



SHIRE OF MENZIES

Minutes

**OF THE ORDINARY MEETING OF COUNCIL
HELD ON**

29 August 2019

Commencing at 1.00pm

**29 August
2019**

Ordinary Meeting of Council

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**Councillor Attendance
at Shire of Menzies Council Meetings 2018/2019**

Council Meeting Date	Leave of Absence	Apologies	Electronic Attendance	Absent
22 February 2018	-	Cr J Dwyer Cr J Lee	Cr D Hansen	-
29 March 2018	-	-	-	-
26 April 2018	-	Cr D Hansen	Cr I Baird	-
31 May 2018	-	Cr D Hansen	-	-
28 June 2018	-	-	-	-
6 August 2018	-	-	-	-
30 August 2018	-	Cr D Hansen	Cr I Baird	-
27 September 2018	-	Cr D Hansen Cr I Baird Cr J Dwyer	-	-
25 October 2018	-	-	Cr D Hansen Cr I Baird	-
29 November 2018	-	-	Cr J Dwyer	-
13 December 2018	-	-	-	Cr I Baird Cr D Hansen
28 February 2019	-	Cr D Hansen	Cr I Baird	
28 March 2019	-	-	-	-
24 April 2019	-	-	Cr D Hansen Cr I Baird	-
30 May 2019	-	-	-	-
27 June 2019	-	-	-	Cr D Hansen
25 July 2019	-	Cr D Hansen	-	-
29 August 2019	-	Cr I Tucker Cr J Lee	-	-
26 September 2019				
31 October 2019				
28 November 2019				
12 December 2019				

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1 DECLARATION OF OPENING

The Shire President declared the meeting open at 1.27pm.

2 ANNOUNCEMENT OF VISITORS

There were no visitors.

3 RECORD OF ATTENDANCE

Present

Councillors:

Cr G Dwyer Shire President
Cr I Baird Deputy Shire President
Cr D Hansen
Cr K Mader
Cr J Dwyer via telephone

Staff:

Mr P Money Chief Executive Officer
Mrs J Taylor Manager Finance and Administration
Ms K Tucker Executive Assistant
Mrs A Bryant Member of Staff

4 RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE

There were no questions taken on notice at the previous meeting.

5 PUBLIC QUESTION TIME

There were no questions from the Public.

6 APPLICATIONS BY MEMBERS

There were no applications for leave by members.

7 DECLARATIONS OF INTEREST

There were no declarations of interest.

8 NOTICE OF ITEMS TO BE DISCUSSED BEHIND CLOSED DOORS

There were no items to be discussed behind closed doors.

9 CONFIRMATION / RECEIVAL OF MINUTES

9.1 CONFIRMATION OF THE MINUTES OF THE ORDINARY COUNCIL MEETING HELD ON 25 JULY 2019 (*Provided under Separate Cover*)

COUNCIL RESOLUTION:

No. 1688

MOVED: Cr Ian Baird

SECONDED: Cr Keith Mader

That the minutes of the Ordinary Meeting of Council held on Thursday 25 July 2019 be confirmed as a true and correct record.

Carried 5 / 0

10 PETITIONS / DEPUTATIONS / PRESENTATIONS

Nil.

11 ANNOUNCEMENTS BY PRESIDING MEMBER WITHOUT DISCUSSION

11.1 PRESIDENTS REPORT FOR MONTH OF JULY 2019

To be presented at the Ordinary Council Meeting 29 August 2019.

COUNCIL RESOLUTION:	No. 1689
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MOVED: Cr Keith Mader

SECONDED: Cr Ian Baird

That the President's Report for the month of July 2019 be received.

Carried 5/0

Friday 2 August

Attended the first workshop of the 2019-2020 Shire of Menzies Budget.

Wednesday 7 August

With the CEO, we both attended the GVROC Dinner at Burswood prior to the WALGA Convention.

Thursday 8 August

With the CEO, we attended the Board Meeting of the GVROC Council at the Perth Convention Centre. Of note was a resolution from the Council to form a working party to investigate and lobby for the implementation of taxation incentives and other possible benefits for business and Communities to encourage growth in regional Western Australia.

The CEO and I visited the Exhibition section of the Convention and met with representatives of the Department of Water and Environment with talks regards a Reserve at Dingo Creek that takes in a Government Well located close to the Kookynie – Malcolm Road, Golden Quest Trail, and a possible tourist attraction. Further discussions were had regards to known contaminated sites in Menzies with the Environment Section.

We visited the WALGA Stand to discuss the Preferred Supplier Arrangement and I Quotes and WALGA will be managing a briefing/ video conference on both these matters with Council in the near future.

We met with Chris Berry from DLGCA regards to the Roads Asset List and Aboriginal Access funding.

Friday 9 August

Leaving Perth, we visited Fox Constructions in Gnangara to view their display units in preparation for tendering for units for the Shire Caravan Park.

Friday 16 August

Attended the second 2019-2020 Shire of Menzies Budget Workshop.

Wednesday 21 August

I met with Donna Gibson, Horizon Power, and the CEO for an update on power supplies and the power outages that occurred last summer in Menzies.

Thursday 22 August

Along with Cr Dwyer and Cr Mader, attended the Briefing Session in Menzies at which the 2017-2018 Annual Report was discussed.

12.1.1 DRAFT ANNUAL REPORT 2017/2018

LOCATION:	N/A
APPLICANT:	Shire of Menzies
DOCUMENT REF:	as applicable
DISCLOSURE OF INTEREST:	No conflict of interest
DATE:	29 August 2019
AUTHOR:	Peter Money Chief Executive Officer
ATTACHMENT:	Draft Annual Report

SUMMARY

The draft Annual Report is presented for consideration by Council for adoption.

BACKGROUND

The Local Government Act (s5.54) requires the local government to adopt its Annual Report by December 31st after that financial year.

Due to difficulties the auditors had obtaining the necessary financial information for the Audit Report, this Report was delayed which then delayed the finalising of the Annual Report.

The Act also requires that if the Auditors Report is not available in time for the Annual Report for a financial year to be accepted by 31 December after that financial year, the Annual Report is to be accepted by the local government no later than 2 months after the auditor's report becomes available.

Following receipt of the Auditors Report, the Report was presented and adopted by Council at its Ordinary Meeting of 25 July 2019 and in this regards, Council is compliant with Act.

COMMENT

Due to difficulties obtaining the required financial information for the Audit Report, the administration was delayed in completing the Annual Report. Due to other end-of-year and budgeting requirements and that key employees involved in the financial and administrative matters at that time are no longer with the Shire, the production of this Annual Report was contracted.

CONSULTATION

Former Shire President Cr. Jill Dwyer
Current Shire President Greg Dwyer
Former Executive Assistant Deb Whitehead
Manager Finance and Administration Jeanette Taylor
Current CEO Peter Money

STATUTORY ENVIRONMENT

Local Government Act sections 5.27; 5.53; 5.54; 5.55; 5.55A

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

Nil

RISK ASSESSMENT

The Shire is in breach of the Act for failing to seek DLG approval to delay the adoption of the Annual Report. No penalty applies.

Failure to adopt the Annual Report by September 2019, would result in a further breach of the Act.

STRATEGIC IMPLICATIONS

14.2 Strong sense of community maintained

- Our community will be cohesive, inclusive and interactive, where people feel safe, are welcomed and can live comfortably.
- Our community will value each other, building relationships and networks to interact, socialise and for recreation.
- Our community will have access to all necessary service requirements.
- The Shire to review disability access throughout the Shire of Menzies.

14.3 Active civic leadership achieved

- Regularly review plans with community consultation on significant decisions affecting the shire.
- Where possible, support opportunities to build the capacity of the community within the Shire of Menzies.
- Regularly monitor and report on the Shire's activities, budgets, plans and performance.

- Continue to engage with our community, to advocate on behalf of our community, to be accountable and to manage within our governance and legislative framework.
- Continue to participate in regional activities to the benefit of our community.

VOTING REQUIREMENTS

Absolute majority

OFFICERS RECOMMENDATION

1. That Council adopts the draft Annual Report for the financial year 2017/2018 as presented.

Absolute Majority required

2. That Council holds an Electors General Meeting on Thursday 26 September 2019 at 12:00 PM and advertise the Meeting accordingly.

COUNCIL DECISION

COUNCIL RESOLUTION:	No. 1690
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MOVED: Cr Jill Dwyer

SECONDED: Cr Keith Mader

That Council adopts the draft Annual Report for the financial year 2017/2018 as presented.

That Council holds an Electors General Meeting on Thursday 26 September 2019 at 12:00 PM and advertise the Meeting accordingly.

Carried by Absolute Majority 5/0



**ANNUAL
REPORT
FOR THE
YEAR
ENDED
30 JUNE 2018**

**SHIRE
OF
MENZIES**



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SHIRE STATISTICS



Shire of Menzies

PO Box 4
Menzies WA 6436

Email: admin@menzies.wa.gov.au

Website: www.menzies.wa.gov.au

Telephone: 08 9024 2041

Population	490 (ABS 2016)
Number of Electors	278
Number of Dwellings	130
Distance from Perth (klm)	730klm
Area (sq. klm)	124,635 square kilometres (48,122 sq. mi)
Suburbs and Localities	Menzies 6436 Kookynie 6431 Tjuntjuntjarra 6431
Schools	Menzies Community School Tjuntjuntjara Remote Community School
Length of Sealed Roads (klm)	46.2 klm
Length of Unsealed Roads (klm)	2134 klm
Rates Levied	\$3.03M
Total Revenue	\$6.67M
Council Employees	22
Tourist Attractions	Lake Ballard Niagara Dam Lady Shenton Building Menzies Art Gallery Goongarrie Cottages Spinifex Art Centre
Local Industries	Gold mining; Nickel mining; Potash salt mining, Pastoral; Tourism, Prospecting, Gold Battery
Significant Local Events	Menzies Cyclclassic



MENZIES SHIRE

The Shire of Menzies has common borders with the Shires of Yilgarn, Mount Marshall, Sandstone, Leonora, Laverton, Coolgardie and the City of Kalgoorlie-Boulder. It stretches some 1025 kilometres from east to west and encompasses an area of 124,635 square kilometres. The two major population centres, of Menzies / Kookynie to the west, and Tjuntjuntjara close to the border with South Australia are separated by a wide area of the country.

Within this area a combination of mining, tourism and pastoral activities are undertaken. The Shire boasts schools at both Menzies and Tjuntjuntjara where students from kindergarten to Year 12 attend. Both communities are also serviced by a Nursing Post and the Royal Flying Doctor.

The Menzies Municipality was gazetted in 1895. It was dissolved and included in the North Coolgardie Road District in 1912, which was itself dissolved the same year to form the Menzies, Kookynie and Mount Malcolm Road Districts. In 1918 Kookynie merged with Menzies and on 1 July 1961 became the Shire of today.

The heart of the Community is its people and their meeting places. The Menzies Hotel and the Achievable Outback Café are central to the lives of the residents of the town of Menzies and the Kookynie Grand Hotel has a long and distinguished history as the very heart and soul of Kookynie.

Willie the horse has adopted the Kookynie Hotel, the town has adopted Willie. In recent times the Hotel and Willie share importance as draw cards for locals and visitors alike. Kookynie is known as the 'Living Ghost Town' and is close to Niagara Dam which provides a watery meeting place and camping for all.

The other settlement within the Shire is the remote community of Tjuntjuntjara who share their time between caring for the land and capturing important times and stories on canvas. The children from Tjuntjuntjara join with their counterparts from Menzies and the adjoining Shire of Leonora Mount Margaret in school camps specialising in writing and music. The Community infrastructure is in the process of an upgrade following the adoption of Amendment 5 of the Tjuntjuntjara Layout Plan with many new residences being built.



CHIEF EXECUTIVE OFFICER'S REPORT



Rhonda Evans

The 2017 - 2018 year saw several tenders being awarded from the Shire of Menzies with the focus on maintenance and re-sealing.

The Menzies North-West road to Lake Ballard saw additional sealing works completed. Council focussed on the continual upgrading of this road to the world-renowned Sir Antony Gormley "Inside Australia" installations. This continues to be a major drawcard for visitors to the Menzies area.

The Lady Shenton building underwent a major internal change with the installation of the "Rock Room" at the rear of the building in the old history room which moved to the front of the building. Thanks must go to former Councillor Jamie Mazza and Shire President Greg Dwyer for their initial endeavours in the establishment of this exhibiton.

Professor Sam Spearing of the School of Mines in Kalgoorlie provided invaluable assistance with the supply of rocks and minerals. Also the purchase of new display cabinets enhanced the entire collection. I urge everyone to spend some time browsing the exhibition when they are in Menzies. The Library was relocated across the hallway to a more intimate room and the Sir Antony Gormley exhibit was enhanced with an audio visual display.

The caravan park was busy through most of the season and numbers remained consistent with previous years. We dispensed with an onsite caretaker for after-hours and installed an honour system for payment. This has proven to be succesful and eliminated the need for staff to attend after hours for check ins.

The outside workforce worked consistently ensured that the townsites of Menzies and Kookynie remain as tidy as possible and the inside staff have also worked hard for the people of Menzies. I thank them all for their endeavours. It is simply not possible to do it all by yourself and teamwork is always appreciated.

June also saw the long awaited arrival of the Menzies Youth Centre supported by Lotterywest. We are excited to see what changes this will bring to the children of Menzies as we move forward with this exciting new facility.

2018 also saw the return to Menzies of a former student of Menzies Community School as the School Principal. Stacey Miller is a shining example to all the local children that you can succeed in your career when you apply yourself even if you commence your education in a small town like Menzies. What an inspiration she is to all of us.

Rhonda Evans
CHIEF EXECUTIVE OFFICER



SHIRE PRESIDENTS REPORT



Cr Jill Dwyer

This year has seen a few changes to the make-up of our Council. We had the regular Council elections in October and it was pleasing to see the number of people interested in becoming a Councillor for the Shire of Menzies.

Councillor Ian Tucker was re-elected to the Council but as a representative of the Town Ward as was Councillor Justin Lee. Councillor Jill Dwyer and myself were elected to the Rural Ward and we farewelled Town Ward Councillor Jamie Mazza.



Cr Greg Dwyer

Cr Jill Dwyer completed a two-year term as Shire President. I was elected to the Chair as her replacement. I am honoured to present this report on behalf of both of us for the year 2017 - 2018.

I would like to thank all the Shire staff for the efforts in the past year. Several tenders were successfully awarded for road re-sheeting, road sealing and maintenance grading works. All works remained on track. During the year we saw many new trees planted within the Menzies township at several different sites including the caravan park and old church site as well as adjacent to the Old Butcher Shop Tea Rooms.

New electronic speed signs were installed at both entrances to Menzies advising drivers of their speed or to slow down. After initial teething problems they are now working well. In August we saw the installation of new banners in Shenton Street and new soft fall installed in the children's playground. This has enhanced the overall look of the playground with the removal of all the sand and the playground fencing was upgraded.

In October new kerbing works were undertaken from Shenton Street up to the Nursing Post. Drainage works were completed between the hardcourts and the children's playground to eliminate flooding at the Water Park.

In November white posts were installed on Riverina and Menzies North West road. Routine maintenance and spraying of verges in Kookynie were undertaken. June saw the installation of the Menzies Youth Centre on the recreation precinct. Focus was also given to Lake Ballard and Niagara Dam camping sites to accommodate an increase in visitor use.

During the year we saw many of the annual events well attended and supported by the locals, including Australia Day, Anzac Day, the Cyclclassic weekend and also Remembrance Day. Thank you to all of the volunteers who always turn up and support the Shire in their endeavours on these dates. Without volunteers many events would simply not be possible.

The Lady Shenton building hosted several fundraisers during the year including Seniors morning teas, Blue Lamington day, cake stalls and the Biggest Morning Tea. Most afternoons saw children accessing the computers also.

In March Council supported the formation of a Committee for the Menzies Rodeo, to be held in October, consisting of Menzies residents.

Council continued to support the School Holiday program in Menzies and Tjuntjuntjara and hosted the Town Christmas Party and the official opening of the Youth Centre in December which was well attended.

On behalf of all Shire Councillors I would like to thank the people of Menzies for their support over the last twelve months and we look forward to representing you in the future.

Cr Greg Dwyer
SHIRE PRESIDENT

2017 – 2018 COUNCILLORS

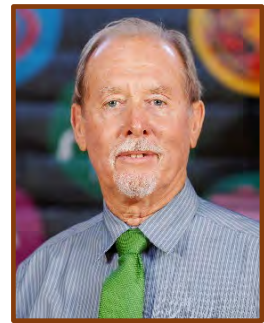
Cr Jill Dwyer

Shire President
(October 2015 – 2017)
Rural Ward
Term Expires 2021



Cr Greg Dwyer

Shire President
(From October 2017)
Rural Ward
Term Expires 2021



Cr Ian Baird

Deputy Shire President
Rural Ward
Term Expires 2019



Cr Justin Lee

Town Ward
Term Expires 2021



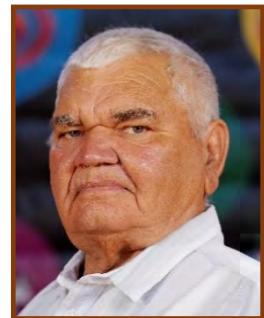
Cr Keith Mader

Rural Ward
Term Expires 2019



Cr Ian Tucker

Town Ward
Term Expires 2021



Cr Debbie Hansen

Rural Ward
Term Expires 2019



Cr Jamie Mazza

Town Ward
Term Expired 2017



COUNCILLOR COMMITTEE'S

Shire of Menzies Audit Committee

Goldfields Esperance Zone

Local Emergency Management Committee (LEMC)

Lake Ballard Management Advisory Committee

WALGA Goldfields Voluntary Regional Organisation of Councils (GVROC)

Goldfields Esperance Regional Collaborative Group (GERCG)

Goldfields Cyclclassic

Regional Road Group

Goldfields Tourism Network

FINANCIAL RATIOS EXPLAINED

The Annual Financial Report for the year ended 30 June 2018 includes a set of financial ratios. The trends have been extrapolated to provide an indication of past performance on these ratios, and the effect that striving to meet industry standards may have on future decisions and direction of Council.

They have been set to guide Council to good governance, ensuring the future viability of the shire.

Of the seven ratios following, four exceed the industry targets, one meets the industry target, one is not assessed (Asset Renewal Funding) and one is not applicable (Debt Service Cover) as the Shire has no loans. Awareness and understanding of these ratios by all stakeholders will be important as Council enters into forward planning.

SHIRES ACTUAL RATIOS

Ratio	Basic Standard	2018	2017	2016	3 Year Trends
Current Ratio	≥ 1.00	5.24	9.59	6.43	↓
Asset Sustainability	≥ 0.90	1.49	0.46	1.35	↑
Debt Service Cover	≥ 2.00	0.00	0.00	0.00	N/A
Operating Surplus	≥ 0.15	0.21	0.50	(0.61)	↑
Own Source Revenue Coverage	≥ 0.60	0.61	0.59	0.47	↑
Asset Consumption	≥ 0.75	0.99	0.79	1.72	↓
Asset Renewal Funding	≥ 1.05	N/A	1.00	0.19	N/A

Above Target	Within Acceptable Banding	Below Acceptable Banding
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¹Target ratios per Department of Local Government and Communities (DLGC) Guidelines for Basic standard.

²The 3 year trend compares the 2018 ratio to the average of the last 3 years.

Current Ratio measures the liquidity position that has arisen from past year's transactions. This continues to be above the industry benchmark of ≥ 1 . It is calculated by dividing current unrestricted assets by current unrestricted liabilities.

A ratio of less than 1 means that means that the Council does not have sufficient cash to meet its immediate cash commitments. We have a very healthy Current Ratio, and therefore can readily meet our immediate cash requirements.

2014	3.66
2015	8.83
2016	6.43
2017	9.59
2018	5.24

Asset Sustainability Ratio (ASR) measures the extent to which assets are being renewed/replaced compared to the amount consumed (depreciation). A ratio of more than 0.90 indicates the Council has a sustained capital investment program sufficient to renew/replace assets while also negating the effect of inflation on purchasing power overtime.

This ratio for the year suggests the Council is replacing or renewing its existing assets at a greater rate than they are wearing out.

2014	0.32
2015	1.05
2016	1.35
2017	0.46
2018	1.49

Debt Service Cover Ratio measures Council's ability to service debt out of uncommitted or general purpose funds. The DLGC guideline for the basic standard is 2 and the advanced standard is 5.

This ratio is the measurement of a local government's ability to repay its debt including lease payments. The higher the ratio is, the easier it is for a local government to obtain a loan. The Shire of Menzies does not have any loans.

Operating Surplus Ratios measure Council's financial sustainability having regard to asset management and the community's service level needs. A negative ratio indicates the local government is experiencing an operating deficit. A sustained period of deficits will erode Council's ability to maintain both its operational service level and asset base over the longer term.

The target for this ratio is a positive between 0.01 and 0.15 for the basic standard, and greater than 0.15 for the advanced standard. The trend for this ratio has been up and down. This year the ratio is above industry standard.

2014	(0.15)
2015	0.31
2016	(0.60)
2017	0.60
2018	0.21

Own Source Revenue Coverage Ratio measures the Shire's ability to cover operating expenses from its own source revenue given current levels of operating expenses. A basic standard is achieved if the ratio is between 0.40 and 0.90, and advanced standard is greater than 0.90. These different standards have been established to recognise the varying revenue raising capacities across the sector.

Council meets the basic standard and can improve this ratio by either increasing rates, fees and charges or reducing operating expenses.

2014	0.52
2015	0.49
2016	0.47
2017	0.59
2018	0.61

Asset Consumption Ratio (ACR) measures the extent to which depreciable assets have been consumed by comparing their written down value to their replacement cost. The standard is met if the ratio is 0.50 and above, and improving if the ratio is between 0.60 and 0.75. Council has met the target for this ratio.

2014	0.87
2015	0.99
2016	1.72
2017	0.79
2018	0.99

Asset Renewal Funding Ratio measures the shires ability to fund its projected asset renewal/replacements in the future. The standard is met if the ratio is between .75 and .95, and improving if the ratio is between 0.95 and 1.05 and the ASR falls within the range of 0.90 and 1.10 and ACR falls within the range of 0.5 to .75.

2014	0.37
2015	1.00
2016	0.99
2017	1.00
2018	N/A

The ratios was not measured in 2017 – 2018; the Long Term Financial and Capital Investment Plans are being reviewed.



ACTIVITIES OF COUNCIL

PERSONAL INVOLVEMENT

Elected members are involved with many organisations within the community and are also active in representing Menzies at a regional and state level. Council's nomination to other organisations include:

- Goldfields Tourism Network Association
- Goldfields Regional Road Group
- Goldfields Voluntary Regional Organisation of Councils
- Local Emergency Management Committee
- Goldfields Esperance Regional Collaborative Group (GERCG)
- Lake Ballard Management Advisory Committee

AGENDA

To ensure that all items are included in the Agenda for Council meetings, it is requested that items for consideration be submitted to the Chief Executive Officer at least 14 days prior to Council meeting. This will permit your item to be researched if necessary and be presented to Council with a recommendation for decision, if appropriate. Agendas are prepared for members and are distributed 7 days prior to the meeting. Copies of the Agenda are available prior to the meeting in accordance with the Local Government Act (1995).

MINUTES

The Minutes of Council and Committee meetings are available for inspection after the meeting in accordance with the *Local Government Act 1995* and are available on the Council website. Please note that all Minutes are subject to confirmation by Council.

PUBLIC LIBRARY

The Shire of Menzies Public Library is situated within the Lady Shenton Building (*Menzies Visitor Centre*). It is open the same hours as the Lady Shenton Building. New Books, DVD's and magazines are received each month. Newspapers are available for reading from 9am each weekday.

CARAVAN PARK

The Shire of Menzies Caravan Park is adjacent to the Menzies Visitor Centre (08) 9024 2702. The caravan park has powered caravan sites, and tent sites available. A camp kitchen and guest laundry are also available. One chalet with a queen and a single bed is available for booking.

MENZIES VISITOR CENTRE

The Menzies Visitor Centre is located within the Lady Shenton Building. Facilities co-located within the Visitor Centre include; Community Postal Agency, Internet Access, Gift Shop and Public Library. The Visitor Centre is open weekdays (*except public holidays*), November until March and every day, April until September.

Telephone: (08) 9024 2702

Email: cso2@menzies.wa.gov.au

EMERGENCY SERVICES BUILDINGS

The Emergency Services Buildings are situated on Archibald Street in the Emergency Services Area. This area comprises the Volunteer Bushfire Brigade, the Menzies Nursing Post, and Menzies St John Ambulance Sub Centre. Details of times for the Nursing Post and visiting Doctors and other medical agencies are published in the Menzies Matters each month.

AIRSTRIP

The Menzies Airstrip is located 1km north of the Menzies townsite off Goldfields Highway. The airstrip for Kookynie is adjacent to the townsite.

DOG AND CAT REGISTRATIONS

Dog registrations become due on the 1 November each year. All dogs and cats over 3 months and over must be registered and microchipped. All cats must be sterilised.

STERILISED DOG	1 Year	3 Years
<i>(Proof of sterilisation required)</i>	\$20.00	\$42.50

UNSTERILISED DOG	1 Year	3 Years
	\$50.00	\$120.00

CATS	1 Year	3 Years
<i>(All Cats must be sterilised)</i>	\$20.00	\$42.50

A 50% discount is available for eligible pensioners (pension card must be shown at the time of registration).

A 25% discount is available for dogs registered as working cattle/sheep dogs (*proof must be shown at time of registration*). Your dog is required to wear a tag showing your name and address as well as the registration tag.

If you own a dog you have a legal responsibility to keep it under control, either within a fenced area on your property or on a leash when in public.

To register your dog or cat please visit the Shire of Menzies. For further enquiries, please contact administration on (08) 9024 2041.

DOG IMPOUNDMENT

Dog Owners have an obligation to keep their dogs under effective control at all times. Dogs wandering at large present a nuisance and are a danger to the public. Dog patrols will be carried out by the ranger and complaints will be acted upon. The Dog Act 1976 provides heavy penalties for owners whose dogs are impounded.

HEALTH AND BUILDING INFORMATION

The Principal Environmental Health Officer / Building Surveyor, Mr David Hadden is located at the Shire of Leonora Administration Offices. Any matters concerning Health and Building can be directed to Mr Hadden on 0428 376 044.

COMMUNITY SERVICES

The Shire of Menzies provides an extensive variety of services for the community under a wide range of legislation. Services provided include:

- Building Control
- Bush Fire Control & Fire Prevention
- Cemeteries (Tourism Value and Maintenance Only)
- Citizenship Ceremonies
- Crossovers
- Demolition Permits
- Dog Control

- Environmental Health
- Library Services
- Street Bins
- Media Releases
- Playground Equipment
- Public Buildings for Hire
- Public Toilets
- Recreation/Sporting Facilities
- Roads and Footpaths
- Rubbish Collection
- Street Lighting
- Traffic Control Works
- Local Emergency Management Committee (*LEMC*)
- Weed Control on Reserves
- Planning Controls
- Parks and Reserves

The Shire provide financial and other support to a number of organisations such as:

- | | |
|--|-------------------|
| • Menzies Community School | Financial Support |
| • Royal Flying Doctor Service | Financial Support |
| • Menzies Volunteer Bushfire Brigade | Financial Support |
| • Menzies Classic Cycle Race | Financial Support |
| • Golden Quest Trail Association | Financial Support |
| • Menzies St John Ambulance Sub Centre | Financial Support |
| • Tjuntjuntjara Community | Financial Support |
| • Menzies Aboriginal Corporation | Financial Support |

ACCESS TO COUNCIL DOCUMENTS

The following documents are available for inspection at the Council Administration Office and the Town Library free of charge. Copies of the documents can be made available, although some will incur a charge to cover the cost of photocopying.

The *Local Government Act 1995* does stipulate minimum requirements for documents to be made available for public inspection, and these include:

- Minutes and Agenda of Council and Committee Meetings
- General Policy Manual Annual Budgets Annual Report
- Annual Financial Statements
- Council Local Laws (*By laws*)
- Town Planning Scheme
- Town Planning Policy Manual

STATUTORY COMPLIANCE

STATE RECORD ACT 2000

The State Records Act 2000 requires that the Shire maintains and disposes of all records in the prescribed manner.

Standard 2, Principle 6 – Compliance: Government organisations ensure their employees comply with the record keeping plan. Rationale: An organisation and its employees must comply with the organisation's record keeping plan. Organisations should develop and implement strategies for ensuring that each employee is aware of the compliance responsibilities.

Minimum Compliance Requirements: The record keeping plan is to provide evidence to adduce that:

1. The efficiency and effectiveness of the organisation's record keeping system is evaluated not less than once every 5 years.
2. The organisation conducts a record keeping training program.
3. The efficiency and effectiveness of the record keeping training program is reviewed from time to time.
4. The organisation's induction program addresses employee roles and responsibilities in regard to their compliance with the organisation's record keeping plan.

The Shire of Menzies has complied with items 1 to 4.

COMPLIANCE AUDIT RETURN

Compliance Audit Return All local governments are required to carry out an annual Compliance Audit Return (CAR) for the period 1 January 2017 to 31 December 2017 as specifies by the *Local Government Act 1995*. The CAR includes a range of compliance categories to be met. The Completed CAR was received by Council at its February 2018 meeting (ref 1383) and was subsequently submitted to the Department of Local Government prior to 31 March 2018 in accordance with Regulations 14 and 15 of the *Local Government (Audit) Regulations 1996*.

FREEDOM OF INFORMATION STATEMENT

The Shire of Menzies is responsible for the good governance of the district and carries out functions as required including statutory compliance and provision of facilities and services. The Council consists of seven elected members.

The Council meets once each month except January to make decisions relating to the policy and direction of the Shire. All meetings are open to the public and the meeting dates and venues are advertised to the public. Members of the public are able to ask questions during public question time at the commencement of each meeting.

Council maintains records relating to each property within the Shire and also records relating to the function and administration of the Shire including minutes of meetings, financial interests register, register of delegations, rates book, electoral roll, financial statements and local laws.

These documents can be inspected at the Shire Office, Shenton Street Menzies, Monday to Friday between the hours of 8.30am and 4.30pm. Changes to personal information should be made in writing.

Requests for information under the Freedom of Information Act can be sent to the Chief Executive Officer, Shire of Menzies, PO Box 4 Menzies WA 6436. The Shire of Menzies received no applications under the Freedom of Information Act 1992.

DISCLOSURE OF ANNUAL SALARIES IN ANNUAL REPORT

Regulation 19B of the Local Government (Administration) Regulation 1996 requires the Shire to include the following information in its Annual Report;

- The number of employees of the Shire entitled to an annual salary of \$100,00 or more; and
- The number of employees with an annual salary entitlement that falls within each band of \$10,000 over \$100,000.

Set out below, in bands of \$10,000, is the number of employees of the Shire entitled to an annual salary of \$100,000 or more for 2017/2018:

Salary Range

\$ From	\$ To	Number of Employees
110,000	119,000	
120,000	129,000	1
130,000	139,000	
140,000	149,000	
150,000	159,000	
160,000	169,000	1

PRIMARY AND ANNUAL RETURNS

Primary and Annual Returns In accordance with Section 5.75 and 5.76 of the *Local Government Act 1995* all relevant persons lodged an Annual Return by the due date of 31 August 2018 and a primary return within 3 months of their start date. All returns are managed by the Chief Executive Officer and are available for viewing by members of the public upon request.

COMPLAINTS

For the purpose of Section 5.121 of the Local Government Act 1995 Council must report entries recorded in the Register of Complaints during the financial year.

Council did not receive any complaints during the 2017/2018 financial year.

PUBLIC INTEREST DISCLOSURE

The *Public Interest Disclosure Act 2003* facilitates the disclosure of public interest information and provides for the protection of those making such disclosure and those who are subject of the disclosures. The Act provides a system for the matters disclosed to be investigated and for appropriate action to be taken.

The Chief Executive Officer has complied with the obligation under the Act. The Shire of Menzies had no Public Interest Disclosures during the reporting period 2017/2018.

COMPETITIVE NEUTRALITY

This principle deals with ensuring that government business operations have no advantage or disadvantage in comparison with the private sector. The Shire of Menzies complied with this principle.

1. LEGISLATIVE REVIEW

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

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

2. DISABILITY SERVICES PLAN

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

People with disabilities who live in country areas should be given the support to remain in the community of their own choice. The *Disability Services Act 1999* requires Council to report on its Disability Services Plan achievements within its Annual Report.

Council adopted the Disability Access and Inclusion Plan 2013 -2018 on 29 August 2013 and submitted a progress report to the Disability Services Commission on 2 July 2016. Many of the outcomes and strategies identified within the plan are being implemented on an ongoing basis.

When Council is addressing the issue of accessibility to Council's facilities and functions it is aware that by providing better access for people with disabilities it is providing better access for the whole community. Work continues to improve footpaths and access ways around the Menzies townsite as part of recognising the Disability Access and Inclusion Plan.

The Disability Services Commission requires Local Governments to report on the six outcomes relating to DAIP's to the public annually.

OUTCOME 1: SERVICES AND EVENTS

Council is continually adapting our existing services to give people with disabilities the same opportunities as other people to access the services of, and any events organized by the Shire.

OUTCOME 2: BUILDINGS AND OTHER FACILITIES

Council also continues with improvements to buildings and footpath infrastructure to assist with both wheelchair and gopher access.

OUTCOME 3: INFORMATION

Wherever possible people with disabilities can receive information from the Shire in a format that will enable them to access the information readily as other people are able to access it.

People with disabilities can access information produced by the Shire of Menzies in different formats. Anyone requiring a different format are encouraged to contact the Shire Office.

Council also has a website which enables ease of access to public documents, information and other Council related data.

OUTCOME 4: LEVEL AND QUALITY OF SERVICE

The staff is always encouraged to be aware of the needs of people with disabilities to ensure they receive the same level and quality of service as other people receive. Staff at the Shire of Menzies are made aware that people with disabilities may have different needs. Staff are encouraged to ensure that people with disabilities receive the same level and quality of service as other people receive.

OUTCOME 5: COMPLAINTS PROCESS

People with disabilities have the same opportunities as other people to make complaints to staff, and can be via written letters, email, SMS or verbally.

People with disabilities are able to make complaints and can do this via written letters, email, SMS or verbally.

OUTCOME 6: PUBLIC CONSULTATION PROCESS

Council provides many ways for people to participate in public consultation and we are more than happy to discuss any grievances community members may have regarding the services available to the disabled.

Council has made the DAIP available on the website for the community to access. The community was also given the opportunity to comment on the DAIP prior to it being adopted by Council. The proposed draft 2012 – 2016 DAIP is also available on the website for public comment.

Further information can be obtained by contacting the Chief Executive Officer.

PUBLIC PARTICIPATION

Members of the public have several opportunities to put forward their views on particular items before Council. These are:

DEPUTATIONS

Any member of the public can address the Council personally, or on behalf of another person or organisation. This opportunity is afforded at each meeting of Council.

SUBMISSIONS

Some development applications do not require specific or special approval of Council. However, where special approval is required, residents are notified by advertising in local newspapers, and in some instances, they may also be notified individually by the Council or the developer.

When an application is publicly advertised, residents have the opportunity to make written submission to the Council expressing their views regarding the application.

PETITIONS

Written petitions can be addressed to the Council on any issue within the Councils jurisdiction. It is a good idea to advise your Ward Councillor, who can familiarise themselves with the petition and refer it to the appropriate person.

