

2018/19

# ANNUAL REPORT

SHIRE OF MINGENEW





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## Shire President's Report

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We commenced the 2018/19 year with a strong focus on reviewing the Strategic Community Plan. I thank our community members and stakeholders for proactively participating in the various consultation activities that have led to the development of this Plan. It captures well the aspirations and character of the community we are and wish to be. As a result, the Shire of Mingenew Strategic Community Plan (2019–2029) was adopted in May 2019 and further progress is being made to update and implement the various other integrated planning requirements that support the achievement of our strategic objectives.

One initiative that enables us to deliver on the social and economic wellbeing of our community is the introduction of a Community Assistance Scheme. The Community Assistance Scheme was endorsed by Council to provide financial assistance of up to \$5,000 to contribute to community events or projects. Round 1 saw funding contributed towards CRC-run activities for seniors, a Historic Walk trail and further cattle static displays by the Mingenew Tourist & Promotions Committee. I look forward to these projects coming to fruition and seeing what the next round brings.

A major capital project undertaken by the Shire, in conjunction with the Mingenew Netball Club, was the replacement of two court surfaces, drainage work and the replacement of lights – completed in early 2019. The project was jointly funded by the Shire, Mingenew Netball Club and the State Government through its Community Sport and Recreation Facilities Fund (CSRFF). A great initiative that facilitates the provision of safe and functional sporting facilities to our local and regional clubs, thereby supporting community wellbeing, sport development and social inclusion.

The Shire's 'We'll see you in Mingenew' marketing campaign has grown significant traction this year, with an increased online and TV presence seeing a global increase in reach. I must acknowledge the efforts of and the support from our local businesses and community groups in contributing to the welcoming environment that adds to the attraction and promotion of our community.

A large portion of the Shire's role is to comply with and enact the requirements of the Local Government Act 1995 (the Act). Changes to the Act have recently been proposed and implemented to create future efficiencies and improve governance at the strategic and operational level, however, this continues to place resourcing pressure on us as a small rural local government. We will continue to advocate for scalable requirements through regional and state collaboration.

In the meantime, Council have also taken a more proactive and participative approach with regard to financial and organisational performance with the establishment of an Audit & Risk Committee.

The Committee has taken an interest in legislative compliance, financial management, risk management, and health and safety, over and above the traditional financial oversight, to ensure Councillors and staff are able to meet its statutory obligations, implement better practice and track performance against our Strategic Community Plan and Corporate Business Plan.

Congratulations and thanks to the CEO, Finance Manager and supporting staff for their work in delivering a clean audit report for the 2018/19 year, in which no adverse findings have been made. With the reduced corporate knowledge and experience within the workforce, it is an applaudable effort.

Whilst continuing to deliver the traditional 'roads, rates and rubbish', Council and staff are continually challenged with trying to prioritise and achieve community aspirations and deliver business efficiencies. I acknowledge the efforts and progress that we have made over the 2018/19 year and am heartened by the dedication and ability of our teams that promises more for 2019/20.

Finally, thank you to my fellow Elected Members; to those staying on after the October Elections, those who have retired in 2019, and newly elected members. Whilst the responsibility and commitment required in the role can be heavy at times, it is certainly a rewarding experience and it is a pleasure to represent such a passionate and active community.

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**Helen Newton**  
Shire President



# CEO's Report

It's hard to believe that my first year in Mingenew has already come and gone. As with any new role, there has been a reasonable amount of time spent simply getting acclimatised to the organisation and meeting our many local and regional stakeholders. That said, the 2018–19 year saw the Shire embark on a number of important internal and external initiatives.

Our outward-facing projects will be outlined elsewhere in this report, so I wanted to use this chance to highlight some of the internal milestones we have achieved this year. Local Governments often face criticism about staffing levels in their offices, as there is generally a minimal understanding of what actually takes place outside of the interactions we have when people pay a rates notice, change a licence plate or arrange a planning application.

As a sector, we are responsible for the administration of over 50 pieces of State and Federal legislation, and it is ensuring that we meet this compliance and governance framework that generates a significant amount of the workload for our office staff. This is becoming increasingly important as the Office of the Auditor General assumes control of the external audit function for Local Government in WA, and the level of scrutiny that we face grows. Over the past 12 months, significant time and effort has been spent ensuring that our compliance environment will stand up to that scrutiny, that our systems and processes are robust and that we are managing the public resources which sustain us in an accountable and responsible manner. As part of this process, we have:

- Developed and adopted a new Corporate Business Plan (2019–2023) to guide operational activities and key projects for the coming four years.
- Completed the Shire's Disability Access & Inclusion Plan (DAIP).
- Developed a 3-year internal audit plan to improve our internal accountability and operational efficiency.
- Developed a 5-year road construction and maintenance plan to guide future investment in our most significant infrastructure asset.
- Completed a major review of the Shire's Asset Management Plan.
- Significantly progressed the Shire's Local Planning Scheme No. 4 (which should receive ministerial sign-off in late 2019/early 2020).
- Overhauled our Finance and Governance policy frameworks to provide greater clarity to staff, better procedural safeguards in key areas and a higher standard of legislative compliance.

Whilst these things may not be particularly exciting to the outside observer, they all help to ensure that the Shire of Mingenew is soundly managed and satisfies our numerous regulators – many of whom are also significant sources of funding for the Shire.

On the topic of funding, significant time is also spent in the pursuit of grants and other external funding to allow us to complete more projects. 2018–19 saw the Shire awarded almost \$900,000 of unmatched funding as part of the Commodity Freight Route Fund to widen over 9.5 km of Coalseam Road. We also received an additional \$700,000 from other sources (some of which require a Shire co-contribution) for further works on Coalseam and Yandanooka North East Roads. Indeed, it is expected that, given the progress made this year, the focus in 2019–2020 will shift from our internal operations to program delivery and process improvement in our external works.

Thanks to my fantastic team of staff, the support of our Councillors and the warmth of the Mingenew community I have thoroughly enjoyed my first 12 months as CEO and I am very much looking forward to what we can achieve in the years to come.

## Staff

2018–2019 has seen a number of staffing changes within the organisation. In addition to the regular comings and goings that an organisation experiences, three long-serving outside employees retired and three of our staff have had children, departing either permanently or on maternity leave.

We would like to recognise the many years of service of Sam Greaves, Dicko Brennan and Noel Page. Their experience will take time to replace. We would also like to congratulate Hanna Wallace, Belinda Bow and Steph Lucken (and their families) on the births of their children.

The loss of corporate memory as a result of these departures (in addition to Martin Whitely and Durga Ohja moving on at the end of 2017–18) did create a number of challenges for the new team brought in to replace them. However, with time – and the strengthening of documented procedures – operational stability has been restored.

Structurally, there has been minimal change to the Shire workforce over the 2018–19 Financial Year. A part-time Finance Officer position was added to provide additional support to the Finance team. The positive impact from this additional capacity has been noticeable, with end-of-period and audit processes proceeding far more smoothly than this time last year.

## Finance Statistics

The Shire of Mingenew had a Total Revenue of \$7.96m (including operating and capital grants) for the 2018/19 financial year. A total of 52% (\$4.13m) of the Shire's revenue for 2018/19 was Non-Operating Grants which helped to fund a number of key capital projects, in particular, the WANDRRA flooding event of 2017. Operating Grants and Contributions account for 10% of total revenue, while Rates (24%) and Fees & Charges (4%) are also significant contributing factors to the total revenue figure.

The remaining revenue comes from interest received and other miscellaneous services carried out by the Shire during the financial year. There was a total of 8% of revenue made up of Reimbursements & Other Income. This amount was predominately made up of police licensing.

## Revenue

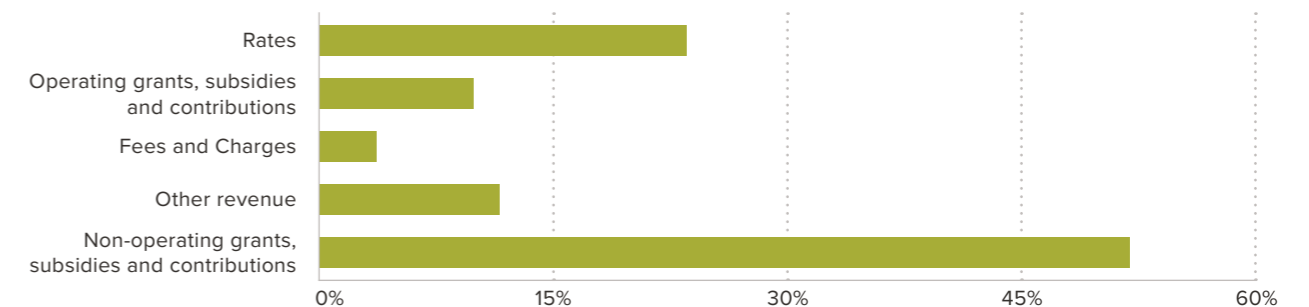
The revenue (Operating and Capital) generated by the Shire is spent providing infrastructure and services for the community. The Shire provides many services, including maintaining and improving roads, parks and gardens, leisure services and other community projects. A significant amount of the Shire's resources are spent on maintaining road infrastructure and the provision of recreation services.

In this financial year, there was a large (non-operating) grant received for the WANDRRA event, resulting from the floods in January and February 2017.

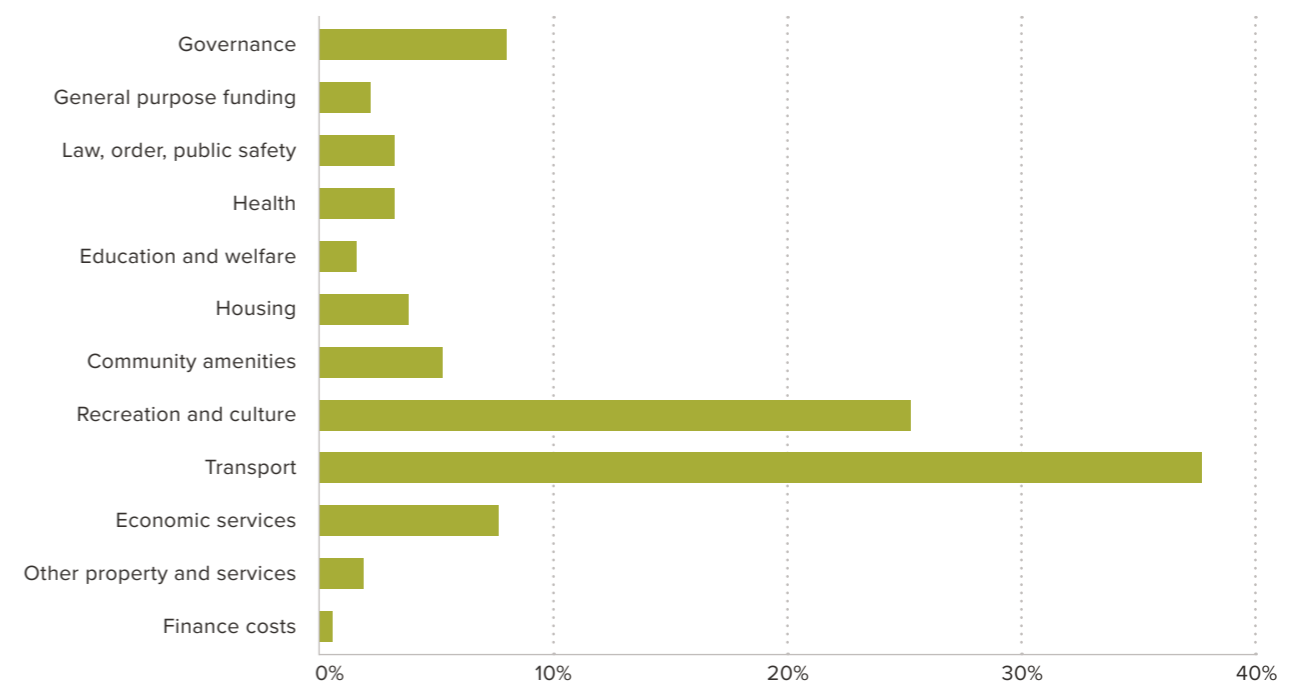
## Operating Expenditure

When comparing the breakdown of these costs by nature and type, a significant 34% of all operating expenditure is attributed to depreciation charges. Depreciation is a non-cash item and is attributed to the Shire having in excess of \$49m worth of assets, of which 79% is attributed to the Shire's road network and other related infrastructure, whilst the other 21% is attributed to Property, Plant & Equipment.

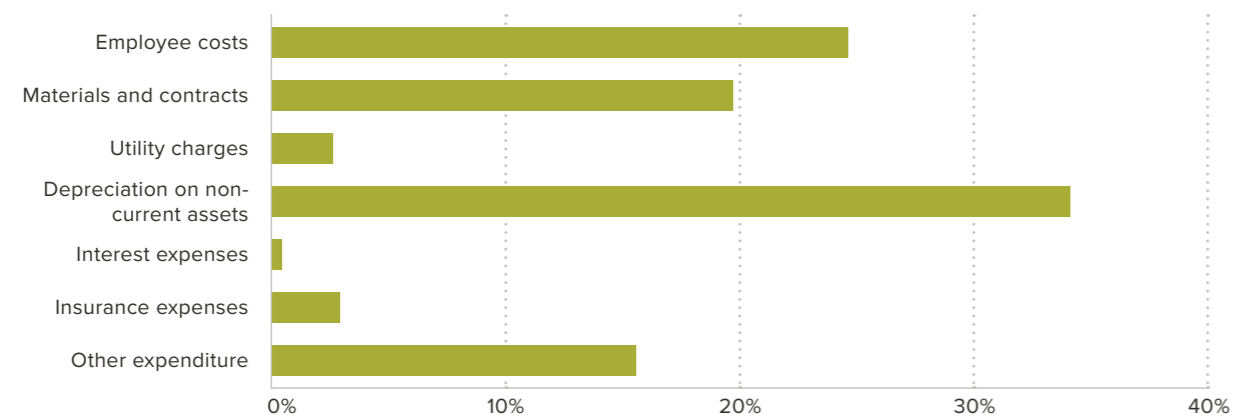
### Total Revenue by Nature & Type



### Operating Expenditure by Program



## Operating Expenditure by Nature & Type



## Reserve Funds

As at 30 June 2019, the balance in the Reserve Accounts was \$308,324 as shown in Table 1.

There was a transfer from the Plant Replacement Reserve of \$111k this year to assist with the funding of new plant. A new loader and a new tractor with a combined purchase price of \$275k were purchased. Council has indicated a desire to increase the reserves going forward in order to provide for future acquisitions and proposed developments.

## Capital

In addition to the normal operating activities, a number of significant capital works projects were undertaken during the 2018/19 financial year to the value of \$5.26m. Some of this year's capital works highlights are shown in Table 2.

## Loan Liability

As at 30 June 2019, the outstanding principal on all loans was \$486,076, which represents a significant reduction in debt from the outstanding balance of \$640,504 at the end of the last financial year and, if there is no need for any further loans, the Shire will be debt-free at the end of the 2022/23 financial year.

## WANDRRA

A significant project that continued this year was the Western Australian Natural Disaster Relief and Recovery Arrangements (WANDRRA) flood event of early 2017. The Shire had successfully secured the authority to undertake the repair works itself, supplemented by contractors as required.

With \$3.2m of grant funds provided for the project, it was a great opportunity to maximise revenue for the Shire and the roadwork crew priority has been to undertake as much of the work as was reasonably possible for it to achieve (whilst also undertaking its other standard roadworks commitments). The total project was well beyond the capacity of the Shire's small roadworks crew and its plant to undertake but, with contractor support, the work was completed before the end of June 2019.

