016 - level 3	406,670	185,751
Less: accumulated depreciation	(50,392)	(44,896)
	356,278	140,855
Plant and equipment at:		
- Independent valuation 2016 - level 2	1,365,798	2,242,441
Less: accumulated depreciation	(287,466)	(234,006)
	1,078,332	2,008,435
Total property, plant and equipment	20,298,671	15,731,407

7. 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	Total land	Buildings - non- specialised	Total buildings	Total land and buildings	Furniture and equipment	Plant and equipment	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2016	390,000	390,000	12,445,784	12,445,784	12,835,784	176,370	2,053,250	15,065,404
Additions	0	0	3,171,817	3,171,817	3,171,817	9,381	406,819	3,588,017
(Disposals)	0	0	0	0	0	0	(217,629)	(217,629)
Revaluation (loss)/ reversals transferred to profit or loss	(55,000)	(55,000)	(2,069,234)	(2,069,234)	(2,124,234)	0	0	(2,124,234)
Depreciation (expense)		0	(301,250)	(301,250)	(301,250)	(44,896)	(234,005)	(580,151)
Carrying amount at 30 June 2017	335,000	335,000	13,247,117	13,247,117	13,582,117	140,855	2,008,435	15,731,407
Additions	0	0	5,649,614	5,649,614	5,649,614	298,118	267,317	6,215,049
(Disposals)	0	0	(109,546)	(109,546)	(109,546)	(41,100)	(926,405)	(1,077,051)
Revaluation increments/ (decrements) transferred to revaluation surplus	0	0	0	0	0	0	0	0
Depreciation (expense)	0	0	(258,124)	(258,124)	(258,124)	(41,595)	(271,015)	(570,734)
Carrying amount at 30 June 2018	335,000	335,000	18,529,061	18,529,061	18,864,061	356,278	1,078,332	20,298,671

7. 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	Level 2	Sales comparison approach/Cost approach	Independent valuation	June 2017	Market sales evidence available at the date of valuation; specific valuation comments
Buildings - non-specialised	Level 3	Sales comparison approach/Cost approach (Net valuation approach)	Independent valuation	June 2017	Market sales evidence available at the date of valuation; specific valuation comments
Furniture and equipment	Level 3	Market approach (Net valuation approach)	Management valuation	June 2017	Market sales evidence available at the date of valuation; specific valuation comments
Plant and equipment					
- Independent valuation 2016		Market approach (Net valuation approach)	Independent valuation	June 2016	Open market value of similar assets; comparison with market value of similar assets

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

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

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

8 (a). INFRASTRUCTURE

	2018	2017
	\$	\$
Infrastructure - Roads		
- Independent valuation 2015 - level 2	0	219,358,913
- Independent valuation 2018 - level 2	46,601,225	0
Less: accumulated depreciation	0	(54,539,208)
	46,601,225	164,819,705
Infrastructure - Airport		
- Independent valuation 2015 - level 3	0	3,929,329
- Griffin Valuation Advisory Valuation 2018 - level 3	5,612,594	0
Less: accumulated depreciation	0	(279,857)
	5,612,594	3,649,472
Infrastructure - Other		
- Independent valuation 2015 - level 3	0	1,312,882
- Griffin Valuation Advisory Valuation 2018 - level 3	2,857,969	0
Less: accumulated depreciation	(120)	(106,504)
	2,857,849	1,206,378
Total infrastructure	55,071,668	169,675,555

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8. 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

	Infrastructure - Roads	Infrastructure - Airport	Infrastructure - Other	Total Infrastructure
	\$	\$	\$	\$
Balance at 1 July 2016	166,354,342	3,439,727	1,260,252	171,054,321
Additions	359,355	351,181	0	710,536
Depreciation (expense)	(1,893,992)	(141,436)	(53,874)	(2,089,302)
Carrying amount at 30 June 2017	164,819,705	3,649,472	1,206,378	169,675,555
Additions	1,832,672	20,094	124,985	1,977,751
(Disposals)	0	(31,688)	(131,664)	(163,352)
Revaluation increments/ (decrements) transferred to revaluation surplus	(118,077,556)	2,126,240	1,712,143	(114,239,173)
Revaluation (loss)/ reversals transferred to profit or loss	0	0	0	0
Depreciation (expense)	(1,973,596)	(151,524)	(53,993)	(2,179,113)
Carrying amount at 30 June 2018	46,601,225	5,612,594	2,857,849	55,071,668

