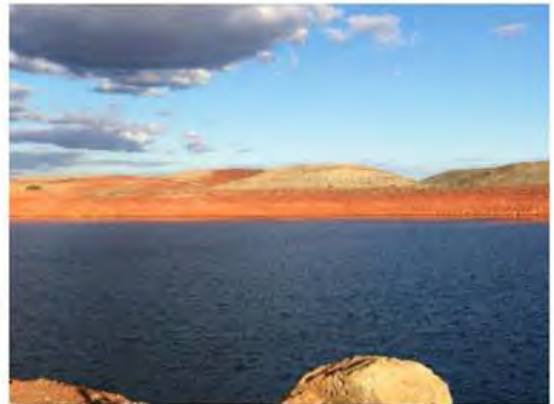




SHIRE OF
LAVERTON
Discover the Outback Spirit

ANNUAL REPORT

FOR YEAR ENDED 30 JUNE 2018





ANNUAL REPORT YEAR ENDED 30 JUNE 2018

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ABOUT US

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

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

Wongi people, collectively known as Wongutha or Wankatja people, have occupied the Laverton area for thousands of years. Their first known contact with Europeans was around 1860 when Sir John Forrest travelled through the area on an expedition to search for the remains of Ludwig Leichardt.

Many other explorers followed Forrest, including Frank Hann and David Carnegie, surviving by the teachings and knowledge of the Aboriginal people.

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

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

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

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

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

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

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

OUR VISION

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

Aspirations and values

Our community identified the following aspirations and values:

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



Community Strategic Plan - Summary of Objectives and Outcomes

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

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

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

	Objectives	Outcomes
SOCIAL	<i>Proud, spirited, harmonious and connected community</i>	<ul style="list-style-type: none"> A strong sense of community pride and ownership
ECONOMIC	<i>Prosperous local economy attracting businesses, opportunities and people</i>	<ul style="list-style-type: none"> Sustainable tourism Improved economic development opportunities
ENVIRONMENT	<i>Revitalised, green, welcoming and safe natural and built environment</i>	<ul style="list-style-type: none"> Safe and efficient transport network Modern, well maintained Other Built Infrastructure Clean, safe and tidy environment
CIVIC LEADERSHIP	<i>A financially strong and knowledgeable Shire, leading an empowered community</i>	<ul style="list-style-type: none"> Effective communication and stakeholder engagement Organisational Development Improved planning

SHIRE PRESIDENT'S REPORT



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

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

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

In October 2017, Council swore in newly elected Councillor Rosemary Street and re-elected Councillors Shaneane Weldon and myself. I was pleased to again represent the Council as the Shire President after the Council confirmed my nomination and Shaneane's as the Deputy Shire President.

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

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



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

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

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

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

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

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

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

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

The Council considered the expansion of the Great Beyond with an extension of this wonderful facility looking at a building cost of \$2,489 million. The aim is to seek support from State Government grants and to future proof the Council and capture the market as the travel along the Outback Highway increases.

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

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

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

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

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

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

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

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

Patrick Hill
Shire President



Back row from left: Peter Naylor CEO, Cr Rex Weldon, Cr Patrick Hill, Cr Rex Ryles and Les Vidovich EMTS
Front row from left: Cr Shaneane Weldon, Cr Robin Prentice, Cr Rosemary Street and Cr Deanne Ross

Our Council



Cr Patrick Hill
Shire President



Cr Shaneane Weldon
Deputy Shire President



Cr Robin Prentice



Cr Deanne Ross



Cr Rex Ryles



Cr Rosemary Street



Cr Rex Weldon

COUNCILLOR REMUNERATION

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

President (including President's Allowance)	\$35,400.00
Deputy President (including Deputy President's Allowance)	\$13,825.00
Councillors	\$9,400.00

CHIEF EXECUTIVE OFFICER'S REPORT



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

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

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

The challenges ahead include ensuring that the governance of the Council is returned to an excellent state and that previous concerns expressed by the Department of Local Government, Sport and Cultural Industries are stayed as the Council shows exactly what it can do and meet all of its commitments.

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

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

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

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

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

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

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

Peter Naylor
Chief Executive Officer

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

Great Beyond Visitor Centre - Stage 2 Expansion

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

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

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

Laverton Men's Shed

Volunteers of the Laverton Men's Shed have worked very hard to secure \$57,000 in sponsorship and grant funding for a new, purpose-built workshop for members. Council approved a planning application to build a 12mx15mx3m Colorbond® shed on Shire land behind the Old Court House. Shire staff have endeavoured to assist the Men's Shed wherever possible to ensure this project is completed.