Table 1

Reserve	Balance
Land & Building Reserve	\$62,066
Plant Reserve	\$45,977
Recreation Reserve	\$12,900
Employee Entitlement Reserve	\$66,544
Aged Persons Units Reserve	\$12,444
Environmental Reserve	\$19,156
Industrial Area Development Reserve	\$5,626
RTC/PO/NAB Building Reserve	\$21,688
Insurance Reserve	\$42,171
Economic Development & Marketing Reserve	\$19,919
<b>Total</b>	<b>\$308,491</b>

Table 2

Project	Cost
Waste Transfer Station	\$24,387
Littlewell Project	\$30,459
Netball Court upgrade	\$218,087
Plant & Equipment	\$376,986
Yandanooka North East Road	\$225,176
Special Purpose Grant – Yarragadee Bridge	\$163,334
Special Purpose Grant – Coalseam Bridge	\$398,000
Flood Damage WANDRRA	\$3,034,912
Mingenew Mullewa Road Reseal (RRG)	\$441,340
Mingenew Mullewa Road PN21115505	\$106,147
Yandanooka Melara/Narandagy/Manarra Rd Intersection	\$215,448

## Mingenew Netball Courts

The Shire, in partnership with the Mingenev Netball Club, Department of Sport and Recreation and a number of smaller local contributors, rebuilt and resurfaced the netball courts at the Mingenev Recreation Centre this year. The project included new lighting as well as line-marking and goalposts for both netball and basketball.

## Littlewell Heritage Development

The Littlewell heritage project was completed in 2018–19 with the installation of interpretive signage capturing the history of the Reserve. The works culminated in an official opening, including a smoking ceremony and the attendance of a number of the Reserve's former residents. The Littlewell Group, who helped to develop the project, were recognised in 2018–19 with numerous awards, including the Woolworths Community Group of the Year Award and 2019 NAIDOC Caring for Country Award.

## Tourism

Through 2018–19 the Shire has continued with its 'We'll see you in Mingenev' campaign and added a seasonal 'Make Mingenev the middle of your wildflower season' campaign. A mixture of digital, television and billboard advertising, local businesses have reported the positive impact the campaign is having on visitor numbers, and recognition of the Mingenev 'brand' outside of the Shire has grown as a result. With a very strong wildflower season in 2018, significant marketing collateral (in the form of video and photographic assets) were captured to assist with future campaigns. The Shire also participated in a regional episode of the 'Our Town' television show.

2018–19 has also seen an increase in the Shire's involvement with WA's Wildflower Country Inc.; a regional tourism body made up of nine Midwest local governments. Shire CEO, Nils Hay, has taken on the Chair role with this organisation.

## Strategic Community Plan

One of the biggest deliverables for the 2018–19 year was the Shire's new Strategic Community Plan 2019–29. This document serves as the guiding instrument for organisational strategy and operations over the coming decade and we were very fortunate to have strong community interest and engagement in the drafting process. The adoption of this plan helps to ensure that Council is delivering on the priorities of our community and also allows us to effectively communicate our values, goals and strategic direction to our many stakeholders. Thank you to all who contributed to the development of this document.

## Council and Councillors

2018–19 saw the resignation of Shire Deputy President, Cr Crispian Lucken, and election (at an extraordinary election) of Cr Anthony Smyth. We thank Cris for his six years of service to the Shire of Mingenev and look forward to working with Anthony in the coming years.

## Nils Hay

Chief Executive Officer



Rebuilt, resurfaced netball courts at the Mingenev Recreation Centre



Wildflower season in Mingenev

# Councillors and Staff

## Councillors



Helen Newton  
Shire President



Robert Newton  
Deputy President



Gary Cosgrove  
Councillor



Leah Eardley  
Councillor



Kym McGlinn  
Councillor



Justin Bagley  
Councillor



Chris Lucken  
Councillor (to March 2019)



Anthony Smyth  
Councillor (from June 2019)

## Staff

### Leadership Team



Nils Hay  
Chief Executive Officer



Jeremy Clapham  
Finance Manager



Erin Greaves  
Governance Officer



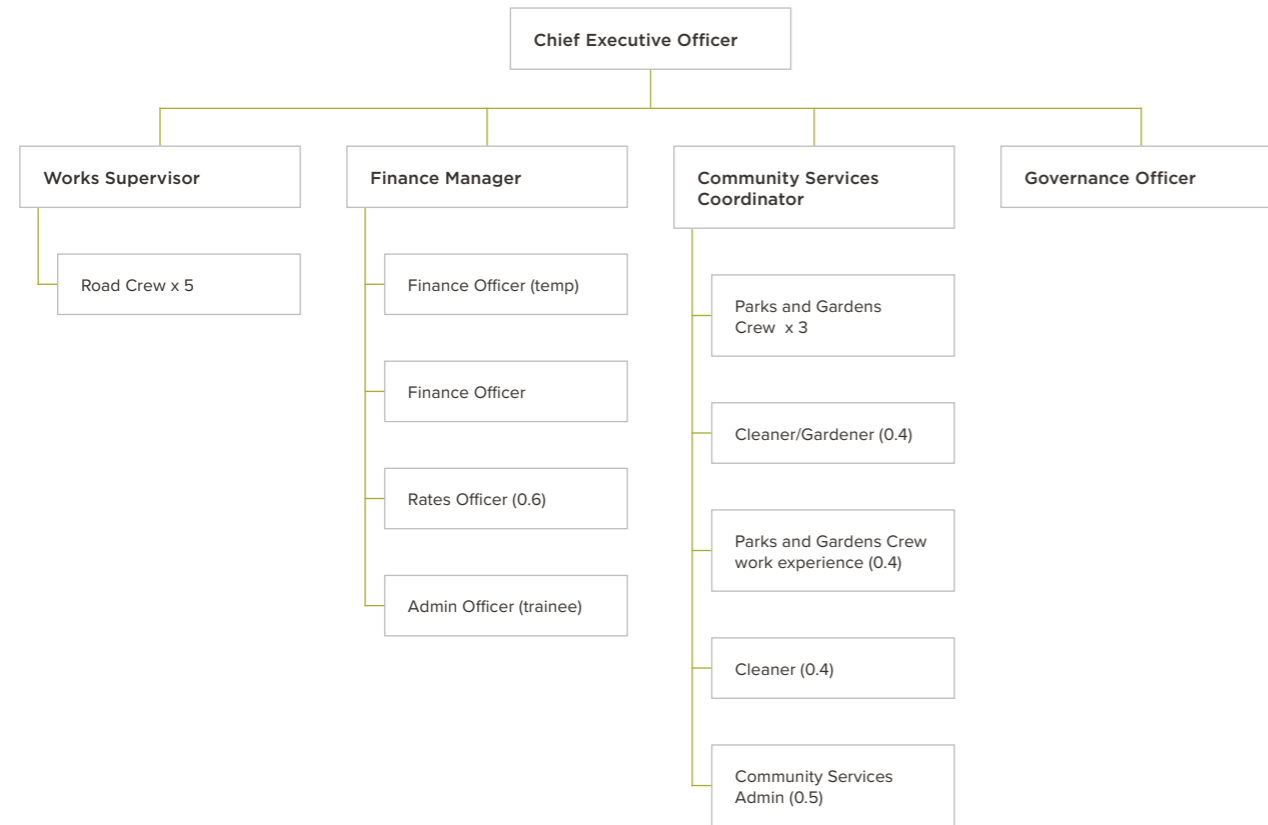
Ella Budrikis  
Community Services  
Coordinator



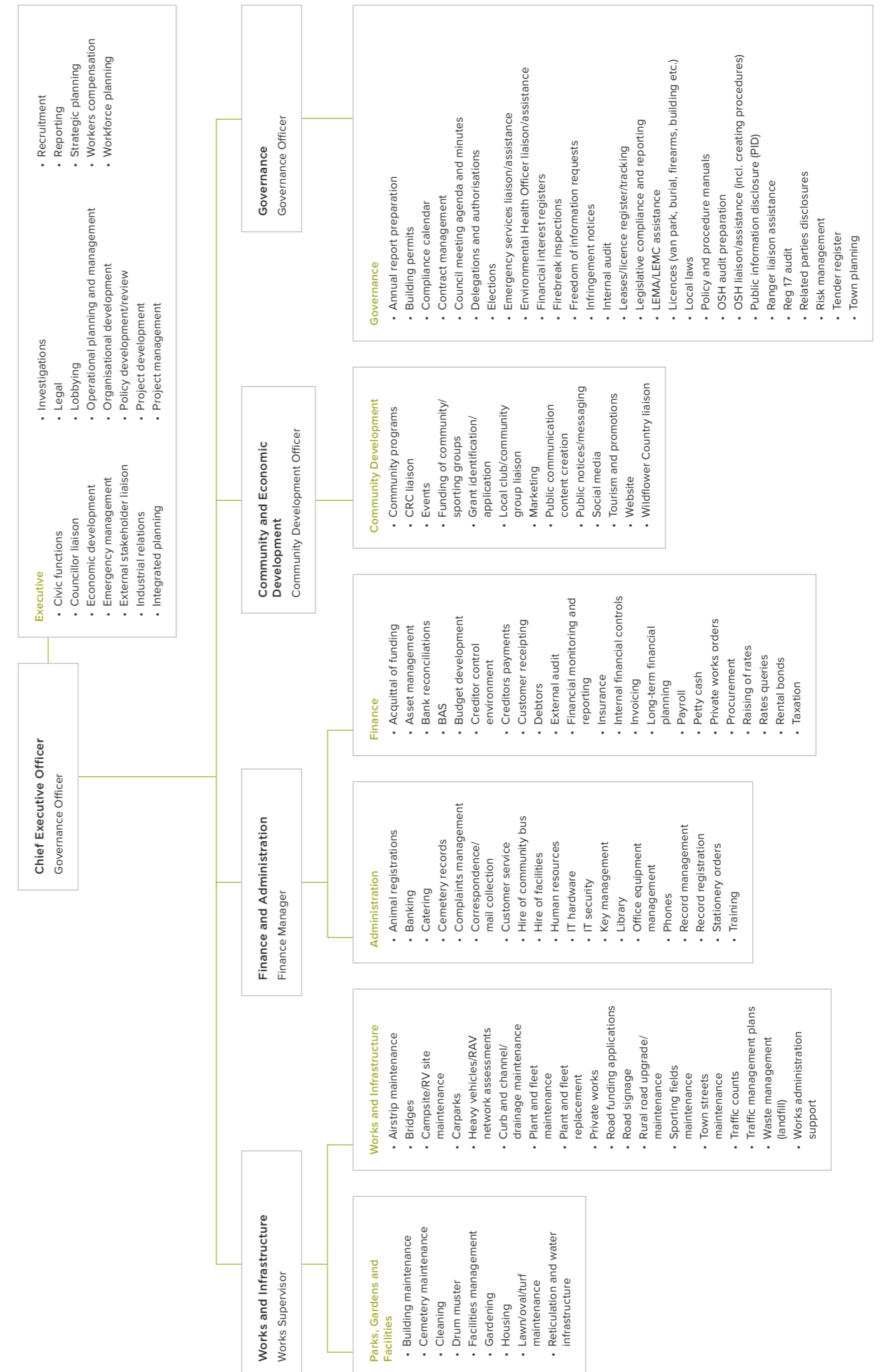
Rocky Brennan  
Works Supervisor



# Organisational Charts



Shire of Mingenew staff





# Strategic Community Plan Outcomes

We conducted a major review of our Strategic Community Plan over the 2018–19 financial year which was completed with the adoption of the plan on 1 May 2019. Given the timing of this adoption, the outcomes reported will be in relation to the superseded Plan, but we have utilised the pillars of the incoming plan to provide alignment into the new Financial Year.

## 2019–29 Pillar: Leading Mingenew

Council will provide accountable and transparent leadership with the Community to deliver on the Strategic Community Plan.

## 2012 Objective: Civic Leadership

A collaborative and innovative community with strong and vibrant leadership.

**Key Outcome: Continue to support community groups.** This year, we developed a new Community Assistance Scheme grant program to provide greater transparency for the delivery of Shire grants to community groups. The Shire committed 1.5% of its annual rates income to support this initiative. Projects arising from the first tranche of program are being delivered through the 2019–20 financial year.

**Key Outcome: Improve our levels of engagement and communication with all sectors of our community.** Over the year, Council has sought to improve its public communications with the introduction of monthly Shire newsletters, increased use of social media and improvement of its text messaging services.

**Key Outcome: Community volunteers continue to be supported and acknowledged.** Council was successful in obtaining grant funding to hold a ‘Thank a Volunteer Day’ event at which a number of long-serving Bushfire Brigade volunteers and other key community groups, including St. John’s Ambulance and the Mingenew Branch of the WA Country Women’s Association – who celebrated their 90th anniversary – were acknowledged.

**Key Outcome: To be strong advocates representing the Shire’s interests.** We continue to engage at a regional level to ensure the interests of our Shire are upheld. Cr Gary Cosgrove has remained the Chair of the Midwest Regional Road Group and CEO Nils Hay has taken on Chair duties for WA’s Wildflower Country.

**Key Outcome: Provision of professional development opportunities for Councillors and staff.** We maintain an annual budget for Councillor and staff training. This year has seen our staff take on a mixture of skills-based training, like traineeships and plant/vehicle operations and rates and payroll software management, as well as a number of more general training opportunities to enhance staff resilience and on-the-job safety.

**Key Outcome: Develop and implement Asset Management Planning.** The Shire of Mingenew 2012 Asset Management Plan underwent a significant review and rewrite this year.

It is now a more functional and current document and will continue to be improved as we undergo asset revaluations and an update of our long-term financial plan in the coming years.

**Key Outcome: Develop a Corporate Business Plan.** With the completion of our new Strategic Community Plan, Council adopted a new Corporate Business Plan 2019–2023 reflecting the aims of the updated SCP in June 2019.

**Key Outcome: Maintain, review and ensure relevance of Council policies and local laws.** Throughout the year, we conducted significant overhauls of our finance and governance policy and procedure frameworks to ensure that they are both legislatively compliant and practically implementable. Council has also strengthened its Audit and Risk Committee with the addition of an external member and adoption of a 3-year Internal Audit Plan.

**Key Outcome: Ensure compliance with local, town planning, building and health and all other relevant legislation.** We are incredibly proud of this year’s audit results. After significant work from our team, we have addressed all management items raised during and prior to the 2018–19 Interim Audit. Whilst there always remains room for improvement, this result should give the community confidence that their Shire is being managed in a practical and prudent manner.

## 2012 Objective: Environment

A sustainable natural and built environment that meets current and future community needs.

**Key Outcome: Continue to manage feral flora and fauna.** The Shire continues to work with, and remains a Diamond Sponsor of, the Mingenew Irwin Group. MIG are active in this space and conduct an array of programs – including feral pig monitoring and baiting – to help to preserve our natural environment.

**Key Outcome: Continue to liaise with the local indigenous and cultural groups.** This year, we completed a number of improvements at the Littlewell Reserve, including the addition of interpretive signage to provide an insight into Mingenew’s more recent indigenous history. The Littlewell Group has since received State and National recognition for this project and we see further partnership with them in our future.

**Key Outcome: Maintain and enhance existing historical infrastructure.** The Shire assisted with a number of building upgrades at the Mingenew Historical Museum this year. Our local volunteers do an exceptional job in keeping this facility running and open during the tourist season.

**Key Outcome: Maintain and improve road assets.** Transport infrastructure remains our largest expenditure line item, by some margin, and this year saw the completion of over \$4m worth of flood damage works across the Shire, in addition to upgrades to Yandanooka North East, Narandagy and Mingenew–Morawa roads.

Image supplied by the Mingenew Irwin Group



MIG Spring Field Day 2019



Mingenew Museum



Image supplied by Capricorn Space

Capricorn Space facility



Image supplied by Angela Teale

Astrotourism in Mingenew



Mingenew Races

### 2019–29 Pillar: Growing Mingenew

Develop key enabling and underpinning investments to grow the community to a population of 500 by 2029.

#### 2012 Objective: Economic

To be a diverse and innovative economy with a range of local employment opportunities.

**Key Outcome: Improved telecommunications.** The Shire supported the roll-out of the State Government's Digital Farms project which is providing enterprise-grade fixed wireless broadband to a number of farming properties within the Shire.

**Key Outcome: Support sustainable farming and other industry developments including mining.** This year, we have engaged with the Midwest Development Commission and existing Space Industry proponents to commence lobbying for infrastructure upgrades for the WA Space Centre.

During the year, Capricorn Space – a new commercial satellite tracking venture – commenced construction on their facility which is expected to be operational late in 2019.

#### 2012 Objective: Social

A safe and welcoming community where everyone has the opportunity to contribute and belong.

**Key Outcome: Develop new housing for the aged through a Joint Venture Program.** This year has seen residents start moving into the new Independent Living Units on King Street following their completion and a public Expression of Interest Campaign.

**Key Outcome: Continue to develop housing for Shire employees.** With the ongoing employment of a Building Maintenance Officer, we have been able to conduct further ongoing maintenance on our Shire properties in a more cost-effective manner.