8. INFRASTRUCTURE (Continued)

(c) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Infrastructure - Roads	Level 3	Cost approach (Gross Revaluation Method)	Management valuation	June 2015	Condition based valuation; Valuation generated using the RAMM (Roman II) module
Infrastructure - Airport	Level 3	Cost approach (Net Valuation Method)	Independent valuation	June 2018	Market sales evidence available at the date of valuation; specific valuation comments
Infrastructure - Other	Level 3	Cost approach (Net Valuation Method)	Independent valuation	June 2018	Market sales evidence available at the date of valuation; specific valuation comments

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.

9. 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.

9. FIXED ASSETS (Continued)

(a) Disposals of Assets

The following assets were disposed of during the year.

	Actual Net Book Value	Actual Sale Proceeds	Actual Profit	Actual Loss	Budget Net Book Value	Budget Sale Proceeds	Budget Profit	Budget Loss
	\$	\$	\$	\$	\$	\$	\$	\$
Plant and Equipment								
Governance								
CEO Vehicles	85,777	82,165	0	(3,612)	465,000	475,000	10,000	0
DCEO Vehicles	28,121	30,909	2,788	0	26,000	25,000	0	(1,000)
Community amenities								
EMCD Vehicle	28,334	30,455	2,121	0	22,000	20,000	0	(2,000)
Transport								
Grader John Deere 2004 - P009	129,530	104,545	0	(24,985)	0	0	0	0
Tractor Case 3220 - P032	4,584	10,000	5,416	0	0	0	0	0
Caravan Fabco 2 Bert - P011	24,996	18,182	0	(6,814)	0	0	0	0
Isuzu Buz All Terrain WU448 - P054	22,817	16,364	0	(6,453)	0	0	0	0
Rubber Wheeled Roller - P087	98,501	73,636	0	(24,865)	0	0	0	0
Tank - Diesel Fuel Storage - 33000L	14,701	4,000	0	(10,701)	0	0	0	0
Hino Trailer 6 Tonne - P042	1,813	4,545	2,733	0	0	0	0	0
CAT 950G Loader - P036	65,370	40,000	0	(25,370)	0	0	0	0
Prime Mover - P082	138,211	100,000	0	(38,211)	0	0	0	0
Low Loader Float - P080	77,336	61,818	0	(15,518)	0	0	0	0
TDM Axle Dolly - P078	21,308	15,455	0	(5,853)	0	0	0	0
Self Propelled Vibrating Roller - P081	81,293	95,455	14,161	0	0	0	0	0
Tri Axle Side Tipping Trailer - P079	61,052	59,545	0	(1,506)	0	0	0	0
Other Assets - W/O Under Threshold	42,661	3,927	0	(38,734)	0	0	0	0
Infrastructure - Airport - Under Threshold	31,688	0	0	(31,688)	0	0	0	0
Economic services								
Infrastructure - Other - Under Threshold	131,665	0	0	(131,665)	0	0	0	0
Land and Building - Under Threshold	109,546	0	0	(109,546)	0	0	0	0
Other property and services								
Administration Vehicle	0	0	0	0	17,000	15,000	0	(2,000)
Furniture and Equipment - Under Threshold	41,100	0	0	(41,100)	0	0	0	0
	1,240,403	751,002	27,219	(516,620)	530,000	535,000	10,000	(5,000)

(b) Depreciation

	2018	2017
	\$	\$
Buildings - non-specialised	258,124	301,250
Furniture and equipment	41,595	44,896
Plant and equipment	271,015	291,644
Infrastructure - Roads	1,973,596	1,893,992
Infrastructure - Airport	151,524	141,436
Infrastructure - Other	53,993	53,874
	2,749,847	2,727,092

9. 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	2 to 15 Years
Sealed Roads and Streets	
Formation	not depreciated
Pavement	50 years
Seal	
bituminous seals	20 years
asphalt surface	25 years
Gravel roads	
formation	not depreciated
pavement	50 years
gravel sheet	12 years
Formed roads	
formation	not depreciated
pavement	50 years
Footpath - slab	20 years
Sewerage piping	100 years
Water supply piping & drainage system	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.