Solar Panel Installation

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

Laverfest

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

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

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

See following pictures







COMMUNITY RESOURCE CENTRE

American Concert Pianist- Roman Rudnytsky

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

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



Book Week 2017

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



Laverton Seniors Christmas Dinner

On the evening of Tuesday 12th December 2017, the first Seniors Christmas Dinner was held at the Great Beyond Visitor Centre. The evening was sponsored by Murrin Murrin Operations and was coordinated by the Laverton Community Resource Centre.

The evening provided an opportunity for local Seniors to come together in a social setting, enjoy a meal, a conversation and enjoy being watered upon. It also provided the opportunity for new Shire CEO Peter Naylor and his wife Heather to meet some of our local Elders and long term residents.



Laverton Christmas Lights Competition

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

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

There were 12 entrants, 7 business and 5 residential.

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

Runner Up – Laverton Supplies Motors

Highly Commended – Laverton Sports Club

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

Runner up – Ovans family

Highly commended – Nikki Tuhakaraina





NAIDOC 2017

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

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





WORKS AND SERVICES

Flood Damage

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





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

Roadworks including sealing, gravel re-sheeting etc.

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

Flood Damage

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

Plant Replacement

- Rubbish Truck Compactor
- Various Council vehicles
- Bobcat

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

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

COMMUNITY DEVELOPMENT

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

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

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

Youth Services

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

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

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

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

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

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

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

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

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

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

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

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

The Firewood Program has involved going 'out bush' to collect firewood to distribute to the elders so that they could keep warm and cook throughout the cold winter months. The youth group, who love baking, also suggested making damper bread to give out. This scheme has been very well received.

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

Cashless Debit Card

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

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

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

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

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

COMPLIANCE

Freedom of Information

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

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

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

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

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

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

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

Record Keeping

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

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

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

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

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

Register of Minor Complaints

Section 5.121 of the *Local Government Act 1995* (Register of certain complaints of minor breaches) requires the complaints officer for each local government to maintain a Register of Complaints which records all complaints that result in action under section 5.110(6) (b) or (c) of the Act (Conduct of Certain Officials).

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

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

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

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

Public Interest Disclosure

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

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

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

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

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

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

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

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

Disability Access and Inclusion Plan

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

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

Payments to Employees

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

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

EMPLOYEES WITH EMPLOYMENT UNDER THE COUNCIL'S ENTERPRISE BARGAINING AGREEMENT AND UNDER A FIXED TERM CONTRACT	
Salary Range \$	No of Employees
\$130,000 to \$150,000	2
\$180,000 to \$220,000	1

Integrated Planning and Reporting

In 2015/2016, Council undertook a comprehensive review of the Strategic Community Plan following which the Corporate Business Plan was reviewed and updated.

The Corporate Business Plan was again reviewed in 2016/2017 resulting in only minimal change to the Plan.

The Corporate Business Plan aims to fulfil the strategic direction set by Council and progress the Council's vision while keeping with the community's aspirations and values.

Copies of both documents are available at the Shire Administration Office and are also on the Shire of Laverton's website.

Actions identified in the Corporate Business Plan are ongoing and include:

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

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

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COMMUNITY VISION

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

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

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

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

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

Signed on the _____ day of _____ 2018

Chief Executive Officer

Peter Naylor
Name of Chief Executive Officer

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

	NOTE	2018 Actual \$	2018 Budget \$	2017 Actual \$
Revenue				
Rates	21(a)	3,917,366	3,912,851	3,701,653
Operating grants, subsidies and contributions	2	2,950,883	1,554,839	4,064,318
Fees and charges	2	1,337,835	738,124	862,525
Interest earnings	2(a)	203,627	237,932	292,926
Other revenue	2(a)	1,683,956	142,666	202,336
		10,093,657	6,586,412	9,123,758
Expenses				
Employee costs		(3,299,198)	(3,309,601)	(2,625,425)
Materials and contracts		(2,694,494)	(1,916,245)	(1,670,323)
Utility charges		(323,137)	(337,922)	(327,177)
Depreciation on non-current assets	10(b)	(2,136,109)	(2,273,070)	(2,633,113)
Interest expenses	2(b)	(35,394)	(39,176)	(42,739)
Insurance expenses		(174,870)	(193,841)	(187,529)
Other expenditure		(2,047,088)	(641,382)	(475,797)
		(10,710,290)	(8,711,237)	(7,962,103)
		(616,623)	(2,124,825)	1,161,655
Non-operating grants, subsidies and contributions	2(a)	12,333,032	15,066,260	3,375,104
Profit on asset disposals	10(a)	32,660	0	41,860
(Loss) on asset disposals	10(a)	(1,433,738)	0	(142,280)
(Loss) on revaluation of fixed assets	8(a) & 9(a)	(2,020,529)	0	0
		8,911,425	15,066,260	3,274,684
Net result		8,294,802	12,941,435	4,436,339
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	11	69,068,903	0	0
Total other comprehensive income		69,068,903	0	0
Total comprehensive income		77,363,705	12,941,435	4,436,339