### 2019–29 Pillar: We'll See You in Mingenew

Attract visitors to Mingenew by making it a highly desirable and dynamic place to visit and live, resulting in an increase in population.

#### 2012 Objective: Economic

To be a diverse and innovative economy with a range of local employment opportunities

**Key Outcome: Support and encourage tourism development.** The Shire has maintained its 'We'll see you in Mingenew' digital, billboard and television advertising campaign through this year. It has resulted in another strong tourist season buoyed by an abundant wildflower season. We have also signed on as an Astrotourism WA Astrotourism Town and held our first Astrotourism event at Yandanooka Hall with a turn-out of approximately 60 people.

**Key Outcome: Continue to support local events and encourage new events.** The Shire continues to support a range of local events, including the Mingenew Midwest Expo, Mingenew Races and Mingenew Christmas Tree.

**Key Outcome: Participate and support the 'Wildflower Way'.** Shire CEO, Nils Hay, has taken on the Chair role for WA's Wildflower Country and we continue to lead a number of projects for that group to deliver in the coming years.

### 2019–29 Pillar: Love Living in Mingenew

Maintain and build a healthy, connected and sustainable community with great public spaces and facilities and enable community volunteerism.

#### 2012 Objective: Social

A safe and welcoming community where everyone has the opportunity to contribute and belong.

**Key Outcome: Maintain and further develop the recreation complex.** This year, with the support of the Mingenew Netball Club and Department of Sport and Recreation – along with local volunteers and sponsors – we completed the upgrade of the netball and basketball courts.

**Key Outcome: Continue to support child care facilities.** In partnership with the CRC, we have continued to support upgrades at Sister Cameron House to support the delivery of daycare services and playgroup activities for the children and families of Mingenew.

**Key Outcome: Obtain and maintain a bus for community services.** The Shire's community bus continues to be maintained for the use of local and regional community groups.

**Key Outcome: Support and promote local traineeships.** The Shire has two staff currently completing traineeships. They should both finish their training in the 2019–20 Financial Year.



Mingenew Visitors Centre

**Key Outcome: Improved provision of home and community care support services.** The Shire continues to provide funding to the Mingenew CRC to assist them to deliver a range of valuable senior's activities.

**Key Outcome: Continuously improve emergency services.** Over the course of the year, a Mingenew Shire Local Emergency Management Committee was reconstituted to deliver an improved local focus on emergency management. This improves our compliance with relevant emergency management legislation and also gives our local agencies regular opportunities to meet and share information.

### 2019-29 Pillar: Making Business Easy in Mingenew

Ensure Mingenew is supporting local businesses to grow and maintain employment within the community.

### 2012 Objective: Civic Leadership

A collaborative and innovative community with strong and vibrant leadership.

**Key Outcome: Ensure compliance with local, town planning, building and health and all other relevant legislation.** Following significant work this year, the Shire has almost completed its Local Planning Scheme No. 4 which is designed to modernise our Planning framework and continue to support business growth and new business development in Mingenew.

### 2012 Objective: Economic

To be a diverse and innovative economy with a range of local employment opportunities.

**Key Outcome: Support and encourage business unity.** In the lead-up to the 2019 Wildflower Season, Shire and Tourist and Promotions committee representatives met with local businesses to discuss the various ways that we could support each other to get the best possible outcome from the season.



Supporting Mingenew local business

Mingenew Child Care Centre



Mingenew Police Station



# Governance

## Elected Member Attendance

**Table 3: Elected Member attendance – 1 July 2018 to 30 June 2019**

■ Council [3]: Number of meetings held  
 ■ N/A: Elected Member not required to attend

Elected Member	Term Commenced	Term Expires	Ward	Council (11)	Special Council (2)	Audit & Risk Committee (3)	Executive Management Committee (1)	Bush Fire Advisory Committee	Local Emergency Management Committee	Electors Meeting (1)
Cr H Newton	2017	2021	Town	11	2	3	1	-	2	1
Cr C Lucken*	2014	2021	Town	4 (of 8)	-	0 (of 1)	1	-	-	1
Cr G Cosgrove	2011	2019	Rural	11	2	3	-	-	-	1
Cr L Eardley	2015	2019	Town	10	1	1	-	-	-	1
Cr J Bagley	2017	2019	Rural	10	2	3	-	-	-	1
Cr R Newton	2017	2021	Rural	11	2	3	1	-	2	1
Cr K McGlenn	2017	2019	Town	9	2	3	-	-	-	1
Cr A Smyth**	2019	2021	Town	1 (of 1)	0	1 (of 1)	-	-	-	-

\* Cr Lucken resigned in March 2019  
 \*\* Cr Smyth was elected in June 2019

## Employee Remuneration

In accordance with s19B of the Local Government (Administration) Regulations 1996, the number of Shire employees entitled to an annual salary of \$100,000 or more during the 2018/19 year are shown in Table 4.

**Table 4**

Salary Range	# Employees
\$100 000 to \$109 999	-
\$110 000 to \$119 999	-
\$120 000 to \$129 999	-
\$130 000 to \$139 999	-
\$140 000 to \$149 999	-
\$150 000 to \$159 999	1
\$160 000 to \$169 999	-

## Freedom of Information

The Shire aims to make information available, whenever possible, outside the freedom of information process. However, on occasion, access to documents may require an application in accordance with the Freedom of Information Act 1992. Should members of the public wish to access information and documents held by the Shire, please access the annually updated Shire of Mingenew Information Statement located on the Shire website to guide you in this process.

The Shire did not receive any applications under the Freedom of Information Act in 2018/19.

## Disability and Access Inclusion Plan

The Shire's Disability Access and Inclusion Plan (DAIP) 2013–18, last reviewed in 2016, is a key strategic document that outlines the Shire's approach to working towards a more accessible and inclusive community. The DAIP ensures that services, facilities and information meet the needs of people with disability, their families and carers and supports an environment in which people with disability have the same opportunities, rights and responsibilities enjoyed by all other people in the community. Key strategies include the following:

- I. Ensuring that staff, volunteers, agents and contractors are aware of, and comply with, the requirements of the DAIP.
- II. Ensuring occupational safety and health procedures are in place to safeguard people with disability in the workplace, in the event of a fire, evacuation or other critical incident or while attending an event organised by the department.
- III. Ensuring all new content meets Web Content Accessibility Guidelines (WCAG) 2.0 Level A accessibility standards and publications, templates and relevant documentation are available in alternative formats.
- IV. Ensuring the Shire's complaints management system processes are accessible for people with disability and that systems are reviewed annually.
- V. Ensuring information regarding consultation is available in alternative formats for people with disability, upon request.

The Shire of Mingenew commenced the process of community consultation and review of its Disability Access and Inclusion Plan in May 2019 with the intent of providing an updated five-year Disability Access and Inclusion Plan in the first quarter of the new financial year.

## Complaints Register

The Shire reports no complaints, as defined under s5.105 of the Act – 'Breaches by council members', for the period ending 30 June 2019.

The complaints officer (CEO for the Shire of Mingenew) is required to maintain a register of complaints that result in a finding under s5.110(2)(a) that a minor breach has occurred. A copy of the Register is available on the Shire's website.

## Public Disclosures

The Public Interest Disclosure Act 2013 (Commonwealth) aims to ensure openness and accountability in government. Disclosures are treated in confidence and persons making a disclosure are protected from detrimental action. The Chief Executive Officer is the appointed Public Interest Disclosure (PID) Officer for the Shire. During 2018/19 the Shire did not receive any disclosures.

## Recordkeeping Plan

The Shire of Mingenew is committed to the reliable and systematic management of government records in accordance with legislative requirements and best practice standards. Council adopted the Shire's Recordkeeping Plan in 2015.

The Shire of Mingenew will be commencing a review of its Recordkeeping Plan in the second quarter of 2019/20 with a view to adopting a new/revised Plan by June 2020. This review will include the development of strategies to address the appropriate capture of digital data and improve employee and elected member awareness of the Plan, associated procedures and statutory requirements. A review of employee and Councillor Induction programs are to specifically be reviewed to ensure personnel are aware of their responsibilities with regard to recordkeeping.



Town of Mingenew



Mingenew at sunset

## National Competition Policy

The Federal and State governments have a Competition Principals Agreement in place which is binding on local government.

The Agreement requires the Shire to carry out activities, including a report on those activities in each year's Annual Report. The three areas that affect local government are:

### 1. Competitive Neutrality

To remove benefits (and costs) that accrue to government business as a result of their public ownership. The objective of competitive neutrality policy is the elimination of resource allocation distortions arising out of the public ownership of entities engaged in significant business activities: Government businesses should not enjoy any net competitive advantage simply as a result of their public sector ownership. There are several tests to apply that assist in determining if there is a 'significant business enterprise':

- Does the activity receive revenue from external sources that exceeds \$200,000 per annum? (In determining this amount, Council should disregard grant income, internal charges, and statutory fees.)
- Would the benefits to be realised from the implementation of competitive neutrality exceed the costs?

From an examination of the revenue statement of the Shire for the preceding period, there is no activity that satisfies this first part of the test and, accordingly, the principles of competitive neutrality do not apply to any Shire of Mingeneu activities.

### 2. Structural Reform

Local government is required to reform the structure of publicly owned monopoly businesses where it is proposed to introduce competition. In this area, Council has no monopoly activities.

What is basic to the function of restructuring public monopolies is the splitting or division of the regulatory role from the service provision role. To address the question of monopoly, the following test has been applied to each activity:

- Definition: In regard to this service, does Council have 'exclusive or near exclusive control of the market supply of this service'?
- Dual function: Does Council have both a regulatory and supply function in this area of activity?

### 3. Legislation Review

To review legislation that restricts competition. Council does not have any local laws that relate to competition. Council has a portfolio of local laws (previously known as by-laws). The Shire last conducted a review of its local laws in 2017 and have since adopted new local laws relating to Standing Orders (meeting procedures) and Cemeteries.

## Freedom of Information (FOI)

The Shire aims to make information available, wherever possible, outside of the freedom of information process. However, on occasion, the request to access documents may need to be made by application in accordance with the Freedom of Information Act 1992. The Shire's Information Statement is available on the Shire's website, which outlines how and where information may be accessed, including the FOI application process. The Shire received zero valid FOI applications in 2017/18.





## Appendix: Annual Financial Statements

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SHIRE OF MINGENEW  
FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2019

COMMUNITY VISION

Mingenew Shire is a safe, inclusive and connected community with a thriving local economy that provides opportunity for all to succeed.

Principal place of business:  
21 Victoria Street  
Mingenew WA 6522

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire of MingeneW for the financial year ended 30 June 2019 is based on proper accounts and records to present fairly the financial position of the Shire of MingeneW at 30 June 2019 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 19<sup>th</sup> day of NOVEMBER 2019

  
Nils Hay  
Chief Executive Officer



SHIRE OF MINGENEW  
STATEMENT OF COMPREHENSIVE INCOME  
BY NATURE OR TYPE  
FOR THE YEAR ENDED 30TH JUNE 2019

NOTE	2019 Actual	2019 Budget	2018 Actual (Restated)
	\$	\$	\$
<b>Revenue</b>			
Rates	1,865,935	1,857,912	1,812,113
Operating grants, subsidies and contributions	778,421	224,532	760,958
Fees and charges	279,884	237,487	224,011
Interest earnings	56,917	58,710	71,031
Other revenue	598,943	556,800	508,947
	<u>3,580,100</u>	<u>2,935,441</u>	<u>3,377,060</u>
<b>Expenses</b>			
Employee costs	(1,027,186)	(1,083,085)	(859,291)
Materials and contracts	(824,287)	(3,150,044)	(784,255)
Utility charges	(113,687)	(124,853)	(99,837)
Depreciation on non-current assets	(1,427,014)	(1,850,261)	(1,754,977)
Interest expenses	(20,635)	(17,799)	(23,006)
Insurance expenses	(124,537)	(129,616)	(106,984)
Other expenditure	(652,741)	(578,801)	(537,099)
	<u>(4,190,087)</u>	<u>(6,934,259)</u>	<u>(4,165,449)</u>
	(609,987)	(3,998,818)	(788,389)
Non-operating grants, subsidies and contributions	4,132,897	3,665,281	1,068,271
Profit on asset disposals	48,551	50,000	0
(Loss) on asset disposals	0	0	(15,098)
Fair value adjustments to financial assets at fair value through profit or loss	52,543	0	0
	<u>4,233,991</u>	<u>3,715,281</u>	<u>1,053,173</u>
	3,624,004	(283,537)	264,784
<b>Net result for the period</b>			
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Changes in asset revaluation surplus	0	0	8,170,163
	0	0	8,170,163
<b>Total other comprehensive income for the period</b>			
	<u>3,624,004</u>	<u>(283,537)</u>	<u>8,434,947</u>

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



SHIRE OF MINGENEW  
STATEMENT OF COMPREHENSIVE INCOME  
BY PROGRAM  
FOR THE YEAR ENDED 30TH JUNE 2019

NOTE	2019 Actual	2018 Budget	2018 Actual (Restated)
	\$	\$	\$
<b>Revenue</b>			
2(a)			
Governance	38,310	15,669	69,010
General purpose funding	2,539,182	2,037,243	2,474,407
Law, order, public safety	25,420	33,037	74,280
Health	481	371	361
Education and welfare	801	3,755	3,788
Housing	119,163	102,729	104,375
Community amenities	87,409	73,722	66,802
Recreation and culture	30,574	33,960	37,670
Transport	641,504	511,585	464,805
Economic services	15,517	10,445	6,441
Other property and services	81,759	112,925	75,141
	<u>3,580,100</u>	<u>2,935,441</u>	<u>3,377,060</u>
<b>Expenses</b>			
2(b)			
Governance	(337,605)	(216,578)	(280,211)
General purpose funding	(92,654)	(100,797)	(58,319)
Law, order, public safety	(133,701)	(154,914)	(124,212)
Health	(124,942)	(138,237)	(73,328)
Education and welfare	(60,718)	(79,712)	(59,197)
Housing	(164,636)	(173,150)	(192,816)
Community amenities	(216,941)	(271,710)	(236,246)
Recreation and culture	(1,058,955)	(940,133)	(1,051,889)
Transport	(1,578,499)	(4,342,582)	(2,081,038)
Economic services	(322,574)	(387,508)	(279,431)
Other property and services	(80,227)	(109,139)	296,244
	<u>(4,169,452)</u>	<u>(6,916,480)</u>	<u>(4,142,443)</u>
<b>Finance Costs</b>			
2(b)			
General purpose funding	(149)	0	0
Education and welfare	(2,809)	(2,440)	(3,041)
Housing	(8,123)	(7,058)	(9,005)
Recreation and culture	(2,898)	(2,342)	(2,920)
Transport	(6,858)	(5,959)	(8,040)
	<u>(20,635)</u>	<u>(17,799)</u>	<u>(23,006)</u>
	<u>(609,987)</u>	<u>(3,998,818)</u>	<u>(788,389)</u>
<b>Non-operating grants, subsidies and Contributions</b>			
2(a)	4,132,897	3,665,281	1,068,271
11(a)	48,551	50,000	0
11(a)	0	0	(15,098)
8	52,543	0	0
	<u>4,233,991</u>	<u>3,715,281</u>	<u>1,053,173</u>
<b>Net result for the period</b>	<u>3,624,004</u>	<u>(283,537)</u>	<u>264,784</u>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
12	0	0	8,170,163
<b>Total other comprehensive income for the period</b>	<u>0</u>	<u>0</u>	<u>8,170,163</u>
<b>Total comprehensive income for the period</b>	<u>3,624,004</u>	<u>(283,537)</u>	<u>8,434,947</u>

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



SHIRE OF MINGENEW  
STATEMENT OF FINANCIAL POSITION  
AS AT 30TH JUNE 2019

NOTE	2019 \$	2018 (Restated) \$	2017 (Restated) \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	1,508,858	2,034,227
Trade receivables	5	309,534	85,181
Inventories	6	40,394	43,459
Other current assets	7	18,937	0
<b>TOTAL CURRENT ASSETS</b>		<u>1,877,723</u>	<u>2,477,010</u>
<b>NON-CURRENT ASSETS</b>			
Trade receivables	5	7,907	8,068
Other financial assets	8	52,551	8
Inventories	6	35,000	35,000
Property, plant and equipment	9	10,586,256	11,103,126
Infrastructure	10	38,811,085	34,565,370
<b>TOTAL NON-CURRENT ASSETS</b>		<u>49,492,799</u>	<u>45,711,572</u>
<b>TOTAL ASSETS</b>	17	<u>51,370,522</u>	<u>47,874,439</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	13	332,783	217,235
Borrowings	14(a)	158,166	115,473
Employee related provisions	15	135,960	214,319
<b>TOTAL CURRENT LIABILITIES</b>		<u>626,909</u>	<u>547,027</u>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	14(a)	327,910	525,031
Employee related provisions	15	4,816	15,497
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>332,726</u>	<u>540,528</u>
<b>TOTAL LIABILITIES</b>		<u>959,635</u>	<u>1,087,555</u>
<b>NET ASSETS</b>		<u>50,410,886</u>	<u>38,351,936</u>
<b>EQUITY</b>			
Retained surplus		31,665,138	27,943,302
Reserves - cash backed	4	308,491	406,325
Revaluation surplus	12	18,437,257	18,437,257
<b>TOTAL EQUITY</b>		<u>50,410,886</u>	<u>46,786,884</u>

See Note 30 for details regarding the prior period restatement as a result of an error and change in accounting policy.