WRITTEN REQUESTS

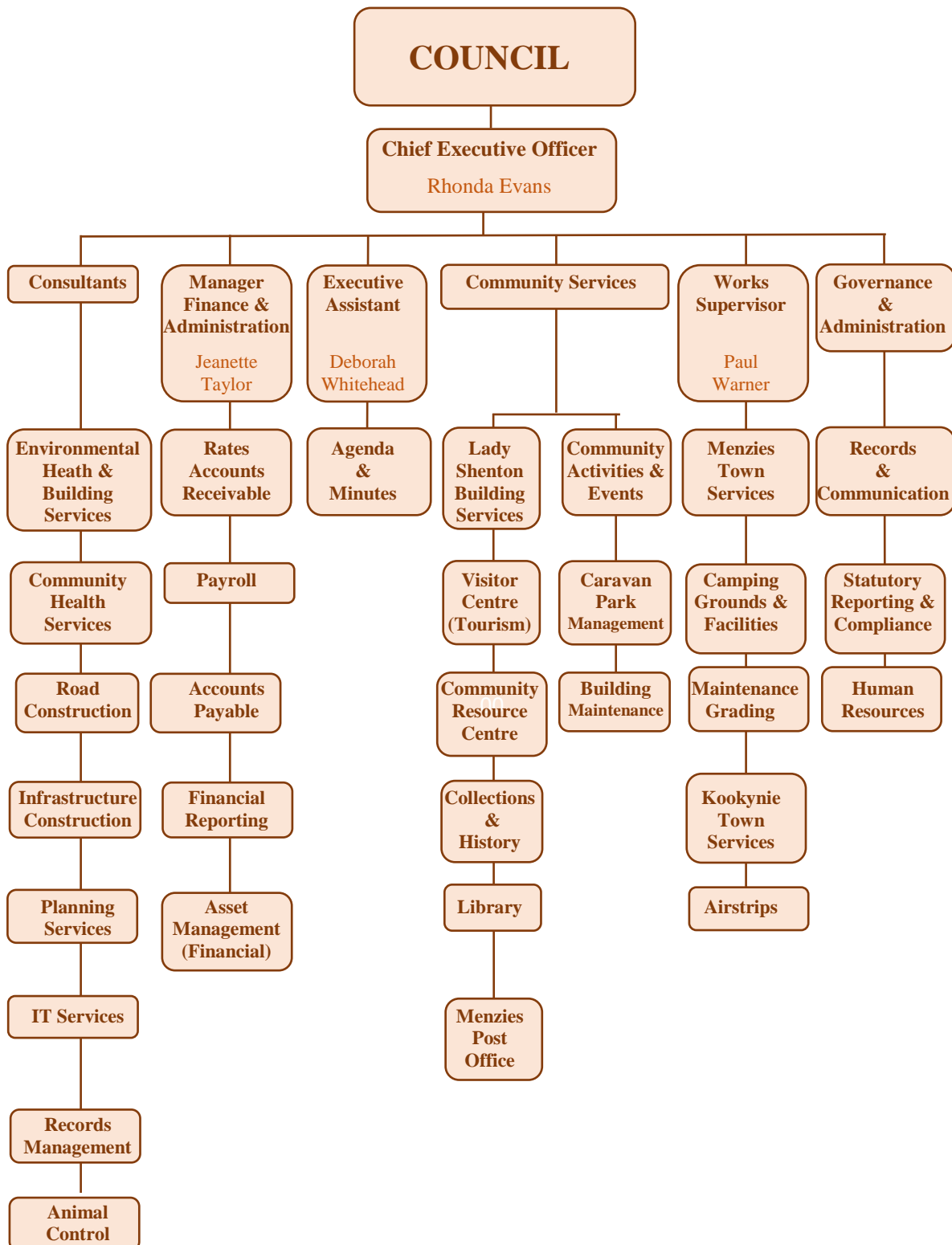
A member of the public can write to Council on any Council policy, activity or service.

ELECTED MEMBERS

Members of the public can contact any of the Councillors to discuss any issue relevant to Council.

ORGANISATIONAL STRUCTURE

SHIRE OF MENZIES - SERVICE PROVISION 2017-2018



SHIRE OF MENZIES
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 community and enable them to enjoy a pleasant and healthy way of life.

Principal place of business:

124 Shenton Street
MENZIES WA 6436

**SHIRE OF MENZIES
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 Menzies 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 Menzies 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 26th day of June 2019



Chief Executive Officer

Peter Money
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)	3,035,767	2,809,112	2,863,670
Operating grants, subsidies and contributions	2(a)	3,027,985	1,717,444	4,178,929
Fees and charges	2(a)	246,983	171,620	175,722
Interest earnings	2(a)	312,795	184,600	250,445
Other revenue	2(a)	52,357	46,200	84,398
		<u>6,675,887</u>	<u>4,928,976</u>	<u>7,553,164</u>
Expenses				
Employee costs		(1,597,958)	(1,615,058)	(1,569,381)
Materials and contracts		(1,441,736)	(2,876,272)	(1,224,847)
Utility charges		(100,056)	(56,160)	(48,211)
Depreciation on non-current assets	9(b)	(2,392,955)	(2,076,951)	(2,076,922)
Insurance expenses		(127,351)	(130,430)	(138,200)
Other expenditure		(278,054)	(332,400)	(524,345)
		<u>(5,938,110)</u>	<u>(7,087,271)</u>	<u>(5,581,906)</u>
		737,777	(2,158,295)	1,971,258
Non-operating grants, subsidies and contributions	2(a)	2,274,434	3,609,875	608,491
Profit on asset disposals	9(a)	28,141	10,750	7,138
(Loss) on asset disposals	9(a)	(11,183)	(9,250)	0
Impairment of parks and infrastructure	8(b)	(84,699)	0	0
Net result		2,944,470	1,453,080	2,586,887
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	10	(2,754,292)	0	(2,385,160)
Total other comprehensive income		(2,754,292)	0	(2,385,160)
Total comprehensive income		190,178	1,453,080	201,727

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		164	0	91
General purpose funding		4,999,469	3,889,706	7,213,835
Law, order, public safety		2,965	6,400	5,935
Health		7,337	0	0
Housing		99,840	65,220	63,205
Community amenities		9,291	6,600	7,628
Recreation and culture		1,085	10,000	294
Transport		1,303,252	727,250	66
Economic services		196,913	185,100	189,807
Other property and services		55,571	38,700	72,303
		6,675,887	4,928,976	7,553,164
Expenses				
Governance		(733,330)	(534,774)	(777,853)
General purpose funding		(224,429)	(133,974)	(34,375)
Law, order, public safety		(71,659)	(45,180)	(51,920)
Health		(94,238)	(109,000)	(36,615)
Housing		(140,908)	(291,334)	(189,079)
Community amenities		(214,083)	(202,910)	(134,137)
Recreation and culture		(638,518)	(503,390)	(402,944)
Transport		(2,581,706)	(2,597,655)	(2,457,273)
Economic services		(936,257)	(830,321)	(788,328)
Other property and services		(302,982)	(1,838,733)	(709,382)
		(5,938,110)	(7,087,271)	(5,581,906)
		737,777	(2,158,295)	1,971,258
Non-operating grants, subsidies and contributions	2(a)	2,274,434	3,609,875	608,491
Profit on disposal of assets	9(a)	28,141	10,750	7,138
(Loss) on disposal of assets	9(a)	(11,183)	(9,250)	0
Impairment of parks and infrastructure	8(b)	(84,699)	0	0
		2,206,693	3,611,375	615,629
Net result		2,944,470	1,453,080	2,586,887
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	10	(2,754,292)	0	(2,385,160)
Total other comprehensive income		(2,754,292)	0	(2,385,160)
Total comprehensive income		190,178	1,453,080	201,727

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	12,408,650	10,095,673
Trade and other receivables	5	564,214	779,660
Inventories	6	5,157	8,522
TOTAL CURRENT ASSETS		12,978,021	10,883,855
NON-CURRENT ASSETS			
Property, plant and equipment	7	8,797,243	8,803,884
Infrastructure	8	113,590,657	115,200,938
TOTAL NON-CURRENT ASSETS		122,387,900	124,004,822
TOTAL ASSETS		135,365,921	134,888,677
CURRENT LIABILITIES			
Trade and other payables	11	879,554	634,837
Provisions	13	170,534	125,858
TOTAL CURRENT LIABILITIES		1,050,088	760,695
NON-CURRENT LIABILITIES			
Provisions	13	67,925	70,253
TOTAL NON-CURRENT LIABILITIES		67,925	70,253
TOTAL LIABILITIES		1,118,013	830,948
NET ASSETS		134,247,908	134,057,730
EQUITY			
Retained surplus		15,235,528	16,039,864
Reserves - cash backed	4	8,366,631	4,617,825
Revaluation surplus	10	110,645,749	113,400,041
TOTAL EQUITY		134,247,908	134,057,730

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



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

		RESERVES			
	NOTE	RETAINED SURPLUS	CASH BACKED	REVALUATION SURPLUS	TOTAL EQUITY
		\$	\$	\$	\$
Balance as at 1 July 2016		15,404,410	2,666,392	115,785,201	133,856,003
Comprehensive income					
Net result		2,586,887	0	0	2,586,887
Changes on revaluation of assets	10	0	0	(2,385,160)	(2,385,160)
Total comprehensive income		2,586,887	0	(2,385,160)	201,727
Transfers from/(to) reserves		(1,951,433)	1,951,433	0	0
Balance as at 30 June 2017		16,039,864	4,617,825	113,400,041	134,057,730
Comprehensive income					
Net result		2,944,470	0	0	2,944,470
Changes on revaluation of assets	10	0	0	(2,754,292)	(2,754,292)
Total comprehensive income		2,944,470	0	(2,754,292)	190,178
Transfers from/(to) reserves		(3,748,806)	3,748,806	0	0
Balance as at 30 June 2018		15,235,528	8,366,631	110,645,749	134,247,908

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		3,324,540	2,295,772	2,492,870
Operating grants, subsidies and contributions		3,073,827	1,717,444	5,438,635
Fees and charges		246,983	171,620	175,722
Interest earnings		312,795	184,600	250,445
Goods and services tax		37,150	0	207,067
Other revenue		52,357	46,200	84,399
		7,047,652	4,415,636	8,649,138
Payments				
Employee costs		(1,464,141)	(1,615,058)	(1,515,239)
Materials and contracts		(1,285,123)	(1,809,588)	(1,199,411)
Utility charges		(100,056)	(56,160)	(48,211)
Insurance expenses		(127,351)	(130,430)	(138,200)
Goods and services tax		(156,318)	0	(73,971)
Other expenditure		(278,054)	(332,400)	(524,345)
		(3,411,043)	(3,943,636)	(3,499,377)
Net cash provided by (used in) operating activities	14	3,636,609	472,000	5,149,761
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment		(818,087)	(1,498,000)	(226,188)
Payments for construction of infrastructure		(2,945,051)	(5,034,287)	(783,324)
Non-operating grants, subsidies and contributions		2,274,434	3,609,875	608,491
Proceeds from sale of fixed assets		165,072	81,000	50,455
Net cash provided by (used in) investment activities		(1,323,632)	(2,841,412)	(350,566)
Net increase (decrease) in cash held		2,312,977	(2,369,412)	4,799,195
Cash at beginning of year		10,095,673	10,095,673	5,296,478
Cash and cash equivalents at the end of the year	14	12,408,650	7,726,262	10,095,673

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)		5,631,192	5,631,192	3,811,416
		5,631,192	5,631,192	3,811,416
Revenue from operating activities (excluding rates)				
Governance		164	0	91
General purpose funding		1,963,702	965,594	4,350,165
Law, order, public safety		2,965	6,400	5,935
Health		7,337	0	0
Housing		99,840	65,220	63,205
Community amenities		9,291	6,600	8,418
Recreation and culture		1,085	10,000	294
Transport		1,327,170	738,000	66
Economic services		196,913	185,100	189,807
Other property and services		59,794	38,700	78,651
		3,668,261	2,015,614	4,696,632
Expenditure from operating activities				
Governance		(733,330)	(534,774)	(777,853)
General purpose funding		(224,429)	(133,974)	(34,375)
Law, order, public safety		(71,659)	(45,180)	(51,920)
Health		(94,238)	(109,000)	(36,615)
Housing		(140,908)	(291,334)	(189,079)
Community amenities		(214,083)	(202,910)	(134,137)
Recreation and culture		(638,518)	(503,390)	(402,944)
Transport		(2,592,150)	(2,606,906)	(2,457,273)
Economic services		(936,257)	(830,321)	(788,328)
Other property and services		(388,420)	(1,838,733)	(709,382)
		(6,033,992)	(7,096,522)	(5,581,906)
Operating activities excluded				
(Profit) on disposal of assets	9(a)	(28,141)	(10,750)	(7,138)
Loss on disposal of assets	9(a)	11,183	9,250	0
Loss on revaluation of fixed assets	8(b)	84,699	0	0
Movement in employee benefit provisions (non-current)		42,348	0	73,595
Depreciation and amortisation on assets	9(b)	2,392,955	2,076,951	2,076,922
Amount attributable to operating activities		5,768,505	2,625,735	5,069,521
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions		2,274,434	3,609,875	608,491
Proceeds from disposal of assets	9(a)	165,072	81,000	50,455
Purchase of property, plant and equipment	7(b)	(818,087)	(1,498,000)	(226,188)
Purchase and construction of infrastructure	8(b)	(2,945,051)	(5,034,287)	(783,324)
Amount attributable to investing activities		(1,323,632)	(2,841,412)	(350,566)
FINANCING ACTIVITIES				
Transfers to reserves (restricted assets)	4	(3,895,806)	(3,033,935)	(2,183,668)
Transfers from reserves (restricted assets)	4	147,000	272,000	232,235
Amount attributable to financing activities		(3,748,806)	(2,761,935)	(1,951,433)
Surplus(deficiency) before general rates		696,067	(2,977,612)	2,767,522
Total amount raised from general rates	21	3,035,767	2,924,112	2,863,670
Net current assets at June 30 c/fwd - surplus/(deficit)	22	3,731,834	(53,499)	5,631,192

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

1. BASIS OF PREPARATION

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

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

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.

THE LOCAL GOVERNMENT REPORTING ENTITY (Continued)

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

	2018 Actual	2017 Actual
	\$	\$
(a) Revenue		
Other revenue		
Reimbursements and recoveries	6,926	17,927
Other	45,431	66,472
	52,357	84,398
Fees and Charges		
General purpose funding	9,094	7,514
Law, order, public safety	0	168
Health	7,337	0
Housing	99,840	63,205
Community amenities	8,443	8,367
Recreation and culture	1,039	292
Economic services	116,337	94,284
Other property and services	4,893	1,892
	246,983	175,722

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

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	84	91
General purpose funding	1,641,638	4,092,029
Law, order, public safety	2,965	5,766
Recreation and culture	46	0
Transport	1,303,252	0
Economic services	80,000	80,917
Other property and services	0	126
	3,027,985	4,178,929
Non-operating grants, subsidies and contributions		
Law, order, public safety	0	400
Recreation and culture	128,335	20,000
Transport	2,146,099	530,364
Economic services	0	57,727
	2,274,434	608,491
Total grants, subsidies and contributions	5,302,419	4,787,420

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.

	2018 Actual	2018 Budget	2017 Actual
	\$	\$	\$
Interest earnings			
- Loans receivable - clubs/institutions			
- Reserve funds	57,269	80,000	102,431
- Other funds	131,370	50,000	41,289
Other interest revenue (refer note 21(b))	124,156	54,600	106,725
	312,795	184,600	250,445

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

2. REVENUE AND EXPENSES (Continued)

(b) Expenses

The following amounts are included in Other Expenditure

Auditors remuneration

	2018	2017
	\$	\$
- Audit of the Annual Financial Report*	7,850	10,902
- Other Services	0	800
- Disbursements	0	6,613
	7,850	18,315

* The fee for the audit of the 2017-18 financial statements is \$27,000 (\$19,163 : 2016-17))

Rental charges

- Operating leases	36,995	34,102
	36,995	34,102

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		4,039,686	5,302,583
Restricted		8,368,964	4,793,090
		<u>12,408,650</u>	<u>10,095,673</u>

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

Leave Reserve	4	197,364	192,460
Building Reserve	4	2,003,260	1,161,096
Plant Reserve	4	1,427,758	932,561
Roads Reserve	4	1,730,660	474,836
Main Street Reserve	4	135,175	131,578
Staff Amenities Reserve	4	72,722	70,915
TV Reserve	4	17,216	16,789
Caravan Park Reserve	4	424,818	316,747
Bitumen Reserve	4	388,662	379,618
Rates Creditors Reserve	4	48,788	47,576
Niagara Dam Reserve	4	1,320,885	800,049
Water Park Reserve	4	96,060	93,601
Economic Development Reserve	4	402,678	0
Waste Management Reserve	4	100,585	0
Unspent grants	20	2,333	175,264
		<u>8,368,964</u>	<u>4,793,090</u>

SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

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

Cash and cash equivalents (Continued)

of changes in value and bank overdrafts. Bank overdrafts are reported as short term borrowings in current liabilities in the statement of financial position.

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

4. 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	192,460	4,904	0	197,364	192,460	0	0	192,460	187,871	4,589	0	192,460
Building Reserve	1,161,096	872,164	(30,000)	2,003,260	1,161,096	750,000	(130,000)	1,781,096	684,085	477,011	0	1,161,096
Plant Reserve	932,561	612,197	(117,000)	1,427,758	932,561	283,600	(142,000)	1,074,161	558,154	521,642	(147,235)	932,561
Roads Reserve	474,836	1,255,825	0	1,730,661	474,836	1,000,000	0	1,474,836	164,020	310,816	0	474,836
Main Street Reserve	131,578	3,597	0	135,175	131,578	0	0	131,578	193,332	3,246	(65,000)	131,578
Staff Amenities Reserve	70,915	1,807	0	72,722	70,915	0	0	70,915	69,225	1,690	0	70,915
TV Reserve	16,789	427	0	17,216	16,789	0	0	16,789	16,388	400	0	16,789
Caravan Park Reserve	316,747	108,071	0	424,818	316,747	0	0	316,747	309,195	7,552	0	316,747
Bitumen Reserve	379,618	9,044	0	388,662	379,618	0	0	379,618	203,608	176,010	0	379,618
Rates Creditors Reserve	47,576	1,212	0	48,788	47,576	0	0	47,576	46,442	1,134	0	47,576
Niagara Dam Reserve	800,049	520,835	0	1,320,884	800,048	500,000	0	1,300,048	123,062	676,986	0	800,049
Water Park Reserve	93,600	2,459	0	96,059	93,601	0	0	93,601	111,011	2,592	(20,000)	93,600
Economic Development Reserve	0	402,678	0	402,678	0	400,335	0	400,335				0
Waste Management Reserve	0	100,586	0	100,586	0	100,000	0	100,000				0
	4,617,825	3,895,806	(147,000)	8,366,631	4,617,825	3,033,935	(272,000)	7,379,760	2,666,393	2,183,668	(232,235)	4,617,825

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

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

Name of Reserve	Anticipated date of use	Purpose of the reserve
Leave Reserve	Perpetual	To be used to fund annual and long service leave requirements.
Building Reserve	Perpetual	To be used for the acquisition of future building and renovation of existing buildings.
Plant Reserve	Perpetual	To be used for the purchase of major plant.
Roads Reserve	Perpetual	To be used to fund major road works.
Main Street Reserve	Perpetual	Established for the beautification of the main street.
Staff Amenities Reserve	Perpetual	Established for the purpose of providing staff housing and amenities.
TV Reserve	Perpetual	To be used to fund upgrades to the rebroadcasting equipment.
Caravan Park Reserve	Perpetual	Established for the purpose of upgrading the caravan park.
Bitumen Reserve	Perpetual	Established to fund future resealing of roads.
Rates Creditors Reserve	Perpetual	Established for future rates claims.
Niagara Dam Reserve	Perpetual	Established for ongoing upgrade of Niagara Dam valve workings and other maintenance.
Water Park Reserve	Perpetual	Established to provide a water park.
Economic Development Reserve	Perpetual	To provide for new or additional services in the Shire in partnership with Not for Profit organisations.
Waste Management Reserve	Perpetual	To provide for the statutory reinstatement and development of the reserve.

5. TRADE AND OTHER RECEIVABLES

Current

Rates outstanding
Sundry debtors
GST receivable
Provision for doubtful debts
Accrued income/payments in advance

2018	2017
\$	\$
710,858	999,631
26,391	51,642
198,385	79,217
(385,257)	(385,257)
13,837	34,427
564,214	779,660

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

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.

Rates outstanding

Not past due and not impaired
Past due and impaired
Past due and not impaired
- up to 1 month
- 1 to 3 months
- 3 months to 1 year
- 1 to 5 years
- more than 5 years

2018	2017
-	-
385,257	385,257
0	0
0	0
8,881	50,339
316,720	564,027
710,858	999,623

Sundry debtors outstanding

Not past due and not impaired
Past due and impaired
Past due and not impaired
- up to 1 month
- 1 to 3 months
- 3 months to 1 year
- 1 to 5 years
- more than 5 years

2018	2017
25,176	16,948
-	-
679	-
20	-
516	11,518
-	-
-	-
26,391	28,466

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

6. INVENTORIES

Current

Fuels, Oils & materials on hand

2018	2017
\$	\$
5,157	8,522
5,157	8,522

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

7 (a). PROPERTY, PLANT AND EQUIPMENT

Land and buildings	2018 \$	2017 \$
Land - freehold land at:		
- Independent valuation 2017 - level 2	684,000	684,000
	684,000	684,000
Total land	684,000	684,000
Buildings - non-specialised at:		
- Management valuation 2017 - level 3	1,116,700	1,116,700
- Independent valuation 2017 - level 3	835,000	835,000
- Additions after valuation - cost	41,192	0
- Transfers	300,000	0
Buildings - non-specialised - Less: accumulated depreciation	(118,378)	0
	2,174,514	1,951,700
Buildings - specialised at:		
- Management valuation 2017 - level 3	266,201	266,200
- Independent valuation 2017 - level 3	4,400,000	4,400,000
- Additions after valuation - cost	348,123	0
- Transfers	(257,359)	0
Buildings - specialised - Less: accumulated depreciation	(240,801)	0
	4,516,164	4,666,200
Total buildings	6,690,678	6,617,900
Total land and buildings	7,374,678	7,301,900
Furniture and equipment at:		
- Management valuation 2016 - level 3	27,000	27,000
- Additions after valuation - cost	103,738	0
Furniture and equipment - Less: accumulated depreciation	(44,684)	(3,890)
	86,054	23,110
Plant and equipment at:		
- Management valuation 2016 - level 3	1,377,880	1,564,632
- Additions after valuation - cost	504,446	179,411
Plant and equipment - Less: accumulated depreciation	(545,815)	(265,169)
	1,336,511	1,478,874
Total property, plant and equipment	8,797,243	8,803,884

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

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Movements in Carrying Amounts

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

	Land - freehold land	Total land	Buildings - non- specialised	Buildings - specialised	Total buildings	Total land and buildings	Furniture and equipment	Plant and equipment	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2016	672,261	672,261	2,465,206	4,647,626	7,112,832	7,785,093	27,000	1,607,948	9,420,041
Additions	0	0	0	46,777	46,777	46,777	0	179,411	226,188
(Disposals)	0	0	0	0	0	0	0	(43,316)	(43,316)
Revaluation increments/ (decrements) transferred to revaluation surplus	11,739	11,739	(399,543)	217,456	(182,087)	(170,348)	0	0	(170,348)
Depreciation (expense)		0	(113,963)	(245,659)	(359,622)	(359,622)	(3,890)	(265,169)	(628,681)
Carrying amount at 30 June 2017	684,000	684,000	1,951,700	4,666,200	6,617,900	7,301,900	23,110	1,478,874	8,803,884
Additions	0	0	41,191	348,123	389,314	389,314	103,738	325,035	818,087
(Disposals)	0	0	0	0	0	0	0	(148,114)	(148,114)
Depreciation (expense)	0	0	(118,377)	(243,169)	(361,546)	(361,546)	(40,794)	(324,082)	(726,422)
Transfers	0	0	300,000	(254,990)	45,010	45,010	0	4,798	49,808
Carrying amount at 30 June 2018	684,000	684,000	2,174,514	4,516,164	6,690,678	7,374,678	86,054	1,336,511	8,797,243

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

(c) Fair Value Measurements

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

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. There were no transfers between Level 2 and Level 3 for the year 2017/18. All transfers relate to Level 3 and represent a reclassification of fixed assets.

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

8 (a). INFRASTRUCTURE

	2018	2017
	\$	\$
Roads		
- Independent valuation 2015 - level 3	0	141,850,854
- Independent valuation 2018 - level 3	109,742,712	0
- Additions after valuation - cost	0	3,372,117
Roads - Less: accumulated depreciation	0	(33,118,019)
	109,742,712	112,104,952
Infrastructure Other		
- Independent valuation 2014 - level 3	0	1,623,164
- Management valuation 2014 - level 3	3,464,964	389,203
- Additions after valuation - cost	0	1,010,804
Infrastructure Other - Less: accumulated depreciation	0	(207,839)
	3,464,964	2,815,332
Parks & Ovals		
- Independent valuation 2014 - level 3	0	222,000
- Independent valuation 2018 - level 3	260,110	0
Parks & Ovals - Less: accumulated depreciation	0	(13,325)
	260,110	208,675
Footpaths		
- Management valuation 2014 - level 3	171,936	171,936
- Additions after valuation - cost	58,647	0
Footpaths - Less: accumulated depreciation	(107,712)	(99,957)
	122,871	71,979
Total infrastructure	113,590,657	115,200,938

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

8. INFRASTRUCTURE (Continued)

(b) Movements in Carrying Amounts

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

	Roads	Infrastructure Other	Parks & Ovals	Footpaths	Total Infrastructure
	\$	\$	\$	\$	\$
Balance at 1 July 2016	115,058,017	2,737,556	213,115	71,979	118,080,667
Additions	697,877	85,447	0	0	783,324
Revaluation increments/ (decrements) transferred to revaluation surplus	(2,214,812)	0	0	0	(2,214,812)
Depreciation (expense)	(1,361,167)	(82,634)	(4,440)	0	(1,448,241)
Transfers	(74,963)	74,963	0	0	0
Carrying amount at 30 June 2017	112,104,952	2,815,332	208,675	71,979	115,200,938
Additions	2,519,127	250,745	116,531	58,648	2,945,051
Revaluation increments/ (decrements) transferred to revaluation surplus	(3,338,839)	584,547	0	0	(2,754,292)
Revaluation (loss)/ reversals transferred to profit or loss	0	0	(84,699)	0	(84,699)
Depreciation (expense)	(1,542,528)	(78,930)	(37,319)	(7,756)	(1,666,533)
Transfers	0	(106,730)	56,922	0	(49,808)
Carrying amount at 30 June 2018	109,742,712	3,464,964	260,110	122,871	113,590,657

8. INFRASTRUCTURE (Continued)

(c) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Roads	3	Cost approach using depreciated replacement cost	Independent Valuation	June 2018	Construction costs and current conditions (level 2), residual values and remaining useful life assessments (Level 3) inputs.
Infrastructure Other	3	Cost approach using depreciated replacement cost	Independent Valuation	June 2018	Construction costs and current conditions (level 2), residual values and remaining useful life assessments (Level 3) inputs.
Parks & Ovals	3	Cost approach using depreciated replacement cost	Independent Valuation	June 2018	Construction costs and current conditions (level 2), residual values and remaining useful life assessments (Level 3) inputs.
Footpaths	3	Cost approach using depreciated replacement cost	Management Valuation	June 2015	Construction costs and current conditions (level 2), residual values and remaining useful life assessments (Level 3) inputs.

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

During the period there were no changes in the valuation techniques used to determine the fair value of infrastructure using level 3 inputs. All Transfers relate to Level 3 and represent a reclassification of fixed assets.

9. 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 in accordance with the regulatory framework. At the end of each period the valuation is reviewed and where appropriate the fair value is updated to reflect current market conditions. This process is considered to be in accordance with *Local Government (Financial Management) Regulation 17A (2)* which requires property, plant and equipment to be shown at fair value.

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

Land under control

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

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

9. FIXED ASSETS (Continued)

(a) Disposals of Assets

The following assets were disposed of during the year.

	Actual Net Book Value	Actual Sale Proceeds	Actual Profit	Actual Loss	Budget Net Book Value	Budget Sale Proceeds	Budget Profit	Budget Loss
	\$	\$	\$	\$	\$	\$	\$	\$
Plant and Equipment								
Transport								
12 - P0144 Multi-tyred roller MN 572	425	482	57	0	0	0	0	0
228 - P0108 2008 Cat skid steer (Bobcat)	19,990	11,000	0	(8,990)	21,250	12,000	0	(9,250)
298 - P0151 Semi water tanker 1TKO412	16,492	20,850	4,358	0	17,000	25,000	8,000	0
392 - P0184 Two axle dog trailer 1TO1574	12,369	19,439	7,070	0	0	0	0	0
8 - P0122 Husqvarna ride on mower	1,206	136	0	(1,070)	0	0	0	0
496 - P0139 Custom made grass slasher	128	100	0	(28)	0	0	0	0
490 - P0163 Vacuum tank	4,250	16,682	12,432	0	0	0	0	0
492 - P0135 Plate compactor - hand oper.	375	19	0	(356)	0	0	0	0
Other property and services								
59 - P0205 Toyota landcruiser 2016 200	53,958	58,182	4,224	0	0	0	0	0
6 - P0201 Toyota prado 2014 1EPF107	38,921	38,182	0	(739)	41,250	44,000	2,750	0
	148,114	165,072	28,141	(11,183)	79,500	81,000	10,750	(9,250)

(b) Depreciation

	2018	2017
	\$	\$
Buildings - non-specialised	118,377	113,963
Buildings - specialised	243,169	245,659
Furniture and equipment	40,794	3,890
Plant and equipment	324,082	265,169
Roads	1,542,528	1,361,167
Infrastructure Other	78,930	82,634
Parks & Ovals	37,319	4,440
Footpaths	7,756	0
	2,392,955	2,076,922

9. FIXED ASSETS (Continued)

(b) Depreciation (Continued)

SIGNIFICANT ACCOUNTING POLICIES

Depreciation

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

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is treated as follows

- a) 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	20 years
Furniture and equipment	10 years
Plant and equipment - heavy	6 years
Plant and equipment - sundry	4 years
Roads	
formation	not depreciated
pavement	25 years
Infrastructure floodways	12.5 years
Infrastructure other	50 years
Infrastructure grids	25 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

10. REVALUATION SURPLUS

	2018 Opening Balance	2018 Revaluation Increment	2018 Revaluation (Decrement)	2018 Total Movement on Revaluation	2018 Closing Balance	2017 Opening Balance	2017 Revaluation Increment	2017 Revaluation (Decrement)	2017 Total Movement on Revaluation	2017 Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus -Land - freehold land	680,443	0	0	0	680,443	668,704	11,739	0	11,739	680,443
Revaluation surplus -Buildings - non-specialised	3,250,986	0	0	0	3,250,986	3,650,529	0	(399,543)	(399,543)	3,250,986
Revaluation surplus -Buildings - specialised	217,456	0	0	0	217,456	0	0	217,456	217,456	217,456
Revaluation surplus -Plant and equipment	703,442	0	0	0	703,442	703,442	0	0	0	703,442
Revaluation surplus - Roads	108,363,787	0	(3,338,839)	(3,338,839)	105,024,948	110,578,599	0	(2,214,812)	(2,214,812)	108,363,787
Revaluation surplus - Infrastructure Other	183,927	584,547	0	584,547	768,474	183,927	0	0	0	183,927
	113,400,041	584,547	(3,338,839)	(2,754,292)	110,645,749	115,785,201	11,739	(2,396,899)	(2,385,160)	113,400,041

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

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

11. TRADE AND OTHER PAYABLES

Current

	2018	2017
	\$	\$
Sundry creditors	656,124	437,982
Income received in advance	26,321	26,321
Accrued salaries and wages	30,756	21,961
ATO liabilities	105,548	22,874
Payroll creditors	31,408	36,653
Accrued expenses	29,397	89,046
	879,554	634,837

SIGNIFICANT ACCOUNTING POLICIES

Trade and other payables

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

Trade and other payables (Continued)

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

12. INFORMATION ON BORROWINGS

The shire has no loans or overdraft facilities at 30 June 2018.

(a) Undrawn Borrowing Facilities

Credit Standby Arrangements

Bank overdraft limit

Bank overdraft at balance date

Credit card limit

Credit card balance at balance date

Total amount of credit unused

2018	2017
\$	\$
0	0
0	0
25,000	25,000
(5,621)	(13,395)
19,379	11,605

Unused loan facilities at balance date

NIL

NIL

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

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

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

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

Borrowing costs

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

13. PROVISIONS

Opening balance at 1 July 2017

Current provisions

Non-current provisions

Additional provision

Balance at 30 June 2018

Comprises

Current

Non-current

	Provision for Annual Leave	Provision for Long Service Leave	Total
	\$	\$	\$
Opening balance at 1 July 2017			
Current provisions	105,969	19,889	125,858
Non-current provisions	0	70,253	70,253
	105,969	90,142	196,111
Additional provision	15,552	26,796	42,348
Balance at 30 June 2018	121,521	116,938	238,459
Comprises			
Current	121,521	49,013	170,534
Non-current	0	67,925	67,925
	121,521	116,938	238,459

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 annual 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

14. NOTES TO THE STATEMENT OF CASH FLOWS

Reconciliation of Cash

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

	2018 Actual	2018 Budget	2017 Actual
	\$	\$	\$
Cash and cash equivalents	12,408,650	7,726,262	10,095,673

Reconciliation of Net Cash Provided By Operating Activities to Net Result

Net result	2,944,470	1,453,080	2,586,887
Non-cash flows in Net result:			
Depreciation	2,392,955	2,076,951	2,076,922
(Profit)/loss on sale of asset	(16,958)	(1,500)	(7,138)
Loss on revaluation of Parks & Ovals	84,699	0	0
Changes in assets and liabilities:			
(Increase)/decrease in receivables	215,446	(513,340)	1,022,003
(Increase)/decrease in inventories	3,365	1,522	(1,319)
Increase/(decrease) in payables	244,718	1,065,163	7,301
Increase/(decrease) in provisions	42,348	0	73,596
Grants contributions for the development of assets	(2,274,434)	(3,609,875)	(608,491)
Net cash from operating activities	3,636,609	472,000	5,149,761

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

15. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2018	2017
	\$	\$
Governance	4,800	52,976
General purpose funding	4,655,021	6,092,220
Law, order, public safety	148,199	154,374
Housing	2,728,067	2,415,428
Community amenities	3,022,633	979,446
Recreation and culture	4,434,493	3,432,201
Transport	115,292,110	115,113,372
Economic services	3,447,026	4,545,310
Other property and services	1,633,572	2,103,350
	135,365,921	134,888,677

16. CONTINGENT LIABILITIES

The Shire of Menzies has in compliance with the Contaminated Sites Act 2003 section 11 listed sites to be possible sources of contamination:

Memorial M995306 ML, Lot 8 on Plan 222795 as shown on certificate of title 1096/558 known as 50 Shenton St, Menzies WA 6436.

Until the Shire conducts an investigation to determine the presence and scope of contamination, assess the risk and agree with the Department of Water and Environment Regulation the need and criteria for remediation, the Shire is unable to accurately quantify its clean-up liabilities for potentially contaminated sites.

The Shire is continuing to monitor the sites and will progressively undertake site investigations and remediation on a risk based approach. This approach is consistent with the Department of Water and Environment Regulation guidelines.

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:

	2018	2017
	\$	\$
- capital expenditure projects	2,782,234	1,224,685
- plant & equipment purchases	0	72,279

Payable:

- not later than one year	2,782,234	1,296,964
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The capital expenditure outstanding at the end of the 2018 reporting period represents a further 5km seal of the Menzies Northwest Road, and WANDRRA funded road works.