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1. BASIS OF PREPARATION

The financial report comprises general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and interpretations of the Australian Accounting Standards Board, and the Local 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, snowground, racecourse or recreational facility of State or regional significance. Consequently, some assets, including land under roads acquired on or after 1 July 2008, have not been recognised in this financial report. This is not in accordance with the requirements of AASB 1051 *Land Under Roads* paragraph 15 and AASB 116 *Property, Plant and Equipment* paragraph 7.

Accounting policies which have been adopted in the preparation of this financial report have been 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.

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

AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY

Land under roads

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

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

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

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

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

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

2. REVENUE AND EXPENSES

(a) Revenue

Other revenue

Reimbursements and recoveries

Other

Fees and Charges

Governance

General purpose funding

Law, order, public safety

Health

Education and welfare

Housing

Community amenities

Recreation and culture

Transport

Economic services

Other property and services

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

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

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

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Grant Revenue

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

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

SIGNIFICANT ACCOUNTING POLICIES

Grants, Donations and Other Contributions

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

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

Grants, Donations and Other Contributions (Continued)

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

Interest earnings

- Reserve funds
- Other funds
Other interest revenue (refer note 21(c))

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

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

2. REVENUE AND EXPENSES (Continued)

(b) Expenses

Auditors remuneration

- Audit of the Annual Financial Report
- Other Services
- Disbursements

Interest expenses (finance costs)

- Long term borrowings (refer Note 13(a))
- Interest charges on late tax lodgement

Rental charges

- Operating leases

	2018	2017
	\$	\$
	23,862	22,135
	4,150	0
	2,602	0
	30,614	22,135
	31,941	42,739
	3,453	0
	35,394	42,739
	22,800	51,342
	22,800	51,342

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

3. CASH AND CASH EQUIVALENTS

	NOTE	2018 \$	2017 \$
Unrestricted		1,906,141	3,763,107
Restricted		6,211,432	8,887,550
		8,117,573	12,650,657
The following restrictions have been imposed by regulations or other externally imposed requirements:			
Leave reserve	5	181,379	234,665
Plant reserve	5	93,014	189,555
Council building reserve	5	838,718	843,999
Aerodrome reserve	5	33,223	160,076
Road reserve	6	368,375	542,125
Swimming pool reserve	5	227,645	222,149
Great beyond reserve	5	79,066	106,616
Community bus reserve	5	55,656	44,554
Townsite revitalisation reserve	5	130,069	146,507
Community loan and grant reserve	5	20,638	20,140
Economic development reserve	5	291,006	382,767
Coach House renovation reserve	5	240,825	235,010
GCR\Skull Creek floodway reserve	5	216,722	237,838
Unspent grants	20	3,445,096	5,521,549
		6,211,432	8,887,550

SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks and other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of

Cash and cash equivalents (Continued)