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





SHIRE OF MINGENEW  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30TH JUNE 2019

	NOTE	RETAINED SURPLUS	RESERVES CASH BACKED	REVALUATION SURPLUS	TOTAL EQUITY
		\$	\$	\$	\$
Balance as at 1 July 2017		28,653,488	396,477	9,960,129	39,010,094
Prior period adjustments					
- change in accounting policy - restatement	30	(965,122)	0	665,683	(299,439)
- correction of error	30	0	0	(358,719)	(358,719)
Restated total equity at the beginning of the financial year		27,688,366	396,477	10,267,093	38,351,936
Comprehensive income					
Net result for the period		264,784	0	0	264,784
Changes on revaluation of assets	12	0	0	8,170,164	8,170,164
Total comprehensive income		264,784	0	8,170,164	8,434,948
Transfers from/(to) reserves		(9,848)	9,848	0	0
Balance as at 30 June 2018 (Restated)		27,943,302	406,325	18,437,257	46,786,884
Comprehensive income					
Net result for the period		3,624,004	0	0	3,624,004
Total comprehensive income		3,624,004	0	0	3,624,004
Transfers from/(to) reserves		97,832	(97,832)	0	0
Balance as at 30 June 2019		31,665,138	308,491	18,437,257	50,410,886

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

SHIRE OF MINGENEW  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30TH JUNE 2019

	NOTE	2019 Actual	2019 Budget	2018 Actual
		\$	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Rates		1,889,986	1,877,912	1,851,170
Operating grants, subsidies and contributions		783,692	224,532	819,163
Fees and charges		289,206	237,487	224,011
Interest received		56,917	58,710	71,031
Goods and services tax received		486,620	0	239,195
Other revenue		598,943	556,800	508,947
		4,105,364	2,955,441	3,713,517
<b>Payments</b>				
Employee costs		(1,076,627)	(1,083,085)	(889,311)
Materials and contracts		(776,195)	(3,201,285)	(1,044,421)
Utility charges		(113,687)	(124,853)	(99,837)
Interest expenses		(24,015)	(17,799)	(33,924)
Insurance paid		(124,537)	(129,616)	(106,984)
Goods and services tax paid		(569,854)	0	(63,522)
Other expenditure		(652,741)	(578,601)	(537,101)
		(3,337,656)	(5,135,239)	(2,775,100)
Net cash provided by (used in) operating activities	16	767,708	(2,179,798)	938,417
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for purchase of				
property, plant & equipment		(376,986)	(623,320)	(760,995)
Payments for construction of infrastructure		(4,880,740)	(2,485,700)	(1,346,464)
Non-operating grants, subsidies and contributions		3,953,295	3,665,281	1,068,276
Proceeds from sale of property, plant & equipment		150,418	157,000	44,545
Net cash provided by (used in) investment activities		(1,154,013)	713,261	(994,638)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of borrowings		(154,427)	(154,525)	(150,774)
Net cash provided by (used in) financing activities		(154,427)	(154,525)	(150,774)
Net increase (decrease) in cash held		(540,732)	(1,621,062)	(206,995)
Cash at beginning of year		2,034,227	2,014,490	2,241,222
Reclassification of trust fund to restricted cash		15,364	0	0
Cash and cash equivalents at the end of the year	16	1,508,858	393,428	2,034,227

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

SHIRE OF MINGENEW  
RATE SETTING STATEMENT  
FOR THE YEAR ENDED 30TH JUNE 2019

	NOTE	2019 Actual \$	2019 Budget \$	2018 Actual (Restated) \$
<b>OPERATING ACTIVITIES</b>				
Net current assets at start of financial year - surplus/(deficit)	25 (b)	1,498,911	1,491,987	1,721,405
		1,498,911	1,491,987	1,721,405
<b>Revenue from operating activities (excluding rates)</b>				
Governance		40,301	16,669	69,010
General purpose funding		710,833	215,744	697,818
Law, order, public safety		25,420	33,037	74,280
Health		461	371	361
Education and welfare		801	3,755	3,768
Housing		119,163	102,729	104,375
Community amenities		87,409	73,722	66,802
Recreation and culture		30,574	33,960	37,670
Transport		688,064	560,585	464,805
Economic services		15,517	10,445	6,441
Other property and services		134,302	112,925	75,140
		1,852,845	1,163,942	1,600,470
<b>Expenditure from operating activities</b>				
Governance		(337,605)	(218,578)	(280,211)
General purpose funding		(92,803)	(100,797)	(58,319)
Law, order, public safety		(133,701)	(154,914)	(127,253)
Health		(124,942)	(136,237)	(73,328)
Education and welfare		(63,527)	(82,152)	(59,197)
Housing		(172,759)	(180,208)	(216,919)
Community amenities		(216,941)	(271,710)	(238,246)
Recreation and culture		(1,059,651)	(942,475)	(1,054,809)
Transport		(1,585,357)	(4,348,541)	(2,089,078)
Economic services		(322,574)	(387,508)	(279,431)
Other property and services		(80,226)	(109,139)	296,245
		(4,190,086)	(6,934,259)	(4,180,546)
Non-cash amounts excluded from operating activities	25(a)	1,237,041	1,800,261	1,736,258
Amount attributable to operating activities		398,711	(2,478,069)	877,587
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions		4,132,897	3,665,281	1,068,271
Proceeds from disposal of assets	11(a)	150,418	157,000	44,545
Purchase of property, plant and equipment	9(a)	(376,986)	(623,320)	(760,995)
Purchase and construction of infrastructure	10(a)	(4,880,740)	(2,485,700)	(1,346,464)
Amount attributable to investing activities		(974,411)	713,261	(994,643)
<b>FINANCING ACTIVITIES</b>				
Repayment of borrowings	14(b)	(154,427)	(154,525)	(150,774)
Transfers to reserves (restricted assets)	4	(22,812)	(22,710)	(9,848)
Transfers from reserves (restricted assets)	4	120,646	120,544	0
Amount attributable to financing activities		(56,593)	(56,691)	(160,622)
Surplus/(deficit) before imposition of general rates		(632,293)	(1,821,499)	(277,678)
Total amount raised from general rates	24	1,828,349	1,821,499	1,776,589
Surplus/(deficit) after imposition of general rates	25(b)	1,196,056	0	1,498,911

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

SHIRE OF MINGENEW  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2019

1. BASIS OF PREPARATION

The financial report comprises general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and interpretations of the Australian Accounting Standards Board, and the *Local Government Act 1996* 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 financial report. This is not in accordance with the requirements of *AASB 1051 Land Under Roads* paragraph 13 and *AASB 115 Property, Plant and Equipment* paragraph 7.

Accounting policies which have been adopted in the preparation of this financial report have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the report has been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

CRITICAL ACCOUNTING ESTIMATES

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect 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 out its functions have been included in the financial statements forming part of the financial report.

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 27 to these financial statements.

2. REVENUE AND EXPENSES

(a) Revenue

Grant Revenue

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

	2019 Actual \$	2019 Budget \$	2018 Actual \$
<b>Operating grants, subsidies and contributions</b>			
Governance	21,357	12,154	62,223
General purpose funding	825,555	129,381	597,435
Law, order, public safety	23,450	29,287	67,781
Education and welfare	455	3,000	3,568
Housing	153	0	0
Community amenities	1,000	2,000	0
Recreation and culture	(2,245)	0	5,000
Transport	75,829	47,710	2,399
Economic services	5,420	1,000	0
Other property and services	27,447	0	22,552
	<u>778,421</u>	<u>224,532</u>	<u>780,958</u>
<b>Non-operating grants, subsidies and contributions</b>			
Governance	0	139,866	0
General purpose funding	0	0	498,000
Community amenities	5,000	5,000	0
Recreation and culture	121,458	121,667	45,000
Transport	4,006,439	3,398,748	525,271
	<u>4,132,897</u>	<u>3,665,281</u>	<u>1,068,271</u>
<b>Total grants, subsidies and contributions</b>	<b>4,911,318</b>	<b>3,889,813</b>	<b>1,829,229</b>

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 containing the contribution.

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

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Significant revenue

Advance Financial Assistance Grants

Other revenue

Reimbursements and recoveries

Police Licensing

Other

Fees and Charges

Governance

General purpose funding

Law, order, public safety

Health

Education and welfare

Housing

Community amenities

Recreation and culture

Transport

Economic services

Other property and services

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

Interest earnings

Reserve accounts interest

Rates instalment and penalty interest (refer Note 24(c))

Other interest earnings

(b) Expenses

Auditors remuneration

- Audit of the Annual Financial Report

- Other services

Interest expenses (finance costs)

Borrowings (refer Note 14(b))

Other

Rental charges

- Operating leases

	2019 Actual \$	2019 Budget \$	2018 Actual \$
Advance Financial Assistance Grants	330,005	0	318,719
Reimbursements and recoveries	36,440	0	77,265
Police Licensing	549,113	450,000	379,580
Other	13,390	106,800	52,102
	<u>898,943</u>	<u>556,800</u>	<u>508,947</u>
Governance	9,373	240	131
General purpose funding	3,085	4,200	2,635
Law, order, public safety	1,817	3,500	1,858
Health	461	371	361
Education and welfare	183	755	200
Housing	116,455	91,004	102,335
Community amenities	75,896	71,272	68,234
Recreation and culture	32,731	33,900	32,584
Transport	11,746	10,000	890
Economic services	8,825	8,445	5,207
Other property and services	19,512	13,800	11,576
	<u>279,884</u>	<u>237,467</u>	<u>224,011</u>
Reserve accounts interest	12,812	12,710	9,848
Rates instalment and penalty interest (refer Note 24(c))	13,508	12,250	19,335
Other interest earnings	30,597	33,750	41,848
	<u>56,917</u>	<u>58,710</u>	<u>71,031</u>

	2019 Actual \$	2019 Budget \$	2018 Actual \$
Audit of the Annual Financial Report	22,000	13,620	10,480
Other services	800	0	3,592
	<u>22,800</u>	<u>13,620</u>	<u>14,072</u>
Borrowings (refer Note 14(b))	20,487	17,799	23,006
Other	148	0	0
	<u>20,635</u>	<u>17,799</u>	<u>23,006</u>
Operating leases	5,711	0	0
	<u>5,711</u>	<u>0</u>	<u>0</u>



## 5. TRADE RECEIVABLES

### Current

	2019 \$	2018 \$
Rates receivable	22,809	46,699
Sundry receivables	190,213	21,668
GST receivable	101,633	18,399
Allowance for impairment of receivables	(5,121)	(1,585)
	<u>309,534</u>	<u>85,181</u>

### Non-current

Pensioner's rates and ESL deferred	7,907	8,068
	<u>7,907</u>	<u>8,068</u>

### 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.

Trade receivables are recognised at original invoice amount less any allowances for uncollectible amounts (i.e. impairment). The carrying amount of net trade receivables is equivalent to fair value as it is due for settlement within 30 days.

#### Impairment and risk exposure

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 26.

#### Movement of allowance for impairment of receivables

	2019 \$	2018 \$
Opening balance	1,585	1,585
Additions	6,352	0
Write off	(1,231)	0
Reversal	(1,585)	0
Closing balance	<u>5,121</u>	<u>1,585</u>

Classification and subsequent measurement  
 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.

Trade receivables are held with the objective to collect the contractual cashflows and therefore measures them subsequently at amortised cost using the effective interest rate method.

Due to the short term nature of current receivables, their carrying amount is considered to be the same as their fair value. Non-current receivables are indexed to inflation, any difference between the face value and fair value is considered immaterial.

## 6. INVENTORIES

### Current

	2019 \$	2018 \$
Fuels & Materials	0	3,065
Land held for resale - cost - Lot 1 and Lot 4 Eleanor Street		
Cost of acquisition	<u>40,394</u>	<u>40,394</u>
	<u>40,394</u>	<u>43,459</u>

### Non-current

Land held for resale - cost - Lot 7 Ernest Street		
Cost of acquisition	<u>35,000</u>	<u>35,000</u>
	<u>35,000</u>	<u>35,000</u>

The following movements in inventories occurred during the year:

Carrying amount at 1 July	78,459	78,591
Movements in inventory - expensed	(3,065)	(132)
Carrying amount at 30 June	<u>75,394</u>	<u>78,459</u>

### SIGNIFICANT ACCOUNTING POLICIES

#### Costs

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.

#### Land held for resale

Land held for development and resale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until completion of development.

#### Land held for resale (Continued)

Borrowing costs and holding charges incurred after development is completed are expensed.

Gains and losses are recognised in profit or loss at the time of signing an unconditional contract of sale if significant risks and rewards, and effective control over the land, are passed onto the buyer at this point.

Land held for resale is classified as current except where it is held as non-current based on the Council's intentions to release for sale.

7. OTHER ASSETS

Other current assets  
 Prepayments

	2019	2018
	\$	\$
Prepayments	18,937	0
	<u>18,937</u>	<u>0</u>

SIGNIFICANT ACCOUNTING POLICIES

Other current assets

Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

8. OTHER FINANCIAL ASSETS

Non-current assets  
 Other financial assets at amortised cost  
 Financial assets at fair value through profit and loss

	2019	2018
	\$	\$
Other financial assets at amortised cost	0	8
Financial assets at fair value through profit and loss	52,551	0
	<u>52,551</u>	<u>8</u>

Other financial assets at amortised cost:

Other financial assets at amortised cost - Units in Local Government House Trust

	0	8
	<u>0</u>	<u>8</u>

Financial assets at fair value through profit and loss:

- Unlisted equity investments

Units in Local Government House Trust

	52,551	0
	<u>52,551</u>	<u>0</u>

During the year, the following gains/(losses) were recognised in profit and loss:

Fair value gains/(losses) on equity investments at fair value through profit and loss are recognised in other gains/(losses) and classified as other property and services

	52,543	0
	<u>52,543</u>	<u>0</u>

SIGNIFICANT ACCOUNTING POLICIES

Other financial assets at amortised cost

The Shire 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 fair value through profit and loss

The Shire classifies the following financial assets at fair value through profit and loss:

- debt investments which do not qualify for measurement at either amortised cost or fair value through other comprehensive income
- equity investments which the Shire has not elected to recognise fair value gains and losses through other comprehensive income.

Impairment and risk

Information regarding impairment and exposure to risk can be found at Note 25.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Previous accounting policy: available for sale financial assets  
 Available-for-sale financial assets were non-derivative financial assets that were either not suitable to be classified as other categories of financial assets due to their nature, or they were designated as such for reasons. They comprise investments at the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Previous accounting policy: Loans and receivables

Non-derivative financial assets with fixed or determinable payments that were not quoted in an active market and are solely payments of principal and interest were classified as loans and receivables and subsequently measured at amortised cost, using the effective interest rate method.

Refer to Note 23 for explanations regarding the change in accounting policy and reclassification of available for sale financial assets to financial assets at fair value through profit and loss.