(b) Operating Lease Commitments

Non-cancellable operating leases contracted for but

Payable:

- not later than one year	41,607	13,189
- later than one year but not later than five years	108,006	46,161
- later than five years	0	0
	<u>149,613</u>	<u>59,350</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 City of Kalgoorlie Boulder, Shires of Coolgardie, Dundas, Esperance, Laverton, Leonora, Ngaanyatjaraku, Ravensthorpe and Wiluna have a joint venture arrangement with regards to the provision of a Regional Records Service. Management have interpreted this as a joint operation. The assets included in the joint venture are one-tenth share as follows:

	2018	2017
	\$	\$
Non-current assets		
Land and buildings	75,500	75,500
Less: accumulated depreciation	(1,812)	
	<u>73,688</u>	<u>75,500</u>
 Plant and equipment	 4,182	 4,182
Less: accumulated depreciation	(1,008)	(504)
	<u>3,174</u>	<u>3,678</u>
 Furniture and equipment	 8,204	 8,204
Less: accumulated depreciation	(1,805)	(902)
	<u>6,399</u>	<u>7,302</u>
 Light vehicles	 3,200	 3,200
Less: accumulated depreciation	(960)	(480)
	<u>2,240</u>	<u>2,720</u>

SIGNIFICANT ACCOUNTING POLICIES

Interests in joint arrangements

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

Separate joint arrangements providing joint ventures with an interest to net assets are classified as a joint venture and accounted for using the equity method. Refer to note 26 for a description of the equity method of accounting.

Interests in joint arrangements (Continued)

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

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

19. RELATED PARTY TRANSACTIONS

Elected Members Remuneration

	2018 Actual	2018 Budget	2017 Actual
The following fees, expenses and allowances were paid to council members and/or the President.	\$	\$	\$
Meeting Fees	75,870	75,870	75,870
President's allowance	19,864	19,864	19,864
Deputy President's allowance	4,966	4,966	4,966
Travelling expenses	33,876	56,800	33,797
Telecommunications allowance	7,700	7,700	7,700
	142,276	165,200	142,197

Key Management Personnel (KMP) Compensation Disclosure

	2018	2017
The total of remuneration paid to KMP of the Shire during the year are as follows:	\$	\$
Short-term employee benefits	409,412	376,445
Post-employment benefits	64,396	63,995
Other long-term benefits	20,252	8,791
	494,060	449,231

Short-term employee benefits

These amounts include all salary and fringe benefits awarded to KMP.

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 annual and long service benefits accruing during the year.

Transactions with related parties

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

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

	2018	2017
The following transactions occurred with related parties:	\$	\$
Sale of goods and services - council property rates	6,573	5,816
Purchase of goods and services	6	

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. Key management personnel includes councillors and senior staff.

ii. Entities subject to significant influence by the Shire

An entity that has the power to participate in the financial and operating policy decisions of an entity, but does not have control over those policies, is an entity which holds significant influence. Significant influence may be gained by share ownership, statute or agreement.

iii. Joint venture entities

The Shire has a one-tenth interest in a regional records service. The interest in the joint venture operation is accounted for in these financial statements by recognising the Shire's share of assets, liabilities, income and expenses. For details of interests held in joint venture entities refer to Note 18.

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⁾ 1/07/16	Received ⁽²⁾ 2016/17	Expended ⁽³⁾ 2016/17	Closing Balance ⁽¹⁾ 30/06/17	Received ⁽²⁾ 2017/18	Expended ⁽³⁾ 2017/18	Closing Balance 30/06/18
	\$	\$	\$	\$	\$	\$	\$
Law, order, public safety							
DFES Operating Grant	3,187	5,768	(5,007)	3,948	2,965	(4,580)	2,333
Transport							
Roads to Recovery	341,114	286,269	(517,267)	110,116	1,171,037	(1,281,153)	0
Tjuntjunjarra Access Road	61,200	0	0	61,200	146,223	(207,423)	0
Total	405,501	292,037	(522,274)	175,264	1,320,225	(1,493,156)	2,333

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	Rate in \$	Number of Properties	Value \$	Rate Revenue \$	Interim Rates \$	Total Revenue \$	Budget Rate Revenue \$	Budget Total Revenue \$
Differential general rate / general rate								
Gross rental valuations								
Vacant	0.0834	3	15,652	1,305	0	1,305	1,305	1,305
General	0.0832	30	2,497,152	207,763	113,118	320,881	207,763	207,763
Unimproved valuations								
Mining Lease	0.1597	221	11,665,114	1,862,919	0	1,862,919	1,862,919	1,862,919
Exploration Lease	0.1473	19	3,749,048	552,235	0	552,235	552,235	552,235
Prospecting	0.1451	63	433,233	62,862	0	62,862	62,862	62,862
Pastoral	0.0814	225	734,152	59,760	(1,028)	58,732	59,760	59,760
Other	0.0814	197	310,500	25,275	(435)	24,840	25,275	25,275
Sub-Total		758	19,404,851	2,772,119	111,655	2,883,774	2,772,119	2,772,119
Minimum payment								
Gross rental valuations								
Vacant	200	201	43,649	42,600	0	42,600	42,600	42,600
General	311	11	8,813	2,488	0	2,488	2,488	2,488
Unimproved valuations								
Mining Lease	311	62	48,050	19,282	0	19,282	19,282	19,282
Exploration Lease	275	174	149,360	45,650	0	45,650	45,650	45,650
Prospecting	244	132	151,557	38,552	0	38,552	38,552	38,552
Pastoral	311	8	16,843	2,488	0	2,488	2,488	2,488
Other	311	3	6,700	933	0	933	933	933
Sub-Total		591	424,972	151,993	0	151,993	151,993	151,993
Total amount raised from general rate		1,349	19,829,823	2,924,112	111,655	3,035,767	2,924,112	2,924,112
Discounts/concessions (refer note 21(b))						0	0	0
Totals						3,035,767	2,924,112	2,924,112

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) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge	Instalment Plan Interest Rate	Unpaid Rates Interest Rate
		\$	%	%
Option One				
Single full payment	9-Dec-17	0	0.00%	11.00%
Option Two				
First instalment		0	0.00%	0.00%
Second instalment		0	0.00%	0.00%
Option Three				
First instalment	9-Dec-17	0	0.00%	11.00%
Second instalment	14-Nov-17	10	5.50%	11.00%
Third instalment	16-Jan-18	10	5.50%	11.00%
Fourth instalment	13-Mar-18	10	5.50%	11.00%
		2018		
		2018 Budget		
		\$		
Interest on unpaid rates		120,191		50,000
Interest on instalment plan		3,965		4,600
Charges on instalment plan		7,944		4,000
		132,100		58,600

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 17 brought forward	3,731,834	5,631,192	5,631,192
CURRENT ASSETS			
Cash and cash equivalents			
Unrestricted	4,039,686	5,302,583	5,302,583
Restricted	8,368,964	4,793,090	4,793,090
Receivables			
Rates outstanding	710,858	999,631	999,631
Sundry debtors	26,391	51,642	51,642
GST receivable	198,385	79,217	79,217
Provision for doubtful debts	(385,257)	(385,257)	(385,257)
Accrued income/payments in advance	13,837	34,427	34,427
Inventories			
Fuels, Oils & materials on hand	5,157	8,522	8,522
LESS: CURRENT LIABILITIES			
Trade and other payables			
Sundry creditors	(656,124)	(437,982)	(437,982)
Income received in advance	(26,321)	(26,321)	(26,321)
Accrued salaries and wages	(30,756)	(21,961)	(21,961)
ATO liabilities	(105,548)	(22,874)	(22,874)
Payroll creditors	(31,408)	(36,653)	(36,653)
Accrued expenses	(29,397)	(89,046)	(89,046)
Provisions			
Provision for annual leave	(121,521)	(105,969)	(105,969)
Provision for long service leave	(49,013)	(19,889)	(19,889)
Unadjusted net current assets	11,927,933	10,123,160	10,123,160
Adjustments			
Less: Reserves - restricted cash	(8,366,631)	(4,617,826)	(4,617,826)
Add: Cash backed provision for leave	170,534	125,858	125,858
Adjusted net current assets - surplus/(deficit)	3,731,834	5,631,192	5,631,192

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.

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	12,408,650	10,095,673	12,408,650	10,095,673
Receivables	365,829	700,443	365,829	700,443
	<u>12,774,479</u>	<u>10,796,116</u>	<u>12,774,479</u>	<u>10,796,116</u>
Financial liabilities				
Payables	748,063	588,805	748,063	588,805
	<u>748,063</u>	<u>588,805</u>	<u>748,063</u>	<u>588,805</u>

Fair value is determined as follows:

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

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	37,685	32,189
- Statement of Comprehensive Income	37,685	32,189

Notes:

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

	Weighted average interest rate	Carrying amounts	Fixed interest rate	Variable interest rate	Non-interest bearing
2018					
Cash and cash equivalents	1.68%	12,408,650	8,639,339	3,768,470	841
2017					
Cash and cash equivalents	1.79%	10,095,673	6,876,007	3,218,960	706

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

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

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

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

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

	2018	2017
	%	%
Percentage of rates and annual charges		
- Current	0.00%	0.00%
- Overdue	100.00%	100.00%
Percentage of other receivables		
- Current	95.00%	33.00%
- Overdue	5.00%	67.00%

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 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	748,063	0	0	748,063	748,063
	748,063	0	0	748,063	748,063
2017					
Payables	588,805	0	0	588,805	588,805
	588,805	0	0	588,805	588,805

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	1,680		0	1,680
Pet Bonds	200	0	0	200
	<u>1,880</u>			<u>1,880</u>

25. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS FOR APPLICATION IN FUTURE PERIODS

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

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

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

Notes:

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

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

Title	Issued / Compiled	Applicable (1)	Impact
(iv) AASB 1058 Income of Not-for-Profit Entities	December 2016	1 January 2019	<p>These standards are likely to have a significant impact on the income recognition for NFP's. Key areas for consideration are:</p> <ul style="list-style-type: none"> - Assets received below fair value; - Transfers received to acquire or construct non-financial assets; - Grants received; - Prepaid rates; - Leases entered into at below market rates; and - Volunteer services. <p>The Shire has not yet assessed the impact of this standard.</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

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

d) Comparative figures

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

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

e) Budget comparative figures

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

f) Superannuation

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

g) Fair value of assets and liabilities

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

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

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

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

h) Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

i) Impairment of assets

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

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

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

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

27. ACTIVITIES/PROGRAMS

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

PROGRAM NAME	OBJECTIVE	ACTIVITIES
GOVERNANCE	Objective: To provide a decision making process for the efficient allocation of scarce resources. To provide a decision making process for the efficient allocation of scarce resources.	Activities: Includes the members of council and the administrative support available to the council for the provision of the governance of the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific council services.
GENERAL PURPOSE FUNDING	Objective: To collect revenue to allow for the provision of services. To collect revenue to allow for the provision of services.	Activities: The reporting of the Shire's general rating income and the recognition of the Western Australian Grants Commission payment together with interest on investments and costs associated with the collection of funds.
LAW, ORDER, PUBLIC SAFETY	Objective: To provide services to help ensure a safer and environmentally conscious community.	Activities: Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services.
HEALTH	Objective: To provide an operational framework for environmental and community health.	Activities: Inspection of food outlets and their control, provision of meat inspection services, noise control and waste disposal compliance.
EDUCATION AND WELFARE	Objective: To provide services to disadvantaged persons, the elderly, children and youth. To provide services to disadvantaged persons, the elderly, children and youth.	Activities: Expenditure to assist in the education of the children and youth within the shire.
HOUSING	Objective: To provide and maintain housing.	Activities: Income and expenditure associated with the provision of housing to staff and others.
COMMUNITY AMENITIES	Objective: To provide services required by the community.	Activities: Rubbish collection services, operation of rubbish disposal sites, litter control, construction and maintenance of urban stormwater drains, protection of the environment and administration of town planning schemes, cemetery and public conveniences.
RECREATION AND CULTURE	Objective: To establish and effectively manage infrastructure and resources which will help the social well being of the community.	Activities: The reporting of income and expenditure associated with the Town Hall, library and recreation area, oval and reserves operated by Council.
TRANSPORT	Objective: To provide safe, effective and efficient transport services to the community.	Activities: Construction and maintenance of roads, grids, footpaths, depots, cycle ways, parking facilities and traffic control. Cleaning of streets and maintenance of street trees, street lighting and the maintenance of the Council's airstrips.
ECONOMIC SERVICES	Objective: To help promote the shire and its economic well being.	Activities: The reporting of income and expenditure including the operation of Council's caravan park and administration of the Building Code of Australia.
OTHER PROPERTY AND SERVICES	Objective: To monitor and control Shire's overheads operating accounts.	Activities: Involves the expenditure and allocation of employee overheads and plant costs. Also included is the accounting for private works, salary and wages reconciliation and other incomes and expenditures not included elsewhere.

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

Activities:

Includes the members of council and the administrative support available to the council for the provision of the governance of the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific council services.

GENERAL PURPOSE FUNDING

Objective:

To collect revenue to allow for the provision of services.

To collect revenue to allow for the provision of services.

Activities:

The reporting of the Shire's general rating income and the recognition of the Western Australian Grants Commission payment together with interest on investments and costs associated with the collection of funds.

LAW, ORDER, PUBLIC SAFETY

Objective:

To provide services to help ensure a safer and environmentally conscious community.

Activities:

Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services.

HEALTH

Objective: To provide an operational framework for environmental and community health.

Activities:

Inspection of food outlets and their control, provision of meat inspection services, noise control and waste disposal compliance.

EDUCATION AND WELFARE

Objective:

To provide services to disadvantaged persons, the elderly, children and youth.

To provide services to disadvantaged persons, the elderly, children and youth.

Activities:

Expenditure to assist in the education of the children and youth within the shire.

HOUSING

Objective: To provide and maintain housing.

Activities:

Income and expenditure associated with the provision of housing to staff and others.

COMMUNITY AMENITIES

Objective: To provide services required by the community.

Activities:

Rubbish collection services, operation of rubbish disposal sites, litter control, construction and maintenance of urban stormwater drains, protection of the environment and administration of town planning schemes, cemetery and public conveniences.

RECREATION AND CULTURE

Objective: To establish and effectively manage infrastructure and resources which will help the social well being of the community.

Activities:

The reporting of income and expenditure associated with the Town Hall, library and recreation area, oval and reserves operated by Council.

TRANSPORT

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

Activities:

Construction and maintenance of roads, grids, footpaths, depots, cycle ways, parking facilities and traffic control. Cleaning of streets and maintenance of street trees, street lighting and the maintenance of the Council's airstrips.

ECONOMIC SERVICES

Objective: To help promote the shire and its economic well being.

Activities:

The reporting of income and expenditure including the operation of Council's caravan park and administration of the Building Code of Australia.

OTHER PROPERTY AND SERVICES

Objective:

To monitor and control Shire's overheads operating accounts.

Activities:

Involves the expenditure and allocation of employee overheads and plant costs. Also included is the accounting for private works, salary and wages reconciliation and other incomes and expenditures not included 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	5.24	9.59	6.43
Asset consumption ratio	0.99	0.79	1.72
Asset renewal funding ratio	N/A	1.00	0.19
Asset sustainability ratio	1.49	0.46	1.35
Debt service cover ratio	0.00	0.00	0.00
Operating surplus ratio	0.21	0.60	(0.61)
Own source revenue coverage ratio	0.61	0.59	0.47

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.	1,307,695	1,316,866	0
Amount of Financial Assistance Grant received in prior year relating to current year.	1,316,866	0	0
Amount of reimbursement for flood damage received	32,202	213,019	1,031,420
Expenditure on flood damage re-instatement			

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	5.23	11.67	5.08
Operating surplus ratio	0.19	0.20	NA
Own source revenue coverage ratio	0.61	0.59	NA



Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Council of the Shire of Menzies

Report on the Audit of the Financial Report

Opinion

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

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

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

Basis for Opinion

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

Emphasis of Matter – Basis of Accounting

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

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

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

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

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

Auditor's Responsibility for the Audit of the Financial Report

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

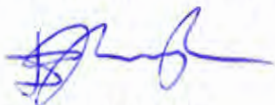
- (i) The following material matters indicating non-compliance with Part 6 of the *Local Government Act 1995*, the Local Government (Financial Management) Regulations 1996 or applicable financial controls of any other written law were identified during the course of my audit:
 - a. A service contract of \$172,000 was not procured through a tender process. The Local Government (Functions and General) Regulations 1996 require public tenders to be invited for services above \$150,000. We also identified 14 purchases from a sample of 54 where the Shire did not obtain 3 quotes for the purchase of goods and services which were below the \$150,000 tender threshold. These practices increases the likelihood of not receiving value for money in procurement.
 - b. For 8 employees, there were no signed employment contracts or letters of employment in the Shire's records.
 - c. The Shire has not reported the Asset Renewal Funding Ratio for 2018 in its annual financial report, as required by regulation 50(1)(c) of the Local Government (Financial Management) Regulations 1996, as planned capital renewals and required capital expenditure were not estimated in a long term financial plan and asset management plan respectively.
- (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 included in the annual financial report was supported by verifiable information and reasonable assumptions.

Other Matter

The financial report of the Shire for the year ended 30 June 2017 was audited by another auditor who expressed an unmodified opinion on that financial report. The financial ratios for 2017 and 2016 in Note 28 of the audited financial report were included in the supplementary information and/or audited financial report for those years.

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 Menzies 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.



DON CUNNINGHAME
ASSISTANT AUDITOR GENERAL FINANCIAL AUDIT
Delegate of the Auditor General for Western Australia
Perth, Western Australia
4 July 2019

SHIRE OF MENZIES

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2018

FINDINGS IDENTIFIED DURING THE AUDIT

INDEX OF FINDINGS	RATING		
	Significant	Moderate	Minor
1. Procurement – Tenders	✓		
2. Procurement – Obtaining Quotes	✓		
3. Employment Contracts	✓		
4. Asset Renewal Funding Ratio	✓		
5. Daily Cash Reconciliation		✓	
6. Valuation of Footpath Infrastructure		✓	

KEY TO RATINGS

The Ratings in this management letter are based on the audit team's assessment of risks and concerns with respect to the probability and/or consequence of adverse outcomes if action is not taken. We give consideration to these potential adverse outcomes in the context of both quantitative impact (for example financial loss) and qualitative impact (for example inefficiency, non-compliance, poor service to the public or loss of public confidence).

- Significant** - Those findings where there is potentially a significant risk to the entity should the finding not be addressed by the entity promptly.
- Moderate** - Those findings which are of sufficient concern to warrant action being taken by the entity as soon as practicable.
- Minor** - Those findings that are not of primary concern but still warrant action being taken.

SHIRE OF MENZIES

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2018

FINDINGS IDENTIFIED DURING THE AUDIT

1. Procurement - Tenders

Finding:

We noted one instance where the Shire contracted to purchase services valued at \$172,000 that was not procured through the tender process as required by the *Local Government Act 1995* and Regulations.

Rating: Significant

Implication:

If financial limits for procurement are not complied with, this increases the risk that high value purchases may be made from an inappropriate supplier. In addition, this is not compliant with the Shire's purchasing policy and the *Local Government Act 1995* and Regulations.

Recommendation:

The Shire should ensure all purchases greater than \$150,000 are subject to a tender process.

We recommend that approval for the total amount spent with this supplier be brought to the attention of Council and the breach be reported to the Department of Local Government by way of inclusion in the next Compliance Annual Review Report.

Management's Comments:

1. Future major purchases and tenders will be brought before Council for approval.
2. The Shire must adhere to purchasing policies and tender requirements. Going forward the Shire will be diligent and rules and regulations will be adhered to.
3. Council has expressed disapproval of using WALGA preferred suppliers without going to tender. Council supports going to tender for all purchases over \$150,000
4. Attention will be given to cumulative expenses from a supplier so the limit is not breached

Responsible Person: Peter Money, Chief Executive Officer (CEO)

Completion Date: Ongoing

SHIRE OF MENZIES

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2018

FINDINGS IDENTIFIED DURING THE AUDIT

2. Procurement – Obtaining Quotes

Finding:

During our procurement testing, we noted 14 instances from a sample of 54 where there was insufficient documentation to indicate that the Shire obtained three quotes for the purchase of goods and services.

The Shire's purchasing policy requires the Shire to obtain three quotes for purchases greater than \$10,000.

Rating: Significant

Implication:

If purchases are made without obtaining sufficient quotes, there is a risk of favouritism of suppliers and not obtaining value for money.

Recommendation:

1. For purchases below the tender threshold but above \$10,000, quotes should be obtained, in accordance with the Shire's purchasing policy
2. If instances arise where it is impractical to obtain the requisite number of quotations, the reasons should be recorded and attached to the purchase order at the time of the purchase being made.

Management's Comments:

Under the new CEO, this policy will be enforced. In instances where 3 quotes are not possible this will be recorded.

Responsible Person: Peter Money (CEO)

Completion Date: Ongoing

SHIRE OF MENZIES

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2018

FINDINGS IDENTIFIED DURING THE AUDIT

3. Employment Contracts

Finding:

We noted that there were:

- 8 employees without any employment contracts or letters of employment in their personnel file
- 3 employment contracts without the employee's signature to acknowledge terms and conditions of the contracts.

We also noted that the annual increment letters and confirmation of employment notices were not prepared and issued to staff following the annual performance reviews.

Rating: Significant

Implication:

Without a properly signed contract or letter of employment, there is an increased risk that the employees may not be legally bound and there could be disputes regarding the correct terms of employment, including pay rates.

Recommendation:

All employment contracts should be signed and retained in the HR system and/or an appropriate records management system.

In addition, the Shire should issue annual increment letters to all its employees following annual performance reviews.

Management Comments:

A review of staff files will be conducted to update for missing employment information. Where employees are found to not have an employment contract this will be rectified. Annual reviews will be conducted and followed up with letters to employees with the outcomes.

Responsible Person: Peter Money (CEO)

Completion Date: To be completed

SHIRE OF MENZIES

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2018

FINDINGS IDENTIFIED DURING THE AUDIT

4. Asset Renewal Funding Ratio

Finding:

We noted that the Shire has not reported the asset renewal funding ratio for 2018 in its annual financial report, as required by regulation 50(1)(c) of the Local Government (Financial Management) Regulations 1996, as the Shire has not updated and approved its Asset Management Plan.

Rating: Significant

Implication:

The financial report does not comply with regulation 50(1)(c) of the Local Government (Financial Management) Regulations 1996.

Recommendation:

The Shire should update and approve its Asset Management Plan.

Management Comments:

The Shire is employing an Asset Management Officer to support existing staff to update the plan, determine levels of funding and manage the process.

Responsible Person: Peter Money (CEO)

Completion Date: Ongoing

SHIRE OF MENZIES

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2018

FINDINGS IDENTIFIED DURING THE AUDIT

5. Daily Cash Reconciliation

Finding:

We noted that the daily cash reconciliation was not reviewed by an independent officer and the preparer did not sign the reconciliation.

Rating: Moderate

Implication:

Without an independent review of the daily cash reconciliation, there is an increased risk of undetected data entry errors and misappropriation of cash.

Recommendation

The Shire should ensure that:

- the preparer signs and dates the daily cash reconciliation to demonstrate that they prepared it
- an independent officer reviews the daily cash reconciliation.

Management Comments:

Procedures have been put in place to address this issue.

Visitor Centre

1. Daily reports from the visitor centre POS are signed by the preparer. The till is balanced at the end of day.
2. Cash is counted and signed for by administration staff who takes the daily takings/banking from visitor centre to administration.
3. Administration staff (not the person who collects banking from visitor centre in point 2) reconcile cash and EFT and process in Synergy. Cash is counted and put into banking cash bag. Banking reconciliation is signed by that staff member.
4. This cash is then counted by another staff member and that staff member seals the banking bag and signs banking report.

Hence cash is counted 4 times.

Administration

1. Receipts are issued for every over the counter transaction at the time of the transaction.
2. Cash and EFTPOS are closed off and balanced at the end of the day. Signed by the preparer
3. This cash is then counted by another staff member and that staff member seals the banking bag and signs the report.

Hence cash is counted 2 times.

Responsible Person: Peter Money (CEO)
Completion Date: Completed (25 May 2018)

SHIRE OF MENZIES

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2018

FINDINGS IDENTIFIED DURING THE AUDIT

6. Valuation of Footpath Infrastructure

Finding:

As part of our testing of the valuation of infrastructure at 30 June 2018, we noted that the Shire has not revalued footpath infrastructure since 2014. This is inconsistent with the Shire's accounting policy and the former Regulation 17A of the Local Government (Financial Management) Regulations 1996 which required valuations to be performed every 3 years.

Rating: Moderate

Implication:

While the value of footpath infrastructure is small in comparison to the other classes of infrastructure assets, there is a risk that its fair value may differ from its carrying value if valuations are not performed frequently.

Recommendation:

We recommend that the Shire undertake valuation of footpath infrastructure in 2018-19 so as to comply with the new Regulation 17A of the Local Government (Financial Management) Regulations 1996 which requires a revaluation before the expiry of a period of 3 to 5 years after the day on which the asset was last valued or revalued.

Management Comments:

The Asset Management Officer will work with management staff to ensure a valuation is carried out and recorded properly

Responsible Person: Peter Money (CEO)

Completion Date: Ongoing

12.1.2 ADVERTISING - DIFFERENTIAL RATE SUBMISSIONS

LOCATION:	Menzies Shire
APPLICANT:	Shire of Menzies
DOCUMENT REF:	as applicable
DISCLOSURE OF INTEREST:	Nil
DATE:	29 August 2019
AUTHOR:	Peter Money Chief Executive Officer
ATTACHMENT:	Nil

SUMMARY

Council is to consider any submissions received following the advertising of the differential rates for the year ending 30 June 2020.

BACKGROUND

In accordance with the Local Government Act, Council is obligated to advertise its proposal to impose differential rates.

The Shire has given local public notice of 21 days in accordance with (s6.36(1)) of its intention to levy the differential rates.

The advertising period closed on 22nd August 2019 and no submissions were received.

COMMENT

Council calculated the rates based on the metropolitan CPI of 1.8% which will provide sufficient income to carry out the proposed projects and ensure sufficient funds for Shire operational matters.

There was an increase in valuation in some of the mining leases this year even though some neighbouring shires had some reductions in lease values.

This increase in valuations will result in an increase in income above 1.8% and this factor should be considered in the 2020/2021 budget, should similar valuation increases occur.

CONSULTATION

Council workshops
Public advertising Kalgoorlie Miner
Shire Website

STATUTORY ENVIRONMENT

Local Government Act 1995 Section s6.33, s6.36

POLICY IMPLICATIONS

OP14 - Council does not raise the correct level of rate income

FINANCIAL IMPLICATIONS

The level of rating reflects the expenditure adopted in the proposed Budget for the year ending 30 June 2019.

RISK ASSESSMENT

Failing to advertise differential rates would breach Regulations and could result in imposed rates being withdrawn.

STRATEGIC IMPLICATIONS

14.1 Sustainable local economy encouraged

- A local economy accessing the commercial options and services in place, for timely development.
- The acquisition of appropriate resources to assist with economic and tourism planning and development.

14.3 Active civic leadership achieved

- Where possible, support opportunities to build the capacity of the community within the Shire of Menzies.
- Regularly monitor and report on the Shire's activities, budgets, plans and performance.
- Continue to engage with our community, to advocate on behalf of our community, to be accountable and to manage within our governance and legislative framework.
- Continue to participate in regional activities to the benefit of our community.

14.4 Heritage & Natural assets conserved

- Heritage and cultural places and items will be protected.
- A strengthening of our cultural and heritage awareness and values.

VOTING REQUIREMENTS

Simple majority

OFFICERS RECOMMENDATION

That Council notes that no submissions were received in response to the advertising of the proposed differential rates for the year ending 30 June 2020.

COUNCIL DECISION

COUNCIL RESOLUTION:	No. 1691
----------------------------	-----------------

MOVED: Cr Keith Mader

SECONDED: Cr Ian Baird

That Council notes that no submissions were received in response to the advertising of the proposed differential rates for the year ending 30 June 2020.

Carried 5/0

12.1.3 AMEND POLICY 2.2 CAPITALISATION OF ASSETS

LOCATION:	N/A
APPLICANT:	Shire of Menzies
DOCUMENT REF:	as applicable
DISCLOSURE OF INTEREST:	No conflict of interest
DATE:	28 August 2019
AUTHOR:	Jeanette Taylor Manager of Finance and Administration
ATTACHMENT:	Nil

SUMMARY

Policies are determined by Council and may be amended or waived according to circumstances. This power is conveyed to Council in section 2.7(2)(b) of the *Local Government Act 1995*.

BACKGROUND

The Policy Review undertaken in August 2018 updated the asset capitalisation threshold to \$10,000 in anticipation of new guidelines which did not eventuate.

COMMENT

Council cannot have a Policy that contravenes the Local Government Act or Regulations Policy 2.2 Capitalisation of Assets is to be amended to accordingly.

Local Government (Financial Management) Regulations 17A(5) states

“An asset is to be excluded from the assets of a local government if the fair value of the asset as at the date of acquisition by the local government is under \$5 000.”

CONSULTATION

NA

STATUTORY ENVIRONMENT

Local Government Act 1995 section 2.7(2)(b)

Local Government (Financial Management) Regulations 17A(5)

POLICY IMPLICATIONS

Policy 2.2 Capitalisation of Assets

FINANCIAL IMPLICATIONS

Nil

RISK ASSESSMENT

OP13 Council does not comply with statutory reporting requirements and deadlines.

STRATEGIC IMPLICATIONS

Select one or more of the outcomes from the Strategic Plan – delete those not relevant

14.3 Active civic leadership achieved

- Regularly review plans with community consultation on significant decisions affecting the shire.

VOTING REQUIREMENTS

Simple majority

OFFICERS RECOMMENDATION

That Council update Policy 2.2 Capitalisation of Assets to adopt a threshold of \$5,000 for the capitalisation of purchased assets as per *Local Government (FM) Regulations 17A(5.)*.

COUNCIL DECISION

COUNCIL RESOLUTION:	No. 1692
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MOVED: Cr Keith Mader

SECONDED: Cr Ian Baird

That Council update Policy 2.2 Capitalisation of Assets to adopt a threshold of \$5,000 for the capitalisation of purchased assets as per Local Government (FM) Regulations 17A(5.).

Carried 5/0

12.1.4 ADOPTION OF BUDGET FOR THE YEAR ENDING 30 JUNE 2020

LOCATION:	N/A
APPLICANT:	N/A
DOCUMENT REF:	
DISCLOSURE OF INTEREST:	The Author has no interest to disclose
DATE:	29 August 2019
AUTHOR:	Ally Bryant, Finance Consultant
ATTACHMENT:	12.1.4-1 Statutory Budget for year ending 30 June 2020 12.1.4-2 Capital Works Job Details 2019-20 12.1.4-3 Fees and Charges 2019-2020

IN BRIEF:

For Council to consider the adoption of the Budget for the year ending 30 June 2020.

BACKGROUND:

At the ordinary meeting of Council held on 25 July 2019, Council resolved to adopt differential rating. The proposed rates were advertised with the final date for objections being 22 August 2019. No objections were received.

The Statutory Budget has been developed following two workshops with input from Councillor's. All items were discussed for both the operating and capital budget.

COMMENT:

Rate increases for the 2019/2020 Financial year for all properties has been limited to 1.8%. The total Reserves increase for the year. Some new initiatives have been introduced, and plant replaced.

It is proposed that any difference in surplus between the Adopted Budget estimate and the final surplus will be transferred to Reserves.

The budget as presented has been developed by using the following reference documents.

- Workforce Plan
- Asset Management Plan
- Long Term Financial Management Plan
- Strategic Community Plan
- Corporate Business Plan.

CONSULTATION:

- Two Budget Workshops with Council.
- CEO
- Works Supervisor
- MFA
- Local Advertising

STATUTORY AUTHORITY:

Local Government Act 1995 Section 5.98, 6.32, 6.36, 6.46(3), 6.47 and 6.51

Waste Avoidance and Resource Recovery Act 2007 Section 67

Local Government (Financial Management) Regulations 1996 Regulation 64(2) and 67

POLICY IMPLICATIONS:

Policy Schedule 4.1 – Budget Preparation Timetable

FINANCIAL IMPLICATIONS:

The Annual Budget determines how funds will be allocated for the forthcoming financial year.

RISK ASSESSMENTS:

- OP9** Budgets are inaccurately reported with differences in the Budget adopted by Council, and that exercised by Council administration.
- OP10** Budgets do not reflect strategic objectives.
- OP13** Council does not comply with statutory reporting requirements and deadlines.
- OP14** Council does not raise the correct level of rate income.
- OP30** Unrealistic budgets adopted.

RELEVANT TO STRATEGIC PLAN:

14.1 Sustainable local economy encouraged

- A strong local economy, diversified through encouraging commercial growth, which provides jobs and services.
- The acquisition of appropriate resources to assist with economic and tourism planning and development.

14.2 Strong sense of community maintained

- Our community will have access to all necessary service requirements.
- The Shire to review disability access throughout the Shire of Menzies.
- The Shire to acquire appropriate resources to assist with developing the services and facilities required by the community.

14.3 Active civic leadership achieved

- Regularly monitor and report on the Shire's activities, budgets, plans and performance.
- Maintain sustainability through our leadership, our regional and government partnerships and ensure we make informed resource decisions for our community good.

VOTING REQUIREMENTS:

Absolute Majority

OFFICER RECOMMENDATION:

Recommendation 1 – Valuations and Rates

That the valuations supplied by the Valuer General below, be adopted and recorded in the rate book for use in the 2019/2020 financial year

- Gross Rental Value (GRV) \$2,555,095
- Unimproved Value (UV) \$18,722,758

COUNCIL DECISION

COUNCIL RESOLUTION:

No. 1693

MOVED: Cr Keith Mader

SECONDED: Cr Debbie Hansen

That the valuations supplied by the Valuer General below, be adopted and recorded in the rate book for use in the 2019/2020 financial year

- *Gross Rental Value (GRV) \$2,555,095*
- *Unimproved Value (UV) \$18,722,758*

Carried by Absolute Majority 5/0

OFFICER RECOMMENDATION:

Recommendation 2 - Rate in the Dollar

That in accordance with the Local Government Act 1995 Section 6.32, Council impose the advertised general rates in GRV and UV in the 2019/2020 financial year as:

- | | | | |
|----|--------------------------|---------------------------|--------------------|
| 1. | Gross Rental Value (GRV) | | |
| a. | GRV Improved | 8.64 cents in the dollar | Minimum Rate \$317 |
| b. | GRV Vacant | 8.62 cents in the dollar | Minimum Rate \$200 |
| 2. | Unimproved Value | | |
| a. | UV Mining Operating | 16.55 cents in the dollar | Minimum Rate \$317 |
| 3. | UV Mining Exploration | 15.00 cents in the dollar | Minimum Rate \$280 |
| 4. | UV Mining Prospecting | 14.77 cents in the dollar | Minimum Rate \$248 |
| 5. | UV Pastoral and Other | 8.29 cents in the dollar | Minimum Rate \$317 |

COUNCIL DECISION

COUNCIL RESOLUTION:

No. 1694

MOVED: Cr Ian Baird

SECONDED: Cr Debbie Hansen

That in accordance with the Local Government Act 1995 Section 6.32, Council impose the advertised general rates in GRV and UV in the 2019/2020 financial year as:

- | | | |
|------------------------------------|----------------------------------|---------------------------|
| 1. Gross Rental Value (GRV) | | |
| a. GRV Improved | 8.64 cents in the dollar | Minimum Rate \$317 |
| b. GRV Vacant | 8.62 cents in the dollar | Minimum Rate \$200 |
| 2. Unimproved Value | | |
| a. UV Mining Operating | 16.55 cents in the dollar | Minimum Rate \$317 |
| 3. UV Mining Exploration | 15.00 cents in the dollar | Minimum Rate \$280 |
| 4. UV Mining Prospecting | 14.77 cents in the dollar | Minimum Rate \$248 |
| 5. UV Pastoral and Other | 8.29 cents in the dollar | Minimum Rate \$317 |

Carried by Absolute Majority 5/0

OFFICER RECOMMENDATION:

Recommendation 3 – Rubbish Removal Charge

That in accordance with section 67 of the Waste Avoidance and Resource Recovery Act 2007, Council impose Receptacle Collection Charges as:

- | | |
|---|-------|
| 1. 240 litre bin (first service for residential property) | \$140 |
| 2. 240 litre bin (additional service for residential property) | \$155 |
| 3. 240 litre bin service (per service) for non-residential property | \$168 |

COUNCIL DECISION

COUNCIL RESOLUTION:

No. 1695

MOVED: Cr Ian Baird

SECONDED: Cr Keith Mader

That in accordance with section 67 of the Waste Avoidance and Resource Recovery Act 2007, Council impose Receptacle Collection Charges as:

- | | |
|--|--------------|
| 1. 240 litre bin (first service for residential property) | \$140 |
| 2. 240 litre bin (additional service for residential property) | \$155 |
| 3. 240 litre bin service (per service) for non-residential property | \$168 |

Carried by Absolute Majority 5/0

OFFICER RECOMMENDATION:

Recommendation 4 – Payment Options

That in accordance with Regulation 64(2) of the Local Government (Financial Management) Regulations 1996, Council nominate the following due dates for the payment of rates and charges in the 2019/2020 financial year

Issue Date	10 September 2019
1. Payment in Full	17 October 2019
2. Payment in Four Instalments	
a. First Instalment	17 October 2019
b. Second Instalment	19 December 2019
c. Third Instalment	20 February 2020
d. Fourth Instalment	22 April 2020

COUNCIL DECISION

COUNCIL RESOLUTION:

No. 1696

MOVED: Cr Keith Mader

SECONDED: Cr Ian Baird

That in accordance with Regulation 64(2) of the Local Government (Financial Management) Regulations 1996, Council nominate the following due dates for the payment of rates and charges in the 2019/2020 financial year

<i>Issue Date</i>	<i>10 September 2019</i>
<i>3. Payment in Full</i>	<i>17 October 2019</i>
<i>4. Payment in Four Instalments</i>	
<i>a. First Instalment</i>	<i>17 October 2019</i>
<i>b. Second Instalment</i>	<i>19 December 2019</i>
<i>c. Third Instalment</i>	<i>20 February 2020</i>
<i>d. Fourth Instalment</i>	<i>22 April 2020</i>

Carried by Absolute Majority 5/0

OFFICER RECOMMENDATION:

Recommendation 5 – Instalment Charges

That in accordance with section 6.45(3) of the Local Government Act 1995 and Regulation 67 of the Local Government (Financial Management) Regulations 1996, Council impose administration fees (excluding eligible pensioners and seniors) as:

1. Payment of rates and charges by instalments (not including the first instalment) \$10 per instalment and 5.5% interest to apply to instalments that remain outstanding after the due date;

COUNCIL DECISION

COUNCIL RESOLUTION:	No. 1697
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MOVED: Cr Keith Mader

SECONDED: Cr Ian Baird

That in accordance with section 6.45(3) of the Local Government Act 1995 and Regulation 67 of the Local Government (Financial Management) Regulations 1996, Council impose administration fees (excluding eligible pensioners and seniors) as:

- 1. Payment of rates and charges by instalments (not including the first instalment) \$10 per instalment and 5.5% interest to apply to instalments that remain outstanding after the due date;*

Carried by Absolute Majority 5/0

OFFICER RECOMMENDATION:

Recommendation 6 – Penalties and Additional Charges for unpaid Rates and Charges

That in accordance with section 6.51 of the Local Government Act 1995, Council impose penalty interest of 11% per annum, calculated daily, on rates and service charges remaining unpaid (excluding eligible pensioners opting to defer the payment of their rates), after the due date and that the following fees be adopted for the non-payment of rates and charges

1. A fee of \$11 will be levied on each Final Notice issued (concession holders not to receive final notices).
2. A fee of \$40 will be levied on each title search required for recovery of outstanding rates.