10. REVALUATION SURPLUS

	2018	2018	2018	2018	2018	2017	2017	2017	2017	2017
	Opening	Revaluation	Revaluation	Total	Closing	Opening	Revaluation	Revaluation	Total	Closing
	Balance	Increment	(Decrement)	Movement on	Balance	Balance	Increment	(Decrement)	Movement on	Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Land and Buildings	4,223,618	0	0	0	4,223,618	6,347,852	0	(2,124,234)	(2,124,234)	4,223,618
Furniture and Equipment	103,228	0	0	0	103,228	103,228	0	0	0	103,228
Plant and Equipment	641,225	0	0	0	641,225	641,225	0	0	0	641,225
Roads	160,237,455	0	(118,077,556)	(118,077,556)	42,159,899	160,237,455	0	0	0	160,237,455
Airport	2,632,881	2,126,240	0	2,126,240	4,759,121	2,632,881	0	0	0	2,632,881
Other Infrastructure	0	1,712,143	0	1,712,143	1,712,143	0	0	0	0	0
	167,838,407	3,838,383	(118,077,556)	(114,239,173)	53,599,234	169,962,641	0	(2,124,234)	(2,124,234)	167,838,407

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.

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11. TRADE AND OTHER PAYABLES

Current

	2018	2017
	\$	\$
Rates in advance	0	34,584
Sundry creditors	817,343	262,159
Accrued interest on long term borrowings	24,974	41,886
Accrued salaries and wages	27,485	0
ATO liabilities	19,725	36,063
Payroll Creditors	30,660	0
Accrued Expenses	423,430	142,005
	<u>1,343,617</u>	<u>516,697</u>

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.

12. INFORMATION ON BORROWINGS

(a) Repayments - Borrowings

Particulars	Principal 1 July 2017	New Loans	Principal Repayments		Principal 30 June 2018		Interest Repayments	
	\$	\$	Actual	Budget	Actual	Budget	Actual	Budget
Housing								
New Staff Housings	0	1,400,000	0	0	1,400,000	500,000	7,619	0
Recreation and culture								
Wiluna Recreation Ground	323,149	0	48,720	48,720	274,429	250,309	6,145	12,319
Economic services								
Canning - Gan Barrel Highway								
Discovery Centre	775,560	0	116,927	116,927	658,633	600,742	18,544	29,566
Other property and services								
New Admin Centre Loan	0	1,000,000	0	0	1,000,000	1,000,000	3,289	0
	1,098,709	2,400,000	165,647	165,647	3,333,062	2,351,051	35,597	41,885
Self Supporting Loans	\$	\$	\$	\$	\$	\$	\$	\$
	1,098,709	2,400,000	165,647	165,647	3,333,062	2,351,051	35,597	41,885

All loan repayments were financed by general purpose revenue.

Borrowings

	2018	2017
	\$	\$
Current	253,831	165,647
Non-current	3,079,231	933,062
	3,333,062	1,098,709

12. INFORMATION ON BORROWINGS (Continued)

(b) New Borrowings - 2017/18

Particulars/Purpose	Amount Borrowed		Institution	Loan Type	Term Years	Total Interest & Charges	Interest Rate	Amount (Used)		Balance Unspent
	Actual	Budget						Actual	Budget	
	\$	\$				\$	%	\$	\$	\$
New Admin Building	1,000,000	1,000,000	WATC	Fixed term	20	435,979	3.83%	1,000,000	1,000,000	0
New Staffs Housing	1,400,000	500,000	WATC	Fixed term	20	610,370	3.83%	1,400,000	500,000	0
	2,400,000	1,500,000				1,046,349		2,400,000	1,500,000	0