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9. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Carrying Amounts

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

	Land - freehold land	Land - vested in and under the control of Council	Total land	Buildings - non-specialised	Buildings - specialised	Total buildings	Total land and buildings	Furniture and equipment	Plant and equipment	Tools	Bushfire Equipment	Total property, plant and equipment
Balance at 1 July 2017	\$ 1,112,100	\$ 200,000	\$ 1,312,100	\$ 625,000	\$ 8,168,710	\$ 8,813,710	\$ 10,125,810	\$ 71,811	\$ 1,042,458	\$ 4,139	\$ 415,486	\$ 11,659,704
Prior period adjustment - change in accounting policy	(10,343)	0	(10,343)	(34,978)	(5,595)	(40,573)	(50,916)	(53,984)	(35,881)	(4,139)	(2,888)	(147,619)
Prior period adjustment - correction of error	0	0	0	(358,719)	0	(358,719)	(358,719)	0	0	0	0	(358,719)
Restated balance	1,101,757	200,000	1,301,757	231,303	8,144,418	8,375,721	9,676,442	17,827	1,006,577	0	412,597	11,153,366
Additions	0	0	0	364,105	364,105	364,105	364,105	0	398,890	0	0	760,995
(Disposals)	0	0	0	0	0	0	0	0	(59,643)	0	0	(59,643)
Depreciation (expense)	0	0	0	(29,223)	(530,091)	(559,314)	(559,314)	(14,085)	(151,516)	(478)	(45,399)	(770,762)
Prior period adjustment - change in accounting policy	0	0	0	2,938	387	3,325	3,325	9,774	5,331	478	290	19,207
Reclassification to Other Financial Assets	0	0	0	0	(8)	(8)	(8)	0	0	0	0	(8)
Restated carrying amount at 30 June 2018	1,101,757	200,000	1,301,757	205,018	8,017,508	8,222,526	9,524,283	13,516	1,197,630	0	367,897	11,103,126
Comprises:												
Gross carrying amount at 30 June 2018	1,101,757	200,000	1,301,757	231,303	8,547,212	8,778,515	10,080,272	22,138	1,454,560	0	457,898	12,014,877
Accumulated depreciation at 30 June 2018	0	0	0	(26,285)	(529,704)	(555,989)	(555,989)	(6,622)	(255,939)	0	(90,201)	(911,751)
Restated carrying amount at 30 June 2018	1,101,757	200,000	1,301,757	205,018	8,017,508	8,222,526	9,524,283	13,516	1,197,630	0	367,897	11,103,126
Additions	0	0	0	0	0	0	0	0	376,966	0	0	376,966
(Disposals)	0	0	0	0	0	0	0	0	(101,897)	0	0	(101,897)
Depreciation (expense)	0	0	0	(45,946)	(518,414)	(564,360)	(564,360)	(4,311)	(178,218)	0	(45,100)	(791,889)
Carrying amount at 30 June 2019	1,101,757	200,000	1,301,757	159,072	7,499,094	7,658,166	8,969,923	9,205	1,294,531	0	322,597	10,586,256
Comprises:												
Gross carrying amount at 30 June 2019	1,101,757	200,000	1,301,757	231,303	8,523,258	8,754,561	10,066,318	22,138	1,603,834	0	457,898	12,200,188
Accumulated depreciation at 30 June 2019	0	0	0	(72,231)	(1,024,164)	(1,096,395)	(1,096,395)	(12,933)	(369,303)	0	(135,301)	(1,513,932)
Carrying amount at 30 June 2019	1,101,757	200,000	1,301,757	159,072	7,499,094	7,658,166	8,969,923	9,205	1,294,531	0	322,597	10,586,256

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9. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Fair Value Measurements

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

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.

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10. INFRASTRUCTURE

(a) Movements in Carrying Amounts

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

	Infrastructure - Roads	Infrastructure - Footpaths	Infrastructure - Airfields	Infrastructure - Drainage	Infrastructure - Bridges	Infrastructure - Recreation Areas	Infrastructure - Other	Total Infrastructure
Balance at 1 July 2017	20,845,865	225,566	83,916	158,246	3,013,969	1,593,538	282,857	26,203,957
Prior period adjustment - change in accounting policy	0	0	0	0	0	(97,739)	(54,084)	(151,823)
Restated balance	20,845,865	225,566	83,916	158,246	3,013,969	1,495,799	228,773	26,052,139
Additions	975,413	0	0	0	0	199,919	171,132	1,346,464
Revaluation increments / (decrements) transferred to revaluation surplus	7,947,747	48,903	0	(161,639)	317,859	0	0	8,152,870
Depreciation (expense)	(870,234)	(17,791)	(9,072)	(2,613)	(136,245)	(142,730)	(15,627)	(994,512)
Prior period adjustment - change in accounting policy	(148,722)	(2,686)	0	144,225	0	(10,188)	5,401	8,414
Restated carrying amount at 30 June 2018	28,950,089	253,990	74,844	138,219	3,195,583	1,563,186	309,478	34,565,370
Comprises:								
Gross carrying amount at 30 June 2018	28,950,089	253,990	147,420	138,219	3,195,583	1,705,916	406,865	34,798,162
Accumulated depreciation at 30 June 2018	0	0	(72,576)	0	0	(142,730)	(17,400)	(232,702)
Restated carrying amount at 30 June 2018	28,950,089	253,990	74,844	138,219	3,195,583	1,563,186	389,479	34,565,370
Additions	4,046,472	0	0	0	561,334	248,547	24,387	4,880,740
Depreciation (expense)	(406,707)	(6,436)	(9,072)	(1,728)	(64,834)	(135,823)	(10,425)	(635,025)
Carrying amount at 30 June 2019	32,589,834	247,554	65,772	136,491	3,692,083	1,675,910	403,441	38,811,085
Comprises:								
Gross carrying amount at 30 June 2019	32,996,541	253,990	147,420	138,219	3,755,917	1,944,648	424,292	39,662,027
Accumulated depreciation at 30 June 2019	(406,707)	(6,436)	(81,648)	(1,728)	(64,834)	(268,738)	(20,851)	(850,942)
Carrying amount at 30 June 2019	32,589,834	247,554	65,772	136,491	3,692,083	1,675,910	403,441	38,811,085

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10. INFRASTRUCTURE (Continued)

(b) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Infrastructure - Roads	3	Depreciated Cost	Independent specialist value	June 2018	Depreciated cost value of similar assets adjusted for condition and comparability.
Infrastructure - Footpaths	3	Depreciated Cost	Independent specialist value	June 2018	Depreciated cost value of similar assets adjusted for condition and comparability.
Infrastructure - Airfields	3	Depreciated Cost	Independent specialist value	June 2018	Depreciated cost value of similar assets adjusted for condition and comparability.
Infrastructure - Drainage	3	Depreciated Cost	Independent specialist value	June 2018	Depreciated cost value of similar assets adjusted for condition and comparability.
Infrastructure - Bridges	3	Depreciated Cost	Independent specialist value	June 2018	Depreciated cost value of similar assets adjusted for condition and comparability.
Infrastructure - Recreation Areas	3	Depreciated Cost	Independent specialist value	June 2017	Depreciated cost value of similar assets adjusted for condition and comparability.
Infrastructure - Other	3	Depreciated Cost	Independent specialist value	June 2017	Depreciated cost value of similar assets adjusted for condition and comparability.

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.



11. PROPERTY, PLANT AND EQUIPMENT (INCLUDING INFRASTRUCTURE)

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

Each class of fixed assets (with minor plant and equipment or infrastructure) is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Initial recognition and measurement between mandatory revaluation dates

All assets are initially recognised at cost where the fair value of the asset at date of acquisition is equal to or above \$5,000. All assets are subsequently revalued in accordance with the mandatory measurement framework.

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

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

Revaluation

The fair value of fixed assets is determined at least every three years and no more than five years in accordance with the regulatory framework. At the end of each period the valuation is reviewed and where appropriate the fair value is updated to reflect current market conditions. This process is considered to be in accordance with Local Government (Financial Management) Regulation 17A (2) which requires property, plant and equipment to be shown at fair value.

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

AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY

Land under control  
 In accordance with Local Government (Financial Management) Regulation 16(a)(i) 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.

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 at 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)

the Local Government (Financial Management) Regulations prevail.

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

11. PROPERTY, PLANT AND EQUIPMENT (INCLUDING INFRASTRUCTURE) (Continued)

(a) Disposals of Assets

	2019		2018		2018		2018		2018		2018	
	Actual	Actual	2018	2018	Budget	Budget	2018	2018	Actual	Actual	2018	2018
	Net Book	Sale	Actual	Actual	Net Book	Sale	Budget	Budget	Net Book	Sale	Actual	Actual
	Value	Proceeds	Profit	Loss	Value	Proceeds	Profit	Loss	Value	Proceeds	Profit	Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Plant and equipment	101,867	150,418	48,551	0	107,000	157,000	50,000	0	59,643	44,545	0	(15,098)
	101,867	150,418	48,551	0	107,000	157,000	50,000	0	59,643	44,545	0	(15,098)

The following assets were disposed of during the year.

	2019		2018	
	Actual	Actual	Actual	Actual
	Net Book	Sale	Actual	Actual
	Value	Proceeds	Profit	Loss
	\$	\$	\$	\$
Plant and Equipment				
Governance				
CEO Vehicle	29,827	31,816	1,991	0
Transport				
Case JCB Tractor	7,209	10,455	3,186	0
Volvo Loader	39,764	70,000	30,236	0
Works Manager Vehicle	25,007	38,145	13,138	0
	101,867	150,418	48,551	0
	101,867	150,418	48,551	0

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11. PROPERTY, PLANT AND EQUIPMENT (INCLUDING INFRASTRUCTURE) (Continued)

(b) Depreciation	2019 Actual	2018 Budget	2018 Actual (Restated)
	\$	\$	\$
Buildings - non-specialised	45,846	0	26,285
Buildings - specialised	516,414	572,212	529,704
Furniture and equipment	4,311	15,000	4,311
Plant and equipment	178,218	190,445	146,185
Tools	0	478	0
Bushfire Equipment	45,100	47,405	45,100
Infrastructure - Roads	406,707	700,000	689,852
Infrastructure - Footpaths	6,436	17,791	42,271
Infrastructure - Airfields	9,072	9,072	9,072
Infrastructure - Drainage	1,728	2,615	2,615
Infrastructure - Bridges	64,834	136,245	136,245
Infrastructure - Recreation Areas	136,823	143,000	132,914
Infrastructure - Other	10,425	16,000	10,425
	1,427,014	1,650,281	1,754,977

SIGNIFICANT ACCOUNTING POLICIES

Depreciation

The depreciable amount of all long-lived assets (including land held for developing) is calculated and depreciated on a straight-line basis over the estimated asset's useful life from the time the asset is held ready for use. Intangible improvements are depreciated over the shorter of either the remaining period of the lease or the estimated useful life of the improvements.

The asset's residual value 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.

Depreciation rates

Typical estimated useful lives for the different asset classes for the current and prior years are included in the table below:

Asset Class	Useful life
Buildings	30 to 50 years
Furniture and equipment	4 to 10 years
Plant and equipment	5 to 10 years
Tools	5 to 10 years
Bushfire equipment	5 to 10 years
Sealed roads and streets	
asphalt	not depreciated
pavement	50 years
seal	
- bituminous surface	20 years
- asphalt surfaces	25 years
Gravel roads	
formation	not depreciated
pavement	50 years
Footpaths - seal	30 years
Sewerage piping	100 years
Water supply piping and drainage systems	75 years
Airfields	10 years
Bridges	50 years
Recreational areas	10 to 30 years
Other	5 to 30 years

Depreciation (Continued)

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

(a) The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset. For example, the gross carrying amount may be restated by reference to observed market data or it may be restated proportionately to the change in the carrying amount. The proportional depreciation of the date of the revaluation is adjusted to avoid the difference between the gross carrying amount and the carrying amount of the asset after taking into account accumulated impairment losses, or

(b) The amount against the gross carrying amount of the asset and the net amount (restated to the revalued amount of the asset).

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13. REVALUATION SURPLUS

	2019 Opening Balance	2019 Closing Balance	2019 Opening Balance (Previously Reported)	2017 Transfers	2017 Correction of error	2018 Change in Accounting Policy	2018 Change in Accounting Policy	2019 Revaluation Increment	2018 Revaluation (Decreased) Movement on	2019 Total Revaluation	2018 Closing Balance
Revaluation surplus - Land - freehold land	\$ 963,119	\$ 963,119	\$ 4,486,433	\$ (3,604,496)	\$ 0	\$ 301,182	\$ 0	\$ 0	\$ 0	\$ 0	\$ 963,119
Revaluation surplus - Land - vested in and under the control of Council	200,000	200,000	165,000	15,000	0	0	0	0	0	0	200,000
Revaluation surplus - Buildings - non-specialised	3,778,002	3,778,002	(198,017)	4,086,053	(358,719)	248,085	0	0	0	0	3,778,002
Revaluation surplus - Buildings - specialised	1,663,917	1,663,917	1,855,637	(286,537)	0	109,837	0	0	0	0	1,663,917
Revaluation surplus - Plant and equipment	232,384	232,384	116,197	0	0	116,187	0	0	0	0	232,384
Revaluation surplus - Bushfire Equipment	40,733	40,733	40,401	0	0	332	0	0	0	0	40,733
Revaluation surplus - Infrastructure - Roads	8,613,890	8,613,890	670,741	0	0	0	(4,499)	7,947,748	0	7,943,249	8,613,890
Revaluation surplus - Infrastructure - Footpaths	189,750	189,750	99,035	0	0	0	98,085	21,792	0	70,695	189,750
Revaluation surplus - Infrastructure - Airfields	102,050	102,050	102,050	0	0	0	0	0	0	0	102,050
Revaluation surplus - Infrastructure - Drainage	788,269	788,269	828,906	0	0	0	0	0	0	0	788,269
Revaluation surplus - Infrastructure - Bridges	1,487,163	1,487,163	1,169,324	0	0	0	0	317,839	0	(161,639)	1,487,163
Revaluation surplus - Infrastructure - Recreation Areas	344,620	344,620	415,463	0	0	(70,843)	0	0	0	317,839	344,620
Revaluation surplus - Infrastructure - Other	73,200	73,200	107,837	0	0	(34,637)	0	0	0	0	73,200
	16,437,257	16,437,257	9,900,129	0	(358,719)	665,663	17,263	8,314,510	(161,639)	8,170,104	16,437,257

Movements on revaluation of property, plant and equipment (including infrastructure) 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.

13. TRADE AND OTHER PAYABLES

Current

	2019 \$	2018 \$
Sundry creditors	231,779	165,319
Rates paid in advance	6,612	9,992
Accrued salaries and wages	21,789	1,977
ATO liabilities	57,239	37,451
Accrued interest on long term borrowings	0	2,496
Bonds & Deposits Held (refer to Note 27)	15,364	0
	332,783	217,235

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.

SHIRE OF MINGENEW  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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14. INFORMATION ON BORROWINGS

	2019 \$	2018 \$
Current	154,427	115,477
Non-current	327,216	325,031
	481,643	440,508

(a) Repayments - Determined

Particulars	Loan Number	Institution	Interest Rate	30 June 2018		30 June 2019		30 June 2019		30 June 2019		30 June 2019		30 June 2019		30 June 2019	
				Principal	Interest	Actual Principal	Actual Interest	Budget Principal	Budget Interest	Actual Principal	Actual Interest	Actual Principal	Actual Interest	Actual Principal	Actual Interest	Actual Principal	Actual Interest
Education and welfare	137	WATC*	2.40%	82,065	2,169	21,169	2,900	10,006	87,814	21,172	2,440	10,726	20,871	3,042	82,000	2,978	
Senior Citizen Building	133	WATC*	2.40%	55,876	1,700	13,488	1,700	42,190	55,802	13,490	1,555	68,449	13,171	1,978	55,876	1,978	
Housing	134	WATC*	2.40%	42,079	1,363	10,275	1,363	31,804	42,023	10,276	1,185	32,347	10,033	1,501	42,079	1,501	
Trigra	138	WATC*	2.40%	96,930	2,400	25,629	2,400	71,307	100,294	25,627	2,854	80,067	121,961	3,777	96,930	3,777	
Philip Street	142	WATC*	2.40%	51,491	1,570	11,658	1,570	39,543	49,056	11,635	1,364	62,965	11,555	1,749	51,491	1,749	
Moore Street	138	WATC*	2.40%	81,381	2,098	20,322	2,098	61,058	84,201	20,325	2,242	101,225	19,845	2,520	81,381	2,520	
15 Field Street	139	WATC*	2.40%	33,320	882	8,882	881	17,347	30,685	4,982	574	16,683	27,104	4,850	33,320	4,850	
Recreation and culture	141	WATC*	2.40%	75,316	17,297	17,297	2,268	58,010	71,754	17,300	1,994	92,207	10,891	2,610	75,316	2,610	
Pavilion Flood Transport	143	WATC*	2.40%	0	0	0	0	0	0	0	0	0	0	0	0	0	
Roar	144	WATC*	2.40%	51,491	1,570	11,635	1,570	39,543	49,060	11,635	1,384	37,291	62,956	11,555	51,491	11,555	
Grader	145	WATC*	2.40%	81,023	2,333	17,200	2,333	64,363	72,520	17,263	2,027	58,343	66,060	17,107	81,023	17,107	
2 x Trucks				640,503	154,427	154,427	20,487	486,076	640,501	154,628	17,709	701,276	150,774	23,008	640,503	23,008	
Site Tipper																	
Don Roller																	
				640,503	154,427	154,427	20,487	486,076	640,501	154,628	17,709	701,276	150,774	23,008	640,503	23,008	

\* WA Treasury Corporation

Self supporting loans are financed by payments from their parties. These are shown in Note 8 as other financial assets at amortised cost. All other loan repayments were financed by general purpose revenue.