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

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

5. RESERVES - CASH BACKED

	2018 Actual Opening Balance	2018 Actual Transfer to	2018 Actual Transfer (from)	2018 Actual	2018 Budget Opening Balance	2018 Budget Transfer to	2018 Budget Transfer (from)	2018 Budget Closing Balance	2017 Actual Opening Balance	2017 Actual Transfer to	2017 Actual Transfer (from)	2017 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Leave reserve	234,685	5,436	(59,724)	161,379	234,685	6,698	0	241,383	226,650	6,015	0	234,665
Plant reserve	189,555	3,459	(100,000)	93,014	189,555	5,402	(138,000)	56,957	282,133	7,422	(100,000)	189,555
Council building reserve	843,999	20,710	(26,000)	838,718	843,999	24,054	(679,000)	192,053	890,495	22,838	(39,123)	843,999
Aerodrome reserve	160,076	3,147	(130,000)	33,223	160,076	4,582	(130,000)	34,658	165,973	4,103	0	160,076
Road reserve	642,125	10,991	(194,711)	458,375	542,125	16,451	(294,711)	262,865	625,809	16,463	(100,147)	542,125
Swimming pool reserve	222,149	5,486	0	227,635	222,149	6,331	(200,000)	28,480	216,455	5,694	0	222,149
Great beyond reserve	106,616	2,450	(30,000)	79,066	106,617	3,039	(60,000)	49,656	113,579	2,987	(9,950)	106,616
Community bus reserve	44,554	11,102	0	55,656	44,553	11,270	0	55,823	34,447	10,107	0	44,554
Townsite revitalisation reserve	146,507	3,562	(20,000)	130,069	146,507	4,175	(30,000)	120,682	264,828	6,967	(125,286)	146,507
Community loan and grant reserve	20,140	466	0	20,636	20,140	574	(10,000)	10,714	19,624	516	0	20,140
Economic development reserve	382,767	8,239	(100,000)	291,006	382,767	10,909	(210,000)	183,676	372,956	9,811	0	382,767
Coach House renovation reserve	235,010	5,815	0	240,825	235,010	6,698	(65,000)	166,708	228,987	6,023	0	235,010
GORSKull Creek floodway reserve	237,838	5,864	(27,000)	216,722	237,837	6,778	(27,000)	217,615	231,741	6,097	0	237,838
	3,366,001	86,770	(666,435)	2,766,336	3,366,000	106,931	(1,660,711)	1,611,220	3,635,667	104,841	(374,507)	3,366,001

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

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

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

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

6. TRADE AND OTHER RECEIVABLES

Current

Rates outstanding
Sundry debtors
GST receivable
Provision for doubtful debts
Prepayments
Accrued income

Non-current

Rates outstanding - pensioners

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

Rates outstanding

Includes:
Past due and not impaired
Impaired

Sundry debtors

Includes:
Past due and not impaired
Impaired

	2018	2017
	\$	\$
Rates outstanding	281,744	472,155
Sundry debtors	2,464,293	2,129,341
GST receivable	0	74,823
Provision for doubtful debts	(336,838)	(329,000)
Prepayments	0	57,624
Accrued income	19,081	343,502
	<u>2,408,280</u>	<u>2,748,445</u>
Rates outstanding - pensioners	1,574	1,574
	<u>1,574</u>	<u>1,574</u>
Past due and not impaired	0	97,207
Impaired	263,318	329,000
Past due and not impaired	2,390,773	269,749
Impaired	73,520	0

SIGNIFICANT ACCOUNTING POLICIES

Trade and other receivables

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

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

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

Classification and subsequent measurement

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

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

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

7. INVENTORIES

Current

Fuel and materials

2018	2017
\$	\$
175,760	116,641
175,760	116,641

SIGNIFICANT ACCOUNTING POLICIES

General

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

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

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

8 (a). PROPERTY, PLANT AND EQUIPMENT

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

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

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Movements in Carrying Amounts

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

	Land - freehold land	Buildings	Furniture and equipment	Plant and equipment	Golf course	Tools	Race course	Playground	Buildings (Work in Progress)	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2016	1,021,228	8,494,992	298,030	2,533,902	52,000	1,590	28,000	31,741	172,609	12,634,092
Additions	0	458,599	85,961	1,556,017	0	0	0	0	0	2,100,577
(Disposals)	0	0	0	(427,917)	0	0	0	0	0	(427,917)
Depreciation (expense)	0	(626,945)	(36,793)	(433,879)	0	(615)	0	(3,631)	0	(1,101,863)
Transfers	58,088	(58,088)	0	0	0	0	0	0	0	0
Carrying amount at 30 June 2017	1,079,316	8,268,558	347,198	3,228,123	52,000	975	28,000	28,110	172,609	13,204,889
Additions	2,096	1,207,014	121,191	664,096	0	0	0	0	14,518	2,008,915
(Disposals)	0	(1,233,625)	(155,878)	(206,143)	0	0	0	(1,250)	0	(1,596,896)
Revaluation increments/ (decrements) transferred to revaluation surplus	49,571	385,184	0	703,549	0	0	0	0	0	1,138,304
Revaluation (loss)/ reversals transferred to profit or loss	0	(1,833,205)	(130,069)	0	(40,000)	(975)	(14,000)	(2,280)	0	(2,020,529)
Depreciation (expense)	0	(347,434)	(12,835)	(431,933)	0	0	0	(2,760)	0	(794,982)
Transfers	(58,087)	64,862	0	0	0	0	0	0	(172,007)	(165,232)
Carrying amount at 30 June 2018	1,072,896	6,511,353	169,607	3,957,692	12,000	0	14,000	21,800	15,120	11,774,468