COUNCIL DECISION

COUNCIL RESOLUTION:	No.1698
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MOVED: Cr Keith Mader

SECONDED: Cr Ian Baird

That in accordance with section 6.51 of the Local Government Act 1995, Council impose penalty interest of 11% per annum, calculated daily, on rates and service charges remaining unpaid (excluding eligible pensioners opting to defer the payment of their rates), after the due date and that the following fees be adopted for the non-payment of rates and charges

- 1. A fee of \$11 will be levied on each Final Notice issued (concession holders not to receive final notices).*
- 2. A fee of \$40 will be levied on each title search required for recovery of outstanding rates.*

Carried by Absolute Majority 5/0

OFFICER RECOMMENDATION:

Recommendation 7 – Fees and Charges

That Council adopt the proposed fees and charges for the year ending 30 June 2020 as attached with the following additions.

*Addition 1 - 240 Litre bin service (per service) for non-residential property \$168 was overlooked and has been added to Fees and Charges.

*Addition 2 - Fee of \$40 added for the charge of title search for recovery of outstanding rates.

COUNCIL DECISION

COUNCIL RESOLUTION:

No. 1699

MOVED: Cr Keith Mader

SECONDED: Cr Jill Dwyer

That Council adopt the proposed fees and charges for the year ending 30 June 2020 as attached with the following additions.

**Addition 1 - 240 Litre bin service (per service) for non-residential property \$168 was overlooked and has been added to Fees and Charges.*

**Addition 2 - Fee of \$40 added for the charge of title search for recovery of outstanding rates.*

Carried by Absolute Majority 5/0

OFFICER RECOMMENDATION:

Recommendation 8 – Councillor Remuneration

As determined by Western Australia Salaries and Allowances Act 1975, Determination of the Salaries and Allowances Tribunal for Local Government, Chief Executive Officers and Elected Members Part 6.4 and Part 7 Band 4, the following Fees and Allowances be adopted.

President

Annual Attendance Fee	\$19,410.00
Annual Presidents Allowance	\$19,846.00

Deputy President

Annual Attendance Fee	\$9,410.00
Annual Deputy Presidents Allowance	\$4,966.00

All other Councillors

Annual Attendance Fee	\$9,410.00
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All Councillors

Annual Communication Fee	\$1,100.00
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COUNCIL DECISION

COUNCIL RESOLUTION:

No. 1700

MOVED: Cr Ian Baird

SECONDED: Cr Keith Mader

As determined by Western Australia Salaries and Allowances Act 1975, Determination of the Salaries and Allowances Tribunal for Local Government, Chief Executive Officers and Elected Members Part 6.4 and Part 7 Band 4, the following Fees and Allowances be adopted.

President

<i>Annual Attendance Fee</i>	<i>\$19,410.00</i>
<i>Annual Presidents Allowance</i>	<i>\$19,846.00</i>

Deputy President

<i>Annual Attendance Fee</i>	<i>\$9,410.00</i>
<i>Annual Deputy Presidents Allowance</i>	<i>\$4,966.00</i>

All other Councillors

<i>Annual Attendance Fee</i>	<i>\$9,410.00</i>
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All Councillors

<i>Annual Communication Fee</i>	<i>\$1,100.00</i>
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Carried by Absolute Majority 5/0

OFFICER RECOMMENDATION:

Recommendation 9 – Loyalty Payment

That Council adopts the following employee Loyalty Payment in accordance with Policy 5.11.

Year 1	\$41.69	per fortnight
Year 2	\$83.52	per fortnight
Year 3	\$125.29	per fortnight
Year 4	\$167.06	per fortnight

COUNCIL DECISION

COUNCIL RESOLUTION:

No. 1701

MOVED: Cr Ian Baird

SECONDED: Cr Keith Mader

That Council adopts the following employee Loyalty Payment in accordance with Policy 5.11.

<i>Year 1</i>	<i>\$41.69</i>	<i>per fortnight</i>
<i>Year 2</i>	<i>\$83.52</i>	<i>per fortnight</i>
<i>Year 3</i>	<i>\$125.29</i>	<i>per fortnight</i>
<i>Year 4</i>	<i>\$167.06</i>	<i>per fortnight</i>

Carried by Absolute Majority 5/0

OFFICER RECOMMENDATION:

Recommendation 10 – Adoption of Variance

That Council adopt the percentage and dollar value for identifying and reporting material variances for the Monthly Statement of Financial Activity presented to Council for review and comparison to Budget which indicates the variance value of plus (+) or minus (-) of 10% for items greater than \$25,000 variance.

COUNCIL DECISION

COUNCIL RESOLUTION:

No. 1702

MOVED: Cr Ian Baird

SECONDED: Cr Keith Mader

That Council adopt the percentage and dollar value for identifying and reporting material variances for the Monthly Statement of Financial Activity presented to Council for review and comparison to Budget which indicates the variance value of plus (+) or minus (-) of 10% for items greater than \$25,000 variance.

Carried by Absolute Majority 5/0

OFFICER RECOMMENDATION:

Recommendation 11 – Adoption of Threshold for Capitalisation

That Council adopt a minimum value of \$5,000 for the capitalisation of purchases as Assets as per the Local Government (Financial Management) Regulations 1996 Reg 17a (amended 26th June 2018)

COUNCIL DECISION

COUNCIL RESOLUTION:	No. 1703
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MOVED: Cr Keith Mader

SECONDED: Cr Debbie Hansen

That Council adopt a minimum value of \$5,000 for the capitalisation of purchases as Assets as per the Local Government (Financial Management) Regulations 1996 Reg 17a (amended 26th June 2018)

Carried by Absolute Majority 5/0

OFFICER RECOMMENDATION:

Recommendation 12 – Adoption of additional Reserve Accounts

That Council adopts the following.

1. Establish a Commercial Enterprise Reserve with the purpose to fund an activity or purchase with a view to producing a profit by the Council of the Shire of Menzies.
2. Establish a Land Purchase Reserve with the purpose to be used for purchase of selective properties with developmental potential.

COUNCIL DECISION

COUNCIL RESOLUTION:	No. 1704
----------------------------	-----------------

MOVED: Cr Keith Mader

SECONDED: Cr Ian Baird

That Council adopts the following.

1. *Establish a Commercial Enterprise Reserve with the purpose to fund an activity or purchase with a view to producing a profit by the Council of the Shire of Menzies.*
2. *Establish a Land Purchase Reserve with the purpose to be used for purchase of selective properties with developmental potential.*

Carried by Absolute Majority 5/0

OFFICER RECOMMENDATION:

Recommendation 13 – Adoption of 2019/2020 Budget

That the 2019/2020 Annual Budget including the following be adopted:

- a. Statements of Comprehensive Income by Nature and Type
- b. Statement of Comprehensive Income by Program
- c. Statement of Cash Flows
- d. Rate Setting Statement by Program
- e. Notes to and forming the Annual Budget
- f. Capital Works Program
- g. Schedule of Fees and Charges

COUNCIL DECISION

COUNCIL RESOLUTION:	No. 1705
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MOVED: Cr Keith Mader

SECONDED: Cr Ian Baird

That the 2019/2020 Annual Budget including the following be adopted:

- a. Statements of Comprehensive Income by Nature and Type*
- b. Statement of Comprehensive Income by Program*
- c. Statement of Cash Flows*
- d. Rate Setting Statement by Program*
- e. Notes to and forming the Annual Budget*
- f. Capital Works Program*
- g. Schedule of Fees and Charges*

Carried by Absolute Majority 5/0

SHIRE OF MENZIES

BUDGET

FOR THE YEAR ENDED 30 JUNE 2020

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SHIRE'S VISION

Our aim is for the Shire of Menzies to be a prosperous, sustainable and dedicated community in which all residents are able to participate in decision making and benefit from the Shire's many opportunities and resources.

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30TH JUNE 2020**

BY NATURE OR TYPE

	NOTE	2019/20 Budget	2018/19 Actual	2018/19 Budget
		\$	\$	\$
Revenue				
Rates	1(a)	3,266,373	3,123,010	3,163,516
Operating grants, subsidies and contributions	9	2,137,567	2,938,278	1,439,517
Fees and charges	8	242,047	398,736	269,080
Interest earnings	10(a)	233,789	337,268	224,501
Other revenue	10(b)	49,693	27,468	48,290
		5,929,469	6,824,760	5,144,904
Expenses				
Employee costs		(2,055,237)	(1,648,473)	(1,902,046)
Materials and contracts		(2,129,633)	(1,924,278)	(1,796,593)
Utility charges		(86,147)	(80,632)	(109,340)
Depreciation on non-current assets	5	(1,986,269)	(1,953,567)	(2,774,749)
Interest expenses	10(d)	0	0	(7,000)
Insurance expenses		(149,012)	(137,984)	(124,470)
Other expenditure		(436,155)	(106,910)	(300,234)
		(6,842,453)	(5,851,844)	(7,014,432)
Subtotal		(912,984)	972,916	(1,869,528)
Non-operating grants, subsidies and contributions	9	3,374,402	1,279,247	3,212,556
Profit on asset disposals	4(b)	39,212	17,233	15,000
Loss on asset disposals	4(b)	(35,336)	(4,059)	(22,500)
		3,378,278	1,292,421	3,205,056
Net result		2,465,294	2,265,337	1,335,528
Other comprehensive income				
Changes on revaluation of non-current assets		0	0	0
Total other comprehensive income		0	0	0
Total comprehensive income		2,465,294	2,265,337	1,335,528

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

FOR THE YEAR ENDED 30TH JUNE 2020

BASIS OF PREPARATION

The budget has been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and interpretations of the Australian Accounting Standards Board, and the *Local Government Act 1995* and accompanying regulations. The *Local Government (Financial Management) Regulations 1996* take precedence over Australian Accounting Standards. Regulation 16 prohibits a local government from recognising as assets Crown land that is a public thoroughfare, such as land under roads, and land not owned by but under the control or management of the local government, unless it is a golf course, showground, racecourse or 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 budget. 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 budget have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the budget has been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

THE LOCAL GOVERNMENT REPORTING ENTITY

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

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 13 to the budget.

2018/19 ACTUAL BALANCES

Balances shown in this budget as 2018/19 Actual are estimates as forecast at the time of budget preparation and are subject to final adjustments.

CHANGE IN ACCOUNTING POLICIES

On the 1 July 2019 the following new accounting policies are to be adopted and have impacted on the preparation of the budget:

- AASB 15 - Revenue from Contracts with Customers;
- AASB 16 - Leases; and
- AASB 1058 - Income of Not-for-Profit Entities.

Explanation of the changes arising from these standards is provided at Note 15.

KEY TERMS AND DEFINITIONS - NATURE OR TYPE

REVENUES

RATES

All rates levied under the *Local Government Act 1995* . Includes general, differential, specified area rates, minimum rates, interim rates, back rates, ex-gratia rates, less discounts offered. Exclude administration fees, interest on instalments, interest on arrears, service charges and sewerage rates.

SERVICE CHARGES

Service charges imposed under Division 6 of Part 6 of the *Local Government Act 1995*. Regulation 54 of the *Local Government (Financial Management) Regulations 1996* identifies these as television and radio broadcasting, underground electricity and neighbourhood surveillance services.

Excludes rubbish removal charges. Interest and other items of a similar nature received from bank and investment accounts, interest on rate instalments, interest on rate arrears and interest on debtors.

PROFIT ON ASSET DISPOSAL

Profit on the disposal of assets including gains on the disposal of long term investments. Losses are disclosed under the expenditure classifications.

REVENUES (CONTINUED)

OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

Refer to all amounts received as grants, subsidies and contributions that are not non-operating grants.

NON-OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

Amounts received specifically for the acquisition, construction of new or the upgrading of non-current assets paid to a local government, irrespective of whether these amounts are received as capital grants, subsidies, contributions or donations.

FEES AND CHARGES

Revenue (other than service charges) from the use of facilities and charges made for local government services, sewerage rates, rentals, hire charges, fee for service, photocopying charges, licences, sale of goods or information, fines, penalties and administration fees. Local governments may wish to disclose more detail such as rubbish collection fees, rental of property, fines and penalties, other fees and charges.

INTEREST EARNINGS

Interest and other items of a similar nature received from bank and investment accounts, interest on rate instalments, interest on rate arrears and interest on debtors.

OTHER REVENUE / INCOME

Other revenue, which can not be classified under the above headings, includes dividends, discounts, and rebates. Reimbursements and recoveries should be separated by note to ensure the correct calculation of ratios.

EXPENSES

EMPLOYEE COSTS

All costs associated with the employment of person such as salaries, wages, allowances, benefits such as vehicle and housing, superannuation, employment expenses, removal expenses, relocation expenses, worker's compensation insurance, training costs, conferences safety expenses, medical examinations, fringe benefit tax, etc.

MATERIALS AND CONTRACTS

All expenditures on materials, supplies and contracts not classified under other headings. These include supply of goods and materials, legal expenses, consultancy, maintenance agreements, communication expenses, advertising expenses, membership, periodicals, publications, hire expenses, rental, leases, postage and freight etc. Local governments may wish to disclose more detail such as contract services, consultancy, information technology, rental or lease expenditures.

UTILITIES (GAS, ELECTRICITY, WATER, ETC.)

Expenditures made to the respective agencies for the provision of power, gas or water. Exclude expenditures incurred for the reinstatement of roadwork on behalf of these agencies.

INSURANCE

All insurance other than worker's compensation and health benefit insurance included as a cost of employment.

LOSS ON ASSET DISPOSAL

Loss on the disposal of fixed assets includes loss on disposal of long term investments.

DEPRECIATION ON NON-CURRENT ASSETS

Depreciation expense raised on all classes of assets.

INTEREST EXPENSES

Interest and other costs of finance paid, including costs of finance for loan debentures, overdraft accommodation and refinancing expenses.

OTHER EXPENDITURE

Statutory fees, taxes, provision for bad debts, member's fees or State taxes. Donations and subsidies made to community groups.

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30TH JUNE 2020**

BY REPORTING PROGRAM

	NOTE	2019/20 Budget	2018/19 Actual	2018/19 Budget
Revenue	1, 8, 9, 10(a),(b)	\$	\$	\$
Governance		16,980	7,676	0
General purpose funding		4,397,124	5,147,324	4,224,396
Law, order, public safety		6,722	6,554	3,200
Health		1,300	676	7,100
Housing		100,600	91,051	105,600
Community amenities		17,277	17,997	8,300
Recreation and culture		800	4,703	640
Transport		1,133,391	1,119,514	537,637
Economic services		226,292	396,793	206,690
Other property and services		28,983	32,472	51,341
		5,929,469	6,824,760	5,144,904
Expenses excluding finance costs	5,10(c)(e)(f)(g)			
Governance		(903,820)	(778,133)	(803,917)
General purpose funding		(225,840)	(161,764)	(185,769)
Law, order, public safety		(116,855)	(96,631)	(108,274)
Health		(128,587)	(88,283)	(114,370)
Housing		(157,257)	(144,365)	(167,276)
Community amenities		(315,359)	(239,179)	(295,312)
Recreation and culture		(953,595)	(718,044)	(922,015)
Transport		(2,317,201)	(2,351,562)	(3,323,042)
Economic services		(1,317,284)	(1,184,998)	(1,036,068)
Other property and services		(406,655)	(88,885)	(51,389)
		(6,842,453)	(5,851,844)	(7,007,432)
Finance costs	6, 10(d)			
Housing		0	0	(7,000)
		0	0	(7,000)
Subtotal		(912,984)	972,916	(1,869,528)
Non-operating grants, subsidies and contributions	9	3,374,402	1,279,247	3,212,556
Profit on disposal of assets	4(b)	39,212	17,233	15,000
(Loss) on disposal of assets	4(b)	(35,336)	(4,059)	(22,500)
		3,378,278	1,292,421	3,205,056
Net result		2,465,294	2,265,337	1,335,528
Other comprehensive income				
Changes on revaluation of non-current assets		0	0	0
Total other comprehensive income		0	0	0
Total comprehensive income		2,465,294	2,265,337	1,335,528

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

FOR THE YEAR ENDED 30TH JUNE 2020**KEY TERMS AND DEFINITIONS - REPORTING PROGRAMS**

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

OBJECTIVE**ACTIVITIES****GOVERNANCE**

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

GENERAL PURPOSE FUNDING

To collect revenue to allow for the provision of services.

LAW, ORDER, PUBLIC SAFETY

To provide services to help ensure a safer and environmentally conscious community.

Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services.

HEALTH

To provide an operational framework for environmental and community health.

Inspection of food outlets and their control, provision of meat inspection services, noise control and waste disposal compliance.

EDUCATION AND WELFARE

To provide services to disadvantages persons, the elderly, children and youth.

HOUSING

To provide and maintain housing.

COMMUNITY AMENITIES

To provide services required by the community.

RECREATION AND CULTURE

To establish and effectively manage infrastructure and resources which will help the social well being of the community.

The reporting of income and expenditure associated with the Town Hall, library and recreation area, oval and reserves operated by the Shire.

TRANSPORT

To provide safe, effective and efficient transport services to the community.

ECONOMIC SERVICES

To help promote the Shire and its economic well being.

OTHER PROPERTY AND SERVICES

To monitor and control Shire's overheads operating accounts.

Involves the expenditure and allocation of employee overheads and plant costs. Also included is the accounting for private works, salary and wages reconciliation and other incomes and expenditures not included elsewhere.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2020

BY NATURE OR TYPE

	NOTE	2019/20 Budget	2018/19 Actual	2018/19 Budget
		\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		3,266,373	3,123,103	2,981,523
Operating grants, subsidies and contributions		2,137,567	2,938,278	1,439,517
Fees and charges		242,047	266,834	269,080
Service charges		0	0	
Interest earnings		233,789	337,268	224,501
Goods and services tax		256,579	118,465	218,424
Other revenue		49,693	27,468	48,290
		6,186,048	6,811,416	5,181,335
Payments				
Employee costs		(2,055,237)	(1,701,667)	(1,902,046)
Materials and contracts		(1,993,257)	(2,064,982)	(1,251,366)
Utility charges		(86,147)	(80,632)	(109,340)
Interest expenses		0	0	(124,470)
Insurance expenses		(149,012)	(137,984)	(7,000)
Goods and services tax		(256,579)	(230,766)	0
Other expenditure		(436,155)	(106,910)	(300,234)
		(4,976,387)	(4,322,941)	(3,694,456)
Net cash provided by (used in) operating activities	3	1,209,661	2,488,475	1,486,879
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	4(a)	(2,612,085)	(920,397)	(1,937,950)
Payments for construction of infrastructure	4(a)	(3,077,088)	(4,775,619)	(5,211,723)
Non-operating grants, subsidies and contributions used for the development of assets	9	3,374,402	1,279,247	3,212,556
Proceeds from sale of plant & equipment	4(b)	250,911	151,731	129,000
Net cash provided by (used in) investing activities		(2,063,860)	(4,265,038)	(3,808,117)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	6(a)	0	0	(21,837)
Proceeds from new borrowings	6(b)	0	0	500,000
Net cash provided by (used in) financing activities		0	0	478,163
Net increase (decrease) in cash held		(854,199)	(1,776,563)	(1,843,075)
Cash at beginning of year		10,632,087	12,408,650	12,408,654
Cash and cash equivalents at the end of the year	3	9,777,888	10,632,087	10,565,579

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

**RATES SETTING STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2020**

BY REPORTING PROGRAM

	NOTE	2019/20 Budget	2018/19 Actual	2018/19 Budget
		\$	\$	\$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)	2 (b)(i)	2,262,666	3,731,836	3,730,680
		2,262,666	3,731,836	3,730,680
Revenue from operating activities (excluding rates)				
Governance		16,980	7,676	0
General purpose funding		1,130,751	2,024,314	1,060,880
Law, order, public safety		6,722	6,554	3,200
Health		1,300	676	7,100
Housing		100,600	91,051	105,600
Community amenities		17,277	17,997	8,300
Recreation and culture		800	4,703	640
Transport		1,172,603	1,136,747	552,637
Economic services		226,292	396,793	206,690
Other property and services		28,983	32,472	51,341
		2,702,308	3,718,983	1,996,388
Expenditure from operating activities				
Governance		(903,820)	(778,133)	(803,917)
General purpose funding		(225,840)	(161,764)	(185,769)
Law, order, public safety		(116,855)	(96,631)	(108,274)
Health		(128,587)	(88,283)	(114,370)
Housing		(157,257)	(144,365)	(174,277)
Community amenities		(315,359)	(239,179)	(295,312)
Recreation and culture		(953,595)	(718,044)	(922,015)
Transport		(2,352,537)	(2,355,621)	(3,345,542)
Economic services		(1,317,284)	(1,184,998)	(1,036,068)
Other property and services		(406,655)	(88,885)	(51,388)
		(6,877,789)	(5,855,903)	(7,036,932)
Non-cash amounts excluded from operating activities	2 (b)(ii)	1,982,393	1,940,393	2,782,249
Amount attributable to operating activities		69,578	3,535,309	1,472,385
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	9	3,374,402	1,279,247	3,212,556
Purchase property, plant and equipment	4(a)	(2,612,085)	(920,397)	(1,937,950)
Purchase and construction of infrastructure	4(a)	(3,077,088)	(4,775,619)	(5,211,723)
Proceeds from disposal of assets	4(b)	250,911	151,731	129,000
Amount attributable to investing activities		(2,063,860)	(4,265,038)	(3,808,117)
FINANCING ACTIVITIES				
Repayment of borrowings	6(a)	0	0	(21,837)
Proceeds from new borrowings	6(b)	0	0	500,000
Transfers to cash backed reserves (restricted assets)	7(a)	(4,658,077)	(1,268,636)	(2,504,625)
Transfers from cash backed reserves (restricted assets)	7(a)	3,377,435	1,138,021	1,198,678
Amount attributable to financing activities		(1,280,642)	(130,615)	(827,784)
Budgeted deficiency before general rates		(3,274,924)	(860,344)	(3,163,516)
Estimated amount to be raised from general rates	1	3,266,373	3,123,010	3,163,516
Net current assets at end of financial year - surplus/(deficit)	2 (b)(i)	(8,551)	2,262,666	0

NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2020

1. RATES AND SERVICE CHARGES

(a) Rating Information

RATE TYPE	Rate in	Number of properties	Rateable value	2019/20 Budgeted rate revenue	2019/20 Budgeted interim rates	2019/20 Budgeted back rates	2019/20 Budgeted total revenue	2018/19 Actual total revenue	2018/19 Budget total revenue
	\$		\$	\$	\$	\$	\$	\$	\$
Differential general rate or general rate									
Gross rental valuations									
GRV Vacant	0.08640	4	20,956	1,811	0	0	1,811	1,779	1,779
GRV General	0.08620	29	2,490,652	214,694	0	0	214,694	210,958	210,958
Unimproved valuations									
UV Mining Lease	0.16550	220	14,454,262	2,392,180	(42,229)	0	2,349,951	2,230,866	2,042,199
UV Exploration Lease	0.15000	269	2,751,508	412,726	0	0	412,726	399,303	614,155
UV Prospecting	0.14770	159	380,152	56,148	0	0	56,148	47,535	56,987
UV Pastoral	0.08290	19	734,152	60,861	0	0	60,861	59,760	59,760
UV Other	0.08290	61	300,937	24,948	0	0	24,948	24,526	24,526
Sub-Totals		761	21,132,619	3,163,368	(42,229)	0	3,121,139	2,974,727	3,010,364
Minimum									
Minimum payment									
Gross rental valuations									
GRV Vacant	200	200	40,000	40,000	0	0	40,000	40,200	40,200
GRV General	317	11	3,487	3,487	0	0	3,487	3,487	3,487
Unimproved valuations									
UV Mining Lease	317	60	19,020	19,020	0	0	19,020	19,654	19,337
UV Exploration Lease	280	190	53,200	53,200	0	0	53,200	48,720	50,680
UV Prospecting	248	105	26,040	26,040	0	0	26,040	32,736	35,960
UV Pastoral	317	8	2,536	2,536	0	0	2,536	2,536	2,536
UV Other	317	3	951	951	0	0	951	950	952
Sub-Totals		577	145,234	145,234	0	0	145,234	148,283	153,152
		1,338	21,277,853	3,308,602	(42,229)	0	3,266,373	3,123,010	3,163,516
Total amount raised from general rates							3,266,373	3,123,010	3,163,516

All non-rural land (other than exempt land) in the Shire of Menzies is rated according to its Gross Rental Value (GRV). All other land is rated according to its Unimproved Value (UV) in the remainder of the Shire of Menzies.

The general rates detailed for the 2019/20 financial year have been determined by Council on the basis of raising the revenue required to meet the deficiency between the total estimated expenditure proposed in the budget and the estimated revenue to be received from all sources other than rates and also considering the extent of any increase in rating over the level adopted in the previous year.

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

**NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2020**

1. RATES AND SERVICE CHARGES (CONTINUED)

(b) Interest Charges and Instalments - Rates and Service Charges

The following instalment options are available to ratepayers for the payment of rates and service charges.

Instalment options	Date due	Instalment plan admin charge	Instalment plan interest rate	Unpaid rates interest rates
		\$	%	%
Option one				
Pay in Full	17 October 2019	0	0.0%	11.0%
Option two				
First Instalment	17 October 2019			11.0%
Second Instalment	19 December 2019	10	5.5%	11.0%
Third Instalment	20 February 2020	10	5.5%	11.0%
Fourth Instalment	22 April 2020	10	5.5%	11.0%

	2019/20 Budget revenue	2018/19 Actual revenue	2018/19 Budget revenue
	\$	\$	\$
Instalment plan admin charge revenue	10,040	8,792	7,965
Instalment plan interest earned	8,667	8,513	3,767
Unpaid rates and service charge interest earned	98,622	96,878	0
	117,329	114,183	11,732

**NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2020**

1. RATES AND SERVICE CHARGES (CONTINUED)

(c) Objectives and Reasons for Differential Rating

To provide equity in the rating of properties across the Shire the following rate categories have been determined for the implementation of differential rating.

Differential general rate

Description	Characteristics	Objects	Reasons
GRV Vacant	Vacant lots within the townsite of Menzies	The majority of the properties rates GRV are vacant lots. The minimum of \$200 has been set for these vacant lots. This represents a contribution to the community of \$3.85 per week, which although below expectation is considered fair to encourage owners of vacant blocks in town to retain ownership and not hand the blocks back into the Shire.	The reason for differentially rating this category is to meet the criteria of the Local Government Act 1995, which does not allow for a minimum rate exceeding \$200 per lot where the number of lots which attract the minimum rate is greater than 50% of the properties in the category (being GRV).
UV Mining, Exploration and Prospecting Leases	Mining tenements	Mining, Exploration and Prospecting Leases are rated differentially to reflect the nature of the lease. Prospecting leases attract a lower minimum and rate in the dollar (RID) to acknowledge that these leases are not, for the most part, income producing.	As per previous years, the differential rate for the UV Pastoral and Other has been set taking into account issues of rating equity including capacity to pay, The Pastoral and Other sector are increasingly taking opportunities afforded to them to diversify, and it is believed that the capacity to pay.

(d) Differential Minimum Payment

Description	Characteristics	Objects	Reasons
All properties charged a minimum payment.	Properties with a value below a designated threshold will attract a minimum charge.	The setting of minimum rates within rating categories is an important method of ensuring that all properties contribute an equitable rate amount.	A minimum rate for UV Mining, Exploration and Prospecting categories has been set lower than other rating categories to reflect the Shire's goal to encourage mining in the district.

**NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2020**

1. RATES AND SERVICE CHARGES (CONTINUED)

(e) Specified Area Rate

The Shire did not raise specified area rates for the year ended 30th June 2020.

(e) Service Charges

The Shire did not raise service charges for the year ended 30th June 2020.

(f) Rates discounts

The Shire does not offer a discount on rates.

(f) Waivers or concessions

The Shire does not anticipate any waivers or concessions for the year ended 30th June 2020.

NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2020

2 (a). NET CURRENT ASSETS

		2019/20 Budget 30 June 2020	2018/19 Estimated Actual 30 June 2019	2018/19 Budget 30 June 2019
Note		\$	\$	\$
Composition of estimated net current assets				
Current assets				
Cash - unrestricted	3	0	2,134,841	893,001
Cash - restricted reserves	3	9,777,888	8,497,246	9,672,578
Receivables		808,324	808,324	800,000
Inventories		13,654	13,654	6,999
		10,599,866	11,454,065	11,372,578
Less: current liabilities				
Trade and other payables		(830,529)	(694,153)	(1,700,000)
		(830,529)	(694,153)	(1,700,000)
Net current assets		9,769,337	10,759,912	9,672,578

**NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2020**

2 (b). NET CURRENT ASSETS (CONTINUED)

EXPLANATION OF DIFFERENCE IN NET CURRENT ASSETS AND SURPLUS/(DEFICIT)

Operating activities excluded from budgeted deficiency

When calculating the budget deficiency for the purpose of Section 6.2 (2)(c) of the *Local Government Act 1995* the following amounts have been excluded as provided by *Local Government (Financial Management) Regulation 32* which will not fund the budgeted expenditure.

		2019/20 Budget 30 June 2020	2018/19 Estimated Actual 30 June 2019	2018/19 Budget 30 June 2019
	Note	\$	\$	\$
(i) Current assets and liabilities excluded from budgeted deficiency				
Net current assets	2(a)	9,769,337	10,759,912	9,672,578
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement.				
Adjustments to net current assets				
Less: Cash - restricted reserves	3	(9,777,888)	(8,497,246)	(9,672,578)
Adjusted net current assets - surplus/(deficit)		(8,551)	2,262,666	0
(ii) Operating activities excluded from budgeted deficiency				
The following non-cash revenue or expenditure has been excluded from operating activities within the Rate Setting Statement.				
Adjustments to operating activities				
Less: Profit on asset disposals	4(b)	(39,212)	(17,233)	(15,000)
Add: Loss on disposal of assets	4(b)	35,336	4,059	22,500
Add: Depreciation on assets	5	1,986,269	1,953,567	2,774,749
Non cash amounts excluded from operating activities		1,982,393	1,940,393	2,782,249

NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2020

2 (c). NET CURRENT ASSETS (CONTINUED)

SIGNIFICANT ACCOUNTING POLICIES

CURRENT AND NON-CURRENT CLASSIFICATION

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

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 of Menzies becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are normally paid within 30 days of recognition.

CONTRACT ASSETS

A contract asset is the right to consideration in exchange for goods or services the entity has transferred to a customer when that right is conditioned on something other than the passage of time.

PROVISIONS

Provisions are recognised when the Shire has a 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.

INVENTORIES

General

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

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

Superannuation

The Shire of Menzies contributes to a number of superannuation funds on behalf of employees.

All funds to which the Shire of Menzies contributes are defined contribution plans.

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.

CONTRACT LIABILITIES

An entity's obligation to transfer goods or services to a customer for which the entity has received consideration (or the amount is due) from the customer. Grants to acquire or construct recognisable non-financial assets to be controlled by the Shire are recognised as a liability until such time as the Shire satisfies its obligations under the agreement.

EMPLOYEE BENEFITS

Short-term employee benefits

Provision is made for the Shire of Menzies'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 of Menzies's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position. The Shire of Menzies's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

**NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2020**

3. RECONCILIATION OF CASH

For the purposes of the Statement of Cash Flows, cash includes cash and cash equivalents, net of outstanding bank overdrafts. Estimated cash at the end of the reporting period is as follows:

	2019/20 Budget	2018/19 Actual	2018/19 Budget
	\$	\$	\$
Cash - unrestricted	0	2,134,841	893,001
Cash - restricted	9,777,888	8,497,246	9,672,578
	9,777,888	10,632,087	10,565,579
The following restrictions have been imposed by regulation or other externally imposed requirements:			
Leave Reserve	204,609	201,643	199,487
Building Reserve	1,496,257	2,298,078	2,222,986
Plant Reserve	1,516,517	1,395,073	1,369,599
Roads Reserve	2,451,887	1,529,390	2,840,564
Main Street Reserve	130,137	138,105	136,629
Staff Amenities Reserve	575,392	74,299	73,504
TV Reserve	17,848	17,589	17,401
Caravan Park Reserve	419,762	434,027	429,388
Bitumen Reserve	602,929	397,088	392,843
Rates Creditors Reserve	50,855	50,118	49,313
Niagara Dam Reserve	1,285,371	1,349,520	1,335,094
Water Park Reserve	299,586	98,142	97,093
Waste Management Reserve	59,278	102,766	101,667
Former Post Office Reserve	367,460	411,408	407,010
Commercial Enterprise Reserve	100,000	0	0
Land Purchase Reserve	200,000	0	0
	9,777,888	8,497,246	9,672,578
Reconciliation of net cash provided by operating activities to net result			
Net result	2,465,294	2,265,337	1,335,528
Depreciation	1,986,269	1,953,567	2,774,749
(Profit)/loss on sale of asset	(3,876)	(13,174)	7,500
(Increase)/decrease in receivables	0	(244,110)	(181,992)
(Increase)/decrease in inventories	0	(8,497)	(1,845)
Increase/(decrease) in payables	136,376	(185,401)	765,495
Grants/contributions for the development of assets	(3,374,402)	(1,279,247)	(3,212,556)
Net cash from operating activities	1,209,661	2,488,475	1,486,879

SIGNIFICANT ACCOUNTING POLICES

CASH AND CASH EQUIVALENTS

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

NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2020

4. FIXED ASSETS

(a) Acquisition of Assets

The following assets are budgeted to be acquired during the year.