SHIRE OF MINGENEW  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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14. INFORMATION ON BORROWINGS (Continued)

The Shire did not take up any new borrowings during the year ended 30 June 2019.  
The Shire did not have any unspent borrowings as at 30 June 2019.

	2018	2018
	\$	\$
(c) Undrawn Borrowing Facilities		
Credit Standby Arrangements		
Bank overdraft limit	500,000	500,000
Bank overdraft at balance date	0	0
Credit card limit	14,500	14,500
Credit card balance at balance date	(1,131)	(259)
Total amount of credit unused	513,369	514,241
Loan facilities		
Loan facilities - current	158,166	115,473
Loan facilities - non-current	327,910	525,031
Total facilities in use at balance date	486,076	640,504
Unused loan facilities at balance date	0	0

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

Financial liabilities are recognised as liabilities when the Shire becomes contractually obliged to the counterparty to the transaction.

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

Financial liabilities are derecognised when the related obligations are extinguished, 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 as profit or loss.

Summing costs

Borrowing costs are recognised as an expense over the period in which they are directly attributable to the acquisition, construction or production of a qualifying asset. Where there is no such asset, they are capitalised as part of the cost of the borrowing asset, with such amount as the asset is substantially ready for its intended use or sale.

Risk

Information regarding exposures to risk can be found at Note 22.

SHIRE OF MINGENEW  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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15. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions

	Provision for	Provision for	Total
	Annual Leave	Long Service Leave	
	\$	\$	\$
Opening balance at 1 July 2018			
Current provisions	77,168	137,151	214,319
Non-current provisions	0	15,497	15,497
	77,168	152,648	229,816
Additional provision	112,730	(46,836)	65,894
Amounts used	(115,242)	(39,692)	(154,934)
Balance at 30 June 2019	74,656	66,120	140,776
Comprises			
Current	74,656	61,304	135,960
Non-current	0	4,816	4,816
	74,656	66,120	140,776

Amounts are expected to be settled on the following basis:

	2019	2018
	\$	\$
Within 12 months of the end of the reporting period	135,960	214,319
More than 12 months after the end of the reporting period	4,816	15,497
	140,776	229,816

Timing of the payment of current leave liabilities is difficult to determine as it is dependent on future decisions of employees. Expected settlement timings are based on information obtained from employees and historical leave trends and assumes no events will occur to impact on these historical trends.

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

Short-term employee benefits

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

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

Other long-term employee benefits

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

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

Other long-term employee benefits (Continued)

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

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

Provisions

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

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

## 16. 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:

	2019 Actual	2019 Budget	2018 Actual (Restated)
	\$	\$	\$
Cash and cash equivalents	1,508,858	393,428	2,034,227
<b>Reconciliation of Net Cash Provided By Operating Activities to Net Result</b>			
Net result	3,624,004	(283,537)	264,784
Non-cash flows in Net result:			
Adjustments to fair value of financial assets	(52,543)	0	0
Depreciation	1,427,014	1,850,261	1,754,977
(Profit)/loss on sale of asset	(48,551)	(50,000)	15,098
Changes in assets and liabilities:			
(Increase)/decrease in receivables	(224,192)	20,000	108,940
(Increase)/decrease in other assets	(18,937)	0	0
(Increase)/decrease in inventories	3,065	0	132
Increase/(decrease) in payables	100,183	(51,241)	(111,493)
Increase/(decrease) in provisions	(89,040)	0	(25,750)
Grants contributions for the development of assets	(3,953,295)	(3,665,281)	(1,068,271)
Net cash from operating activities	767,708	(2,179,798)	938,417

## 17. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2019 \$	2018 \$
Governance	897,882	1,358,613
General purpose funding	1,202,920	1,662,039
Law, order, public safety	373,684	422,816
Health	0	102,353
Education and welfare	716,152	517,087
Housing	2,926,716	2,561,569
Community amenities	495,196	1,494,774
Recreation and culture	4,809,481	4,035,248
Transport	38,712,604	34,091,884
Economic services	975,369	1,110,752
Other property and services	260,518	517,305
	51,370,522	47,874,439

## 18. CAPITAL AND LEASING COMMITMENTS

	2019	2018
	\$	\$
<b>(a) Capital Expenditure Commitments</b>		
Contracted for:		
- capital expenditure projects	142,798	0
	<u>142,798</u>	<u>0</u>
Payable:		
- not later than one year	142,798	

The capital expenditure project outstanding at the end of the current reporting period represents the bitumen expenditure on Mingenew-Mullewa Road.

### (b) Operating Lease Commitments

Non-cancellable operating leases contracted for but not capitalised in the accounts.

	2019	2018
	\$	\$
Payable:		
- not later than one year	11,055	843
- later than one year but not later than five years	23,667	0
	<u>34,722</u>	<u>843</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:

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.

## 19. RELATED PARTY TRANSACTIONS

### Elected Members Remuneration

	2019	2019	2018
	Actual	Budget	Actual
	\$	\$	\$
The following fees, expenses and allowances were paid to council members and/or the President.			
Meeting Fees	27,760	28,691	27,295
President's Allowance	7,285	7,288	7,824
Deputy President's Allowance	1,824	1,822	1,359
Travelling expenses	0	1,500	0
	<u>36,869</u>	<u>39,301</u>	<u>36,478</u>

### Key Management Personnel (KMP) Compensation Disclosure

	2019	2018
	Actual	Actual
	\$	\$
The total remuneration of KMP of the Shire during the year are as follows:		
Short-term employee benefits	462,960	384,140
Post-employment benefits	53,593	46,979
Other long-term benefits	2,452	0
Termination benefits	1,721	77,388
	<u>520,726</u>	<u>508,507</u>

#### Short-term employee benefits

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

#### Post-employment benefits

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

#### Other long-term benefits

These amounts represent annual leave and long service leave benefits accruing during the year.

#### Termination benefits

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

19. RELATED PARTY TRANSACTIONS (Continued)

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 provisions for doubtful debts or guaranties exist in relation to related parties at year end.

	2019 Actual	2018 Actual
The following transactions occurred with related parties:	\$	\$
Purchase of goods and services - other related parties	20,226	22,199
<b>Amounts outstanding from related parties:</b>		
Trade and other receivables - other related parties	1,268	0
<b>Amounts payable to related parties:</b>		
Trade and other payables - other related parties	110	373

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 (KMP).

KMP were employed by the Shire under normal employment terms and conditions.

ii. Other Related Parties

Any entity that is controlled by or over which KMP, or close family members of KMP have authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly are considered parties in relation to the Shire.

iii. 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.

20. JOINT ARRANGEMENTS

(a) Carrying amount of investment in joint operation

In 1997/98, Council, in conjunction with Homeswest, constructed 3 x 2 bedroom and 1 x 1 bedroom Aged Persons' Units in Mingenew townsite. The terms of the joint agreement provided for Council to contribute \$54,777 which equates to an equity of 15.34%. Council has subsequently capitalised expenditure on the units. The recalculated equity for Council is 18.58%. The agreement with Housing Authority (previously Homeswest) requires the Shire to account for its share of the assets and related liabilities as well as the Shires' share of all expenses and revenue relating to the arrangement. Fair Value assessment of the property was undertaken in 2016/17 along with all other Council Land and Building Assets. The amount shown below is 18.58% of the fair value of \$470,000 and is included in Note 9. The initial term of the agreement is 25 years, expiring on 20 August 2022.

Non-current assets

Land and buildings (Asset number 0254)  
 Less: accumulated depreciation

	2019 \$	2018 \$
Land and buildings (Asset number 0254)	87,326	87,326
Less: accumulated depreciation	(5,467)	(2,733)
	81,859	84,593
<b>Carrying amount at 30 June</b>	<b>81,859</b>	<b>84,593</b>

Share of joint operations

Statement of comprehensive income

Housing revenue  
 Housing expenditure  
 Net result for the period

Housing revenue	28,561	24,970
Housing expenditure	(22,565)	(38,896)
Net result for the period	5,996	(11,926)
<b>Total comprehensive income for the period</b>	<b>5,996</b>	<b>(11,926)</b>

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 in net assets are classified as a joint venture and accounted for using the equity method. The equity method of accounting, whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Shire's share of net assets of the associate. In addition, the Shire's share of the profit or loss of the associate is included in the Shire's profit or loss.

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.

## 21. MAJOR LAND TRANSACTIONS

No Major Land Transactions were undertaken in the 2018/19 Financial Year.

## 22. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

No Trading Undertakings and Major Trading Undertakings were undertaken in the 2018/19 Financial Year.

## SHIRE OF MINGENEW NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30TH JUNE 2019

### 23. CONDITIONS OVER GRANTS/CONTRIBUTIONS

Grant/Contribution	Opening Balance (1) 1/07/17	Received (2) 2017/18	Expended (2) 2017/18	Closing Balance (1) 30/06/18	Received (2) 2018/19	Expended (2) 2018/19	Closing Balance 30/06/19
	\$	\$	\$	\$	\$	\$	\$
<b>General purpose funding</b>							
Grants Commission - Special Purpose Grant	210,000	0	0	210,000	0	(163,334)	46,666
Grants Commission - Special Purpose Grant	0	498,000	0	498,000	0	(398,000)	100,000
<b>Community amenities</b>							
Department of Planning - Town Revitalisation Plan	60,000	0	(60,000)	0	0	0	0
Department of Planning - Town Planning Scheme	25,000	0	(25,000)	0	0	0	0
MidWest Development Commission - Transfer Station	45,000	0	(45,000)	0	0	0	0
<b>Recreation and culture</b>							
MidWest Development Commission - Museum Upgrade	13,712	0	(13,712)	0	0	0	0
Lotterywest - Little Well Project	13,580	0	0	13,580	0	(13,580)	0
Department of LG & Communities - Oval Lighting	50,000	0	(50,000)	0	0	0	0
<b>Transport</b>							
Department of Infrastructure - Roads to Recovery	151,206	983	(152,189)	0	0	0	0
Main Roads WA - RRG Mingenew Mullewa Road	0	0	0	0	238,934	(70,765)	168,169
<b>Economic services</b>							
Department Local Government, Sport & Cultural Industries - North	0	0	0	0	5,000	(2,111)	2,889
Midlands Trails Master Plan	0	0	0	0	0	0	0
<b>Total</b>	<b>568,498</b>	<b>498,983</b>	<b>(345,901)</b>	<b>721,580</b>	<b>243,934</b>	<b>(647,790)</b>	<b>317,724</b>

Notes:

(1) - Grants/contributions recognised as revenue in a previous reporting period which were not expended in the scope 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 expensed in the current reporting period.

(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.



24. RATING INFORMATION

(a) Rates

RATE TYPE	Differential general rate / general rate	Rate in \$	Number of Properties	2018/19		2019/19		2018/19		2019/19		2018/19		2017/18	
				Actual Rateable Value	Actual Rateable Value	Actual Rateable Value	Actual Rateable Value	Actual Rateable Value	Actual Rateable Value	Actual Rateable Value	Actual Rateable Value	Actual Rateable Value	Actual Rateable Value	Actual Rateable Value	Actual Rateable Value
Gross rental valuations															
GRV - Mingenew		0.148035	127	1,103,699	164,490	3,453	(325)	167,618	164,490	164,490	164,490	162,135			
GRV - Yandianooka		0.148035	2	13,864	2,069	0	0	2,069	2,069	2,069	2,069	2,019			
GRV - Commercial		0.148035	14	349,700	52,118	349	0	52,467	52,118	52,118	52,118	50,846			
GRV - Industrial		0.148035	1	12,480	1,860	0	188	2,058	1,860	1,860	1,860	1,815			
Unimproved valuations															
UV - Rural & Mining		0.015684	115	110,855,505	1,517,368	102	0	1,517,500	1,516,947	1,516,947	1,516,947	1,479,325			
UV - Mining		0.015684	0	0	0	0	0	0	0	0	0	0			
Sub-Total			259	112,335,268	1,737,935	3,904	(127)	1,741,712	1,737,484	1,737,484	1,737,484	1,696,140			
Minimum payment															
Gross rental valuations															
GRV - Mingenew		700	64	28,162	44,800	1,400	(235)	45,955	44,800	44,800	44,800	43,648			
GRV - Yandianooka		700	0	0	0	0	0	0	0	0	0	0			
GRV - Commercial		700	9	6,200	6,300	0	0	6,300	6,300	6,300	6,300	6,138			
GRV - Industrial		700	2	1,850	1,400	0	0	1,400	1,400	1,400	1,400	1,364			
Unimproved valuations															
UV - Rural & Mining		1,050	23	691,585	24,150	0	0	24,150	24,150	24,150	24,150	23,575			
UV - Mining		1,050	8	27,199	8,400	1,050	407	9,857	8,400	8,400	8,400	8,200			
Sub-Total			108	755,008	85,050	2,450	172	87,872	85,050	85,050	85,050	82,925			
Discounts/concessions (refer Note 24(b))			365	113,090,274	1,822,985	6,354	45	1,829,384	1,822,534	1,822,534	1,822,534	1,779,065			
Total amount raised from general rate															
Ex-gratia rates															
Totals															

SIGNIFICANT ACCOUNTING POLICIES

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

24. RATING INFORMATION (Continued)

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

Waivers or Concessions

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

Concession is Granted	Type	Discount %	Discount \$	2019 Actual \$	2019 Budget \$	2018 Actual \$
Yandanooka Townsite	Concession	50.00%	1,035	1,035	1,035	1,009
Murchison Regional Aboriginal Corporation	Concession	80.00%	0	0	0	1,467
				1,035	1,035	2,476

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

Concession is Granted	Circumstances in which the Waiver or Concession is Granted and to whom it was available	Objects and/or Reasons for the Waiver or Concession
Yandanooka Townsite	Recognise the reduced level of services	Recognise the reduced level of services
Murchison Regional Aboriginal Corporation	Charitable organisation	Compliance with the Local Government Act 1995

## 24. RATING INFORMATION (Continued)

### (c) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan	Instalment Plan	Unpaid Rates
		Admin Charge	Interest Rate	Interest Rate
		\$	%	%
<b>Option One</b>				
Single full payment	05 Oct 2018	0.00	0.00%	11.00%
<b>Option Two</b>				
First instalment	05 Oct 2018	0.00	5.50%	11.00%
Second instalment	06 Dec 2018	15.00	5.50%	11.00%
<b>Option Three</b>				
First instalment	05 Oct 2018	0.00	5.50%	11.00%
Second instalment	06 Dec 2018	15.00	5.50%	11.00%
Third instalment	07 Feb 2019	15.00	5.50%	11.00%
Fourth instalment	08 Apr 2019	15.00	5.50%	11.00%
		2019 Actual	2019 Budget	2018 Actual
		\$	\$	\$
Interest on unpaid rates		13,508	12,250	19,335
Charges on instalment plan		2,625	3,200	2,490
		<u>16,133</u>	<u>15,450</u>	<u>21,825</u>

## 25. RATE SETTING STATEMENT INFORMATION

Note	2018/19	2018/19	2018/19	
	(30 June 2019)	Budget (30 June 2018)	(1 July 2018)	
	Carried Forward)	Carried Forward)	Brought Forward)	
	\$	\$	\$	
<b>(a) Non-cash amounts excluded from operating activities</b>				
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .				
<b>Adjustments to operating activities</b>				
Less: Profit on asset disposals	11(a)	(48,551)	(50,000)	0
Less: Fair value adjustments to financial assets through profit or loss		(52,543)	0	0
Movement in pensioner deferred rates (non-current)		181	0	(8,068)
Movement in employee benefit provisions		(89,040)	0	(25,749)
Add: Loss on disposal of assets	11(a)	0	0	15,098
Add: Depreciation on assets	11(b)	1,427,014	1,850,261	1,754,977
<b>Non cash amounts excluded from operating activities</b>		<u>1,237,041</u>	<u>1,800,281</u>	<u>1,736,258</u>
<b>(b) Surplus/(deficit) after imposition of general rates</b>				
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.				
<b>Adjustments to net current assets</b>				
Less: Reserves - restricted cash	3	(308,491)	(304,036)	(406,325)
Less: Cost of acquisition	6	(40,394)	(40,394)	(40,394)
Add: Borrowings	14(a)	158,166	155,204	115,473
Add: Provision for Annual Leave	15	74,656	77,168	77,168
Add: Provision for Long Service Leave	15	61,305	153,846	137,151
<b>Total adjustments to net current assets</b>		<u>(54,758)</u>	<u>41,788</u>	<u>(116,927)</u>
<b>Net current assets used in the Rate Setting Statement</b>				
Total current assets		1,877,723	500,144	2,162,867
Less: Total current liabilities		(626,909)	(541,932)	(547,029)
Less: Total adjustments to net current assets		(54,758)	41,788	(116,927)
<b>Net current assets used in the Rate Setting Statement</b>		<u>1,196,056</u>	<u>0</u>	<u>1,498,911</u>

## 26. FINANCIAL RISK MANAGEMENT

This note explains the Shire's exposure to financial risks and how these risks could affect the Shire's future financial performance.