(c) Undrawn Borrowing Facilities

Credit Standby Arrangements

Credit card limit

Credit card balance at balance date

Total amount of credit unused

2018	2017
\$	\$
50,000	50,000
(27,649)	7,670
22,351	57,670

Loan facilities

Loan facilities - current

Loan facilities - non-current

Total facilities in use at balance date

253,831	165,647
3,079,231	933,062
3,333,062	1,098,709

Unused loan facilities at balance date

NIL NIL

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

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

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

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

Borrowing costs

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

13. PROVISIONS

	Provision for Annual Leave	Provision for Long Service Leave	Total
	\$	\$	\$
Opening balance at 1 July 2017			
Current provisions	86,077	24,572	110,649
Non-current provisions	0	34,625	34,625
	86,077	59,197	145,274
Additional provision	37,639	23,305	60,944
Balance at 30 June 2018	123,716	82,502	206,218
Comprises			
Current	123,716	46,286	170,002
Non-current	0	36,216	36,216
	123,716	82,502	206,218

Assessments indicate that actual settlement of the leave liabilities is expected to occur as follows:

Within 12 months of reporting date	96,846	46,285	143,131
More than 12 months after reporting date	26,870	36,217	63,087
Total	123,716	82,502	206,218

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.

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14. NOTES TO THE STATEMENT OF CASH FLOWS

Reconciliation of Cash

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

	2018 Actual \$	2018 Budget \$	2017 Actual \$
Reconciliation of Net Cash Provided By Operating Activities to Net Result			
Net result	627,552	(4,557,770)	2,001,445
Non-cash flows in Net result:			
Depreciation	2,749,847	6,616,791	2,727,092
(Profit)/loss on sale of asset	489,401	(5,000)	(42,737)
Loss on revaluation of fixed assets	0	50,000	0
Changes in assets and liabilities:			
(Increase)/decrease in receivables	88,885	1,000,000	1,075,356
(Increase)/decrease in inventories	(4,984)	0	31,597
Increase/(decrease) in payables	826,920	0	(350,052)
Increase/(decrease) in provisions	60,944	0	(48,283)
Grants contributions for the development of assets	(1,748,933)	(2,309,261)	(513,903)
Net cash from operating activities	3,089,632	794,760	4,880,515

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15. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2018	2017
	\$	\$
Governance	125,375	150,000
General purpose funding	0	322,816
Law, order, public safety	228,371	130,894
Education and welfare	0	2,400
Housing	6,968,722	5,210,922
Community amenities	137,976	198,739
Recreation and culture	4,887,072	4,591,239
Transport	53,328,176	171,720,843
Economic services	2,777,810	796,976
Other property and services	5,832,815	4,246,236
Unallocated	14,072,367	11,477,023
	88,358,684	198,848,088

16. 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	68,140	72,460	63,427
President's allowance	19,864	19,864	18,823
Deputy President's allowance	4,966	4,966	4,000
Travelling expenses	8,003	14,500	10,687
Telecommunications allowance	10,250	11,000	7,500
	111,223	122,790	104,437

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	596,251	451,932
Post-employment benefits	58,077	64,645
Other long-term benefits	16,150	56,050
Termination benefits	35,865	0
	706,343	572,627

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.

All key personnel (excluding councillors) were provided free residential housing.

Post-employment benefits

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

Other long-term benefits

These amounts represent long service benefits accruing during the year.

Termination benefits

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

Transactions with related parties

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

During the 2017-18 financial year, the Shire purchased materials and services amounting to \$792,880 from Goodwork Holdings Pty Ltd, an entity that is controlled by a close family member of a councillor. All purchases were at arm's length, on normal terms and conditions and were in the normal course of Shire's operations.

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16. RELATED PARTY TRANSACTIONS (Continued)

The following transactions occurred with related parties:

	2018	2017
	\$	\$
Purchase of goods and services	805,753	1,520,913

Amounts outstanding from related parties:

Trade and other receivables	402,422	94,367
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As at 30th June 2018, amount owed by the Shire to Goodwork Holdings Pty Ltd, an entity that is controlled by a close family member of a councillor amounts to \$402,422.

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.