Asset class	Reporting program							2019/20 Budget total	2018/19 Actual total	2018/19 Budget total
	Governance	Housing	Community amenities	Recreation and culture	Transport	Economic services	Other property and services			
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<u>Property, Plant and Equipment</u>										
Buildings -	0	50,000	0	251,000	0	675,000	100,000	1,076,000	345,060	606,376
Buildings - specialised	0	786,000	0	0	0	0	0	786,000	49,591	664,000
Furniture and equipment	45,000	0	0	0	0	0	0	45,000	33,662	105,000
Plant and equipment	0	0	0	0	705,085	0	0	705,085	492,084	562,574
	45,000	836,000	0	251,000	705,085	675,000	100,000	2,612,085	920,397	1,937,950
<u>Infrastructure</u>										
Infrastructure - Roads	0	0	0	0	2,193,438	0	0	2,193,438	4,278,111	3,478,881
Infrastructure - Other	0	0	65,000	259,000	232,000	222,650	5,000	783,650	387,507	0
Infrastructure - Footpaths	0	0	0	0	100,000	0	0	100,000	0	75,640
Infrastructure - Parks and Gardens	0	0	0	0	0	0	0	0	110,001	1,657,202
	0	0	65,000	259,000	2,525,438	222,650	5,000	3,077,088	4,775,619	5,211,723
Total acquisitions	45,000	836,000	65,000	510,000	3,230,523	897,650	105,000	5,689,173	5,696,016	7,149,673

A detailed breakdown of acquisitions on an individual asset basis can be found in the supplementary information attached to this budget document.

NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2020

4. FIXED ASSETS (CONTINUED)

(b) Disposals of Assets

The following assets are budgeted to be disposed of during the year.

	2019/20 Budget Net Book Value	2019/20 Budget Sale Proceeds	2019/20 Budget Profit	2019/20 Budget Loss	2018/19 Actual Net Book Value	2018/19 Actual Sale Proceeds	2018/19 Actual Profit	2018/19 Actual Loss	2018/19 Budget Net Book Value	2018/19 Budget Sale Proceeds	2018/19 Budget Profit	2018/19 Budget Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
By Program												
Transport	247,035	250,911	39,212	(35,336)	138,557	151,731	17,233	(4,059)	136,500	129,000	15,000	(22,500)
	247,035	250,911	39,212	(35,336)	138,557	151,731	17,233	(4,059)	136,500	129,000	15,000	(22,500)
By Class												
<u>Property, Plant and Equipment</u>												
Plant and equipment	247,035	250,911	39,212	(35,336)	138,557	151,731	17,233	(4,059)	136,500	129,000	15,000	(22,500)
	247,035	250,911	39,212	(35,336)	138,557	151,731	17,233	(4,059)	136,500	129,000	15,000	(22,500)

A detailed breakdown of disposals on an individual asset basis can be found in the supplementary information attached to this budget document.

**NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2020**

5. ASSET DEPRECIATION

By Program

Law, order, public safety
Housing
Community amenities
Recreation and culture
Transport
Economic services
Other property and services

By Class

Buildings -
Buildings - specialised
Furniture and equipment
Plant and equipment
Infrastructure - Roads
Infrastructure - Other
Infrastructure - Footpaths
Infrastructure - Parks and Gardens

2019/20 Budget	2018/19 Actual	2018/19 Budget
\$	\$	\$
5,515	4,804	4,228
121,852	123,526	121,852
9,097	11,552	9,097
50,783	31,007	31,216
1,145,192	1,149,435	2,024,934
209,244	197,391	149,923
444,586	435,851	433,499
1,986,269	1,953,567	2,774,749
249,253	257,448	245,880
121,253	122,926	121,252
48,133	12,493	28,566
349,567	318,816	340,906
1,091,120	1,092,443	1,970,862
79,175	135,259	19,516
7,024	7,755	7,024
40,744	6,428	40,744
1,986,269	1,953,567	2,774,749

SIGNIFICANT ACCOUNTING POLICIES

DEPRECIATION

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

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

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

Buildings	20 years
Furniture and equipment	10 years
Plant and equipment - heavy	6 years
Plant and equipment - sundry	4 years
Roads	
formation	not depreciated
pavement	25 years
Infrastructure floodways	12.5 years
Infrastructure other	50 years
Infrastructure parks and gardens	50 years
Infrastructure footpaths	50 years
Infrastructure grids	25 years

DEPRECIATION (CONTINUED)

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 profit or loss in the period which they arise.

RECOGNITION OF ASSETS

Assets for which the fair value as at the date of acquisition is under \$5,000 are not recognised as an asset in accordance with *Financial Management Regulation 17A (5)*. These assets are expensed immediately.

NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2019

6. INFORMATION ON BORROWINGS

(a) Borrowing repayments

Movement in borrowings and interest between the beginning and the end of the current financial year.

Purpose	Budget Principal 1 July 2019	2019/20 Budget New loans	2019/20 Budget Principal repayments	2019/20 Budget Interest repayments	Budget Principal outstanding 30 June 2020	Actual Principal 1 July 2018	2018/19 Actual New loans	2018/19 Actual Principal repayments	2018/19 Actual Interest repayments	Actual Principal outstanding 30 June 2019	Budget Principal 1 July 2018	2018/19 Budget New loans	2018/19 Budget Principal repayments	2018/19 Budget Interest repayments	Budget Principal outstanding 30 June 2019
		\$	\$	\$	\$			\$	\$	\$			\$	\$	\$
Housing															
Housing Loan	0	0	0	0	0	0	0	0	0	0		500,000	21,837	7,000	478,163
	0	0	0	0	0	0	0	0	0	0	0	500,000	21,837	7,000	478,163

All borrowing repayments will be financed by general purpose revenue.

**NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2020**

6. INFORMATION ON BORROWINGS (CONTINUED)

(b) New borrowings - 2019/20

The Shire does not intend to undertake any new borrowings for the year ended 30th June 2020

(c) Unspent borrowings

The Shire had no unspent borrowing funds as at 30th June 2019 nor is it expected to have unspent borrowing funds as at 30th June 2020.

(d) Credit Facilities

	2019/20 Budget	2018/19 Actual	2018/19 Budget
	\$	\$	\$
Undrawn borrowing facilities			
credit standby arrangements			
Credit card limit	20,000	20,000	20,000
Credit card balance at balance date	0	(7,772)	0
Total amount of credit unused	20,000	12,228	20,000
Loan facilities			
Loan facilities in use at balance date	0	0	478,163

SIGNIFICANT ACCOUNTING POLICIES

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 BUDGET
FOR THE YEAR ENDED 30TH JUNE 2020**

7. CASH BACKED RESERVES

(a) Cash Backed Reserves - Movement

	2019/20 Budget Opening Balance	2019/20 Budget Transfer to	2019/20 Budget Transfer (from)	2019/20 Budget Closing Balance	2018/19 Actual Opening Balance	2018/19 Actual Transfer to	2018/19 Actual Transfer (from)	2018/19 Actual Closing Balance	2018/19 Budget Opening Balance	2018/19 Budget Transfer to	2018/19 Budget Transfer (from)	2018/19 Budget Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Leave Reserve	201,643	2,966	0	204,609	197,364	4,279	0	201,643	197,364	2,123	0	199,487
Building Reserve	2,298,078	980,179	(1,782,000)	1,496,257	2,003,260	405,161	(110,343)	2,298,078	2,003,260	380,726	(161,000)	2,222,986
Plant Reserve	1,395,073	557,229	(435,785)	1,516,517	1,427,758	353,315	(386,000)	1,395,073	1,427,758	337,841	(396,000)	1,369,599
Roads Reserve	1,529,390	1,222,497	(300,000)	2,451,887	1,730,660	37,730	(239,000)	1,529,390	1,730,660	1,348,904	(239,000)	2,840,564
Main Street Reserve	138,105	2,032	(10,000)	130,137	135,175	2,930	0	138,105	135,175	1,454	0	136,629
Staff Amenities Reserve	74,299	1,151,093	(650,000)	575,392	72,722	1,577	0	74,299	72,722	782	0	73,504
TV Reserve	17,589	259	0	17,848	17,216	373	0	17,589	17,216	185	0	17,401
Caravan Park Reserve	434,027	6,385	(20,650)	419,762	424,818	9,209	0	434,027	424,818	4,570	0	429,388
Bitumen Reserve	397,088	205,841	0	602,929	388,662	8,426	0	397,088	388,662	4,181	0	392,843
Rates Creditors Reserve	50,118	737	0	50,855	48,788	1,330	0	50,118	48,788	525	0	49,313
Niagara Dam Reserve	1,349,520	19,851	(84,000)	1,285,371	1,320,885	28,635	0	1,349,520	1,320,885	14,209	0	1,335,094
Water Park Reserve	98,142	201,444	0	299,586	96,060	2,082	0	98,142	96,060	1,033	0	97,093
Waste Management Reserve	102,766	1,512	(45,000)	59,278	100,585	2,181	0	102,766	100,585	1,082	0	101,667
Former Post Office Reserve	411,408	6,052	(50,000)	367,460	0	411,408	0	411,408	0	407,010	0	407,010
Economic Development Reserve	0	0	0	0	402,678	0	(402,678)	0	402,678	0	(402,678)	0
Commercial Enterprise Reserve	0	100,000	0	100,000	0	0	0	0	0	0	0	0
Land Purchase Reserve	0	200,000	0	200,000	0	0	0	0	0	0	0	0
	8,497,246	4,658,077	(3,377,435)	9,777,888	8,366,631	1,268,636	(1,138,021)	8,497,246	8,366,631	2,504,625	(1,198,678)	9,672,578

**NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2020**

7. CASH BACKED RESERVES (CONTINUED)

(b) Cash Backed Reserves - Purposes

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

Reserve name	Anticipated date of use	Purpose of the reserve
Leave Reserve	Perpetual	To be used to fund annual and long service leave requirements
Building Reserve	Perpetual	To be used for the purchase of major plant.
Plant Reserve	Perpetual	To be used for the acquisition of future buildings and renovation of existing building
Roads Reserve	Perpetual	To be use to fund major road works
Main Street Reserve	Perpetual	Established for the beautification of the main street
Staff Amenities Reserve	Perpetual	Established for the purpose of providing staff housing and amenities
TV Reserve	Perpetual	To be used to fund upgrades to the rebroadcasting equipment.
Caravan Park Reserve	Perpetual	Established for the purpose of providing upgrades to the caravanpark.
Bitumen Reserve	Perpetual	Established to fund resealing of roads
Rates Creditors Reserve	Perpetual	Established for future rates claims
Niagara Dam Reserve	Perpetual	Established for ongoing upgrade of Niagara Dam valve workings and other maintenance
Water Park Reserve	Perpetual	Established to provide a water park
Waste Management Reserve	Perpetual	Provide for the statutory reinstatement and development of the reserve.
Former Post Office Reserve	Perpetual	For restoration and maintenance of the Former Post Office.
Commercial Enterprise Reserve	Perpetual	To fund an activity or purchase with a view to producing a profit by the Shire of Menzies.
Land Purchase Reserve	Perpetual	To be used for purchase of selective properties with developmental potential.

**NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2020**

8. FEES & CHARGES REVENUE

	2019/20 Budget	2018/19 Actual	2018/19 Budget
	\$	\$	\$
General purpose funding	10,040	8,792	13,750
Law, order, public safety	200	32	200
Health	1,300	676	7,100
Housing	100,600	90,982	105,600
Community amenities	15,215	17,997	7,800
Recreation and culture	800	3,794	640
Economic services	113,892	273,684	128,950
Other property and services	0	2,779	5,040
	242,047	398,736	269,080

9. GRANT REVENUE

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

By Program:

Operating grants, subsidies and contributions

General purpose funding	886,654	1,677,990	821,540
Law, order, public safety	6,522	6,522	3,000
Recreation and culture	0	909	0
Transport	1,132,391	1,120,291	537,637
Economic services	112,000	130,293	77,340
Other property and services	0	2,273	0
	2,137,567	2,938,278	1,439,517

Non-operating grants, subsidies and contributions

Recreation and culture	25,570	47,301	72,871
Transport	2,962,832	1,121,946	2,547,685
Economic services	386,000	110,000	592,000
	3,374,402	1,279,247	3,212,556

**NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2020**

10. OTHER INFORMATION

The net result includes as revenues

(a) Interest earnings

Cash and cash equivalents

- Reserve funds

- Other funds

Other interest revenue (refer note 1b)

(b) Other revenue

Reimbursements and recoveries

The net result includes as expenses

(c) Auditors remuneration

Audit services

(d) Interest expenses (finance costs)

Borrowings (refer Note 6(a))

(e) Elected members remuneration

Meeting fees

President's allowance

Deputy President's allowance

Travelling expenses

Telecommunications allowance

(f) Write offs

General rate

	2019/20 Budget	2018/19 Actual	2018/19 Budget
	\$	\$	\$
	125,000	208,232	90,000
	1,500	23,644	20,000
	107,289	105,391	114,501
	233,789	337,268	224,501
	49,693	27,468	48,290
	49,693	27,468	48,290
	45,000	10,428	27,000
	45,000	10,428	27,000
	0	0	7,000
	0	0	7,000
	75,870	75,870	75,801
	19,864	19,864	19,864
	4,966	4,966	4,966
	37,000	30,088	37,000
	7,700	7,699	7,700
	145,400	138,487	145,331
	50,000	407	0
	50,000	407	0

NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2020

11. MAJOR LAND TRANSACTIONS, TRADING UNDERTAKINGS

It is not anticipated the Shire will be party to any Major Land Transactions or Trading Undertakings during 2019/20.

12. INTERESTS IN JOINT ARRANGEMENTS

The Shire together with the Shire of Coolgardie, Dundas, Esperance, Laveron, Leonora, Ngaanyatjaraku, Ravensthorpe and Wiluna have a joint venture arrangement with regards to the provision of a Regional Records Service. The assets included in the joint venture, being the Shire's one-tenth share is as follows:

	2019/20 Budget	2018/19 Actual	2018/19 Budget
	\$	\$	\$
Non-current assets			
Land and buildings	75,500	75,500	75,500
Less: accumulated depreciation	(9,000)	(6,000)	(6,000)
	66,500	69,500	69,500
Non-current assets			
Furniture and equipment	8,204	8,204	8,204
Less: accumulated depreciation	(2,000)	(1,000)	(1,000)
	6,204	7,204	7,204
Non-current assets			
Plant and equipment	4,182	4,182	4,182
Less: accumulated depreciation	(1,200)	(600)	(600)
	2,982	3,582	3,582
Non-current assets			
Light vehicles	3,200	3,200	3,200
Less: accumulated depreciation	(1,100)	(550)	(550)
	2,100	2,650	2,650

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

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

**NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2020**

13. TRUST FUNDS

There were no funds held during the year or at balance date which are required by legislation to be held in the trust fund and which are not included in the financial statements.

NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2020

14. SIGNIFICANT ACCOUNTING POLICIES - OTHER
INFORMATION

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.

CRITICAL ACCOUNTING ESTIMATES

The preparation of a budget 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.

ROUNDING OFF FIGURES

All figures shown in this statement are rounded to the nearest dollar.

COMPARATIVE FIGURES

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

BUDGET COMPARATIVE FIGURES

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

REVENUE RECOGNITION

Accounting Policies for the recognition of income and revenue from contracts with customers is described in Note 15.

**NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2020**

**15. SIGNIFICANT ACCOUNTING POLICIES - CHANGE
IN ACCOUNTING POLICIES**

This note explains the impact of the adoption of AASB 15 Revenue from Contracts with Customers, AASB 16 Leases and AASB 1058 Income for Not-for-Profit Entities.

REVENUE FROM CONTRACTS WITH CUSTOMERS

The Shire of Menzies adopted AASB 15 on 1 July 2019 resulting in changes in accounting policies. In accordance with the transition provisions AASB 15, the Shire of Menzies has adopted the new rules retrospectively with the cumulative effect of initially applying these rules recognised on 1 July 2019. In summary no adjustments were made to the amounts recognised in the balance sheet at the date of initial application (1 July 2019), as there were no relevant revenue from contracts with customers or unspent grants.

Under the new rules revenue from contracts with customers is recognised when the performance obligations of the contract are met.

LEASES

On adoption of AASB 16, for leases which had previously been classified as an 'operating lease' when applying AASB 117, the Shire of Menzies is not required to make any adjustments on transition for leases for which the underlying asset is of low value. Assets for which the fair value as at the date of acquisition is under \$5,000 are not recognised as an asset in accordance with Financial Management Regulation 17A (5).

INCOME FOR NOT-FOR-PROFIT ENTITIES

The Shire of Menzies has adopted AASB 1058 from 1 July 2019 which resulted in changes in accounting policies. In accordance with the transition provisions AASB 1058, the Shire of Menzies has adopted the new rules retrospectively with the cumulative effect of initially applying AASB 1058 recognised at 1 July 2019. Comparative information for prior reporting periods shall not be restated in accordance with AASB 1058 transition requirements.

Under the new rules revenue from non-operating grants is recognised when the performance obligations of the contract are met.

Volunteer Services in relation to Volunteer Fire Services have not been recognised in budgeted revenue and budgeted expenditure as the fair value of the services cannot be reliably estimated and the services would not have been purchased if they had not been donated.

**SUPPLEMENTARY NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2020**

Detail - Note 4 - Capital Acquisition

Governance		Governance - General	
04250	C04002	Software and Systems	\$35,000.00
04265	C04001	Administration Communications Equipment	\$10,000.00
TOTAL GOVERNANCE			\$45,000.00

Housing		Staff Housing	
09162	BC001	Capital - Construction of New Staff Housing	\$650,000.00
09162	C09002	Capital - Lot 1 (37 - 39 Reid) St (Asset 209)	\$8,000.00
09162	C09012	Capital - Lot 91 (40) Mercer St (Asset 200)	\$20,000.00
09162	C09019	Capital - Lot 1085 (39) Mercer St (Asset 398)	\$20,000.00
09162	C09020	Capital - Lot 165 (25) Onslow St (Asset 477)	\$15,000.00
09162	C09021	Capital - Lot 93 (36) Mercer St (Asset 478)	\$10,000.00
09162	C09022	Capital - 41 Mercer St	\$10,000.00
09162	C09205	Capital - 55B (14B) Walsh Street	\$22,000.00
09162	C09206	Capital - 12A Walsh Street Nurses Unit	\$16,000.00
Housing		Other Housing	
09162	C09013	Capital - 29B Shenton St (Back Unit)	\$15,000.00
09162	C09014	Capital - Old Post Office	\$50,000.00
TOTAL HOUSING			\$836,000.00

Community Amenities		Sanitation - Household Refuse	
10205	C10000	Menzies Refuse Site New Hole	\$30,000.00
10207	C10002	Kookynie Refuse Site New Hole	\$15,000.00
Community Amenities		Other Community Amenities	
New		Cometvale Cemetary Fence	\$20,000.00
TOTAL COMMUNITIES AMENITIES			\$65,000.00

Recreation & Culture		Public Halls & Civic Centres	
08662	C08001	Youth Centre (Building)	\$20,000.00
11162	C11100	Town Hall - Capital Upgrade	\$160,000.00
14583	C14583	Town Hall - Admin Office Upgrade	\$46,000.00
Recreation & Culture		Other Recreation & Sport	
11351	C11312	Rodeo Grounds Inrastructure	\$50,000.00
11351	C11313	Sport Court Adjustable Poles	\$9,000.00
11351	C11305	Upgrade Town Dam (2)	\$200,000.00
Recreation & Culture		Other Culture	
11650	C11600	Butcher Shops and Tearooms Upgrade	\$25,000.00
TOTAL RECREATION AND CULTURE			\$510,000.00

**SUPPLEMENTARY NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2020**

Transport	Streets, Roads, Bridges & Depot Construction	
12104	Roads to Recovery Construction -Jobs	
12104	CR0001 Menzies Northwest Road Bitumen	\$751,100.09
12104	CR0012 Connie Sue Remote Access Rd	\$300,000.00
12106	Road Construction Muni - Jobs	
12106	CR0009 Tjunjuntjarra Access Road	\$66,667.00
12106	CR0032 Townsite Reseal	\$200,000.00
12109	Road Construction RRG - jobs	
12109	CR0004 Evanston Menzies Road RRG	\$254,754.62
12109	CR0005 Yarri Road RRG	\$121,008.44
12109	CR0013 Menzies Northwest Rd RRG Bitumen	\$348,899.91
12109	CR0007 Menzies Northwest Rd RRG ReSheeting	\$121,008.44
12109	CR0040 Pinjin Road RRG	\$0.00
	Muni Jobs - Other	
12110	CR0006 Shire House Crossovers	\$30,000.00
12347	C11311 Street Lights at Kookynie	\$7,000.00
12112	C12100 Bicycle Path Construction	\$100,000.00
12120	C12101 Depot Extension -Asset Upgrade	\$30,000.00
12140	C12103 Bores to Support Road Works	\$35,000.00
New	Kookynie Airstrip Extension	\$20,000.00
12140	C12104 Grid Replacement Program	\$130,000.00
Transport	Plant & Equipment Purchases	
12325	C12102 Minor Plant Purchases	\$11,300.00
New	Removable Frame for Service Truck	\$10,000.00
New	Building Maintenance Utility	\$33,285.00
12345	CP002 Vehicle Replacement Works Supervisor	\$88,000.00
12345	CP001 Vehicle Replacement MFA	\$43,000.00
12346	CP011 New Grader 12m	\$390,000.00
12345	CP012 Community Bus	\$56,500.00
12347	C12301 Banners and Signage	\$10,000.00
12345	CP007 CEO Car replacement	\$73,000.00
TOTAL TRANSPORT		\$3,230,523.50
Economic Services	Tourism & Area Promotion	
13266	C13013 Bicycle Track Menzies Town	\$120,000.00
13266	C13002 Truck Bay Wilson and Shenton Streets	\$8,000.00
New	Truck Bay Abulion Block	\$120,000.00
13266	C13010 Niagara Dam	\$84,000.00
13267	C13107 Old Church Building 50 Shenton st	\$55,000.00
13267	C13100 Lady Shenton Upgrade	\$40,000.00
13267	C13106 Goongarrie Cottage maintenance	\$50,000.00
Economic Services	Caravan Park	
13820	C13802 Caravan Park Upgrade	\$10,000.00
13820	C13803 Caravan Park Security Gate Barrier	\$10,650.00
13820	C13804 Construction Caravan Park New Unit Disable Compliant	\$400,000.00
TOTAL ECONOMIC SERVICES		\$897,650.00
Other Property & Services		
New	Construct New Records Facility	\$100,000.00
New	Fruit Trees Protection Abre	\$5,000.00
TOTAL OTHER PROPERTY & SERVICES		\$105,000.00
AS PER BUDGET		\$5,689,173.50

Programme Description	Type Description	Job	Description	Inc/Exp Analysis	Original Budget 18-19	L/Yr Actual 17-18	YTD Actual 18- 19	Draft Budget 19- 20	Notes
Governance	Capital Expenditure	C04001	Administration Communications Equipment	Capital Purchases	\$45,000.00	\$40,201.51	\$33,661.59	\$10,000.00	Phone lines to Workshop & DCEO Office
Governance	Capital Expenditure	C04002	Software And Systems	Capital Purchases	\$35,000.00	\$31,098.32	\$0.00	\$35,000.00	COA Rebuild, Synergy Upgrades
Housing	Capital Expenditure	BC001	Construction Of New Staff Housing	Capital Purchases	\$500,000.00	\$0.00	\$0.00	\$650,000.00	1 new staff house 1 unit for park
Housing	Capital Income		Construction Of New Staff Housing	Transfers From Reserves	\$0.00	\$0.00	\$0.00	-\$650,000.00	Transfer from Staff Amenities Reserve
Economic Services	Capital Expenditure	C13804	Construction of Caravanpark Units	Capital Purchase	\$0.00	\$0.00	\$0.00	\$400,000.00	2 Units Disability compliant
Economic Services	Capital Income		Construction of Caravanpark Units	Transfers From Reserves	\$0.00	\$0.00	\$0.00	-\$400,000.00	Transfer from Building Reserve
Housing	Capital Expenditure	C09002	Capital - Lot 1 (37 - 39 Reid) St (Asset 209)	Capital Purchases	\$33,000.00	\$10,305.89	\$21,669.00	\$8,000.00	Synthetic Grass and Ceiling Fans
Housing	Capital Expenditure	C09002	Capital - Lot 1 (37 - 39 Reid) St (Asset 209)	Transfers From Reserves	-\$33,000.00	\$0.00	\$0.00	-\$8,000.00	Transfer from Building Reserve
Housing	Capital Expenditure	C09012	Capital - Lot 91 (40) Mercer St (Asset 200)	Capital Purchases	\$30,000.00	\$10,487.71	\$1,920.60	\$20,000.00	2 bathrooms, synthetic grass
Housing	Capital Expenditure	C09012	Capital - Lot 91 (40) Mercer St (Asset 200)	Transfers From Reserves	-\$30,000.00	\$0.00	\$0.00	-\$20,000.00	Transfer from Building Reserve
Housing	Capital Expenditure	C09014	Old Post Office (Building Capital)	Capital Purchases	\$25,000.00	\$0.00	\$0.00	\$50,000.00	Report on integrity of frame and stumps of building
Housing	Capital Income		Old Post Office (Building Capital)	Transfers From Reserves	\$0.00	\$0.00	\$0.00	-\$50,000.00	Transfer from Old Post Office Reserve
Housing	Capital Expenditure	C09019	39 Mercer Street (Building Capital)	Capital Purchases	\$0.00	\$2,638.00	\$0.00	\$20,000.00	Gate between house and shed, fencing/windbreaks, outdoor blinds, ceiling fans
Housing	Capital Income		39 Mercer Street (Building Capital)	Transfers From Reserves	\$0.00	\$0.00	\$0.00	-\$20,000.00	Transfer from Building Reserve
Housing	Capital Expenditure	C09020	25 Onslow Street (Building Capital)	Capital Purchases	\$0.00	\$2,605.45	\$0.00	\$15,000.00	Patio Extension, outdoor blinds
Housing	Capital Income		25 Onslow Street (Building Capital)	Transfer From Reserves	\$0.00	\$0.00	\$0.00	-\$15,000.00	Transfer from Building Reserve
Housing	Capital Expenditure	C09021	36 Mercer Street (Building Capital)	Capital Purchases	\$0.00	\$3,405.00	\$0.00	\$10,000.00	Synthetic Grass & Gates Double Driveway
Housing	Capital Income		36 Mercer Street (Building Capital)	Transfer From Reserves	\$0.00	\$0.00	\$0.00	-\$10,000.00	Transfer from Building Reserve
Housing	Capital Expenditure	C09022	41 Mercer Street (Building Capital)	Capital Purchases	\$0.00	\$0.00	\$8,529.08	\$10,000.00	Gates double driveway & Outdoor Blinds
Housing	Capital Income		41 Mercer Street (Building Capital)	Transfer From Reserves	\$0.00	\$0.00	\$0.00	-\$10,000.00	Transfer from Building Reserve
Housing	Capital Expenditure	C09205	55B (14B) Walsh Street (Capital)	Capital Purchases	\$22,000.00	\$0.00	\$0.00	\$22,000.00	Renovation, flooring, painting, kitchen work DEC-JAN
Housing	Capital Income		55B (14B) Walsh Street (Capital)	Transfer From Reserves	\$0.00	\$0.00	\$0.00	-\$22,000.00	Transfer from Building Reserve
Housing	Capital Expenditure	C09206	12A Walsh Street (Capital) - Nurses Unit	Capital Purchases	\$16,000.00	\$0.00	\$3,022.47	\$16,000.00	Renovation, bathroom, carpet, leak in roof
Housing	Capital Income		12A Walsh Street (Capital) - Nurses Unit	Transfer From Reserves	\$0.00	\$0.00	\$0.00	-\$16,000.00	Transfer from Building Reserve
Housing	Capital Expenditure	C09013	29b Shenton St (Building Capital)	Capital Purchase	\$0.00	\$0.00	\$0.00	\$15,000.00	Synthetic Grass, Painting, Fence extension Privacy screen
Housing	Capital Income		29b Shenton St (Building Capital)	Transfer From Reserves	\$0.00	\$0.00	\$0.00	-\$15,000.00	Transfer from Building Reserve
Community Amenities	Capital Expenditure	C10000	Menzies Rubbish Tip New Hole	Capital Purchases	\$0.00	\$0.00	\$0.00	\$30,000.00	New hole
Community Amenities	Capital Income		Menzies Rubbish Tip New Hole	Transfer From Reserves	\$0.00	\$0.00	\$0.00	-\$30,000.00	Transfer from Waste Reserve
Community Amenities	Capital Expenditure	C10002	Kookynie Rubbish Tip New Hole	Capital Purchases	\$0.00	\$0.00	\$0.00	\$15,000.00	New Hole
Community Amenities	Capital Income		Kookynie Rubbish Tip New Hole	Transfer From Reserves	\$0.00	\$0.00	\$0.00	-\$15,000.00	Transfer from Waste Reserve
Community Amenities	Capital Expenditure	New	Cometvale Cemetary Fence	Capital Purchases	\$0.00	\$0.00	\$0.00	\$20,000.00	Fence and markers measure and quote
Recreation & Culture	Capital Expenditure	C08001	Youth Centre (Building)	Capital Purchases	\$215,000.00	\$236,385.45	\$123,998.11	\$20,000.00	Shade Sail.
Recreation & Culture	Capital Expenditure	C11100	Town Hall - Capital Upgrade	Capital Purchases	\$187,000.00	\$58,127.80	\$122,181.27	\$160,000.00	Roof \$90,000, Electrical Upgrade \$30,000 Aircons \$40,000
Recreation & Culture	Capital Income	C11100	Town Hall - Capital Upgrade	Transfers From Reserves	-\$82,000.00	\$0.00	\$0.00	-\$160,000.00	Transfer from Building Reserve

Programme Description	Type Description	Job	Description	Inc/Exp Analysis	Original Budget 18-19	L/Yr Actual 17-18	YTD Actual 18- 19	Draft Budget 19- 20	Notes
Recreation & Culture	Capital Expenditure	C14583	Town Hall - Admin Offices Upgrade	Capital Purchases	\$0.00	\$0.00	\$0.00	\$46,000.00	Front Counter \$20,000, Aircon \$8,000, Carpet \$10,000, a/c in old entry
Recreation & Culture	Capital Income		Town Hall - Admin Offices Upgrade	Transfer From Reserves	\$0.00	\$0.00	\$0.00	-\$46,000.00	Transfer from Building Reserve
Recreation & Culture	Capital Expenditure	C11305	Upgrade Town Dam (2)	Capital Purchases	\$160,000.00	\$11,187.84	\$2,000.00	\$200,000.00	Fencing & Lining
Recreation & Culture	Capital Expenditure	C11313	Netball Courts Adjustable Posts	Capital Purchase	\$0.00	\$0.00	\$0.00	\$9,000.00	sporting Court Posts
Recreation & Culture	Capital Expenditure	C11600	Butcher Shop And Tea Rooms (Capex Buildi	Capital Purchases	\$25,000.00	\$23,080.70	\$900.00	\$25,000.00	Toilets, aircons
Recreation & Culture	Capital Income		Butcher Shop And Tea Rooms (Capex Buildi	Transfer From Reserves	\$0.00	\$0.00	\$0.00	-\$25,000.00	Transfer from Building Reserve
Recreation & Culture	Capital Expenditure	C11312	Rodeo Grounds Infrastructure	Capital Purchase	\$0.00	\$0.00	\$0.00	\$50,000.00	Shades, Infrastructure
Economic Services	Capital Expenditure	C13010	Niagara Dam - Other Infrastructure Capitali	Capital Purchases	\$0.00	\$0.00	\$0.00	\$84,000.00	Silt removal,
Economic Services	Capital Income		Niagara Dam - Other Infrastructure Capitali	Transfer From Reserves	\$0.00	\$0.00	\$0.00	-\$84,000.00	Transfer from Niagara Dam Reserve
Economic Services	Capital Expenditure	C13002	Truck Bay Wilson and Shenton	Capital Purchase	\$0.00	\$0.00	\$301,512.38	\$8,000.00	Truck Bay Parking Assesment
Economic Services	Capital Income	C13002	Truck Bay Wilson and Shenton	Capital Income	\$0.00	\$0.00	-\$110,000.00	-\$65,000.00	65,000 still to receive from grant
Economic Services	Capital Expenditure	New	Truck Bay Ablution Block	Capital Purchase	\$0.00	\$0.00	\$0.00	\$120,000.00	Construct Ablution Block
Economic Services	Capital Income		Truck Bay Ablution Block	Transfer From Reserves	\$0.00	\$0.00	\$0.00	-\$120,000.00	Transfer from Building Reserve
Economic Services	Capital Expenditure	C13013	Bicycle Track Menzies Town	Capital Grants - Other	-\$96,000.00	\$0.00	\$0.00	-\$96,000.00	Subject to grant funds
Economic Services	Capital Expenditure	C13013	Bicycle Track Menzies Town	Capital Purchases	\$120,000.00	\$0.00	\$3,552.50	\$120,000.00	
Economic Services	Capital Expenditure	C13100	Lady Shenton Upgrade	Capital Purchases	\$38,000.00	\$0.00	\$0.00	\$40,000.00	Replace Stone, electrical, roof flushing
Economic Services	Capital Income		Lady Shenton Upgrade	Capital Income	\$0.00	\$0.00	\$0.00	-\$40,000.00	Transfer from Building Reserve
Economic Services	Capital Expenditure	C13106	Goongarrie Cottage Maintenance	Capital Purchases	\$52,000.00	\$0.00	\$19,650.00	\$50,000.00	Floor Covering, painting, wall repairs, kitchen, bathroom
Economic Services	Capital Income		Goongarrie Cottage Maintenance	Transfer From Reserves	\$0.00	\$0.00	\$0.00	-\$50,000.00	Transfer from Building Reserve
Economic Services	Capital Expenditure	C13107	Old Church Building (Lot 8) 50 Shenton Stre	Capital Purchases	\$10,000.00	\$0.00	\$698.91	\$55,000.00	Reclad Building & Fencing Quote from Stephen Peacock
Economic Services	Capital Income		Old Church Building (Lot 8) 50 Shenton Stre	Transfer From Reserves	\$0.00	\$0.00	\$0.00	-\$55,000.00	Transfer from Building Reserve
Economic Services	Capital Expenditure	C13802	Caravan Park Upgrade	Capital Purchases	\$125,000.00	\$0.00	\$0.00	\$10,000.00	Ablution Block Upgrade Furnishing
Economic Services	Capital Income		Caravan Park Upgrade	Transfer From Reserves	\$0.00	\$0.00	\$0.00	-\$10,000.00	Transfer from Caravan Park Reserve
Economic Services	Capital Expenditure	C13803	Caravan Park Security Barrier	Capital Purchases	\$0.00	\$0.00	\$0.00	\$10,650.00	Cattle Barrier
Economic Services	Capital Income		Caravan Park Security Barrier	Transfer From Reserves	\$0.00	\$0.00	\$0.00	-\$10,650.00	Transfer from Caravan Park Reserve
Transport	Capital Expenditure	C11311	Street Lights At Kookynie	Capital Purchases	\$0.00	\$0.00	\$3,578.00	\$7,000.00	Light poles
Transport	Capital Expenditure	C12100	Bicycle Path Construction	Capital Purchases	\$50,000.00	\$37,601.70	\$0.00	\$100,000.00	Foot Path/bicycle path
Transport	Capital Income		Bicycle Path Construction	Capital Grant Income	\$0.00	\$0.00	\$0.00	-\$50,000.00	Apply for grant for \$50,000
Transport	Capital Expenditure	C12101	Depot Extension	Capital Purchases	\$55,000.00	\$9,276.00	\$43,534.80	\$30,000.00	2 rainwater tanks \$10,000, improvements & laydown yard
Transport	Capital Expenditure	C12103	Bores To Support Road Works	Materials	\$0.00	\$4,459.55	\$0.00	\$5,000.00	Bore Fence \$5000
Transport	Capital Expenditure	C12103	Bores To Support Road Works	Capital Purchases	\$0.00	\$18,765.00	\$18,032.29	\$30,000.00	Continual Program
Transport	Capital Expenditure	C12104	Grid Replacement Program	Capital Purchases	\$130,000.00	\$55,675.00	\$68,861.32	\$130,000.00	Continual Program
Transport	Capital Expenditure	C12301	Banners And Signage	Capital Purchases	\$8,000.00	\$1,714.00	\$7,250.47	\$10,000.00	Signage in Main Street
Transport	Capital Income		Banners And Signage	Transfer From Reserves	\$0.00	\$0.00	\$0.00	-\$10,000.00	Transfer from Main Street Reserve