Work in progress capitalised at 30 June 2018 amounted to \$5,775 to Buildings, \$165,232 to Other Infrastructure and \$602 was transferred to expenses.

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

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

(c) Fair Value Measurements

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

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

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

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

9 (a). INFRASTRUCTURE

Infrastructure - Roads

- Management valuation 2018 - level 3

- Management valuation additions

Less: accumulated depreciation

Infrastructure - Other

- Management valuation 2018 - level 3:

- Management valuation additions

Less: accumulated depreciation

Total infrastructure

2018	2017
\$	\$
137,924,644	0
0	69,417,565
(21,868,820)	(32,168,281)
116,055,824	37,249,284
3,862,000	0
4,144,771	9,464,269
0	(4,266,899)
8,006,771	5,197,370
124,062,595	42,446,654

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

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

9. INFRASTRUCTURE (Continued)

(b) Movements in Carrying Amounts

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

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

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

9. INFRASTRUCTURE (Continued)

(a) Fair Value Measurements

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

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

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

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

10. FIXED ASSETS

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

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

Initial recognition and measurement between mandatory revaluation dates

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

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

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

Revaluation

The fair value of fixed assets is determined at least every three years and not more than five years in accordance with the regulatory framework. At the end of each period the valuation is reviewed and where appropriate the fair value is updated to reflect current market conditions.

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

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

Land under control

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

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

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

10. FIXED ASSETS (Continued)

(a) Disposals of Assets

The following assets were disposed of during the year

	Actual Net Book Value	Actual Sale Proceeds	Actual Profit	Actual Loss	Budget Net Book Value	Budget Sale Proceeds	Budget Profit	Budget Loss
	\$	\$	\$	\$	\$	\$	\$	\$
Plant and Equipment								
Education and welfare								
Cruze youth vehicle	0	4,318	4,318	0	5,000	5,000	0	0
Community amenities								
Rubbish truck and compactor	36,800	30,000	0	(6,800)	40,000	40,000	0	0
Recreation and culture								
Chemical dosing system	15,379	6,000	0	(9,379)	0	0	0	0
Front deck Toro mower	3,468	3,000	0	(468)	1,000	1,000	0	0
Utility	11,874	5,227	0	(6,747)	5,227	5,227	0	0
Transport								
Accommodation trailer	0	0	0	0	5,000	5,000	0	0
Accommodation trailer	0	0	0	0	5,000	5,000	0	0
Prime mover	0	0	0	0	55,000	55,000	0	0
Water tanker	0	0	0	0	31,500	31,500	0	0
Grader	0	0	0	0	90,000	90,000	0	0
Bobcat	0	20,000	20,000	0	0	0	0	0
Economic services								
X-trail CDO	5,506	3,636	0	(2,869)	5,000	5,000	0	0
Other property and services								
Toyota Landcruiser CED	84,907	68,182	0	(16,725)	68,182	68,182	0	0
Executive vehicle EMTS	47,113	55,458	8,342	0	55,000	55,000	0	0
Admin Vehicle	0	0	0	0	30,000	30,000	0	0
Buildings								
Assets written off on valuation	1,233,625	0	0	(1,233,625)	0	0	0	0
Furniture and Equipment								
Assets written off on valuation	155,878	0	0	(155,878)	0	0	0	0
Playground Equipment								
Assets written off on valuation	1,250	0	0	(1,250)	0	0	0	0
	1,596,896	195,818	32,660	(1,433,736)	395,909	395,909	0	0

(b) Depreciation

	2018 \$	2017 \$
Buildings	347,434	626,945
Furniture and equipment	12,835	36,793
Plant and equipment	431,933	433,879
Tools	0	615
Playground	2,760	3,631
Infrastructure - Roads	1,105,156	1,196,811
Footpaths	0	10,298
Airport	0	118,580
Infrastructure - Other	235,971	203,560
	2,136,109	2,633,113