17. 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
	\$	\$	\$	\$	\$	\$	\$
Recreation and culture							
Dept of Art - Art Gallery Operation Grant	41,523	135,000	(96,621)	79,902	145,000	(224,902)	0
Sport & Recreation - Swimming pool	32,000	32,000	(64,000)	0	0	0	0
Sport & Recreation	0	14,700	(14,700)	0	0	0	0
Dept of Art - Gallery fitout	0	79,827	(79,827)	0	0	0	0
Transport							
Main Roads WA - Regional Road Group	0	240,000	(197,126)	42,874	530,211	(573,085)	0
Federal Government Road To Recovery	273,634	0	(117,345)	156,289	1,000,516	(1,027,815)	128,990
Remote Communities - FAGS	0	18,604	0	18,604	36,000	(18,604)	36,000
Remote Aboriginals Communities	0	3,698	0	3,698		(3,698)	0
Main Roads - Direct grants	0	190,236	(190,236)	0	0	0	0
Grant RAAP	0	0	0	0	16,000	0	16,000
Grant - Airport Sealing	0	0	0	0	658	0	658
Economic services							
Department of Local Government - CLGF	631,601	0	(60,849)	570,752	0	0	570,752
Department of Local Government - CLGF	195,126	0	(195,126)	0	0	0	0
Department of Local Government - CLGF	417,416	0	(417,416)	0	0	0	0
AED	14,994	0	(14,994)	0	0	0	0
Wiluna Development Program	53,752	0	(53,752)	0	0	0	0
Dept Culture & Arts	5,000	0	(5,000)	0	0	0	0
Total	1,665,046	714,065	(1,506,992)	872,119	1,728,385	(1,848,104)	752,400

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.

18. RATING INFORMATION

(a) Rates

RATE TYPE	Rate in \$	Number of Properties	Value \$	Rate Revenue \$	Interim Rates \$	Total Revenue \$	Budget Rate Revenue \$	Budget Total Revenue \$
Differential general rate / general rate								
Gross rental valuations								
GRV Wiluna Townsite	9.2769	68	987,966	90,925	1,353	92,278	100,091	100,091
GRV Wiluna Mining	18.3430	6	6,380,060	1,170,283	(4,112)	1,166,171	1,170,283	1,170,283
Unimproved valuations								
UV Rural/Pastoral	12.4325	28	1,248,946	155,094	646	155,740	155,094	155,094
UV Mining	17.7907	210	12,798,042	2,278,897	(7,160)	2,271,737	2,269,795	2,269,795
UV Exploration and Prospecting	23.5556	207	2,031,220	481,776	(16,619)	465,157	470,085	470,085
Sub-Total		519	23,446,234	4,176,975	(25,892)	4,151,083	4,165,348	4,165,348
Minimum payment	Minimum \$							
Gross rental valuations								
GRV Wiluna Townsite	440	18	7,920	7,920	0	7,920	8,360	8,360
GRV Wiluna Mining	335	3	1,005	1,005	0	1,005	1,005	1,005
Unimproved valuations								
UV Rural/Pastoral	335	2	670	670	0	670	670	670
UV Mining	335	194	64,990	64,990	0	64,990	64,990	64,990
UV Exploration and Prospecting	335	61	20,435	20,435	0	20,435	20,101	20,101
Sub-Total		278	95,020	95,020	0	95,020	95,126	95,126
Total amount raised from general rate		797	23,541,254	4,271,995	(25,892)	4,246,103	4,260,474	4,260,474
Totals						4,246,103	4,260,474	4,260,474

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.

18. RATING INFORMATION (Continued)

(b) Interest Charges & Instalments

		Instalment Plan	Instalment Plan	Unpaid Rates Interest
Instalment Options	Date Due	Admin Charge	Interest Rate	Rate
		\$	%	%
Option One				
Single full payment	30-Sep-17			11.00%
Option Three				
First instalment	30-Sep-17	10	5.50%	11.00%
Second instalment	30-Nov-17		5.50%	11.00%
Third instalment	31-Jan-18		5.50%	11.00%
Fourth instalment	31-Mar-18		5.50%	11.00%
			2018	2018
			Budget	Budget
			\$	\$
Interest on unpaid rates			17,390	27,218
Interest on instalment plan			7,810	9,708
Charges on instalment plan			3,690	4,960
			28,890	41,886