Programme Description	Type Description	Job	Description	Inc/Exp Analysis	Original Budget 18-19	L/Yr Actual 17-18	YTD Actual 18- 19	Draft Budget 19- 20	Notes
Transport	Capital Expenditure	New	Kookynie Airstrip Extention	Capital Purchase	\$0.00	\$0.00	\$0.00	\$20,000.00	Extend Airstrip
Transport	Capital Expenditure	New	Removable frame for service truck	Capital Purchase	\$0.00	\$0.00	\$0.00	\$10,000.00	Frame to hold fuel tank, compressor, generator
Transport	Capital Expenditure	CP002	Vehicle Replacement Works Supervisor	Capital Purchases	\$0.00	\$65,708.01	\$0.00	\$88,000.00	Toyota Lancruiser Utility 4 door with lift of Canopy
Transport	Capital Income		Vehicle Replacement MWS	Proceeds on Disposal of Ass	\$0.00	\$0.00	\$0.00	-\$63,000.00	Auction Value
Transport	Capital Income		Vehicle Replacement MWS	Transfer from Reserves	\$0.00	\$0.00	\$0.00	-\$25,000.00	Transfer from Plant Reserve
Transport	Capital Expenditure	CP007	Vehicle Replacement For Ceo	Capital Purchases	\$0.00	\$75,935.96	\$0.00	\$73,000.00	Toyota Prado
Transport	Capital Income		Vehicle Replacement For Ceo	Proceeds on Disposal of Ass	\$0.00	\$0.00	\$0.00	-\$72,000.00	Auction Value
Transport	Capital Income		Vehicle Replacement For Ceo	Transfer from Reserves	\$0.00	\$0.00	\$0.00	-\$1,000.00	Transfer from Plant Reserve
Transport	Capital Expenditure	CP001	Vehicle Replacment MFA	Capital Purchase	\$0.00	\$0.00	\$0.00	\$43,000.00	Toyota Rav 4
Transport	Capital Income		Vehicle Replacment MFA	Proceeds on Disposal of Ass	\$0.00	\$0.00	\$0.00	-\$18,000.00	Auction Value
Transport	Capital Income		Vehicle Replacment MFA	Transfer from Reserves	\$0.00	\$0.00	\$0.00	-\$25,000.00	Transfer from Plant Reserve
Transport	Capital Expenditure	C12102	Slasher 150mm	Capital Purchase	\$0.00	\$0.00	\$0.00	\$6,000.00	
Transport	Capital Expenditure	C12102	Broom for CAT242D 1700mm	Capital Purchase	\$0.00	\$0.00	\$0.00	\$5,300.00	
Transport	Capital Expenditure	CP011	New Grader 12m	Capital Purchase	\$0.00	\$0.00	\$0.00	\$390,000.00	New Grader
Transport	Capital Income		New Grader 12m	Proceeds on Disposal of Ass	\$0.00	\$0.00	\$0.00	-\$95,000.00	Auction Value
Transport	Capital Income		New Grader 12m	Transfer from Reserves	\$0.00	\$0.00	\$0.00	-\$295,000.00	Transfer From Plant Reserve
Transport	Capital Expenditure	CP012	Community Bus	Capital Purchase	\$0.00	\$0.00	\$0.00	\$56,500.00	New community Bus 12 seater
Transport	Capital Income		Community Bus	Transfer From Reserves	\$0.00	\$0.00	\$0.00	-\$56,500.00	Transfer From Plant Reserve
Transport	Capital Expenditure	New	BuildingMaintenance Utility	Capital Purchase	\$0.00	\$0.00	\$0.00	\$33,285.00	Toyota Hilux twin cab
Transport	Capital Income		BuildingMaintenance Utility	Transfer From Reserves	\$0.00	\$0.00	\$0.00	-\$33,285.00	Transfer From Plant Reserve
Other Property & Servic	Capiytal Purchase	New	New Records Facility	Capital Purchase	\$0.00	\$0.00	\$0.00	\$100,000.00	Records Facility in Menzies
Other Property & Servic	Capital Income		New Records Facility	Transfer From Reserves	\$0.00	\$0.00	\$0.00	-\$100,000.00	Transfer from Building Reserve
Other Property & Servic	Capital Purchase	New	Fruit Tree Protedction Arbre	Capital Purchase	\$0.00	\$0.00	\$0.00	\$5,000.00	Protection for fruit trees near office
ROADS									
Transport	Capital Income	CR0001	Menzies Northwest Road R2R	Capital Grants - Other	-\$612,853.00	\$0.00	-\$692,223.91	-\$510,628.00	Bitumen
Transport	Capital Expenditure	CR0001	Menzies Northwest Road R2R	Capital Purchases	\$846,344.12	\$845,500.95	\$1,308,658.16	\$751,100.09	Operating Cost of \$240472.09 Bitumen 5kms
Transport	Capital Expenditure	CR0012	Connie Sue Rd	Capital Purchases	\$0.00	\$0.00	\$0.00	\$300,000.00	10km of Resheeting
Transport	Capital Income	CR0004	Evanston Menzies Road Rrg	Capital Grants - Other	-\$195,000.00	\$0.00	-\$195,000.00	-\$169,836.41	
Transport	Capital Expenditure	CR0004	Evanston Menzies Road Rrg	Capital Purchases	\$292,500.00	\$309,575.00	\$224,862.50	\$254,754.62	Operating Cost of \$84,918.21
Transport	Capital Income	CR0005	Yarri Road Rrg	Capital Grants - Other	-\$90,000.00	\$0.00	-\$90,000.00	-\$80,672.29	
Transport	Capital Expenditure	CR0005	Yarri Road Rrg	Capital Purchases	\$135,000.00	\$187,600.00	\$0.00	\$121,008.44	Operating Cost of \$40,336.15
Transport	Capital Expenditure	CR0006	Shire House Crossovers	Capital Purchases	\$30,000.00	\$0.00	\$0.00	\$30,000.00	Operating Cost of \$30,000
Transport	Capital Income	CR0009	Tjunjuntjarra Access Road	Capital Grants - Other	-\$66,667.00	\$0.00	-\$48,000.00	-\$66,667.00	
Transport	Capital Expenditure	CR0009	Tjunjuntjarra Access Road	Capital Purchases	\$66,667.00	\$102,507.50	\$0.00	\$66,667.00	
Transport	Capital Income	CR0007	Menzies Northwest Rd Rrg Resheeting	Capital Grant	\$0.00	\$0.00	\$0.00	-\$80,672.29	
Transport	Capital Expenditure	CR0007	Menzies Northwest Rd Rrg Resheeting	Capital Purchase	\$0.00	\$0.00	\$0.00	\$121,008.44	Operating Cost of \$40,336.15

Programme Description	Type Description	Job	Description	Inc/Exp Analysis	Original Budget 18-19	L/Yr Actual 17-18	YTD Actual 18- 19	Draft Budget 19- 20	Notes
Transport	Capital Income	CR0013	Menzies Northwest Rd Rrg	Capital Grants - Other	-\$195,165.00	\$0.00	\$40,000.00	-\$232,599.94	
Transport	Capital Expenditure	CR0013	Menzies Northwest Rd Rrg	Capital Purchases	\$292,747.00	\$368,568.41	\$60,285.81	\$348,899.91	Operating Cost of \$116,299.97 Bitumen
Transport	Capital Expenditure	CR0032	Program Reseal	Capital Purchases	\$200,000.00	\$212,685.25	\$163,622.20	\$200,000.00	Operating Cost of \$200,000 of that Contract sealing \$30,000
Transport	Capital Income	CR0040	Pinjin Road	Capital Grants - Other	-\$88,000.00	-\$88,000.00	\$0.00	\$0.00	Commodity Grant
Transport	Capital Expenditure	CR0040	Pinjin Road	Capital Purchases	\$330,000.00	\$0.00	\$314,497.50	\$0.00	
Transport	Capital Income		Wandrra	Capital Income				-\$1,900,000.00	Grant owing from Wandra Flood Damage 18/19

Capital projects funded from Auction	\$248,000.00
Capital Projects funded from Reserves	\$2,727,435.00
Capital Projects funded from Operating fund	\$1,426,662.57
Capital Projects funded from Grants	\$1,287,075.93
	<u>\$5,689,173.50</u>

Capital Funds Owing to Shire from last year **\$1,965,000.00** Wandrra Grant and balance of Truck bay grant

Building Specialised	\$786,000.00
Building Non Specialised	\$1,076,000.00
Plant and equipment	\$705,085.00
Furniture and Fittings	\$45,000.00
Other Infrastructure	\$783,650.00
Roads	\$2,193,438.50
Footpaths	\$100,000.00
	<u>\$5,689,173.50</u>



2019/2020 FEES AND CHARGES

GENERAL		
Photocopying - per A4 sheet	\$ 0.60	inc GST
Photocopying - per A3 sheet	\$ 0.85	inc GST
Council Meeting Agenda - hard copy. (Free when attending Council Meeting or on website)	\$ 15.00	inc GST
Council Minutes - hard copy with attachments. (Free on website)	\$ 15.00	inc GST
Council Minutes - hard copy without attachments. (Free on website)	\$ 5.00	inc GST
Electoral Rolls - per roll - set by the Electoral Act	\$ 15.00	GST Free
Faxes Sent - minimum charge	\$ 2.20	inc GST
Faxes Received - per sheet	\$ 0.60	inc GST
Rate Refund Admin Fee - per assessment	\$ 25.00	inc GST
Laminating - A4 colour per sheet	\$ 3.50	inc GST
Laminating - A3 colour per sheet	\$ 4.40	inc GST
Orders & Requisitions - per assessment	\$ 65.00	inc GST
Rate Enquiry Fee - per assessment (1-3 enquiries)	\$ 15.00	inc GST
Rate Enquiry Fee - per half hour - bulk enquiries (minimum charge)	\$ 40.00	inc GST
Rate Title Search - for recovery of outstanding rates	\$ 40.00	inc GST
Water from Standpipe - per 1,000 litres	\$ 15.00	inc GST
Domestic Refuse Removal - first bin, per annum (issued with rates notice)	\$ 140.00	GST Free
Domestic Refuse Removal - second bin or non rateable properties	\$ 155.00	plus GST
Non Residential Property - 240lt Bin Service (per service)	\$ 168.00	inc GST
Commercial Premises Tip Fee - per annum	\$ 920.00	inc GST
Room Hire - per day - alcohol consumed - \$250 bond	\$ 80.00	inc GST
Room Hire - per day - no alcohol consumed - \$100 bond	\$ 80.00	inc GST
Room Hire - per day - Community purpose - \$100 bond	\$ -	inc GST
- or amenity fee \$1.50 per person per day	\$ 1.50	inc GST
PRIVATE WORKS (MUST BE APPROVED BY CEO)		
Grader Hire - per hour	\$ 224.00	inc GST
Mercedes Truck & Side Tipper Trailer Hire - per hour	\$ 194.00	inc GST
Mack Truck & Trailer Hire - per hour	\$ 244.00	inc GST
Light Truck - Hino - per hour	\$ 124.00	inc GST
Backhoe - per hour	\$ 120.00	inc GST
Loader - John Deere - per hour	\$ 129.00	inc GST
Mack Truck & Water Cart Hire - per hour	\$ 244.00	inc GST
Skid Steer (Caterpillar) - per hour	\$ 99.00	inc GST
Labour hire - per hour	\$ 55.00	inc GST
Whipper Snipper - per hour	\$ 70.00	inc GST
Lawn Mower - per hour	\$ 64.00	inc GST

Please Note - no dry hire of machinery

SULLAGE/WASTE REMOVAL		
Oil - no charges if delivered to Menzies Shire Depot	\$ -	
Sewerage deposited in Sewer Ponds - per litre	\$ 0.05	inc GST



2019/2020 FEES AND CHARGES

CARAVAN PARK		
<i>* Family is defined as "a group of UP TO seven related people (two of whom may be over 18 years of age) i.e. One adult and up to six minors or two adults and up to five minors."</i>		
Non-Powered Site - Day Rate*	\$ 22.00	inc GST
Non-Powered Site - Weekly Rate*	\$ 100.00	inc GST
Powered Site - Day Rate*	\$ 30.00	inc GST
Powered Site - Weekly Rate*	\$ 165.00	inc GST
Chalet - 2 bedrooms	\$ 125.00	inc GST
Chalet - additional days	\$ 70.00	inc GST
Showers - per person	\$ 5.00	inc GST
Washing Machine - per load	\$ 3.00	inc GST
Dryer - per load	\$ 3.00	inc GST
STAFF HOUSING RENTAL		
Housing Rental - per week. Category 1 - separate house - 3 bed 2 bath	\$ 70.00	GST Free
Housing Rental - per week. Category 2 - Duplex - 2 bed 1 bath	\$ 40.00	GST Free
INTERNET USE (for use of computers at Community Resource Centre)		
15 Minutes	\$ 3.00	inc GST
30 Minutes	\$ 5.00	inc GST
45 Minutes	\$ 8.00	inc GST
60 Minutes	\$ 10.00	inc GST
8 Hours	\$ 20.00	inc GST
Internet access is free for 15 minutes per session - users will require a Voucher with access code.		
ADVERTISING IN MENZIES MATTERS		
Quarter Page - per issue	\$ 5.00	inc GST
Half Page - per issue	\$ 10.00	inc GST
Whole Page - per issue	\$ 20.00	inc GST
COMMUNITY POST BOX LEASE		
Small Box - per annum	\$ 25.00	inc GST
Large Box - per annum	\$ 50.00	inc GST



2019/2020 FEES AND CHARGES

DOG FEES AND CHARGES - STATUTORY (DOG ACT, 1976)		
Annual Registration - Sterilised Dog or Bitch*	\$ 20.00	inc GST
Annual Registration - Unsterilised Dog or Bitch	\$ 50.00	inc GST
Three Year Registration - Sterilised Dog or Bitch*	\$ 42.50	inc GST
Three Year Registration - Unsterilised Dog or Bitch	\$ 120.00	inc GST
Life Registration - Sterilised Dog or Bitch*	\$ 100.00	inc GST
Life Registration - Unsterilised Dog or Bitch	\$ 250.00	inc GST
Concessions - Guide Dogs	\$ -	
Concessions - Dogs used for Droving/Tending Stock - 25% of Fee	25% of Fee	inc GST
Concessions - Dogs owned by Pensioners - 50% of Fee	50% of Fee	inc GST
Concessions - Registration after 31 May - 50% of Fee	50% of Fee	inc GST
Impounding Fees - As per Dog Act & Regulations	\$ 100.00	inc GST
Impounded Dog - Sustenance and maintenance Fee per day	\$ 20.00	inc GST
Microchipping	At Cost	inc GST
<p><i>* Must sight certificate signed by a Registered Vet, a Statutory Declaration or sight ear tattoo for Sterilisation Concession</i></p> <p><i>All dogs three months of age + must be licenced. Licences are due on November 1 of each year and can be paid at the Shire of Menzies Administration office during normal office hours.</i></p> <p><i>In respect of every first registration made after 31 May, in any year, only one half of the registration fee shall be payable. Renewals are to take effect from 1 November in any year, within the preceding period of 21 days from and including 11 October</i></p>		
CAT FEES AND CHARGES - STATUTORY (CAT REGULATIONS 2012)		
Annual Registration	\$ 20.00	inc GST
Three Year Registration	\$ 42.50	inc GST
Life Registration	\$ 100.00	inc GST
Pensioners	50% of Fee	inc GST
Microchipping	At Cost	inc GST
HEALTH		
Lodging House Licence Per Annum	\$ 225.00	GST Free
Lodging House New Registration	\$ 125.00	GST Free
Eating House Application	\$ 120.00	GST Free
Notification of New Food Business	\$ 55.00	GST Free
Registration Fee of New Food Business	\$ 150.00	GST Free
Low Risk Food Business Registration Renewal - Annual	\$ 120.00	GST Free
Medium Risk Food Business Registration Renewal - Annual	\$ 235.00	GST Free
Request for Inspection/Service/Advise - Per Hour	\$ 130.00	inc GST
STATUTORY - HEALTH ACT, 1911		
Septic Tank Application Fee	\$ 118.00	GST Free
Septic Tank Installation Fee	\$ 118.00	inc GST
Septic Tank Inspection Fee	\$ 40.00	inc GST



2019/2020 FEES AND CHARGES

TOWN PLANNING		
Town Planning Scheme Amendment - text based only plus advertising costs	\$ 600.00	inc GST
Town Planning Scheme Amendment - minor plus advertising costs	\$ 1,350.00	inc GST
Town Planning Scheme Amendment - major plus advertising costs	\$ 2,640.00	inc GST
Planning Application for all Land Uses other than "P" (Permitted) uses as set out in the Zoning Table		
- Not more than \$50,000	\$ 147.00	GST Free
- More than \$50,000 but less than \$500,000	0.32% of the estimated cost of development	GST Free
- More than \$500,000 but not more than \$2.5 Million	\$1,700 + 0.257% for every \$1 in excess of \$0.5m	GST Free
- More than \$2.5 Million but not more than \$5 Million	\$7,161 + 0.206% for every \$1 in excess of \$2.5m	GST Free
- More than \$5 Million but not more than \$21.5 Million	\$12,633 + .123% for every \$1 in excess of \$5m	GST Free
- More than \$21.5 Million	\$ 34,196.00	GST Free
Inspection/ Assessment of Potential Home-Based Businesses, other than Home Occupation as Defined by the Town Planning Scheme.	\$ 60.00	GST Free
Home Occupation - Initial Application	\$ 222.00	GST Free
Home Occupation - Annual Fee	\$ 73.00	GST Free
Zoning & Other Information Enquiry (Non Resident), or provide Zoning Certificate	\$ 73.00	GST Free



2019/2020 FEES AND CHARGES

BUILDING FEES					
Building Act 2011 - Fees and Levies					
Item	Building Classification	Multiplier	Trigger	Minimum or Set Fee	Application Fee
Certified Application for a Building Permit	1a & 10	0.19%	\$ 48,421	\$ 105.00	GST Free
Certified Application for a Building Permit	1b, 2 - 9	0.09%	\$ 102,222	\$ 105.00	GST Free
Uncertified Building Application	1a & 10	0.32%	\$ 28,750	\$ 105.00	GST Free
Demolition Permit	1a & 10	-	Fixed	\$ 105.00	GST Free
Demolition Permit	1b, 2 - 9	Per storey	Per Storey	\$ 105.00	GST Free
Extend Time which an Occupancy Permit or Building Approval Certificate has Effect	-	-	Fixed	\$ 105.00	GST Free
Occupancy Permit - Completed Building	-	-	Fixed	\$ 105.00	GST Free
Temporary Occupancy Permit - Incomplete Building	-	-	Fixed	\$ 105.00	GST Free
Modification of an Occupancy Permit	-	-	Fixed	\$ 105.00	GST Free
Occupancy Permit for a Permanent Change to Classification	-	-	Fixed	\$ 105.00	GST Free
Occupancy Permit or Building Approval Certificate for Strata or Subdivision	-	\$11.60 / Unit	No. of Units	\$ 115.00	GST Free
Occupancy Permit - Unauthorised Works	-	0.18%	\$ 51,111	\$ 105.00	GST Free
Replace Occupancy Permit for Existing Building			Fixed	\$ 105.00	GST Free
Building Approval Certificate - Unauthorised Building Work	-	0.38%	\$ 24,210	\$ 105.00	GST Free
Building Approval Certificate for Existing Building - Authorised Building Work	-	-	Fixed	\$ 105.00	GST Free
Building Services Levy (BSL) - (Former Builders Registration Board Levy - BRB)					
Item	Building Classification	Value/Quantity		Minimum or Set Fee	
Building Commission Levy (old BRB) under \$45,000	All			\$ 61.65	
Building Commission Levy (old BRB) over \$45,000	All	Value of work x 0.137%			
Building Commission Levy (Unauthorised works) under \$45,000	All			\$ 123.30	
Building Commission Levy (Unauthorised works) over \$45,000	All	Value of works x 0.274%			
Demolition Permit Application Residential	All			\$ 61.65	
Demolition Permit Application Commercial	All	per storey		\$ 61.65	
Demolition Licence	All	-	= < \$45000	\$ 61.65	
Occupancy Permit Application New Building Work	All	-	Fixed	\$ 61.65	
Occupancy Permit Unauthorised Building Work	All	Value of works x 0.18%		\$ 123.30	
Building Approval Certificate	All			\$ 61.65	
Building Approval Certificate Unauthorised Work	All	Value of works x 0.38%		\$ 61.65	
Authorised Building Work \$45,000 or under	All	-	= < \$45000	\$ 61.65	
Construction Training Fund (CTF) - (Former BCITF Levy)					
Item	Building Classification	Multiplier	Trigger	Minimum or Set Fee	
CTF Levy (old BCITF) over \$20,000	All	Value of work x 0.2%		-	

General Notes:

A **Certified Application** has a Certificate of Design Compliance prepared by a Registered Building Surveyor before the application is lodged.

Uncertified Applications can be lodged with the Local Government Authority as usual. They will be assessed and if approved will be issued with a Certificate of Design Compliance and a Building Permit.

12.1.5 Health and Building Report for the Month of August 2019

LOCATION:	Menzies
APPLICANT:	David Hadden
DOCUMENT REF:	N/A
DISCLOSURE OF INTEREST:	The Author has no interest to disclose
DATE:	20 August 2019
AUTHOR:	David Hadden Health/Building Surveyor
ATTACHMENT:	Nil

IN BRIEF:

This report is for the information of Council. It identifies matters addressed by the Environmental Health Officer for the month of August 2019.

BACKGROUND:

The Shire contracts the services of an Environmental Health Officer (EHO) for two days per month. The Officer is available for consultation at all times, and attend the administration offices once per month to meet with the Chief Executive Officer.

COMMENT:

The following is a report of the monthly activities extracted from the report to the Chief Executive Officer from David Hadden, Environmental Health Officer.

Health

Dealt with an enquiry regarding one of the unserviced Lots near Mr Gopel. Forwarded copies of Councils Planning Policies regarding unserviced land in the Menzies Town site.

Prepared and forwarded the annual report on the Food Act 2008 food premises inspections, prosecutions etc to the Health Department as required.

Dealt with various other enquires.

Building

Provided comment to Leonora CEO on recent Auditor Generals audit to determine if local governments are effectively assessing residential building applications. The Leonora CEO has emailed GVROC members and requested their advice on support or not of the Auditor Generals Report. Three metro councils and one regional council were audited. The key findings and better practice principals put forward by the report will result in increased administrative costs and resourcing issues for local government. The GVROC Chairman has been requested to provide a report to the October Council Meeting on measures that may be implemented and deemed necessary to address the key findings and recommendations of the Auditor Generals Report as they may assist the GVROC group.

Followed up with staff regarding payment of building permit and State fees against permit 03/19 for 45 Sheridan Street Menzies.

Provided comment regarding CTF becoming responsible to collect its own BCITF fees in future rather than through local government. With the recent Portal creation applicants can now pay CTF through the portal which will reduce local government administrative costs of ensuring payment by applicants and providing monthly receipt advice to CTF as well as payment of collection fees.

Dealt with various other enquiries.

RELEVANT TO STRATEGIC PLAN:

14.3 Active civic leadership achieved

- Regularly review plans with community consultation on significant decisions affecting the shire.
- Where possible, support opportunities to build the capacity of the community within the Shire of Menzies.
- Regularly monitor and report on the Shire's activities, budgets, plans and performance.
- Maintain sustainability through our leadership, our regional and government partnerships and ensure we make informed resource decisions for our community good.
- Continue to engage with our community, to advocate on behalf of our community, to be accountable and to manage within our governance and legislative framework.
- Continue to participate in regional activities to the benefit of our community.

STATUTORY AUTHORITY:

Building Act 2011

Public Health Act 2016

POLICY IMPLICATIONS:

Nil

FINANCIAL IMPLICATIONS:

Nil

RISK ASSESSMENTS:

OP97 – Council unable to fill the position of Authorised Officer under the Public Health Act 2016

VOTING REQUIREMENTS:

Simple Majority

OFFICER RECOMMENDATION TO BE DEBATED AND RESOLVED BY COUNCIL:

That Council receive the report of the Environmental Health Officer for the month of August 2019 for information.

COUNCIL DECISION

COUNCIL RESOLUTION:	No. 1706
----------------------------	-----------------

MOVED: Cr Keith Mader

SECONDED: Cr Ian Baird

That Council receive the report of the Environmental Health Officer for the month of August 2019 for information.

Carried 5/0

Planning Approvals

No delegated decisions were undertaken by the Shire of Menzies pursuant to Planning Approvals from the Month of August 2019.

<i>Date of decision</i>	<i>Decision ref:</i>	<i>Decision details</i>	<i>Applicant</i>	<i>Other affected person(s)</i>
Nil				

Building Permits (including Septic Tank approvals)

<i>Date of decision</i>	<i>Decision ref:</i>	<i>Decision details</i>	<i>Applicant</i>	<i>Other affected person(s)</i>
Nil				

Health Approvals

<i>Date of decision</i>	<i>Decision ref:</i>	<i>Decision details</i>	<i>Applicant</i>	<i>Other affected person(s)</i>
Nil				

12.2 FINANCE AND ADMINISTRATION

12.2.1 Statement of Financial Activity for July 2019

LOCATION:	N/A
APPLICANT:	Shire of Menzies
DOCUMENT REF:	FIN.935.1
DISCLOSURE OF INTEREST:	The Author has no interest to disclose
DATE:	20 August 2019
AUTHOR:	Ally Bryant Finance Contractor
ATTACHMENT:	12.2.1-1 Monthly Financial Report for the period ending 31 July2019

SUMMARY

Statutory Financial Reports are submitted to Council as a record of financial activity for the year to 31 July2019.

BACKGROUND

The Financial Management Regulation 34 requires each Local Government to prepare each month a statement of financial activity reporting on the sources and application of funds, as set out in the annual budget under Regulation 22(1)(d):

- The annual budget estimates,
- Budget estimates to the end of the month to which the statement relates.
Actual amounts of expenditure, revenue and income to the end of the month to which the statement relates,
- Any material variations between year to date for income and expenditure and the relevant budget provisions to the end of the relevant reporting period,
- Identify any significant areas where activity is not in accordance with budget estimates for the relevant reporting period
- Include an operating statement,
- Include the net current assets, and
- Any other relevant reporting notes

COMMENT

This report contains annual budget estimates, actual amounts of expenditure and income to the end of the month. It shows the material variances between the budget and actual amounts where they are not associated to timing differences for the purpose of keeping Council informed of the current financial position.

CONSULTATION

Manager of Finance and Administration.
Chief Executive Officer.

STATUTORY ENVIRONMENT

Local Government Act 1995 Section 6.4
Local Government (Financial Management) Regulation 1996, 34

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

As detailed in the attachment

RISK ASSESSMENT

OP9 Budgets are inaccurately reported with differences in the Budget adopted by Council, and that exercised by Council administration

OP16 Council's statutory reports provide inaccurate financial information

STRATEGIC IMPLICATIONS

14.3 Active civic leadership achieved

- Regularly review plans with community consultation on significant decisions affecting the shire.

VOTING REQUIREMENTS

Simple majority

OFFICERS RECOMMENDATION

That Council receive the Statement of Financial Activity for the period ending 31 July 2019 as attached and note any material differences.

COUNCIL DECISION

COUNCIL RESOLUTION:	No. 1707
----------------------------	-----------------

MOVED: Cr Keith Mader

SECONDED: Cr Debbie Hansen

That Council receive the Statement of Financial Activity for the period ending 31 July 2019 as attached and note any material differences.

Carried 5/0

SHIRE OF MENZIES
MONTHLY FINANCIAL REPORT
(Containing the Statement of Financial Activity)
For the Period Ended 31 July 2019

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

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MONTHLY FINANCIAL REPORT FOR THE PERIOD ENDED 31 JULY 2019

INFORMATION

PREPARATION TIMING AND REVIEW

Date prepared: All known transactions up to 19 August 2019

Prepared by: Ally Bryant

Reviewed by: Jeanette Taylor

BASIS OF PREPARATION

REPORT PURPOSE

This report is prepared to meet the requirements of *Local Government (Financial Management) Regulations 1996*, Regulation 34. Note: The statements and accompanying notes are prepared based on all transactions recorded at the time of preparation and may vary due to transactions being processed for the reporting period after the date of preparation.

BASIS OF ACCOUNTING

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

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

THE LOCAL GOVERNMENT REPORTING ENTITY

All Funds through which the Council controls resources to carry on its functions have been included in this statement. 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 statement, but a separate statement of those monies appears at Note 12.

SIGNIFICANT ACCOUNTING POLICES

GOODS AND SERVICES TAX

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.

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.

ROUNDING OFF FIGURES

All figures shown in this statement are rounded to the nearest dollar.

KEY TERMS AND DESCRIPTIONS

FOR THE PERIOD ENDED 31 JULY 2019

STATUTORY REPORTING PROGRAMS

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

	ACTIVITIES
GOVERNANCE	
Members and Administration	Administration and operation of facilities and services to members of council. Other costs that relate to the task of assisting elected members and electors on matters which do not concern specific council services.
GENERAL PURPOSE FUNDING	
General Revenue	Rates, general purpose government grants and interest revenue.
LAW, ORDER, PUBLIC SAFETY	
Community Safety	Supervision of various local laws. Fire prevention and animal support.
HEALTH	
Community Health	Monitor and control health standards within the community, provide support and assistance for Emergency Services. Analytical services.
EDUCATION AND WELFARE	
Facilitate Education and Welfare	Support of education facilities within the shire and of any external resources necessary to assist with educational programs for all residents.
HOUSING	
Staff Housing	Provision and Maintenance of staff housing.
COMMUNITY AMENITIES	
Provide facilities for the community	Maintain refuse sites for Menzies and Kookynie. Provision of public toilets to both townsites.
RECREATION AND CULTURE	
Recreational and cultural activities	Provide a library and museum. Maintenance and operations of Town Hall, sports oval and other recreational facilities.
TRANSPORT	
Transport Network	Construction and maintenance of roads, drainage works and traffic signs. Maintenance of airstrips at Menzies and Kookynie.
ECONOMIC SERVICES	
Area Promotion and economic development.	Building control, provision of power and water supplies. Supply and maintenance of television rebroadcasting service.
OTHER PROPERTY AND SERVICES	
Pooled operations cost centre	Public works operations, plant repairs and operation costs. Cost of administration.

**STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 JULY 2019**

STATUTORY REPORTING PROGRAMS

	Ref Note	Draft Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)	Var. % (b)-(a)/(a)	Var.
		\$	\$	\$	\$	%	
Opening Funding Surplus / (Deficit)	1(c)	2,262,666	2,262,666	2,250,692	(11,974)	(0.53%)	
Revenue from operating activities							
Governance		16,980	1,415	3,979	2,564	181.20%	
General Purpose Funding - Rates	6	3,266,373	0	0	0	0.00%	
General Purpose Funding - Other		1,130,751	10,901	15,561	4,660	42.75%	
Law, Order and Public Safety		6,722	17	0	(17)	(100.00%)	
Health		1,300	108	300	192	177.78%	
Housing		100,600	8,383	7,440	(943)	(11.25%)	
Community Amenities		17,277	1,440	1,695	255	17.71%	
Recreation and Culture		800	50	219	169	338.00%	
Transport		1,172,603	83	0	(83)	(100.00%)	
Economic Services		226,292	18,080	22,281	4,201	23.24%	
Other Property and Services		28,983	979	0	(979)	(100.00%)	
		5,968,681	41,456	51,475	10,019		
Expenditure from operating activities							
Governance		(903,820)	(71,728)	(72,502)	(774)	(1.08%)	
General Purpose Funding		(225,840)	(19,503)	(14,778)	4,725	24.23%	
Law, Order and Public Safety		(116,855)	(9,010)	(13,693)	(4,683)	(51.98%)	
Health		(128,587)	(9,833)	(5,172)	4,661	47.40%	
Housing		(157,257)	(18,476)	(5,026)	13,450	72.80%	
Community Amenities		(315,359)	(20,964)	(27,934)	(6,970)	(33.25%)	
Recreation and Culture		(953,595)	(75,558)	(87,307)	(11,749)	(15.55%)	
Transport		(2,352,537)	(193,704)	(129,906)	63,798	32.94%	▲
Economic Services		(1,317,284)	(91,674)	(77,229)	14,445	15.76%	
Other Property and Services		(406,655)	(131,077)	(11,584)	119,493	91.16%	▲
		(6,877,789)	(641,527)	(445,131)	196,396		
Non-cash amounts excluded from operating activities	1(a)	1,982,393	165,521	(547)	(166,068)	(100.33%)	▼
Amount attributable to operating activities		1,073,285	(434,550)	(394,203)	40,347		
Investing Activities							
Proceeds from non-operating grants, subsidies and contributions	11(b)	3,374,402	0	1,302,705	1,302,705	0.00%	▲
Proceeds from disposal of assets	7	250,911	0	0	0	0.00%	
Purchase of property, plant and equipment	8	(5,689,174)	0	0	0	0.00%	
Amount attributable to investing activities		(2,063,861)	0	1,302,705	1,302,705		▲
Financing Activities							
Transfer from Reserves	9	3,377,435	0	0	0	0.00%	
Transfer to Reserves	9	(4,658,077)	(15,347)	(15,347)	0	0.00%	
Amount attributable to financing activities		(1,280,642)	(15,347)	(15,347)	0		
Closing Funding Surplus / (Deficit)	1(c)	(8,552)	1,812,769	3,143,847			

KEY INFORMATION

▲ ▼ Indicates a variance between Year to Date (YTD) Actual and YTD Actual data as per the adopted materiality threshold. Refer threshold. Refer to Note 13 for an explanation of the reasons for the variance.

The material variance adopted by Council for the 2019-20 year is \$25,000 or 10.00% whichever is the greater.

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

KEY TERMS AND DESCRIPTIONS

FOR THE PERIOD ENDED 31 JULY 2019

REVENUE

RATES

All rates levied under the *Local Government Act 1995*. Includes general, differential, specific area rates, minimum rates, interim rates, back rates, ex-gratia rates, less discounts offered. Exclude administration fees, interest on instalments, interest on arrears and service charges.

OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

Refer to all amounts received as grants, subsidies and contributions that are not non-operating grants.

NON-OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

Amounts received specifically for the acquisition, construction of new or the upgrading of non-current assets paid to a local government, irrespective of whether these amounts are received as capital grants, subsidies, contributions or donations.

PROFIT ON ASSET DISPOSAL

Profit on the disposal of assets including gains on the disposal of long term investments. Losses are disclosed under the expenditure classifications.

FEES AND CHARGES

Revenues (other than service charges) from the use of facilities and charges made for local government services, sewerage rates, rentals, hire charges, fee for service, photocopying charges, licences, sale of goods or information, fines, penalties and administration fees. Local governments may wish to disclose more detail such as rubbish collection fees, rental of property, fines and penalties, other fees and charges.