Risk	Exposure arising from	Measurement	Management
Market risk - Interest rate	Cash and cash equivalents and long term borrowings at variable rates	Sensitivity analysis	Utilise fixed interest rate borrowings and term deposits
Credit risk	Cash and cash equivalents, trade receivables, other financial assets and debt investments	Aging analysis Credit analysis	Diversification of bank deposits, credit limits, investment policy
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

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 finance area identifies, evaluates and manages financial risks in close co-operation with the operating divisions. Council have approved the overall risk management policy and provide policies on specific areas such as investment policy.

### (a) Interest rate risk

#### Cash and cash equivalents

The Shire's main interest rate risk arises from cash and cash equivalents with variable interest rates, which exposes the Shire to cash flow interest rate risk. Short term overdraft facilities also have variable interest rates however these are repaid within 12 months, reducing the risk level to minimal.

Excess cash and cash equivalents are invested in fixed interest rate term deposits which do not expose the Shire to cash flow interest rate risk. Cash and cash equivalents required for working capital are held in variable interest rate accounts and non-interest bearing accounts. Carrying amounts of cash and cash equivalents at the 30 June and the weighted average interest rate across all cash and cash equivalents and term deposits held disclosed as financial assets at amortised cost are reflected in the table below.

	Weighted Average Interest Rate	Carrying Amounts	Fixed Interest Rate	Variable Interest Rate	Non Interest Bearing
	%		\$	\$	\$
<b>2019</b>					
Cash and cash equivalents	1.66%	1,508,858	860,436	648,422	0
<b>2018</b>					
Cash and cash equivalents	1.25%	2,034,227	989,824	1,044,403	0

#### Sensitivity

Profit or loss is sensitive to higher/lower interest income from cash and cash equivalents as a result of changes in interest rates.

	2019	2018
	\$	\$
Impact of a 1% movement in interest rates on profit and loss and equity*	6,484	10,444

\* Holding all other variables constant.

#### Borrowings

Borrowings are subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs. The Shire manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation. The Shire does not consider there to be any interest rate risk in relation to borrowings. Details of interest rates applicable to each borrowing may be found at Note 14(b).

## 26. FINANCIAL RISK MANAGEMENT (Continued)

### (b) Credit risk

#### Trade Receivables

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

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

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

The Shire applies the AASB 9 simplified approach to measuring expected credit losses using a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, rates receivable are separated from other trade receivables due to the difference in payment terms and security for rates receivable.

The expected loss rates are based on the payment profiles of rates and fees and charges over a period of 36 months (12 months for 2018/19) before 1 July 2018 or 1 July 2019 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as the ability of ratepayers and residents to settle the receivables. Housing prices and unemployment rates have been identified as the most relevant factor in repayment rates, and accordingly adjustments are made to the expected credit loss rate based on these factors. There are no material receivables that have been subject to a re-negotiation of repayment terms.

The loss allowance as at 30 June 2019 and 1 July 2018 (on adoption of AASB 9) was determined as follows for rates receivable. No expected credit loss was forecast on 1 July 2018 or 30 June 2019 for rates receivable as penalty interest applies to unpaid rates and properties associated with unpaid rates may be disposed of to recover unpaid rates.

	Current	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total
<b>30 June 2019</b>					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	3,676	10,896	8,067	8,076	30,715
Loss allowance	0	0	0	0	0

#### 01 July 2018

Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	4,038	32,437	9,684	8,408	54,767
Loss allowance	0	0	0	0	0

The loss allowance as at 30 June 2019 and 1 July 2018 (on adoption of AASB 9) was determined as follows for sundry receivables.

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
<b>30 June 2019</b>					
Sundry Receivables					
Expected credit loss	0.52%	0.56%	91.91%	50.95%	
Gross carrying amount	182,521	1,076	1,941	4,675	190,213
Loss allowance	949	6	1,784	2,382	5,121
<b>01 July 2018</b>					
Sundry Receivables					
Expected credit loss	0.00%	24.38%	0.00%	29.52%	
Gross carrying amount	16,073	1,300	0	4,295	21,668
Loss allowance	0	317	0	1,268	1,585

## 26. FINANCIAL RISK MANAGEMENT (Continued)

### (c) Liquidity risk

#### 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 and disclosed in Note 14(c).

The contractual undiscounted cash flows of the Shire's payables and borrowings are set out in the liquidity table below. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

The amount of payables excludes payables to the ATO (statutory payable).

	Due withjn 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
<b>2019</b>					
Payables	275,546	0	0	275,546	275,546
Borrowings	168,414	336,828	0	505,242	486,076
	443,960	336,828	0	780,788	761,622
<b>2018</b>					
Payables	179,784	0	0	179,784	179,784
Borrowings	168,414	505,243	0	673,657	640,504
	348,198	505,243	0	853,441	820,288

## 27. TRUST FUNDS

There are no funds held at the balance date which are required to be held in the trust fund.

In previous years, bonds and deposits were held as trust monies. They are now included in Restricted cash at Note 3 and shown as a current liability at Note 13.

	1 July 2018	Amounts Received	Amounts Paid	Reclassification to Restricted Cash	30 June 2019
	\$	\$	\$		\$
BCITF Levy	495	754	0	(1,249)	0
BRB Levy	1	1,035	(401)	(635)	0
Councillor Nomination Deposit	0	160	0	(160)	0
Autumn Committee	974	0	0	(974)	0
Community Bus	2,200	1,245	(400)	(3,045)	0
ANZAC Day Breakfast Donation	501	0	0	(501)	0
Building Relocation Bond	1,000	0	0	(1,000)	0
MidWest Industry Road Safety Alliance	38,009	0	(38,009)	0	0
Mingenew Cemetery Group	4,314	0	0	(4,314)	0
Housing Bonds	1,428	0	(1,428)	0	0
Cool Room Bonds	530	0	0	(530)	0
Outdoor Camera Bonds	350	0	0	(350)	0
Other Bonds	200	0	0	(200)	0
Rates Incentive Prizes	100	0	0	(100)	0
Tree Planter - LCDC	88	0	0	(88)	0
Weary Dunlop Memorial	87	0	0	(87)	0
Mingenew P&C - NBN Rental	6,376	0	(6,376)	0	0
Joan Trust	6	0	0	(6)	0
Youth Advisory Council	746	0	0	(746)	0
Centenary Committee	897	0	0	(897)	0
Community Christmas Tree	432	0	0	(432)	0
Seniors Donations	50	0	0	(50)	0
	58,784	3,194	(46,614)	(15,364)	0

## 28. INITIAL APPLICATION OF AUSTRALIAN 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 associated with the amendment of existing standards, the only new standard with material application is AASB 9 *Financial Instruments*.

### AASB 9 Financial Instruments

AASB 9 *Financial Instruments* replaces AASB 139 *Financial Instruments: Recognition and Measurement* for annual reporting periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Shire applied AASB 9 prospectively, with an initial application date of 1 July 2018. The adoption of AASB 9 has resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. In accordance with AASB 9.7.2.15, the Shire has not restated the comparative information which continues to be reported under AASB 139. Differences arising from adoption have been recognised directly in accumulated surplus/(deficit).

#### (a) Classification and measurement

Under AASB 9, financial assets are subsequently measured at amortised cost, fair value through other comprehensive income (fair value through OCI) or fair value through profit or loss (fair value through P/L). The classification is based on two criteria: the Shire's business model for managing the assets; and whether the assets' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

The assessment of the Shire's business model was made as of the date of initial application, 1 July 2018. The assessment of whether contractual cash flows on financial assets are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The classification and measurement requirements of AASB 9 did not have a significant impact on the Shire. The following are the changes in the classification of the Shire's financial assets:

- Trade receivables and Loans and advances (i.e. Other debtors) classified as Loans and receivables as at 30 June 2018 are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are classified and measured as Financial assets at amortised cost beginning 1 July 2018.

In summary, upon the adoption of AASB 9, the Shire had the following required (or elected) reclassifications as at 1 July 2018:

AASB 139 category	AASB 139 value	AASB 9 category amortised cost	Fair value through OCI	Fair value through P/L
	\$	\$	\$	\$
<b>Loans and receivables</b>				
Trade receivables*	74,850	74,850	0	0
Other financial assets	8	0	0	8
	74,858	74,850	0	8

\* Excludes GST receivable

#### (b) Impairment

The adoption of AASB 9 has fundamentally changed the Shire's accounting for impairment losses for financial assets by replacing AASB 139's incurred loss approach with a forward-looking expected credit loss (ECL) approach. AASB 9 requires the Shire to recognise an allowance for ECLs for all financial assets not held at fair value through P/L. Upon adoption of AASB 9, there are immaterial changes to the impairment on the Shire's Trade Receivables.

## 29. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS FOR APPLICATION IN FUTURE YEARS

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.

This note explains management's assessment of the new and amended pronouncements that are relevant to the Shire, 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*. These standards are applicable to future reporting periods and have not yet been adopted.

The Shire is in the process of assessing the impact of these standards.

#### (a) Revenue from Contracts with Customers

The Shire will adopt AASB 15 *Revenue from Contracts with Customers* and AASB 1058 *Income for Not for Profit Entities* (issued December 2014) on 1 July 2019 resulting in changes in accounting policies.

In accordance with the transition provisions AASB 15, the Shire will adopt the new rules retrospectively with the cumulative effect of initially applying these rules recognised on 1 July 2019.

AASB 15 introduces a five step process for revenue recognition with the core principle of the new Standard being for entities to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the entity expects to be entitled in exchange for those goods or services as performance obligations have been met as specified in the contracts with customers.

#### (b) Leases

The Shire will adopt AASB 16 from 1 July 2019 resulting in changes in accounting policies. In accordance with the transition provisions of AASB 16, the Shire will apply this Standard to its leases retrospectively, with the cumulative effect of initially applying AASB 16 recognised on 1 July 2019.

AASB 16 will cause the majority of leases of an entity to be brought onto the statement of financial position. There are limited exceptions relating to short term leases and low value assets which may remain off balance sheet. The calculation of the lease liability will take into account appropriate discount rates, assumptions about lease term and increases in lease payments.

A corresponding right to use asset will be recognised which will be amortised over the term of the lease. Rent expenses will no longer be shown, the profit and loss impact of the leases will be through amortisation and interest charges.

SHIRE OF MINGENEW  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2019

30. PRIOR PERIOD ADJUSTMENTS

a) Change in Accounting Policy

On the 26 June 2018 Paragraph 17A (3) was inserted into Local Government (Financial Management) Regulations, 1996. The regulation stated an asset is to be excluded from the assets of a local government if its fair value at the date of acquisition by the local government is under \$5,000. The adoption of the regulation constitutes a change in accounting policy.

The Shire has previously included assets with a fair value of under \$5,000 at the time of acquisition within the assets of the Shire.

b) Correction of Prior Period Error

The error relates to the value of the property shown in the Joint Arrangement (see Note 20) with the Housing Authority that was incorrectly shown at 100% of the value instead of the Shire's portion of 18.54% when the property was revalued in 2017.

The Shire has retrospectively adjusted prior year balances by restating each of the affected financial statement line items for the prior periods as outlined in the table below:

Statement of Financial Position (Extract)	30 June 2016 (Previously Reported)	Change in Accounting Policy		30 June 2016 (Restated)	30 June 2017 (Previously Reported)	Change in Accounting Policy		30 June 2017 (Restated)
		Correction of Error (Increase) 2017	Change in Accounting Policy (Decrease) Relating to 2017			Correction of Error (Decrease) 2018	Change in Accounting Policy (Increase) Relating to 2018	
Property, plant and equipment	11,599,264	(358,719)	(147,817)	11,192,728	11,559,704	(358,719)	(147,817)	11,153,168
Infrastructure	34,708,778	0	(151,822)	34,556,956	26,203,958	0	(151,822)	26,052,136
Net assets	47,417,432	(358,719)	(299,439)	46,759,274	37,763,662	(358,719)	(299,439)	37,105,504
Revaluation Surplus	18,113,000	(358,719)	965,983	18,719,264	9,960,129	(358,719)	965,983	10,267,393
Retained earnings	28,898,097	0	(965,122)	27,932,975	28,653,488	0	(965,122)	27,688,366
Total equity	47,417,432	(358,719)	(299,439)	46,759,274	37,763,662	(358,719)	(299,439)	37,105,504

Statement of Comprehensive Income (Extract)	2018 (Previously Reported)	Change in Accounting Policy		2018 (Restated)
		Correction of Error (Decrease)	Change in Accounting Policy (Increase)	
By Nature or Type				
Depreciation	(1,785,304)	(10,327)	(1,754,977)	
By program				
Expenses				
Governance	(286,110)	(5,908)	(292,018)	
General purpose funding	(58,310)	0	(58,310)	
Law, order, public safety	(124,509)	(347)	(124,212)	
Health	(73,570)	(242)	(73,328)	
Education and welfare	(59,532)	(335)	(60,197)	
Housing	(194,989)	(2,153)	(197,142)	
Community amenities	(240,644)	(2,398)	(243,042)	
Recreation and culture	(1,063,348)	(11,457)	(1,074,805)	
Transport	(2,061,919)	19,119	(2,042,800)	
Economic services	(283,353)	(3,022)	(286,375)	
Other property and services	292,561	(2,884)	289,677	
Net result for the period	264,469	(10,327)	254,142	
Other Comprehensive Income				
Changes in revaluation of Non-Current Assets	8,152,870	17,292	8,170,162	
Total Other Comprehensive Income	8,152,870	17,292	8,170,162	

SHIRE OF MINGENEW  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2019

31. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) Goods and services tax (GST)

Debtors, receivables and assets, other than those in a GST free supply chain, are reported net of GST. The amount of GST payable is recognised within the provision for income taxes (191).

Receivables and payables are stated net of GST. The net of GST payable is reported within the provision for income taxes. The amount of GST payable is reported within the provision for income taxes.

Liabilities are reported net of GST. The GST component is reported within the provision for income taxes. The amount of GST payable is reported within the provision for income taxes.

b) Defined and undervalued assets

The value of property is determined as at the end of the reporting period. The value of property is determined as at the end of the reporting period. The value of property is determined as at the end of the reporting period. The value of property is determined as at the end of the reporting period.

c) Rounding off figures

All figures are rounded to the nearest dollar. All figures are rounded to the nearest dollar. All figures are rounded to the nearest dollar. All figures are rounded to the nearest dollar.

d) Cooperative entities

When the Shire is a member of a cooperative entity, the Shire's share of the net assets of the cooperative entity is reported within the provision for income taxes. The amount of the Shire's share of the net assets of the cooperative entity is reported within the provision for income taxes.