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

19. NET CURRENT ASSETS

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

	2018 (30 June 2018 Carried Forward)	2018 (1 July 2017 Brought Forward)	2017 (30 June 2017 Carried Forward)
	\$	\$	\$
Surplus/(Deficit) 1 July 17 brought forward	5,679,628	6,247,867	6,247,867
CURRENT ASSETS			
Cash and cash equivalents			
Unrestricted	5,998,292	5,476,637	5,476,637
Restricted	6,547,498	7,438,032	7,438,032
Receivables			
Rates outstanding	77,268	119,762	119,762
Sundry debtors	110,927	257,924	257,924
GST receivable	238,515	95,028	95,028
Payment in Advance	0	1	1
Inventories			
Fuel Oil and Materials on hand	15,845	10,861	10,861
LESS: CURRENT LIABILITIES			
Trade and other payables			
Rates in advance	0	(34,584)	(34,584)
Sundry creditors	(817,343)	(262,159)	(262,159)
Accrued interest on long term borrowings	(24,974)	(41,886)	(41,886)
Accrued salaries and wages	(27,485)	0	0
ATO liabilities	(19,725)	(36,063)	(36,063)
Payroll Creditors	(30,660)	0	0
Accrued Expenses	(423,430)	(142,005)	(142,005)
Current portion of long term borrowings	(253,831)	(165,647)	(165,647)
Provisions			
Provision for annual leave	(123,716)	(86,077)	(86,077)
Provision for long service leave	(46,286)	(24,572)	(24,572)
Unadjusted net current assets	11,220,895	12,648,133	12,648,133
Adjustments			
Less: Reserves - restricted cash	(5,795,098)	(6,565,913)	(6,565,913)
Add: Current portion of long term borrowings	253,831	165,647	165,647
Adjusted net current assets - surplus/(deficit)	5,679,628	6,247,867	6,247,867

Difference

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

SHIRE OF WILUNA
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FOR THE YEAR ENDED 30TH JUNE 2018

20. 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	12,545,790	12,914,669	12,545,790	12,914,669
Receivables	426,710	515,595	426,710	515,595
	<u>12,972,500</u>	<u>13,430,264</u>	<u>12,972,500</u>	<u>13,430,264</u>
Financial liabilities				
Payables	1,343,617	516,697	1,343,617	516,697
Borrowings	3,333,062	1,098,709	2,533,277	963,759
	<u>4,676,679</u>	<u>1,615,406</u>	<u>3,876,894</u>	<u>1,480,456</u>

Fair value is determined as follows:

Cash and cash equivalents, receivables, payables - estimated to the carrying value which approximates net market value.

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

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

20. FINANCIAL RISK MANAGEMENT (Continued)

(a) Cash and Cash Equivalents

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

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

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

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

	2018	2017
	\$	\$
Impact of a 1% ⁽¹⁾ movement in interest rates on cash		
- Equity	126,183	128,147
- Statement of Comprehensive Income	126,183	129,147

Notes:

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

20. 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	5%	5%
- Overdue	95%	95%
Percentage of other receivables		
- Current	95%	95%
- Overdue	5%	5%

20. 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
<u>2018</u>	\$	\$	\$	\$	\$
Payables	1,416,079	0	0	1,416,079	1,343,617
Borrowings	379,849	1,519,397	2,584,762	4,484,008	3,333,062
	1,795,928	1,519,397	2,584,762	5,900,087	4,676,679
<u>2017</u>					
Payables	516,696	0	0	516,696	516,697
Borrowings	208,480	833,918	208,480	1,250,878	1,098,709
	725,176	833,918	208,480	1,767,574	1,615,406

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:

<u>Year ended 30 June 2018</u>	<1 year	>1<2 years	>2<3 years	>3<4 years	>4<5 years	>5 years	Total	Weighted Average Effective Interest Rate
	\$	\$	\$	\$	\$	\$	\$	%
Borrowings								
Fixed rate								
Long term borrowings	0	0	0	0	933,062	2,400,000	3,333,062	3.87%
Weighted average Effective interest rate	0.00%	0.00%	0.00%	0.00%	3.96%	3.85%		
<u>Year ended 30 June 2017</u>								
Borrowings								
Fixed rate								
Long term borrowings	0	0	0	0	0	1,098,709	1,098,709	3.96%
Weighted average Effective interest rate	0.00%	0.00%	0.00%	0.00%	0.00%	3.96%		