SERVICE CHARGES

Service charges imposed under *Division 6 of Part 6 of the Local Government Act 1995*. *Regulation 54 of the Local Government (Financial Management) Regulations 1996* identifies these as television and radio broadcasting, underground electricity and neighbourhood surveillance services. Exclude rubbish removal charges. Interest and other items of a similar nature received from bank and investment accounts, interest on rate instalments, interest on rate arrears and interest on debtors.

INTEREST EARNINGS

Interest and other items of a similar nature received from bank and investment accounts, interest on rate instalments, interest on rate arrears and interest on debtors.

OTHER REVENUE / INCOME

Other revenue, which can not be classified under the above headings, includes dividends, discounts, rebates etc.

NATURE OR TYPE DESCRIPTIONS

EXPENSES

EMPLOYEE COSTS

All costs associate with the employment of person such as salaries, wages, allowances, benefits such as vehicle and housing, superannuation, employment expenses, removal expenses, relocation expenses, worker's compensation insurance, training costs, conferences, safety expenses, medical examinations, fringe benefit tax, etc.

MATERIALS AND CONTRACTS

All expenditures on materials, supplies and contracts not classified under other headings. These include supply of goods and materials, legal expenses, consultancy, maintenance agreements, communication expenses, advertising expenses, membership, periodicals, publications, hire expenses, rental, leases, postage and freight etc. Local governments may wish to disclose more detail such as contract services, consultancy, information technology, rental or lease expenditures.

UTILITIES (GAS, ELECTRICITY, WATER, ETC.)

Expenditures made to the respective agencies for the provision of power, gas or water. Exclude expenditures incurred for the reinstatement of roadwork on behalf of these agencies.

INSURANCE

All insurance other than worker's compensation and health benefit insurance included as a cost of employment.

LOSS ON ASSET DISPOSAL

Loss on the disposal of fixed assets.

DEPRECIATION ON NON-CURRENT ASSETS

Depreciation expense raised on all classes of assets.

INTEREST EXPENSES

Interest and other costs of finance paid, including costs of finance for loan debentures, overdraft accommodation and refinancing expenses.

OTHER EXPENDITURE

Statutory fees, taxes, provision for bad debts, member's fees or State taxes. Donations and subsidies made to community groups.

**STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 JULY 2019**

BY NATURE OR TYPE

	Ref Note	Draft Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)	Var. % (b)-(a)/(a)	Var.
		\$	\$	\$	\$	%	
Opening Funding Surplus / (Deficit)	1(c)	2,262,666	2,262,666	2,250,692	(11,974)	(0.53%)	
Revenue from operating activities							
Rates	6	3,266,373	0	0	0	0.00%	
Operating grants, subsidies and contributions	11(a)	2,137,567	8,000	8,927	927	11.59%	
Fees and charges		242,047	19,410	22,697	3,287	16.93%	
Interest earnings		233,789	10,897	15,561	4,664	42.80%	
Other revenue		49,693	2,499	4,290	1,791	71.67%	
Profit on disposal of assets	7	39,212	0	0	0	0.00%	
		5,968,681	40,806	51,475	10,669		
Expenditure from operating activities							
Employee costs		(2,055,237)	(157,635)	(172,300)	(14,665)	(9.30%)	
Materials and contracts		(2,129,633)	(219,321)	(157,222)	62,099	28.31%	▲
Utility charges		(86,147)	(7,307)	(9,705)	(2,398)	(32.82%)	
Depreciation on non-current assets		(1,986,269)	(165,521)	0	165,521	100.00%	▲
Insurance expenses		(149,012)	(74,444)	(95,668)	(21,224)	(28.51%)	
Other expenditure		(436,155)	(11,404)	(10,236)	1,168	10.24%	
Loss on disposal of assets	7	(35,336)	0	0	0	0.00%	
		(6,877,789)	(635,632)	(445,131)	190,501		▲
Non-cash amounts excluded from operating activities	1(a)	1,982,393	165,521	(547)	(166,068)	(100.33%)	
Amount attributable to operating activities		1,073,285	(429,305)	(394,203)	35,102		▲
Investing activities							
Non-operating grants, subsidies and contributions	11(b)	3,374,402	0	1,302,705	1,302,705	0.00%	▲
Proceeds from disposal of assets	7	250,911	0	0	0	0.00%	
Payments for property, plant and equipment	8	(5,689,174)	0	0	0	0.00%	
Amount attributable to investing activities		(2,063,861)	0	1,302,705	1,302,705		▲
Financing Activities							
Transfer from reserves	9	3,377,435	0	0	0	0.00%	
Transfer to reserves	9	(4,658,077)	(15,347)	(15,347)	0	0.00%	
Amount attributable to financing activities		(1,280,642)	(15,347)	(15,347)	0		
Closing Funding Surplus / (Deficit)	1(c)	(8,552)	1,818,014	3,143,847			

KEY INFORMATION

▲ ▼ Indicates a variance between Year to Date (YTD) Actual and YTD Actual data as per the adopted materiality threshold.

Refer to Note 13 for an explanation of the reasons for the variance.

This statement is to be read in conjunction with the accompanying Financial Statements and Notes.

(a) Non-cash items excluded from operating activities

The following non-cash revenue and expenditure has been excluded from operating activities within the Statement of Financial Activity in accordance with Financial Management Regulation 32.

	Notes	Draft Budget	YTD Budget (a)	YTD Actual (b)
Non-cash items excluded from operating activities		\$	\$	\$
Adjustments to operating activities				
Less: Profit on asset disposals		(39,212)	0	0
Movement in pensioner deferred rates (non-current)				(547)
Add: Loss on asset disposals		35,336	0	0
Add: Depreciation on assets		1,986,269	165,521	0
Total non-cash items excluded from operating activities		1,982,393	165,521	-547

(b) Adjustments to net current assets in the Statement of Financial Activity

The following current assets and liabilities have been excluded from the net current assets used in the Statement of Financial Activity in accordance with *Financial Management Regulation* 32 to agree to the surplus/(deficit) after imposition of general rates.

		Last Year Closing 30 Jun 2019	This Year Opening 01 Jul 2019	This Time Last Year 31 Jul 2018	Year to Date 31 Jul 2019
Adjustments to net current assets					
Less: Reserves - restricted cash	10	(8,497,246)	(8,497,246)	(8,383,445)	(8,512,593)
Add: Provisions - employee	11	170,534	170,534	170,534	170,534
Total adjustments to net current assets		(8,326,712)	(8,326,712)	(8,212,911)	(8,342,059)

(c) Net current assets used in the Statement of Financial Activity

Current assets					
Cash and cash equivalents	2	10,632,088	10,632,088	11,436,070	10,999,143
Rates receivables	3	827,507	827,507	713,053	795,643
Receivables	3	(78,073)	(78,073)	(40,624)	140,961
Other current assets	4	12,628	12,628	6,041	6,133
Less: Current liabilities					
Payables	5	(646,212)	(646,212)	(335,654)	(285,441)
Provisions	11	(170,534)	(170,534)	(170,534)	(170,534)
Less: Total adjustments to net current assets	1(c)	(8,326,712)	(8,326,712)	(8,212,911)	(8,342,059)
Closing Funding Surplus / (Deficit)		2,250,692	2,250,692	3,395,441	3,143,846

CURRENT AND NON-CURRENT CLASSIFICATION

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. Unless otherwise stated assets or liabilities are classified as current if expected to be settled within the next 12 months, being the Council's operational cycle.

Description	Classification	Unrestricted	Restricted	Trust	Total YTD Actual	Institution	Interest Rate	Maturity Date
		\$	\$	\$	\$			
Cash on hand								
Cash Munni		1,562,808			1,562,808	NAB		
Cash Maximiser		921,939			921,939	NAB		
Reserves Term Deposit		0			8,514,397			
Total		2,484,746	8,514,397	0	10,999,144			
Comprising								
Cash and cash equivalents		2,484,746	8,514,397	0	10,999,144			
Financial assets at amortised cost		0	0	0	0			
		2,484,746	8,514,397	0	10,999,144			

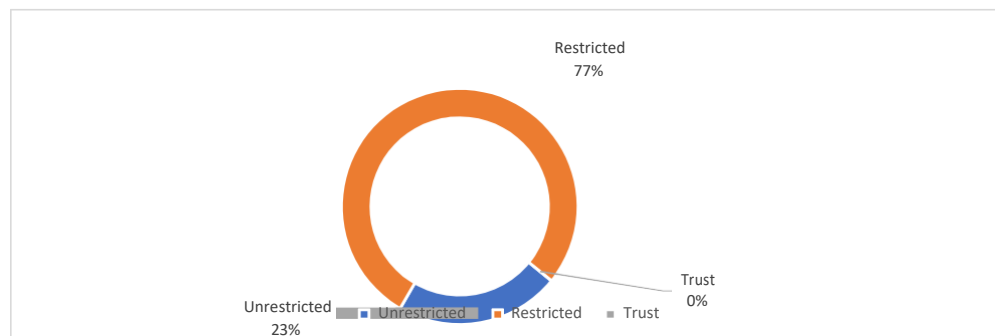
KEY INFORMATION

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks and other short term highly liquid investments highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are reported as short term borrowings in current liabilities in the statement of net current assets.

The local government classifies financial assets at amortised cost if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cashflows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Financial assets at amortised cost held with registered financial institutions are listed in this note other financial assets at amortised cost are provided in Note 4 - Other assets.



Total Cash	Unrestricted
\$11. M	\$2.48 M

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 JULY 2019

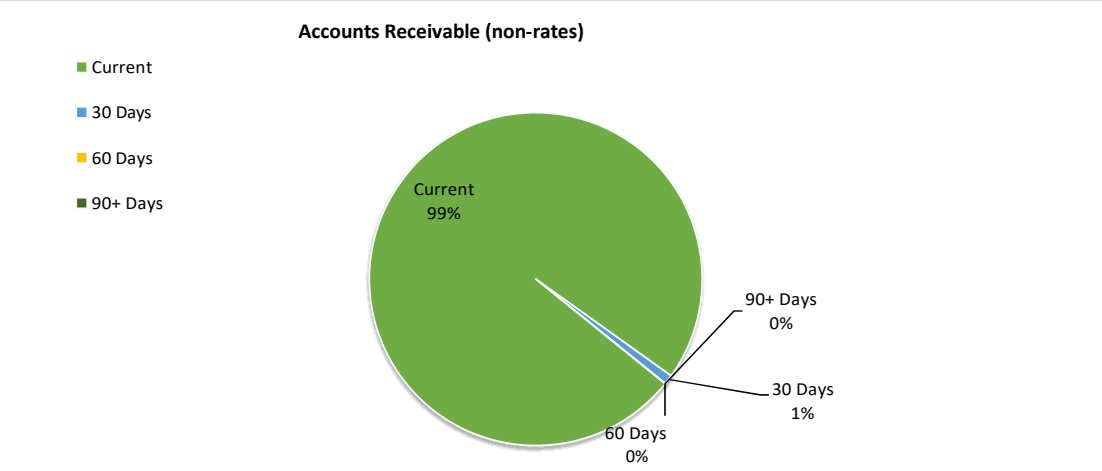
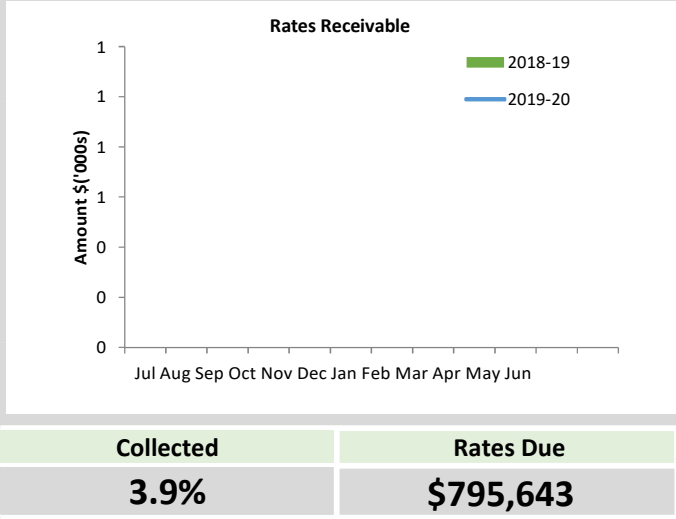
OPERATING ACTIVITIES
NOTE 3
RECEIVABLES

Rates Receivable	30 Jun 2019	31 Jul 19
	\$	\$
Opening Arrears Previous Years	828276	827,507
Levied this year	3,123,011	0
Less - Collections to date	-3123780	(31,864)
Equals Current Outstanding	827507	795,643
Net Rates Collectable	827,507	795,643
% Collected	79.1%	3.9%

Receivables - General	Credit	Current	30 Days	60 Days	90+ Days	Total
	\$	\$	\$	\$	\$	\$
Receivables - General	0	211,318	1,894	139	0	213,352
Percentage	0%	99%	0.9%	0.1%	0%	
Balance per Trial Balance						
Sundry receivable						213,352
GST receivable						280,708
Provision for doubtful debts						(385,257)
Accrued income/payments in advance						22,130
Other receivables [describe]						10,028
Total Receivables General Outstanding						140,961
Amounts shown above include GST (where applicable)						

KEY INFORMATION

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.



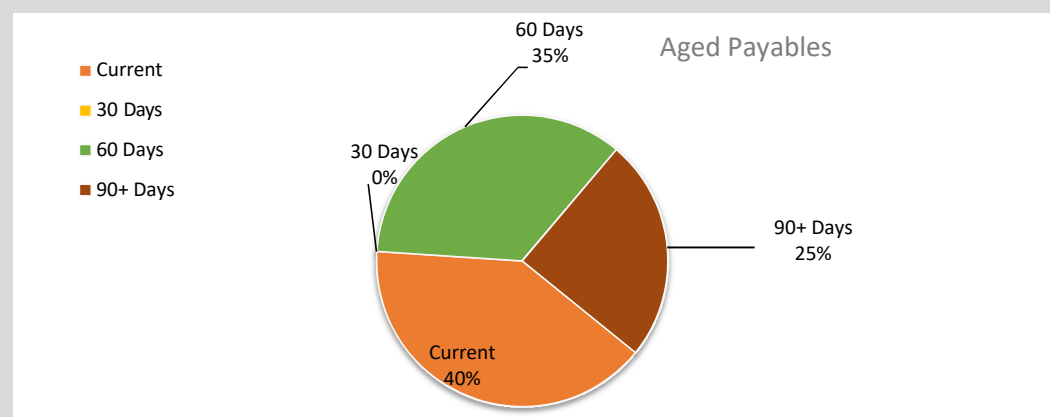
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 JULY 2019

OPERATING ACTIVITIES
NOTE 5
Payables

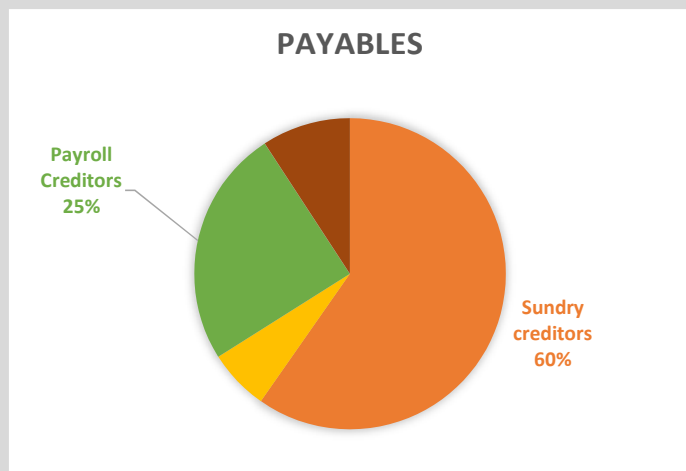
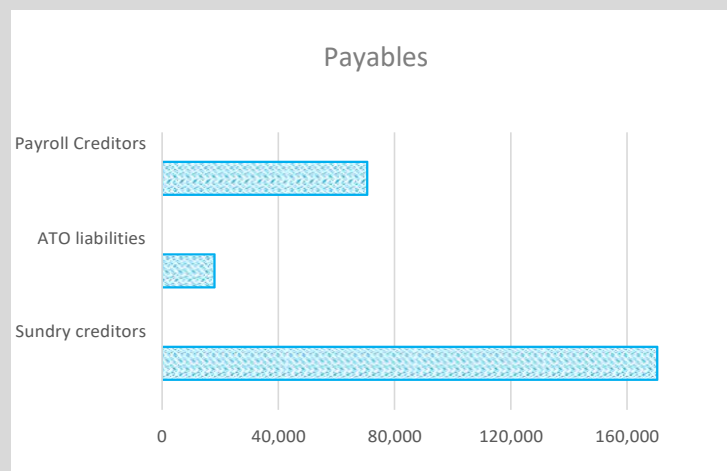
Payables - General	Credit	Current	30 Days	60 Days	90+ Days	Total
	\$	\$	\$	\$	\$	\$
Payables - General	0	55,186	0	48,282	33,862	137,330
Percentage	0%	40.2%	0%	35.2%	24.7%	
Balance per Trial Balance						
Sundry creditors						170,473
ATO liabilities						18,070
Payroll Creditors						70,577
Income Received in advance						26,321
Total Payables General Outstanding						285,441
Amounts shown above include GST (where applicable)						

KEY INFORMATION

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

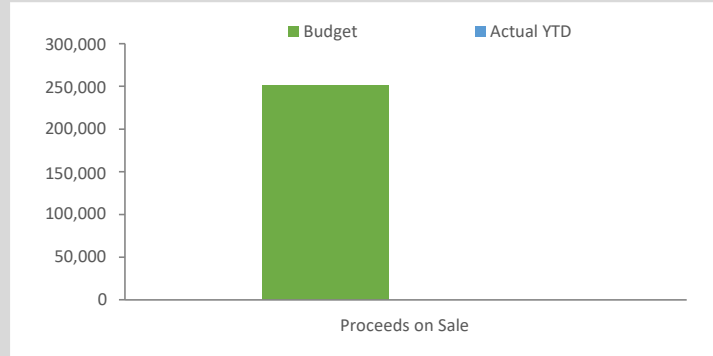


Creditors Due
\$285,441
Over 30 Days
60%
Over 90 Days
24.7%



Asset Ref.	Asset Description	Budget				YTD Actual			
		Net Book	Proceeds	Profit	(Loss)	Net Book	Proceeds	Profit	(Loss)
		Value				Value			
		\$	\$	\$	\$	\$	\$	\$	\$
	Plant and equipment								
	Transport								
	Vehicles	247,035	250,911	3,876	0			0	0
		247,035	250,911	3,876	0	0	0	0	0

KEY INFORMATION



Proceeds on Sale		
Annual Budget	YTD Actual	%
\$250,911	\$0	0%

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 JULY 2019**

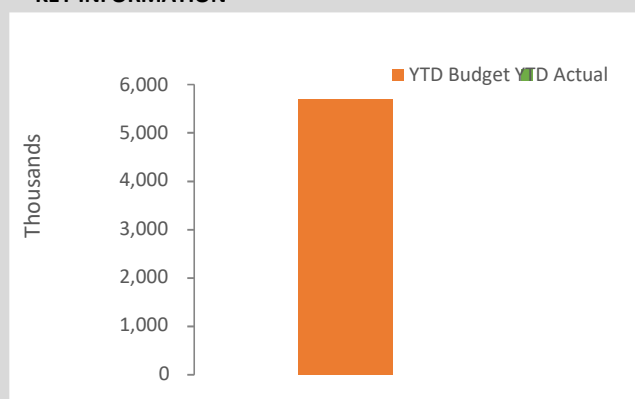
**INVESTING ACTIVITIES
NOTE 8
CAPITAL ACQUISITIONS**

Capital Acquisitions	Draft		YTD Actual	YTD Actual Variance
	Budget	YTD Budget		
	\$	\$	\$	\$
Buidings - non-specialised	1,076,000	0		0
Building - specialised	786,000	0	0	0
Furniture and equipment	45,000	0		0
Plant and equipment	705,085	0		0
Infrastructure - Roads	2,193,439	0		0
Infrastructure - Footpaths	100,000	0	0	0
Infrastructure - Other	783,650	0		0
Capital Expenditure Totals	5,689,174	0	0	0
Capital Acquisitions Funded By:				
	\$	\$	\$	\$
Capital grants and contributions	3,374,402	0	1,302,705	1,302,705
Other (Disposals & C/Fwd)	250,911	0	0	0
Cash Backed Reserves				
Building Reserve	1,782,000	0	0	0
Plant Reserve	435,785	0	0	0
Roads Reserve	300,000	0	0	0
Main Street Reserve	10,000	0	0	0
Staff amenities Reserve	650,000	0	0	0
Caravan Park Reserve	20,650	0	0	0
Niagara Dam Reserve	84,000	0	0	0
Waste Managemnet Reserve	45,000	0	0	0
Old Post Office Reserve	50,000	0	0	0
Contribution - operations	(1,313,575)	0	(1,302,705)	(1,302,705)
Capital Funding Total	5,689,174	0	0	0

SIGNIFICANT ACCOUNTING POLICIES

All assets are initially recognised at cost. 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 local government includes the cost of all materials used in the construction, direct labour on the project and an appropriate proportion of variable and fixed overhead. Certain asset classes may be revalued on a regular basis such that the carrying values are not materially different from fair value. Assets carried at fair value are to be revalued with sufficient regularity to ensure the carrying amount does not differ materially from that determined using fair value at reporting date.

KEY INFORMATION



Acquisitions	Annual Budget	YTD / ctual	% Spent
	\$5.69 M	\$. M	0%
Capital Grant	Annual Budget	YTD / ctual	% Received
	\$3.37 M	\$1.3 M	39%

Capital Expenditure Total
Level of Completion Indicators



0%
20%
40%
60%
80%
100%
Over 100%

Percentage Year to Date Actual to Annual Budget expenditure where the expenditure over budget highlighted in red.

% of
Completion

Level of completion indicator, please see table at the end of this note for further detail.

Draft

	Account Description	Budget	YTD Budget	YTD Actual	Variance (Under)/Over
Capital Expenditure					
Governance					
C04002	Software and Systems	35,000	0	0	
C04001	Administration Communication Equipment	10,000	0	0	
Housing					
BC001	Construct new staff housing	650,000	0	0	
C09002	Lot 1 37-39 Reid St	8,000	0	0	
C09012	Lot 91 40 Mercer St	20,000	0	0	
C09019	Lot 1085 39 Mercer St	20,000	0	0	
C09020	Lot 165 25 Onslow St	15,000	0	0	
C09021	Lot 93 36 Mercer St	10,000	0	0	
C09022	41 Mercer St	10,000	0	0	
C09205	55B (14B) Walsh St	22,000	0	0	
C09206	12A walsh Street	16,000	0	0	
C09013	29B Shenton St	15,000	0	0	
C09014	Old Post Office	50,000	0	0	
Community Amenities					
C10000	Menzies Refuse Site New Hole	30,000	0	0	
C10002	Kookynie Refuse Site New Hole	15,000	0	0	
NEW	Cometvale Cemetary Fence	20,000	0	0	
Recreation & Culture					
C08001	Youth Centre	20,000	0	0	
C11100	Town Hall Upgrade	160,000	0	0	
C14583	Town Hall Admin Office Upgrade	46,000	0	0	
C11312	Rodeo Grounds Infrastructure	50,000	0	0	
C11313	Sports Courts Adjustable Poles	9,000	0	0	
C11305	Upgrade Town Dam	200,000	0	0	
C11600	Butch Shop and Tea Room Upgrade	25,000	0	0	
Transport					
CR0001	Menzies North West Rd Bitumen R2R	751,100	0	0	
CR0012	Connie Sue Remote Access Road R2R	300,000	0	0	
CR0009	Tjunjuntjarra Access Rd	66,667	0	0	
CR0032	Townsite Reseal	200,000	0	0	
CR0004	Evanston Menzies Road RRG	254,755	0	0	
CR0005	Yarri Road RRG	121,008	0	0	
CR0013	Menzies Nrth West Rd Bitumen RRG	348,900	0	0	
CR0007	Menzies North West Rd Resheeting RRG	121,008	0	0	
CR0006	Shire House Crossover	30,000	0	0	
C11311	Street Lights at Kookynie	7,000	0	0	
C12100	Bicycle Path Construction	100,000	0	0	
C12101	Depot Extention Asset Upgrade	30,000	0	0	
C12103	Bores to support Roadwroks	35,000	0	0	
NEW	Kookynie Airstrip Extention	20,000	0	0	
C12104	Grid Replacement Program	130,000	0	0	
C12102	Minor Palnt Purchases	11,300	0	0	
NEW	Removable Frame for Service Truck	10,000	0	0	
NEW	Building Maintenance Utility	33,285	0	0	
CP002	Vehicle Replacement Works Supervisor	88,000	0	0	
CP001	Vehicle Replacement MFA	43,000	0	0	
CP011	New Grader 12m	390,000	0	0	
CP012	Community Bus	56,500	0	0	
C12301	Banners and Signage	10,000	0	0	
CP007	CEO Car Replacement	73,000	0	0	
Economic Services					
C13013	Bicycle Track Menzies Town	120,000	0	0	
C13002	Truck Bay Wilson and Shenton Streets	8,000	0	0	
NEW	Truck Bay Abultion Block	120,000	0	0	
C13010	Niagara Dam	84,000	0	0	
C13107	Old Church Building 50 Shenton Street	55,000	0	0	
C13100	Lady Shenton Upgrade	40,000	0	0	
C13106	Goongarrie Cottage Maintenance	50,000	0	0	
C13802	Caravan Park Upgrade	10,000	0	0	
C13803	Caravan Park Security Gate Barrier	10,650	0	0	
C13804	Construction Caravan Park New Unit Disable Compliant	400,000	0	0	
Other Property & Services					
NEW	Construct new records facility	100,000	0	0	
NEW	Fruit Trees Protection Arbor	5,000	0	0	
Grand Total		5,689,174	0	0	0

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 JULY 2019

OPERATING ACTIVITIES
NOTE 9
CASH RESERVES

Cash Backed Reserve

Reserve Name	Opening Balance	Budget Interest Earned	Actual Interest Earned	Budget Transfers In (+)	Actual Transfers In (+)	Budget Transfers Out (-)	Actual Transfers Out (-)	Budget Closing Balance	Actual YTD Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Long Service Leave Reserve	201,643	2,966	362	0	0	0	0	204,609	202,005
Building Reserve	2,298,078	33,805	4,127	946,374	0	(1,782,000)	0	1,496,257	2,302,205
Plant Reserve	1,395,073	20,522	2,505	536,707	0	(435,785)	0	1,516,517	1,397,578
Roads Reserve	1,529,390	22,497	2,746	1,200,000	0	(300,000)	0	2,451,887	1,532,136
Main Street Reserve	138,105	2,032	248	0	0	(10,000)	0	130,137	138,353
Staff amenities Reserve	74,299	1,093	133	1,150,000	0	(650,000)	0	575,392	74,432
TV Reserve	17,589	259	32	0	0	0	0	17,848	17,621
Caravan Park Reserve	434,027	6,385	779	0	0	(20,650)	0	419,762	434,806
Bitumen Reserve	397,088	5,841	713	200,000	0	0	0	602,929	397,801
Rates Creditors	50,118	737	179	0	0	0	0	50,855	50,297
Niagara Dam Reserve	1,349,520	19,851	2,423	0	0	(84,000)	0	1,285,371	1,351,943
Water Park Reserve	98,142	1,444	176	200,000	0	0	0	299,586	98,318
Waste Managemnet Reserve	102,766	1,512	185	0	0	(45,000)	0	59,278	102,951
Old Post Office Reserve	411,408	6,052	739	0	0	(50,000)	0	367,460	412,147
Commercial Enterprise Reserve	0	0	0	100,000	0	0	0	100,000	0
Land Purchase Reserve	0	0	0	200,000	0	0	0	200,000	0
	8,497,246	124,996	15,347	4,533,081	0	(3,377,435)	0	9,777,888	8,512,593

Other Current Liabilities	Note	Opening Balance 1 July 2019	Liability Increase	Liability Reduction	Closing Balance 31 July 2019
		\$	\$	\$	\$
Provisions					
Annual leave		121,521			121,521
Contract Liabilities					
Lease liability		0			0
Amounts shown above include GST (where applicable)					

A breakdown of contract liabilities and associated movements is provided on the following pages at 11(a) and 11(b)

KEY INFORMATION

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.

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 calculation of net current assets.

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 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.

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 JULY 2019

NOTE 11(a)

OPERATING GRANTS AND CONTRIBUTIONS

Provider	Unspent Operating Grant, Subsidies and Contributions Liability					Unspent Operating Grants, Subsidies and Contributions Revenue					
	Liability 1-Jul	Increase in Liability	Liability Reduction (As revenue)	Liability 30-Jun	Current Liability 30-Jun	Adopted Budget Revenue	YTD Budget	Annual Budget	Budget Variations	Expected	YTD Revenue Actual
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Operating Grants and Subsidies											
General purpose funding											
WA Grants Commision						886,653	0	886,653		886,653	0
Law, order, public safety											
Fire Prevention						6,522	0	6,522		6,522	0
Transport											
Grant Roads						820,598		820,598		820,598	0
Grant - MRWA Direct Grant						183,146		183,146		183,146	0
Grant Other Tjun Access Rd						128,647		128,647		128,647	0
Economic services											
Community Resource Centre						112,000		112,000		112,000	8,927
	0	0	0	0	0	2,137,566	0	2,137,566	0	2,137,566	8,927
TOTALS	0	0	0	0	0	2,137,566	0	2,137,566	0	2,137,566	8,927

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 JULY 2019

NOTE 11(b)

NON-OPERATING GRANTS AND CONTRIBUTIONS

Provider	Unspent Non Operating Grants, Subsidies and Contributions Liability					Non Operating Grants, Subsidies and Contributions Revenue					
	Liability 1-Jul	Increase in Liability	Liability Reduction (As revenue)	Liability 30-Jun	Current Liability 30-Jun	Adopted Budget Revenue	YTD Budget	Annual Budget	Budget Variations	Expected	YTD Revenue Actual (b)
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Non-Operating Grants and Subsidies											
Recreation and culture											
Lottery West Youth Services						25,570	0	25,570		25,570	11,744
Transport											
Grants R2R						695,000		695,000		695,000	179,000
Grants RRG						301,165		301,165		301,165	0
Grants Wandrra						1,900,000		1,900,000		1,900,000	1,111,962
Grant Other TjunTjun						66,667		66,667		66,667	0
Economic services											
Tourism - Truck Bay						290,000		290,000		290,000	0
Tourism - Bicycle Path						96,000		96,000		96,000	0
	0	0	0	0	0	3,374,402	0	3,374,402	0	3,374,402	1,302,705
Total Non-operating grants, subsidies and contributions	0	0	0	0	0	3,374,402	0	3,374,402	0	3,374,402	1,302,705

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 JULY 2019**

**NOTE 12
TRUST FUND**

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

Description	Opening Balance 1 July 2019	Amount Received	Amount Paid	Closing Balance 31 Jul 2019
	\$	\$	\$	\$
Trust Account	1,680			1,680
	1,680	0	0	1,680

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 JULY 2019**

**NOTE 13
EXPLANATION OF MATERIAL VARIANCES**

The material variance thresholds are adopted annually by Council as an indicator of whether the actual expenditure or revenue varies from the year to date Actual materially.

The material variance adopted by Council for the 2019-20 year is \$25,000 or 10.00% whichever is the greater.

Reporting Program	Var. \$	Var. %	Timing/ Permanent	Explanation of Variance
	\$	%		
Expenditure from operating activities				
Transport	63,798	32.94%	▲ Timing	Road maintenance is budgeted over 12 months
Other Property and Services	119,493	91.16%	▲ Timing	
Investing Activities				
Non-operating Grants, Subsidies and Contributions	1,302,705	0.00%	▲ Timing	Haven't yet added capital budget to synergy.

3.23pm Alice Bryant left the meeting and did not return.

3.23pm

COUNCIL RESOLUTION:

No. 1708

MOVED: Cr Ian Baird

SECONDED: Cr Keith Mader

That Council adjourn the meeting at 3.23pm for 10 minutes break.

Carried 5/0

COUNCIL RESOLUTION:

No. 1709

MOVED: Cr Ian Baird

SECONDED: Cr Keith Mader

That Council reopen the meeting at 3.49pm

Carried 5/0

12.2.2 Monthly Listing of Payments for the Month of July 2019

LOCATION:	N/A
APPLICANT:	N/A
DOCUMENT REF:	FIN.935.1/NAM307
DISCLOSURE OF INTEREST:	The Author has no interest to disclose
DATE:	18 August 2019
AUTHOR:	Jeanette Taylor, Manager Finance and Administration
ATTACHMENT:	12.2.2-1 Payment Listing for July 2019

SUMMARY

The list of payments made for the month of July 2019 to be received by Council.

BACKGROUND:

Payments have been made by electronic funds transfer (EFT), cheque and direct transfer from Council's Municipal bank account and duly authorised as required by Council Policy. These payments have been made under authority delegated to the Chief Executive Office and are reported

to Council.

COMMENT:

The EFT and Direct Debit payments that have been raised for the month of July 2019 are attached.

After payment, the balance of creditors will be \$213,351.64.

CONSULTATION

N/A

STATUTORY Environment:

Local Government (Financial Management) Regulations 1996 Regulation 13

POLICY IMPLICATIONS:

Policy 4.7 – Creditors – Preparation for Payment

FINANCIAL IMPLICATIONS:

Nil

RISK ASSESSMENTS:

OP7 Accounts payable amounts and disbursements are either inaccurately recorded or not recorded at all.

STRATEGIC IMPLICATIONS:

14.3 Active civic leadership achieved

- Regularly review plans with community consultation on significant decisions affecting the shire.

VOTING REQUIREMENTS:

Simple Majority

OFFICER RECOMMENDATION:

That Council receive the list of payments for the month of July 2019 totalling \$1,292,060.44 being:

- 1) There were no cheques written.
- 2) Electronic Fund Transfer EFT4215 – EFT4313 payments in the Municipal Fund totalling \$1,217,855.46.
- 3) Direct Debit payments from the Municipal Fund totally \$74,204.98.
- 4) Credit Card payments for the statement period 29 May 2019 to 30 June 2019 totalling \$7,771.81.