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

10. FIXED ASSETS (Continued)

(b) Depreciation (Continued)

SIGNIFICANT ACCOUNTING POLICIES

Depreciation

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

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

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

Depreciation rates

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

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

Depreciation (Continued)

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

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

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

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

11 REVALUATION SURPLUS

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

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

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

12. TRADE AND OTHER PAYABLES

Current

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

SIGNIFICANT ACCOUNTING POLICIES

Trade and other payables

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

Trade and other payables (Continued)

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

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

13. INFORMATION ON BORROWINGS

(a) Repayments - Borrowings

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

All loan repayments were financed by general purpose revenue.

Borrowings

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

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

13. INFORMATION ON BORROWINGS (Continued)

(b) New Borrowings - 2017/18

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

	2018		2017	
	\$	\$	\$	\$
(c) Undrawn Borrowing Facilities				
Credit Standby Arrangements				
Bank overdraft limit		0		0
Bank overdraft at balance date		0		0
Credit card limit		25,000		25,000
Credit card balance at balance date		(9,520)		(7,072)
Total amount of credit unused		15,480		17,928
Loan facilities				
Loan facilities - current		140,087		133,839
Loan facilities - non-current		605,108		748,195
Total facilities in use at balance date		748,195		882,034
Unused loan facilities at balance date		NIL		NIL

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

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

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

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

Borrowing costs

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

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

14. PROVISIONS

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

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

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

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

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

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

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

Short-term employee benefits

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

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

Other long-term employee benefits

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

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

Other long-term employee benefits (Continued)

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

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

Provisions

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

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

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

15. NOTES TO THE STATEMENT OF CASH FLOWS

Reconciliation of Cash

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

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

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

16. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

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

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

17. CAPITAL AND LEASING COMMITMENTS

(a) Capital Expenditure Commitments

Contracted for:		
- capital expenditure projects	3,553,000	125,266
- plant & equipment purchases	64,880	0
Payable:		
- not later than one year	3,617,880	125,266

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

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

(b) Operating Lease Commitments

Non-cancellable operating leases contracted for but

Payable		
- not later than one year	0	16,705
- later than one year but not later than five years	0	0
- later than five years	0	0
	<u>0</u>	<u>16,705</u>

SIGNIFICANT ACCOUNTING POLICIES

Leases

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

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

Leases (Continued)

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

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

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

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

18. JOINT ARRANGEMENTS

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

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

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

SIGNIFICANT ACCOUNTING POLICIES

Interests in joint arrangements

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

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

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

Equity method of accounting

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

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

19. RELATED PARTY TRANSACTIONS

Elected Members Remuneration

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

	Actual	Budget	Actual
	\$	\$	\$
Meeting Fees	64,068	71,750	68,812
President's allowance	17,700	17,700	17,700
Deputy President's allowance	4,500	4,425	4,500
Travelling expenses	7,071	4,000	2,232
	93,339	97,875	93,244

Key Management Personnel (KMP) Compensation Disclosure

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

	2018	2017
	\$	\$
Short-term employee benefits	723,545	518,446
Post-employment benefits	78,315	74,637
Other long-term benefits	2,810	15,233
Termination benefits	40,513	41,666
	845,183	649,982

Short-term employee benefits

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

Post-employment benefits

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

Other long-term benefits

These amounts represent long service benefits accruing during the year.

Termination benefits

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

Transactions with related parties

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

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

The following transactions occurred with related parties:

	2018	2017
	\$	\$
Purchase of goods and services	2,324,337	454,286

Amounts outstanding from related parties:

Trade and other receivables	527	330
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Amounts payable to related parties:

Trade and other payables	232,280	30,680
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Related Parties

The Shire's main related parties are as follows:

(i) Key management personnel

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

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

20. CONDITIONS OVER GRANTS/CONTRIBUTIONS

Grant/Contribution	Opening Balance ⁽¹⁾	Received ⁽²⁾	Expended ⁽³⁾	Closing Balance ⁽¹⁾	Received ⁽²⁾	Expended ⁽³⁾	Closing Balance
	1/07/16	2016/17	2016/17	30/06/17	2017/18	2017/18	30/06/18
	\$	\$	\$	\$	\$	\$	\$
Law, order, public safety							
G.E.D.C solar lighting grant	0	40,000	0	40,000	0	(33,404)	6,596
Health							
Nthn & remote city health services	3,282	0	(3,282)	0	0	0	0
Education and welfare							
Minara comm. foundation	50,000	0	(50,000)	0	0	0	0
Recreation and culture							
CPRC Swimming Pool Grant	0	32,000	0	32,000	0	(32,000)	0
Transport							
MRWA - Grt Central Road	86,449	200,000	(286,449)	0	0	0	0
MRWA - Grt Central Road (RAAR)	16,000	24,000	(40,000)	0	0	0	0
Roads to Recovery	0	285,726	(228,910)	56,816	0	(56,816)	0
Roads to Recovery	0	0	0	0	167,500	(43,069)	124,431
Roads to Recovery	0	0	0	0	167,500	0	167,500
Economic services							
Dept. of Regional Development	5,359,280	0	0	5,359,280	146,569	(2,359,280)	3,146,569
Tourism WA	72,500	0	(39,047)	33,453	0	(33,453)	0
Total	5,587,511	531,726	(647,688)	5,521,549	481,569	(2,558,022)	3,445,096

Notes:

- (1) - Grants/contributions recognised as revenue in a previous reporting period which were not expended at the close of the previous reporting period.
- (2) - New grants/contributions which were recognised as revenues during the reporting period and which had not yet been fully expended in the manner specified by the contributor.
- (3) - Grants/contributions which had been recognised as revenues in a previous reporting period or received in the current reporting period and which were expended in the current reporting period in the manner specified by the contributor.

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

21. RATING INFORMATION

(a) Rates

RATE TYPE

Differential general rate / general rate

	Rate in \$	Number of Properties	Value \$	Rate Revenue \$	Interim Rates \$	Total Revenue \$	Budget Rate Revenue \$	Budget Interim Rate \$	Budget Total Revenue \$
Gross rental valuations									
GRV Townsite	0.0000	180	2,420,452	261,908	29,861	291,769	264,797	0	264,797
GRV Mining		12	12,580,500	1,063,052	0	1,063,052	1,063,053	0	1,063,053
Unimproved valuations									
UV Pastoral		17	581,775	53,698	0	53,698	53,698	0	53,698
UV Mining		729	16,313,233	2,445,022	104,692	2,549,714	2,473,086	73,410	2,546,496
Sub-Total		938	31,895,960	3,823,680	134,553	3,958,233	3,854,634	73,410	3,928,044
Minimum payment									

Gross rental valuations

GRV Townsite	294	49	17,014	14,700	0	14,700	14,406	0	14,406
GRV Mining	294	1	20	294	0	294	294	0	294

Unimproved valuations

UV Pastoral	294	1	0	0	0	0	294	0	294
UV Mining	294	334	330,328	98,196	0	98,196	98,196	0	98,196
UV Shared tenements	147	11	1,420	1,617	0	1,617	1,617	0	1,617
Sub-Total		396	348,782	114,807	0	114,807	114,807	0	114,807

Discounts/concessions (refer note 21(b))

Total amount raised from general rate

SIGNIFICANT ACCOUNTING POLICIES

Rates

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

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

21. RATING INFORMATION (Continued)

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

Rates Discounts

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

Rate or Fee and
Charge to which
the Waiver or
Concession is Granted

Type	Discount %	Discount \$	Actual \$	Budget \$	2017 \$
Council Rates Concession			0	5,000	0
			0	5,000	0

Rate or Fee and
Charge to which
the Waiver or
Concession is Granted

Circumstances in which the Waiver or Concession is Granted and to whom it was available	Objects of the Waiver or Concession	Reasons for the Waiver or Concession
At discretion of Council	In case of hardship or unusual circumstances	Compassionate grounds

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

21. RATING INFORMATION (Continued)

(c) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge	Instalment Plan Interest Rate	Unpaid Rates Interest Rate
		\$	%	%
Option One				
Single full payment	10-Oct-17			11.00%
Option Three				
First instalment	17/10/2017			11.00%
Second instalment	18/12/2017	5	5.50%	
Third instalment	19/02/2018	5	5.50%	
Fourth instalment	19/04/2018	5	5.50%	

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

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

22. NET CURRENT ASSETS

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

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

Difference

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

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

23. FINANCIAL RISK MANAGEMENT

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

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

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

The Shire held the following financial instruments at balance date:

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

23. FINANCIAL RISK MANAGEMENT (Continued)

(a) Cash and Cash Equivalents

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

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

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

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

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

Notes:

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

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

23. FINANCIAL RISK MANAGEMENT (Continued)

(b) Receivables

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

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

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

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

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

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

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

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

23. FINANCIAL RISK MANAGEMENT (Continued)

(c) Payables and borrowings

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

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

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

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

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

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

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

24. TRUST FUNDS

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

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

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

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

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

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

Notes:

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

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

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

Notes

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

Adoption of New and Revised Accounting Standards

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

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

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

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

26. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

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

c) Rounding off figures

All figures shown in the 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 regularity to ensure the carrying value does not differ materially from that which would be determined using fair value at the end of the reporting period.