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21. 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
	\$	\$	\$	\$
Gym Keys Deposit/Other Bond Deposits	11,916	5,003	(5,293)	11,626
	11,916			11,626

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

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

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

Notes:

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

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

Notes:

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

Adoption of New and Revised Accounting Standards

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

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

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

23. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

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

c) Rounding off figures

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

d) Comparative figures

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

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

e) Budget comparative figures

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

f) Superannuation

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

g) Fair value of assets and liabilities

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

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

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

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

h) Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

i) Impairment of assets

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

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

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

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

24. 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.	Includes the activities of members of council and the administrative support available to the council for the provision of governance of the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific council services.
GENERAL PURPOSE FUNDING	To collect revenue to allow for the provision of services.	Rates, general purpose government grants and interest revenue.
LAW, ORDER, PUBLIC SAFETY	To provide services to help ensure a safer and environmentally conscious community.	Supervision and enforcement of various laws relating to fire prevention, animal control and other aspects of public safety including emergency services.
HEALTH	To provide an operational framework for environmental and community health.	Inspection of food outlets and their control, provision of pest control services and waste disposal compliance.
EDUCATION AND WELFARE	To provide opportunities for the community to develop their education and training and capacity.	Provision and development of community service programmes, including training and capacity.
HOUSING	To provide and maintain housing for the employees of the Shire.	Provision and maintenance of housing for the employees of the Shire.
COMMUNITY AMENITIES	To provide services & amenities required by the community.	Rubbish collection services, operation of rubbish disposal sites, litter control, protection of the environment and administration of town planning schemes, cemetery and public conveniences.
RECREATION AND CULTURE	To establish and effectively manage infrastructure and resources which will help the social well being.	Maintenance of public halls, civic centres, aquatic centre, recreation centres and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of library, art gallery and other cultural facilities.
TRANSPORT	To provide safe, effective and efficient transport services to the community.	Construction and maintenance of roads, streets, footpaths, depots, cleaning of streets and maintenance of street trees, street lighting etc.
ECONOMIC SERVICES	To help promote the shire and its economic well-being.	Tourism and area promotion, provision of rural services including weed control and vermin control. Building control and economic development
OTHER PROPERTY AND SERVICES	To monitor and control Shire's overheads operating accounts.	Private works operation, administration overheads, plant repair/operation costs, and works overhead costs.

INDEPENDENT AUDITOR'S REPORT

To the Electors of the Shire of Wiluna

Shire of Wiluna



Report on the Audit of the Financial Report

Opinion

I have audited the annual financial report of the Shire of Wiluna which comprises the Statement of Financial Position as at 30 June 2018, the Statement of Comprehensive Income by Nature or Type, Statement of Comprehensive Income by Program, Statement of Changes in Equity, Statement of Cash Flows and Rate Setting Statement for the year then ended, and notes comprising a summary of significant accounting policies and other explanatory information, and the Statement by the Chief Executive Officer.

In my opinion the annual financial report of the Shire of Wiluna:

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

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the Shire in accordance with the *Auditor General Act 2006* and the relevant ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter – Basis of Accounting

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

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

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

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

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

Auditor's Responsibility for the Audit of the Financial Report

The objectives of my audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

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

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

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

Report on Other Legal and Regulatory Requirements

In accordance with the *Local Government (Audit) Regulations 1996* I report that:

- (i) In my opinion, there are no matters which indicate significant adverse trends in the financial position or the financial management practices of the Shire.
- (ii) No instances of material non-compliance with Part 6 of the *Local Government Act 1995*, the *Local Government (Financial Management) Regulations 1996* or applicable financial controls of any other written law were identified during the course of my audit.
- (iii) All required information and explanations were obtained by me.
- (iv) All audit procedures were satisfactorily completed.

- (v) 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 Wiluna 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.



RUSSELL HARRISON.
LINCOLNS ACCOUNTANTS
Albany, Western Australia
13 March 2019