COUNCIL DECISION

COUNCIL RESOLUTION:	No. 1710
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MOVED: Cr Ian Baird

SECONDED: Cr Debbie Hansen

That Council receive the list of payments for the month of July 2019 totalling \$1,292,060.44 being:

- 1) *There were no cheques written.*
- 2) *Electronic Fund Transfer EFT4215 – EFT4313 payments in the Municipal Fund totalling \$1,217,855.46.*
- 3) *Direct Debit payments from the Municipal Fund totally \$74,204.98.*
- 4) *Credit Card payments for the statement period 29 May 2019 to 30 June 2019 totalling \$7,771.81.*

Carried 5/0

Shire of Menzies
Payments for the Month of July 2019

Chq/EFT	Date	Name	Description	Amount
		Cheques		
		EFT		\$1,217,855.46
		Direct Debit		\$74,204.98
		Total Payments		\$1,292,060.44
		Credit Card Payments (included in Direct Debit)		\$7,771.81

Shire of Menzies
Payments for the Month of July 2019

Chq/EFT	Date	Name	Description	Amount
EFT4215	04/07/2019	Roadtech Construction	Contract Grading	\$ 291,947.70
EFT4216	04/07/2019	Goldfields Tourism Network Association	2018-2019 Contribution Golden Quest Discovery Trail	\$ 12,650.00
EFT4217	05/07/2019	Child Support	Payroll deductions	\$ 300.00
EFT4218	05/07/2019	3E Advantage	Copier Charges - June	\$ 2,180.32
EFT4219	05/07/2019	Market Creations	Technology Licensing - 27/6/2019	\$ 1,955.22
EFT4220	05/07/2019	Xstra Global IT and Communication Solutions	PABX Supply and Support - June	\$ 311.77
EFT4221	05/07/2019	Nexus Minerals Limited	Rates refund on dead tenements.	\$ 1,818.25
EFT4222	05/07/2019	Black Mountain Gold Limited	Rates refund on dead tenements.	\$ 481.25
EFT4223	05/07/2019	Rangeland Services Pty Ltd	New Fencing at Water Park	\$ 8,151.00
EFT4224	05/07/2019	Child Support Other	Deductions for payments made in April, May and June	\$ 747.28
EFT4225	05/07/2019	Emykor Services	Septic Tank Pump-outs	\$ 1,661.00
EFT4226	05/07/2019	CleverPatch	Consumables - Youth Centre	\$ 884.18
EFT4227	05/07/2019	AquaBUBBLER	Water Fountain - Youth Centre	\$ 4,950.00
EFT4228	05/07/2019	Australian Defence Force Assistance Trust	Donations from Community for Soldiers Stomp	\$ 291.00
EFT4229	05/07/2019	The Hanging Man	Hanging Rails - Youth Centre	\$ 488.82
EFT4230	05/07/2019	Cabcharge Australia Limited	Taxi Fares - Staff Traing	\$ 148.13
EFT4231	05/07/2019	Calypso Creative	Premium Hosting and Wordpress Maintenance plan - 12 months - Lake Ballard	\$ 341.00
EFT4232	05/07/2019	Cancer Council W A	Funds raised from Biggest Morning Tea	\$ 177.50
EFT4233	05/07/2019	Gregory Dwyer	Travel - January - June	\$ 7,285.46
EFT4234	05/07/2019	Ecowater Services	Service Biomax - Caravan Park	\$ 928.00
EFT4235	05/07/2019	Flex Industries	Brake boosters for dolly.	\$ 346.50
EFT4236	05/07/2019	Goldline Distributors	Cleaningsupplies	\$ 339.24
EFT4237	05/07/2019	Hart Sport	Goods for Youth Centre	\$ 346.30
EFT4238	05/07/2019	Menzies Hotel	Lunch for Meeting and Briefing Session 20 June 2019	\$ 240.70
EFT4239	05/07/2019	Shire of Menzies Social Club	Payroll deductions	\$ 120.00
EFT4240	05/07/2019	Netlogic Information Technology	Computer support, Councillor Ipad	\$ 1,016.50
EFT4241	05/07/2019	Office National	Stationery	\$ 43.97
EFT4242	05/07/2019	Taps Industries	Install new oven and re run gas pipes.	\$ 731.32
EFT4243	05/07/2019	Tower Hotel	Cr Baird Accomodation 19-20 June 2019 19-20 June 2019	\$ 291.50
EFT4244	05/07/2019	Moore Stephens	Lodge April IAS	\$ 379.50
EFT4245	05/07/2019	Wa Country Health Service - Goldfields	Contribution to Nurse	\$ 6,262.48
EFT4246	12/07/2019	Western Diagnostic	Pre-employment drug and alcohol test	\$ 35.04
EFT4247	12/07/2019	Narrogin Sands	Grids for replacement program	\$ 43,067.20
EFT4249	12/07/2019	3E Advantage	Smartboard rental July 2019	\$ 374.00
EFT4250	12/07/2019	Xstra Global IT and Communication Solutions	PABX Supply and support - July	\$ 291.19
EFT4251	12/07/2019	Statewide Bearings	2 new fanbelts	\$ 23.65
EFT4252	12/07/2019	Mitchell & Brown Retravision	Mobile Phone - CEO	\$ 1,699.00
EFT4253	12/07/2019	Super Sarah & Friends	Facepainting, plasatercraft activity Cyclassic 2019	\$ 490.00
EFT4254	12/07/2019	Ian Baird	Reimburse Hertz Hire Vehicle - Tjun to Menzies	\$ 914.95
EFT4255	12/07/2019	Blackwoods	Waste oil recovery tank	\$ 850.00
EFT4256	12/07/2019	Browns Party Hire	Hire tables, chairs, bowls, spoons - Cyclassic	\$ 1,755.05
EFT4257	12/07/2019	Toll Transport Pty Ltd	Freight from Office Line	\$ 240.11
EFT4258	12/07/2019	Goldline Distributors	Refreshments, kitchen items.	\$ 275.07
EFT4259	12/07/2019	Hare & Forbes Machinery House	Axle stand, lifting crane, shelving for Youth Centre	\$ 2,775.00
EFT4260	12/07/2019	Menzies Hotel	Accomodation & meals - Consultant	\$ 116.60
EFT4261	12/07/2019	Kmart	Shower curtains, doona covers, supplies for Youth Centre	\$ 739.00
EFT4262	12/07/2019	Kulbardi Hill Consulting	5000 copies Our Place""	\$ 4,928.00
EFT4263	12/07/2019	Landgate	Mining Tenement Schedule M2019/6 Inv 349227	\$ 163.80
EFT4264	12/07/2019	RAMM Software Pty Ltd	Ramm Support/Maintenance Fee July 2019 to June 2020	\$ 8,206.73
EFT4265	12/07/2019	Refresh Water	Water bottles for water dispenser x 10	\$ 100.00
EFT4266	12/07/2019	Moore Stephens	Prepare and lodge FBT 18/19	\$ 1,540.00
EFT4267	12/07/2019	Verlinden's Electrical Service	Install GPO in Kitchen - Admin Building	\$ 1,180.85
EFT4268	12/07/2019	WesTrac Pty Ltd	O ring and washer.	\$ 11.08
EFT4269	29/07/2019	Canine Control	June 2019 Ranger Services	\$ 1,600.50
EFT4270	29/07/2019	Rentokil Initial Group	Service sanitary bins & air freshener - 2019/2020	\$ 5,489.85

Shire of Menzies
Payments for the Month of July 2019

EFT4271	29/07/2019	Leonora Pharmacy	Pharmacy supplies on consignment for May & June 2019	\$ 995.01
EFT4272	29/07/2019	Pumps Australia	Hydraulic pump	\$ 638.00
EFT4273	29/07/2019	Child Support	Payroll deductions	\$ 300.00
EFT4274	29/07/2019	Batteries N More	Batteries	\$ 965.00
EFT4275	29/07/2019	3E Advantage	Smartboard rental August 2019	\$ 374.00
EFT4276	29/07/2019	Market Creations	Technology Website Support	\$ 1,615.63
EFT4277	29/07/2019	Llew Withers	Instalment 1 of Public Health Plan	\$ 3,118.66
EFT4278	29/07/2019	Peter Money	Shower Heads	\$ 292.45
EFT4279	29/07/2019	Down to Earth Training & Assessing	Load restraint and cable location training	\$ 3,197.18
EFT4280	29/07/2019	Lgiswa	Assorted Insurances	\$ 49,497.42
EFT4281	29/07/2019	WA Local Govt Association	Association Membership	\$ 16,832.34
EFT4282	29/07/2019	Australasian Performing Right Association	Licence Fees June 2019 to 31 May 2020	\$ 73.16
EFT4283	29/07/2019	Atom	1 new 9kg fire extinguisher	\$ 378.81
EFT4284	29/07/2019	BOC limited	Oxygen indust. e size	\$ 132.62
EFT4285	29/07/2019	Bunnings	Workshop consumables	\$ 301.89
EFT4286	29/07/2019	Cabcharge Australia Limited	Account Fees	\$ 6.00
EFT4287	29/07/2019	Toll Transport Pty Ltd	Freight	\$ 14.10
EFT4288	29/07/2019	Cybersecure	Backup service - June 2019	\$ 519.76
EFT4289	29/07/2019	Eagle Petroleum (W.A) Pty Ltd	Small plant fuel	\$ 66.36
EFT4290	29/07/2019	E & M J Rosher	Water pump and air filter	\$ 438.52
EFT4291	29/07/2019	Goldline Distributors	Kitchen items, cleaning supplies	\$ 902.65
EFT4292	29/07/2019	Goldfields Pest Control	Pest Treatment -16 locations	\$ 6,600.00
EFT4293	29/07/2019	Goldfields Tourism Network Association	50 x Golden Quest Discovery Book	\$ 1,318.31
EFT4294	29/07/2019	Hare & Forbes Machinery House	Oxy Acetylene hose reel	\$ 572.00
EFT4295	29/07/2019	Harvey Norman	Computer games - Youth Centre	\$ 814.00
EFT4296	29/07/2019	IT Vision	Annual License Fee, IT Vision software -July 2019/2020	\$ 35,195.60
EFT4297	29/07/2019	JR & A Hersey	20ltr truck wash	\$ 94.60
EFT4298	29/07/2019	LGIS	Personal Accident and Sickness Insurance	\$ 51,759.01
EFT4299	29/07/2019	Local Government Professionals Australia WA	Affiliate Membership for 2019 - 2020 - MFA	\$ 185.00
EFT4300	29/07/2019	Local Health Authorities Analytical Committee	Analytical Services for 2018/2020	\$ 396.00
EFT4301	29/07/2019	Cr Keith Mader	June Travel Allowance	\$ 149.42
EFT4302	29/07/2019	McLeods Barristers & Solicitors	Purchase of a lease agreement service for Old Post Office	\$ 526.90
EFT4303	29/07/2019	Shire of Menzies Social Club	Payroll deductions	\$ 120.00
EFT4304	29/07/2019	Menzies Aboriginal Corporation	Hire of bus and driver School Holiday Program	\$ 758.80
EFT4305	29/07/2019	Netlogic Information Technology	Technology Support	\$ 337.50
EFT4306	29/07/2019	Penns Cartage	Transport from Hare & Forbes Kewdale	\$ 37.40
EFT4307	29/07/2019	Quality Inn Railway Motel Kalgoorlie	Accommodation - Environmental Health Officer	\$ 159.00
EFT4308	29/07/2019	Satellite Television & Radio Australia	Supply Satellite decoder, Optus CAM and Card, Installation instructions, DTV Stick as per Quote G2243A (amended)	\$ 4,537.50
EFT4309	29/07/2019	Tourism Council Western Australia	ATAP and VCWA renewal 2019/2020	\$ 578.00
EFT4310	29/07/2019	Moore Stephens	Travel and costs - Visit April 1 to 5 2019	\$ 6,485.73
EFT4311	29/07/2019	Westland Autos	fan for air/con, door clips	\$ 963.44
EFT4312	29/07/2019	WML Consultants	Engineering Consultancy	\$ 15,094.20
EFT4313	29/07/2019	WesTrac Pty Ltd	Hose and assembly and oils	\$ 348.03
Trf	30/07/2019		Transfer to Cash Maximiser	\$ 500,000.00
	04/07/2019	Payroll		\$ 41,046.34
	18/07/2019	Payroll		\$ 44,436.56
				\$ 1,217,855.46

Shire of Menzies
Payments for the Month of July 2019

Chq/EFT	Date	Name	Description	Amount
DD2714.1	01/07/2019	Wright Express Australia Pty Ltd	Motorpass Fuel Cards to 15 June 790.38ltrs	\$ 1,242.53
DD2714.2	01/07/2019	Water Corporation	Water usage 11 April 2019 to 12 June 2019	\$ 1,213.51
DD2714.3	01/07/2019	WESTNET	Visitor Centre Internet	\$ 54.99
DD2719.1	02/07/2019	WA Local Govt Superannuation Plan	Superannuation contributions	\$ 4,735.36
DD2719.2	02/07/2019	WA Local Govt Superannuation Plan	Payroll deductions	\$ 2,103.66
DD2719.3	02/07/2019	Sunsuper	Superannuation contributions	\$ 872.35
DD2719.4	02/07/2019	Australian Super	Superannuation contributions	\$ 649.98
DD2719.5	02/07/2019	Commonwealth Essential Super	Superannuation contributions	\$ 275.61
DD2719.6	02/07/2019	Kinetic Superannuation	Payroll deductions	\$ 256.58
DD2726.1	04/07/2019	Water Corporation	Water Usage 11 April 2019 to 12 June 2019	\$ 1,192.31
DD2732.1	08/07/2019	Power ICT Pty Ltd	Phone Messages on Hold - July 2019	\$ 75.90
DD2737.1	09/07/2019	Telstra	Telephone charges to 16 June 2019	\$ 6,787.69
DD2739.1	09/07/2019	Horizon Power	Power charges - 19/4/2019 to 20/6/2019	\$ 5,159.45
DD2751.1	12/07/2019	Telstra	Office Internet & Mobile Phones	\$ 695.06
DD2753.1	15/07/2019	Toyota Finance	Toyota Prado Lease - July	\$ 1,099.07
DD2755.1	16/07/2019	Horizon Power	Power 26/4/2019 to 27/6/2019	\$ 7,202.38
DD2757.1	16/07/2019	WA Local Govt Superannuation Plan	Superannuation contributions	\$ 6,130.98
DD2757.2	16/07/2019	WA Local Govt Superannuation Plan	Payroll deductions	\$ 2,415.10
DD2757.3	16/07/2019	Sunsuper	Superannuation contributions	\$ 872.35
DD2757.4	16/07/2019	Australian Super	Superannuation contributions	\$ 822.56
DD2757.5	16/07/2019	Commonwealth Essential Super	Superannuation contributions	\$ 86.97
DD2757.6	16/07/2019	Kinetic Superannuation	Payroll deductions	\$ 256.58
DD2765.1	18/07/2019	Horizon Power	Power 26/4/2019 to 27/6/2019	\$ 730.12
DD2782.1	03/07/2019	NAB	Credit Cards	\$ 7,771.81
DD2784.1	30/07/2019	WA Local Govt Superannuation Plan	Superannuation contributions	\$ 4,870.83
DD2784.2	30/07/2019	WA Local Govt Superannuation Plan	Payroll deductions	\$ 2,288.59
DD2784.3	30/07/2019	Sunsuper	Superannuation contributions	\$ 872.35
DD2784.4	30/07/2019	Australian Super	Superannuation contributions	\$ 858.57
DD2784.5	30/07/2019	Commonwealth Essential Super	Superannuation contributions	\$ 119.61
DD2784.6	30/07/2019	Kinetic Superannuation	Payroll deductions	\$ 256.58
DD2786.1	24/07/2019	Australia Post	Stamps, padded bags etc for resale	\$ 480.64
DD2788.1	26/07/2019	NAB	NAB Connect Fees - 26 July 2019	\$ 27.49
DD2788.2	26/07/2019	Gregory Dwyer	Sitting Fees 26 July 2019	\$ 3,364.49
DD2788.3	26/07/2019	Ian Baird	Sitting Fees 26 July 2019	\$ 1,289.67
DD2788.4	26/07/2019	Jillian Dwyer	Sitting Fees 26 July 2019	\$ 875.83
DD2788.5	26/07/2019	Cr Justin Lee	Sitting Fees - 26 July 2019	\$ 875.83
DD2788.6	26/07/2019	Cr Ian Tucker	Sitting Fees 26 July 2019	\$ 875.83
DD2788.7	26/07/2019	Cr Debbie Hansen	Sitting fees - 26 July 2019	\$ 875.83
DD2788.8	26/07/2019	Cr Keith Mader	Sitting Fees 26 July 2019	\$ 700.66
DD2790.1	29/07/2019	Wright Express Australia Pty Ltd	Motorpass Fuel Cards to 15 July - 1791.53ltrs	\$ 2,797.08
DD2792.1	31/07/2019	NAB	B-Pay Charges	\$ 72.20
				\$ 74,204.98

Shire of Menzies
Payments for the Month of July 2019

Date	Name	Description	Amount
05/06/2019	Officeworks LTD	Office Chair	\$ 358.95
07/06/2019	Officeworks LTD	3 Brother Printers	\$ 1,796.95
10/06/2019	Office Line Canning Vale	Office Chair	\$ 547.80
19/06/2019	Goldfields Occupation Kalgoorlie	Pre Employment Medical	\$ 295.00
24/06/2019	Bunnings Kalgoorlie	Key Rack CEO Office	\$ 6.94
24/06/2019	NIB Travel Insurance Sydney	Staff Training Perth Travel Insurance	\$ 12.00
24/06/2019	NIB Qantas Airw Mascot	Airfair Staff Training Perth	\$ 512.30
24/06/2019	Harvey Norman AV/IT Kalgoorlie	2x Blu Ray Players	\$ 216.00
25/06/2019	Kalgoorlie Newsagency	Road Map Book	\$ 34.95
28/06/2019	NAB	Card fee	\$ 9.00
28/06/2019	NAB	28 JUN 2019 Card Fee - Card fee	\$ 0.45
29/05/2019	Synergy Perth	Power Goongarrie	\$ 674.27
29/05/2019	Horizon Power Bentley	Power 13A Walsh Street	\$ 139.40
29/05/2019	Horizon Power Bentley	Power 36 Mercer Street	\$ 129.26
06/06/2019	www.reservations.com	Fee	\$ 14.99
06/06/2019	Hotel*Reservations.com	Goldfieldss Forum - Staff Accomodation	\$ 224.25
10/06/2019	Rydges Kalgoorlie	Goldfieldss Forum - Staff Accomodation	\$ 24.26
10/06/2019	Harvey Norman Kalgoorlie	USB Hub, Suface Power Supply, Speaker	\$ 227.90
26/06/2019	DWER	DWER - Water Perth - Menzies Liquid Waste Licence	\$ 1,218.14
27/06/2019	PAYPAL *KBCCI	PAYPAL *KBCCI - Womens Forum	\$ 1,320.00
28/06/2019	NAB	Card fee	\$ 9.00
		Direct Debit	\$ 7,771.81

12.2.3 REPORT ON OVER INVOICING OF ROAD SUPERVISION CONTRACT

LOCATION:	N/A
APPLICANT:	Remote Roads
DOCUMENT REF:	as applicable
DISCLOSURE OF INTEREST:	No conflict of interest
DATE:	29 August 2019
AUTHOR:	Peter Money Chief Executive Officer
ATTACHMENT:	Nil

SUMMARY

At the Ordinary Council Meeting of 27 June 2019, Council deferred consideration to pay invoices submitted by Remote Roads for supervision works under project WANDRRA0000A until it was confirmed the Shire would be refunded the funds from the WANDRRA funding.

BACKGROUND

The Shire received invoices from Remote Roads for supervision costs for the road repair works funded under WANDRRA claim number AGRN743 that were well above the sum that Remote Roads tendered for the project.

The CEO was not authorised to pay these invoices as the tender awarded by the Shire to Remote Roads for the supervision costs was for \$114,925. The sum already paid to Remote Roads under previous administration and prior to these new invoices, was \$235,117.45 – an overpayment on the tender of \$120,592.45 which rightly should have been referred to Council for approval.

In relation to the new invoices Council, at its Ordinary Meeting of 27 June 2019, resolved the following:

COUNCIL RESOLUTION:	No. 1666
----------------------------	-----------------

MOVED: Cr Jill Dwyer

SECONDED: Cr Keith Mader

That the Item be deferred for future consideration pending further information and confirmation that the outstanding claims made by Remote Roads are to be paid to the Shire from the WANDRRA funding.

This Resolution was carried 6/0

Reasons for this New Recommendation

On 15th August 2019 the Shire received confirmation that the final outstanding claims made by the Shire from the WANDRRA funding are to be paid in full and this will occur well prior to this August Ordinary Meeting of Council.

Therefore, in accordance with the Council resolution June 27, 2019 this matter is returned to Council for consideration noting that Council has not resolved to pay these invoices, only consider paying them.

The escalation of costs from a tendered sum which was \$114,925 to what will eventually be \$353,631.70 (an escalation of \$238,706.70) occurred without good reason, without formal consultation with the Shire and without approval of the Council which was extremely poor practice by those involved.

One redeeming factor is that the Tender document states that the work will commence in late March 2018 and be completed by the end of June 2018. Given the scope of works in the Tender, this timeline appears impossible to meet and it was proven to be so, taking nine months not the three months stated in the Tender. The extended length of time of the works would have a significant effect on the additional cost of supervision.

It could also be claimed by the contractor that in already paying costs well above that tendered, the Shire has acknowledged its acceptance of the cost overruns.

Further to that the average cost per day for the supervision of the project for the project averages to about \$1,257 per day or \$8,800 per 7-day week – expensive but possibly not unreasonable; but again, not what was tendered.

It is possible that had the real cost of the tendered work been submitted in the tender process, the successful contractor may not have been awarded the contract, especially as the eventual cost is double that of the highest tender that was submitted. Conversely, had a more accurate estimate of time for the works been given, the tendered sums in all the submissions could have been higher.

However, aside from the very poor practices involved there is nothing in terms of legislation that prevents the Council from authorising the over expenditure being the current unpaid invoices.

Should the Council agree to pay the invoices, it is not an acknowledgement of Council agreeing that the additional cost of the services are justified, rather that the Shire's Project Manager (Superintendent) has confirmed the services claimed have been carried out and the Shire would find it impossible to prove otherwise.

Ultimately the Shire appointed a Project Manager (Superintendent) who acted on the Shire's behalf, managed the tender process, recommended the contractor, received the Council's approval to use that contractor, and has certified that the contractor provided all the services that are being claimed.

Therefore, in the opinion of the CEO, the Council will ultimately be compelled to pay the invoices. If Council declines to pay the invoices it then becomes a matter of the extent of resources and costs the Council wants to expend in refusing to pay the invoices now rather than later.

If it comes to a matter of probity the Shire could possibly justify refusing to pay the invoices, but I suggest this would be a futile exercise in trying to defend the undefendable, given it has already accepted substantial cost overruns.

COMMENT

The invoices in question are as follows:

15/04/2019 Inv 283	\$36,370.51
01/05/2019 Inv 286	\$33,861.98
20/05/2019 inv 290	\$44,833.26
21/05/2019 Inv 291	\$ 3,448.50
Total	\$118,514.25

As this is unbudgeted expenditure it requires an absolute majority decision to pay.

CONSULTATION

WML

Remote Roads

Shire President

Manager Finance and Administration

Works Supervisor

STATUTORY ENVIRONMENT

Local Government Act s5.43(b)

5.43. *Limits on delegations to CEO*

A local government cannot delegate to a CEO any of the following powers or duties —

- (a) any power or duty that requires a decision of an absolute majority or a 75% majority of the local government;*
- (b) accepting a tender which exceeds an amount determined by the local government for the purpose of this paragraph;*
- (c) appointing an auditor;*

Local Government (Functions & General) Regulations 21A

21A. *Varying a contract for the supply of goods or services*

If a local government has entered into a contract for the supply of goods or services with a successful tenderer, the contract must not be varied unless —

- (a) the variation is necessary in order for the goods or services to be supplied and does not change the scope of the contract; or*
- (b) the variation is a renewal or extension of the term of the contract as described in regulation 11(2)(j).*

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

The sum of \$118,514.25 to be paid is part of the funds claimed from WANDRRA and is no cost to the Council.

RISK ASSESSMENT

By not paying the invoices there is a very high risk of legal action being taken against the Shire and expenditure of resources in defending the non-payment.

Regulations have already been breached in the earlier stages of the project – there is no breach of regulations in agreeing to the payment of these invoices if it is a Council decision.

STRATEGIC IMPLICATIONS

14.1 Sustainable local economy encouraged

- A local economy accessing the commercial options and services in place, for timely development.
- The acquisition of appropriate resources to assist with economic and tourism planning and development.

14.3 Active civic leadership achieved

- Regularly review plans with community consultation on significant decisions affecting the shire.
- Where possible, support opportunities to build the capacity of the community within the Shire of Menzies.
- Regularly monitor and report on the Shire's activities, budgets, plans and performance.
- Continue to engage with our community, to advocate on behalf of our community, to be accountable and to manage within our governance and legislative framework.
- Continue to participate in regional activities to the benefit of our community.

VOTING REQUIREMENTS

Absolute majority

OFFICERS RECOMMENDATION

That Council agrees to pay Remote Roads the sum of \$118,514.25 for the invoices listed below for supervision work claimed against tender WR0000A-2017

15/04/2019	Inv 283	\$36,370.51
01/05/2019	Inv 286	\$33,861.98
20/05/2019	Inv 290	\$44,833.26
21/05/2019	Inv 291	\$ 3,448.50

COUNCIL DECISION

COUNCIL RESOLUTION:	No. 1711
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MOVED: Cr I. Baird

SECONDED: Cr K. Mader

That Council seeks legal advice as to its obligations to pay invoices 283, 286, 290, 291 totaling \$118,514.25 for Remote Roads based on the information held by the Shire in reference to this contract.

Carried 5/0

NOTE: Council declined the Officer recommendation as it wanted to acquire legal advice to ascertain its obligation to pay the invoices considering they are in excess of the tendered sum submitted by the applicant and in excess of the tendered sum agreed by the Council in its letter to the applicant dated 11 April 2018.

12.3 WORKS AND SERVICES

12.3.1 Works Report for the period of July 2019

LOCATION:	Works Depot
APPLICANT:	Shire of Menzies
DOCUMENT REF:	as applicable
DISCLOSURE OF INTEREST:	The Author has no interest to disclose
DATE:	19 August 2019
AUTHOR:	Paul Warner, Works Supervisor
ATTACHMENT:	Nil

SUMMARY

Summary of works carried out over the previous month.

BACKGROUND

The Shire manages the Works section with a permanent staff of a Works Supervisor, and 4.5 full time equivalent workers. Additional resources are contracted as required

COMMENT

The following is a brief report of the monthly activities extracted from the report to the Chief Executive Officer from Paul Warner, Works Supervisor.

- BBQ and seating put in place at the oval
- Yarri Road works completed
- Town crew completed underground services location training and load restraint training
- Contract grader was on Yarri Road, Mt Celia Road and Pianto Road
- Shire Grader grading Mt Ida Road to Leonora Boundary
- Staff cleaned up sheds in depot yard
- Light poles for Kookynie have arrived and will be erected around those streets
- Staff cleaned up Kookynie tip
- Vehicle P0206 has had airbag recall completed

CONSULTATION

Nil

STATUTORY ENVIRONMENT

Nil

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

Nil

RISK ASSESSMENT

No Risk Assessment has been undertaken relating to this item.

STRATEGIC IMPLICATIONS

14.1 Sustainable local economy encouraged

- A local economy accessing the commercial options and services in place, for timely development.
- The acquisition of appropriate resources to assist with economic and tourism planning and development.

14.2 Strong sense of community maintained

- Our community will be cohesive, inclusive and interactive, where people feel safe, are welcomed and can live comfortably.
- Our community will value each other, building relationships and networks to interact, socialise and for recreation.
- Our community will have access to all necessary service requirements.
- The Shire to review disability access throughout the Shire of Menzies.

14.3 Active civic leadership achieved

- Regularly review plans with community consultation on significant decisions affecting the shire.
- Where possible, support opportunities to build the capacity of the community within the Shire of Menzies.
- Regularly monitor and report on the Shire's activities, budgets, plans and performance.
- Continue to engage with our community, to advocate on behalf of our community, to be accountable and to manage within our governance and legislative framework.
- Continue to participate in regional activities to the benefit of our community.

14.4 Heritage & Natural assets conserved

- Heritage and cultural places and items will be protected.
- A strengthening of our cultural and heritage awareness and values.

VOTING REQUIREMENTS

Simple majority

OFFICERS RECOMMENDATION

That Council receive the Works Report for the month of August 2019.

COUNCIL DECISION

COUNCIL RESOLUTION:	No. 1712
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MOVED: Cr Keith Mader

SECONDED: Cr Ian Baird

That Council receive the Works Report for the month of August 2019.

Carried 5/0

12.4 MANAGEMENT AND POLICY

12.4.1 Actions Performed Under Delegation for the Month of August 2019

LOCATION:	N/A
APPLICANT:	Shire of Menzies
DOCUMENT REF:	as applicable
DISCLOSURE OF INTEREST:	No conflict of interest
DATE:	29 August 2019
AUTHOR:	Peter Money Chief Executive Officer
ATTACHMENT:	Nil

SUMMARY

The item includes any actions by the CEO under delegated authority given by the Council.

BACKGROUND

To increase transparency this report has been prepared for Council and includes all actions performed under delegated authority for:-

- Bushfire
- Common Seal
- Planning Approvals
- Building Permits
- Health Approvals
- Ranger Related Issues
- Mining / Exploration / Miscellaneous Applications

The following tables outline the actions performed within the organisation relative to delegated authority for the month ended July 2019.

<i>Date of decision</i>	<i>Decision ref:</i>	<i>Decision details</i>	<i>Applicant</i>	<i>Other affected person(s)</i>
		No seal applied		

Building Permits (including Septic Tank approvals)

The following decisions were undertaken by the Shire of Menzies pursuant to Building Permits (*including Septic Tank approvals*) for the month ended July 2019.

<i>Date of decision</i>	<i>Decision ref:</i>	<i>Decision details</i>	<i>Applicant</i>	<i>Other affected person(s)</i>
	Nil			

Ranger Related Dog Issues

No delegated decisions were undertaken by the Shire of Menzies pursuant to Ranger related Dog issues for the month ended July 2019.

Applications

The following Mining/Prospecting/Exploration/Miscellaneous Applications were made for the month ended July 2019.

<i>Applicant Name</i>	<i>Application Type</i>	<i>Application Details</i>
MGK Resources	Miscellaneous	29/139
Mineral Resources for Yilgarn Iron	Miscellaneous	29/138
Narnoo Mining Pty Ltd	Miscellaneous	39/285
Western Resources	Miscellaneous	40/355
Mineral Resources for Yilgarn Iron	General Purpose	29/26
ATM for Venture Z Pty Ltd	Exploration	29/1076
ATM for Venture Z Pty Ltd	Exploration	29/1077

COMMENT

To report back to Council when actions are performed under delegated authority.

CONSULTATION

Nil

STATUTORY ENVIRONMENT

Local Government Act s5.42

POLICY IMPLICATIONS

Council Delegation Register

FINANCIAL IMPLICATIONS

N/A

RISK ASSESSMENT

Nil

STRATEGIC IMPLICATIONS

14.3 Active civic leadership achieved

- Regularly monitor and report on the Shire's activities, budgets, plans and performance.
- Maintain sustainability through our leadership, our regional and government partnerships and ensure we make informed resource decisions for our community good.

14.4 Heritage & Natural assets conserved

- Heritage and cultural places and items will be protected.
- A strengthening of our cultural and heritage awareness and values.

VOTING REQUIREMENTS

Simple majority

OFFICERS RECOMMENDATION

That Council receive the report of the actions performed under delegation for the month ended July 2019.

MOVED: Cr Keith Mader**SECONDED: Cr Ian Baird**

That Council receive the report of the actions performed under delegation for the month ended July 2019.

Carried 5/0

12.4.2 REQUEST FOR REDUCED CARAVAN PARK FEES

LOCATION:	Menzies
APPLICANT:	Ken and Janice Lane
DOCUMENT REF:	as applicable
DISCLOSURE OF INTEREST:	No conflict of interest
DATE:	29 August 2019
AUTHOR:	Peter Money Chief Executive Officer
ATTACHMENT:	Nil

SUMMARY

The applicants have been recently employed at the Menzies Primary School and are seeking affordable accommodation.

BACKGROUND

The applicants have been employed at Menzies Community School as a special needs education assistant and gardener / handyman.

The applicants have approached the Department of Housing and real estate agents and all attempts to find accommodation in Menzies have been unsuccessful

They believe now their only option for accommodation is to purchase a caravan and reside in the Caravan Park.

COMMENT

There are two possibilities under which this request could be considered.

Policies 9.1 & 9.2 Shire Housing – what the applicant seeks is Shire accommodation which is not available and Caravan Park accommodation is not specifically covered under these policies.

Policy 4.4 – Donations Policy - This request to reduce the fees for an individual is considered under the Donation Policy which is appropriate to the request.

If Council was to consider such a donation there needs to be a time limit or a review period of, for example each 3 months. It would not be appropriate to agree to a donation of reduced fees without such a review period.

At the very least Council would want to cover all costs of a tenancy in the Park.

CONSULTATION

Manager Finance and Administration

STATUTORY ENVIRONMENT

Local Government Act

s6.16. Imposition of fees and charges

- (1) A local government may impose* and recover a fee or charge for any goods or service it provides or proposes to provide, other than a service for which a service charge is imposed.
- (3) Fees and charges are to be imposed when adopting the annual budget but may be —
 - (a) imposed* during a financial year; and
 - (b) amended* from time to time during a financial year.

POLICY IMPLICATIONS

4.4 Donations, Sponsorship and Contributions

2. Sponsorship of individuals will not be considered, unless it is determined by Council that—
- the person is representing the Shire as a community,
- is acting for the Shire's benefit to some extent, and
- is authorised by a non-profit and non-government organisation which benefits the community.

3. Criteria for consideration of donation or sponsorship –

- a) Applicants should note that donations will be made at the absolute discretion of Council.
- b) Donation requests will not be considered where the applicant is –
 - i) a private and for profit organisation or association
 - ii) an individual person

5. The Chief Executive Officer may refuse applications that do not meet the criteria of (2) or (3)(b) above without further reference to Council, but if considered appropriate, may refer non-complying requests to Council for decision.

FINANCIAL IMPLICATIONS

The financial loss to the Shire is dependent on what reduction in fee is applied (if any) and for how long. The suggested reduced fee of \$100 per week would result in lost income of \$260 per four weeks.

RISK ASSESSMENT

There is a risk that others may seek similar discounts from the Council on the grounds of financial hardship.

Council may consider that it does not have an obligation to provide accommodation to non-employees.

The School is an important partner in the local community and such employees are beneficial to the young people of the community.

The School may lose these and future employees if they cannot acquire inexpensive accommodation.

STRATEGIC IMPLICATIONS

Select one or more of the outcomes from the Strategic Plan – delete those not relevant

14.2 Strong sense of community maintained

- Our community will be cohesive, inclusive and interactive, where people feel safe, are welcomed and can live comfortably.
- Our community will value each other, building relationships and networks to interact, socialise and for recreation.
- Our community will have access to all necessary service requirements.

14.3 Active civic leadership achieved

- Where possible, support opportunities to build the capacity of the community within the Shire of Menzies.
- Continue to engage with our community, to advocate on behalf of our community, to be accountable and to manage within our governance and legislative framework.
- Continue to participate in regional activities to the benefit of our community.

VOTING REQUIREMENTS

Absolute majority

OFFICERS RECOMMENDATION

That Council agree to enter into an Agreement with the applicants on a 3-monthly basis and offer Caravan Park accommodation at a reduced fee of \$100 per week.

It is to be noted in the Agreement that

- The discount only applies while the applicants are employed by the Menzies School;
- The fee is to be reviewed each 3 months;
- The tenancy is not considered permanent;
- The applicants abide by all the rules of the Park;

- The caravan and the site it occupies are kept in an acceptable standard as adjudged by the Shire's Chief Executive Officer.

COUNCIL DECISION

COUNCIL RESOLUTION:	No. 1714
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MOVED: Cr Ian Baird

SECONDED: Cr Jill Dwyer

That Council decline to provide reduced fees at the Caravan Park for these applicants.

Carried 5/0

Note: Council did not accept the Officers Recommendation as it considers it is not its role to provide discounted accommodation to non-employees.

5.30pm Cr Debbie Hansen left the meeting and did not return.

13 ELECTED MEMBERS MOTION OF WHICH PREVIOUS NOTICE HAVE BEEN GIVEN

Nil.

14 NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY DECISION OF THE MEETING

COUNCIL RESOLUTION:

No. 1715

MOVED: Cr Keith Mader

SECONDED: Cr Jill Dwyer

Proposal for Building Maintenance Officer Position.

Carried 5/0

COUNCIL RESOLUTION:

No. 1716

MOVED: Cr Greg Dwyer

SECONDED: Cr Keith Mader

That Council commission a building defect and maintenance assessment by a qualified inspector.

Carried 4/0

15 NEXT MEETING

The next Ordinary Meeting of Council will be held on 26 September 2019 commencing at 1pm at Tjuntjuntjara Community.

16 CLOSURE OF MEETING

There being no further business the President closed the meeting at 5.42pm.

I, _____ hereby certify that the Minutes of the Ordinary Meeting of Council held 29 August 2019 are confirmed as a true and correct record, as per the Council Resolution of the Ordinary Meeting of Council held 26 September 2019.

Signed: _____ Dated: 29 August 2019.