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

27. ACTIVITIES/PROGRAMS

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

GOVERNANCE	ACTIVITIES
GENERAL PURPOSE FUNDING	Administration and operation facilities and services to members of Council. Other costs that relate to the tasks of assessing Elected Members and Ratepayers on matters which do not concern specific Council Services.
LAW, ORDER, PUBLIC SAFETY	Rates, General Purpose Government Grants and interest revenue.
HEALTH	Supervision of various laws, fire prevention, emergency services and animal control. Food control, maintenance of child health clinics and health administration, and the retention of a full time doctor in Laverton. Maintenance of pre-school facilities, day care centre, donations to school and assistance to welfare groups and the Youth Development Program are reported under this objective.
HOUSING	Provision of staff housing as well as private housing for the retention of professionals in Laverton.
COMMUNITY AMENITIES	Rubbish collection services, operation of rubbish tip site, noise control, administration of town planning, operation of cemeteries and maintenance of public conveniences.
RECREATION AND CULTURE	Provision of public hall, swimming pool, recreational facilities, various reserves, operation of library together with television and radio re-broadcasting facilities.
TRANSPORT	Construction and maintenance of roads, drainage, footpaths, parking facilities, traffic signs, street cleaning and operation of Laverton Airport.
ECONOMIC SERVICES	Community Development, Tourism and Area Promotion, Heritage Development and Maintenance, Great Beyond Visitor Centre & Explorer's Hall of Fame, Community Resource Centre and building control.
OTHER PROPERTY AND SERVICES	Private Works, Community Bus, Technical Services, administration, plant operations control and miscellaneous services not able to be classified elsewhere.

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

28. FINANCIAL RATIOS

	2018	2017	2016
Current ratio	3.88	2.22	2.30
Asset consumption ratio	0.86	0.58	0.58
Asset renewal funding ratio	0.27	0.44	0.49
Asset sustainability ratio	7.65	2.13	1.09
Debt service cover ratio	(11.26)	21.90	(5.69)
Operating surplus ratio	(0.59)	0.21	(0.83)
Own source revenue coverage ratio	0.56	0.61	0.43

The above ratios are calculated as follows:

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

Notes:

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

	2017/18	2016/17	2015/16
	\$	\$	\$
Amount of Financial Assistance Grant received during the year relating to the subsequent year.	1,232,914	1,215,032	0
Amount of Financial Assistance Grant received in prior year relating to current year.	1,215,032	0	1,174,993
Amount of reimbursement for flood damage received	1,247,245	0	2,065,582
Expenditure on flood damage re-instatement	1,277,215	0	2,210,806

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

	2018	2017	2016
Current ratio	3.90	2.62	1.65
Debt service cover ratio	(11.37)	14.78	1.06
Operating surplus ratio	(0.73)	(0.03)	(0.57)



Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Councillors of the Shire of Laverton

Report on the Audit of the Financial Report

Qualified Opinion

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

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of my report, the annual financial report of the Shire of Laverton:

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

Basis for Qualified Opinion

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

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

Emphasis of Matter – Basis of Accounting

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

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

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

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

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

Auditor's Responsibility for the Audit of the Financial Report

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

- (i) In my opinion, the following material matters indicate significant adverse trends in the financial position of the Shire:
 - a. The Asset Renewal Funding Ratio has been below the Department of Local Government, Sport and Cultural Industries (DLGSCI) standard for the past 3 years.
- (ii) All required information and explanations were obtained by me.
- (iii) All audit procedures were satisfactorily completed.
- (iv) In my opinion, the asset consumption ratio and the asset renewal funding ratio included in the annual financial report were supported by verifiable information and reasonable assumptions.

Other Matter

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

Matters Relating to the Electronic Publication of the Audited Financial Report

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



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