When the Shire is a member of a cooperative entity, the Shire's share of the net assets of the cooperative entity is reported within the provision for income taxes. The amount of the Shire's share of the net assets of the cooperative entity is reported within the provision for income taxes.

e) Study of comparative figures

Unless otherwise stated, the dollar amounts are in thousands of dollars. Unless otherwise stated, the dollar amounts are in thousands of dollars. Unless otherwise stated, the dollar amounts are in thousands of dollars. Unless otherwise stated, the dollar amounts are in thousands of dollars.

f) Superannuation

The Shire contributes to a number of superannuation funds on behalf of employees. All funds are included in the Shire's financial statements. All funds are included in the Shire's financial statements. All funds are included in the Shire's financial statements.

g) Fair value of assets and liabilities

The Shire's financial statements are prepared on a going concern basis. The Shire's financial statements are prepared on a going concern basis. The Shire's financial statements are prepared on a going concern basis. The Shire's financial statements are prepared on a going concern basis.

An asset is a market-based measure. The Shire's financial statements are prepared on a going concern basis. The Shire's financial statements are prepared on a going concern basis. The Shire's financial statements are prepared on a going concern basis. The Shire's financial statements are prepared on a going concern basis.

To the extent possible, market information is extracted from either the principal market for the asset or liability or, in the absence of the principal market, the most advantageous market available to the Shire at the end of the reporting period. To the extent possible, market information is extracted from either the principal market for the asset or liability or, in the absence of the principal market, the most advantageous market available to the Shire at the end of the reporting period.

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 could use the asset in its highest and best use.

The Shire's financial statements are prepared on a going concern basis. The Shire's financial statements are prepared on a going concern basis. The Shire's financial statements are prepared on a going concern basis. The Shire's financial statements are prepared on a going concern basis.

Level 1

Quoted market prices in active markets for identical assets or liabilities that the Shire can access at the measurement date.

Level 2

Inputs other than quoted market prices that are observable for the asset or liability, either directly or indirectly, to which the Shire has access at the measurement date.

Level 3

Inputs that are not based on observable market data. The Shire's financial statements are prepared on a going concern basis. The Shire's financial statements are prepared on a going concern basis. The Shire's financial statements are prepared on a going concern basis.

The Shire's financial statements are prepared on a going concern basis. The Shire's financial statements are prepared on a going concern basis. The Shire's financial statements are prepared on a going concern basis. The Shire's financial statements are prepared on a going concern basis.

Valuation techniques

The Shire's financial statements are prepared on a going concern basis. The Shire's financial statements are prepared on a going concern basis. The Shire's financial statements are prepared on a going concern basis. The Shire's financial statements are prepared on a going concern basis.

Market approach

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Income approach

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Cost approach

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Requirement of assets

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Requirement of liabilities

The Shire's financial statements are prepared on a going concern basis. The Shire's financial statements are prepared on a going concern basis. The Shire's financial statements are prepared on a going concern basis. The Shire's financial statements are prepared on a going concern basis.

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### 32. ACTIVITIES/PROGRAMS

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

PROGRAM NAME AND OBJECTIVES	ACTIVITIES
<b>GOVERNANCE</b> To provide a decision making process for the efficient allocation of scarce resources.	Administration and operation of facilities and services to members of council, other clubs that relate to the role of assisting elected members and ratepayers in matters which do not concern specific Council services.
<b>GENERAL PURPOSE FUNDING</b> To collect revenues to allow for the provision of services.	Rates, general purpose government grants and interest revenue.
<b>LAW, ORDER, PUBLIC SAFETY</b> To provide services to help ensure a safer community.	Fire prevention, animal control and inspectors.
<b>HEALTH</b> To provide services to help ensure a safer community.	Food quality, pest control and inspectors.
<b>EDUCATION AND WELFARE</b> To meet the needs of the community in these areas.	Includes education programs, youth based activities, care of families, the aged and disabled.
<b>HOUSING</b> Provide housing services required by the community and for staff.	Maintenance of staff, aged and rental housing.
<b>COMMUNITY AMENITIES</b> Provide services required by the community.	Rubbish collection services, landfill maintenance, townsite storm water drainage control and maintenance, administration of the Town Housing Scheme and maintenance of cemeteries.
<b>RECREATION AND CULTURE</b> To establish and manage efficiently infrastructure and resources which will help the social wellbeing of the community.	Maintenance of halls, recreation centres and various reserves, operation of library, support of community events and matters relating to heritage.
<b>TRANSPORT</b> To provide effective and efficient transport services to the community.	Construction and maintenance of streets, roads and footpaths, traffic signs and depot maintenance.
<b>ECONOMIC SERVICES</b> To help promote the Shire and improve its economic wellbeing.	The regulation and provision of tourism, area promotion, building control and noxious weeds.
<b>OTHER PROPERTY AND SERVICES</b> To provide effective and efficient administration, works operations and plant and fleet services.	Private works operations, plant repairs and operational costs, Administration overheads.

### 33. FINANCIAL RATIOS

	2019 Actual	2018 Actual (Restated)	2017 Actual (Restated)
Current ratio	2.21	2.13	2.38
Asset consumption ratio	0.95	0.98	0.63
Asset renewal funding ratio	0.87	0.38	0.39
Asset sustainability ratio	2.68	1.18	0.83
Debt service cover ratio	5.37	5.61	3.97
Operating surplus ratio	(0.18)	(0.31)	(0.39)
Own source revenue coverage ratio	0.69	0.63	0.54

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	$\frac{\text{capital renewal and replacement expenditure}}{\text{depreciation}}$
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	$\frac{\text{own source operating revenue}}{\text{operating expense}}$

Three of the ratios disclosed above were distorted by the entry receipt of Financial Assistance Grant

	2019 \$	2018 \$	2017 \$
Amount of Financial Assistance Grant received during the year relating to the subsequent year.	330,005	318,719	309,762
Amount of Financial Assistance Grant received in prior year relating to the current year.	318,719	309,762	0
	2019	2018 (Restated)	2017 (Restated)
Current ratio	2.23	2.11	1.88
Debt service cover ratio	5.30	5.66	2.95
Operating surplus ratio	(0.18)	(0.33)	(0.50)



## Auditor General

### INDEPENDENT AUDITOR'S REPORT

To the Councillors of the Shire of Mingenew

#### Report on the Audit of the Financial Report

##### Opinion

I have audited the annual financial report of the Shire of Mingenew which comprises the Statement of Financial Position as at 30 June 2019, 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 Mingenew:

- (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 2019 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 annual 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 annual financial report, which describes the basis of accounting. The annual financial report has been prepared for the purpose of fulfilling the Shire's annual financial reporting responsibilities under the Act. Regulation 16 of the *Local Government (Financial Management) Regulations 1996*, 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 an annual financial report that is free from material misstatement, whether due to fraud or error.

In preparing the annual 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 annual 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 annual 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 annual 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 annual 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 annual financial report, including the disclosures, and whether the annual financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

##### Report on Other Legal and Regulatory Requirements

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

- (i) In my opinion, the following material matter indicates significant adverse trend in the financial position of the Shire:
  - a. The Operating Surplus Ratio has been below the Department of Local Government, Sport and Cultural Industries standard for the past three years.  
The financial ratios are reported in Note 33 of the financial report.
- (ii) All required information and explanations were obtained by me.
- (iii) All audit procedures were satisfactorily completed.
- (iv) In my opinion, the Asset Consumption Ratio and Asset Renewal Funding Ratio included in the annual financial report were supported by verifiable information and reasonable assumptions.



**Other Matter**

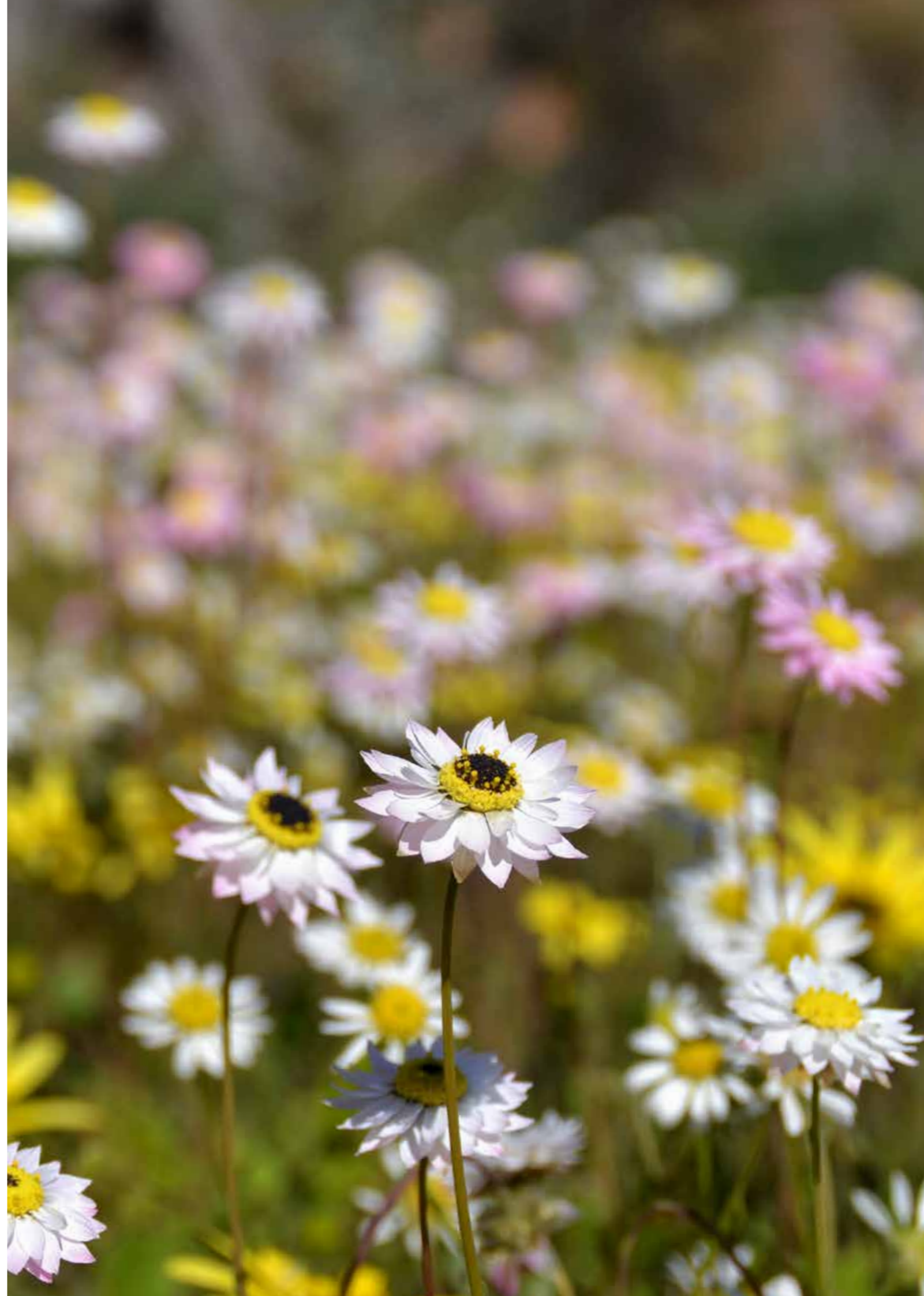
The annual financial report of the Shire for the year ended 30 June 2018 was audited by another auditor who expressed an unmodified opinion on that annual financial report. The financial ratios for 2017 and 2018 in Note 33 of the audited annual financial report were included in the supplementary information and/or audited annual financial report for those years.

**Matters Relating to the Electronic Publication of the Audited Financial Report**

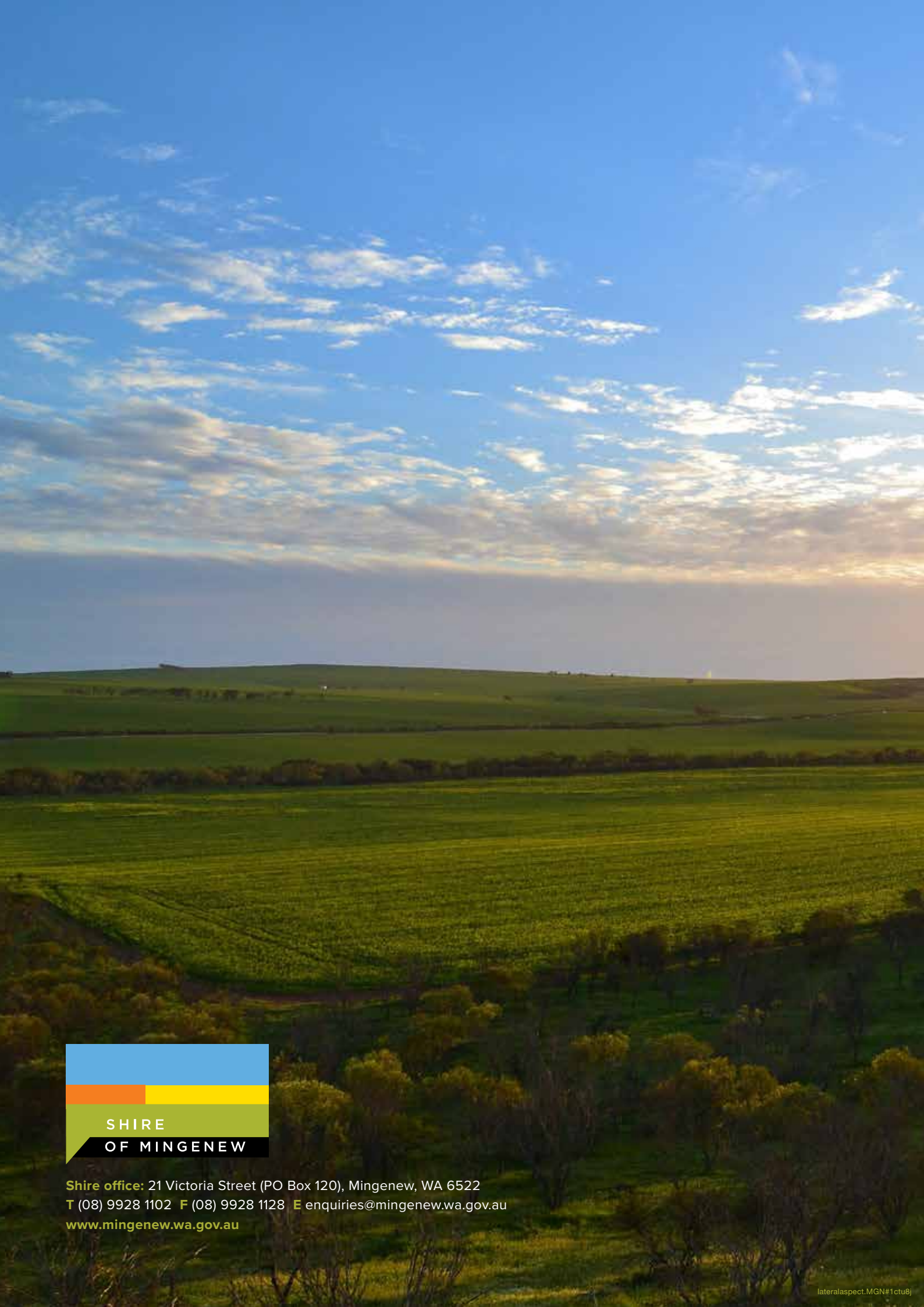
This auditor's report relates to the annual financial report of the Shire of Mingenew for the year ended 30 June 2019 included on the Shire's website. The Shire's management is responsible for the integrity of the Shire's website. This audit does not provide assurance on the integrity of the Shire's website. The auditor's report refers only to the annual financial report described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this annual financial report. If users of the annual 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 annual financial report to confirm the information contained in this website version of the annual financial report.



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







**Shire office:** 21 Victoria Street (PO Box 120), Mingenew, WA 6522  
**T** (08) 9928 1102 **F** (08) 9928 1128 **E** [enquiries@mingenew.wa.gov.au](mailto:enquiries@mingenew.wa.gov.au)  
[www.mingenew.wa.gov.au](http://www.mingenew.wa.gov.au)