

# Annual Report 2018-2019



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# Shire of Broomehill-Tambellup

## 2018-2019 Annual Report

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### FINANCIAL REPORT

Statement by the Chief Executive Officer

2018-2019 Financial Report

Independent Audit Report

## SHIRE PRESIDENT'S REPORT



It gives me great pleasure to present the 2018-2019 Presidents Report.

Firstly I'd like to thank all my fellow Councillors of the Broomehill-Tambellup Shire. My Deputy Cr. Paganoni, Cr. Sheridan, Cr. White, Cr. Letter, Cr. Holzknecht and Cr. Nazzari have all done a fantastic job dedicating their time and energy to this great Shire we have.

Also, a big thank you goes out to our CEO, Keith Williams for his support to myself and the Council. For the short time Keith has been with us, he has earned the respect from his staff and all our neighbouring shire peers. Keith has also been contributing very well to his new local community.

It is good to see the Tambellup Pavilion getting some great use. Since the build we have added the nature playground in February 2019. The committee are doing a fantastic job of managing the pavilion and it's great to see they are taking ownership of this fantastic asset we've added to the community.

Again this year we've had a mammoth road works program and our Manager of Works, Peter Vlahov, is doing a great job with the works crew. There is a refreshing culture throughout his team due to his good management.

Some of the main jobs we've achieved this year is the reseal of Warrenup Road, South Pallinup Rd, Tambellup West Rd, Flat Rocks Rd, Morgan Rd and Maguire Road. All these jobs have been completed in good time and at an excellent standard, thanks to Peter and his team.

Broomehill-Tambellup have also partnered with six other local shires in the region to secure State and Federal funding in excess of \$22 million that will see 52 homes constructed across the region over the next twelve months. This is a fantastic opportunity for our shire to boost the standard of housing to our staff and allowing us to release more good quality houses to the community to buy. This is very important that we continue to build quality housing to keep people in our community and encourage new people to this great region we all appreciate and enjoy.

This project will allow us to build the following;

- **Broomehill Independent Living Units:**  
Four 2x1 units to be constructed at Reserve 6730 Lot 368 Morgan Road
- **Key Worker Accommodation:**  
One 1x1 chalet and one 2x1 chalet to be constructed at the Broomehill Caravan Park  
One 4x2 dwelling to be constructed at Lot 6 Latham Street Broomehill  
One 3x2 dwelling to be constructed at Lot 12 Leven Street Broomehill  
One 3x2 dwelling to be constructed at Lot 8 Taylor Street Tambellup
- **Government Regional Officers Housing:**  
One 4x2 dwelling to be constructed at Lot 384 Parnell Street Tambellup  
Two 3x2 dwellings to be constructed at Lot 22 Taylor Street Tambellup

There is a growing realization in Local Government, that we have something special to offer here in the Great Southern. Recently we have introduced the RV Park into Tambellup for short staying caravanners. And we are starting to work collaboratively with our neighbouring shires to develop tourism as a growing industry here. It's important that we all appreciate what we have to offer here to our visitors and encourage them to return as visitors or even for the long term.

I would also like to congratulate all those involved in bringing the Broomehill Markets and the Ute Muster to town in March. All these events take a lot of work, but it is very rewarding when outsiders visit our little towns and walk away looking forward to another opportunity to return.

Thank you again to those that support to myself as president. I'm really enjoying it!

Scott Thompson  
SHIRE PRESIDENT



Citizenship Ceremonies held in the Tambellup  
Council Chambers - 2018-2019



## CHIEF EXECUTIVE OFFICER'S REPORT



I am proud to present the 2018/2019 annual report.

The Shire of Broomehill-Tambellup again delivered a balanced budget for the 2018/2019 financial year. The increase in rates was lower than previous years, the decreases a result of efficiency improvements and savings, as well as recognition that rates increases had been consistent for many years.

We continuously look for ways to provide these services while keeping costs down, and while our costs continue to increase at a rate higher than CPI, and we must maintain the level of service we provide, we are always cognisant of ensuring our services are the best we can provide cost effectively.

The budget delivered provided for continuation of major road projects and maintenance, as well as several construction projects. Roads continue to be the major focus of our work, and we are always advocating for additional road funding so that we can improve local government roads, and we also advocate for improvements to State Government roads as well.

Last year there was a year of change in the administration, which has remained steady this year, while the works crew have experienced a lot of upheaval this year.

Much loved team member Tim Williamson tragically lost his life in a motor vehicle accident in October. Tim was highly regarded in the organisation and in the works crew especially, and this loss was heartbreaking for our tightknit workforce. He will be missed greatly.

New works manager Peter Vlahov has continued to make small but valuable changes to the works crew's operations, and our already good roads have improved, and positive feedback about our roads has increased.

Other changes in the works crew include Max Barrett being appointed to a full time position after completing his traineeship in Parks and Gardens, and Brayden Baynes being appointed as apprentice mechanic. Justin Lennox joined our team in the maintenance crew, replacing Damon Powell, who left to pursue a career in small business.

The Great Southern Housing Initiative was finally underway when the Building Better Regions Fund financial agreement was executed on 16 January 2019.

This project involves the Shires of Broomehill-Tambellup, Cranbrook, Gnowangerup, Katanning, Kent, Kojonup, Jerramungup and the Ongerup Community Development group, and will see the construction of 52 key worker homes and independent living units in towns within those Shires.

The project has been funded by the Building Better Regions Fund (through the Shire of Broomehill-Tambellup) and the Regional Aged Accommodation Program (through the Shire of Kojonup). All project partners have contributed land, cash and in kind works to match the external funding.

In Broomehill and Tambellup, the project will see the construction of six key worker houses, four independent living units and two short stay accommodation units at the Broomehill Caravan Park.



A contaminated site has been identified where two of the dwellings are proposed, and significant work has commenced to remove the contaminated material. The contamination is considered low level, however, State regulation requires the Shire to remove the contamination.

Preliminary sites works and head works have commenced, with clearing and delivery of sand and gravel delivered to the first few building sites, and tenders have been awarded and contracts have been drafted for the 10 dwellings proposed for our Shire. Construction work commences shortly!

A review of the Local Government Act was commenced by the State Government, and we await any of the outcomes that will affect us.

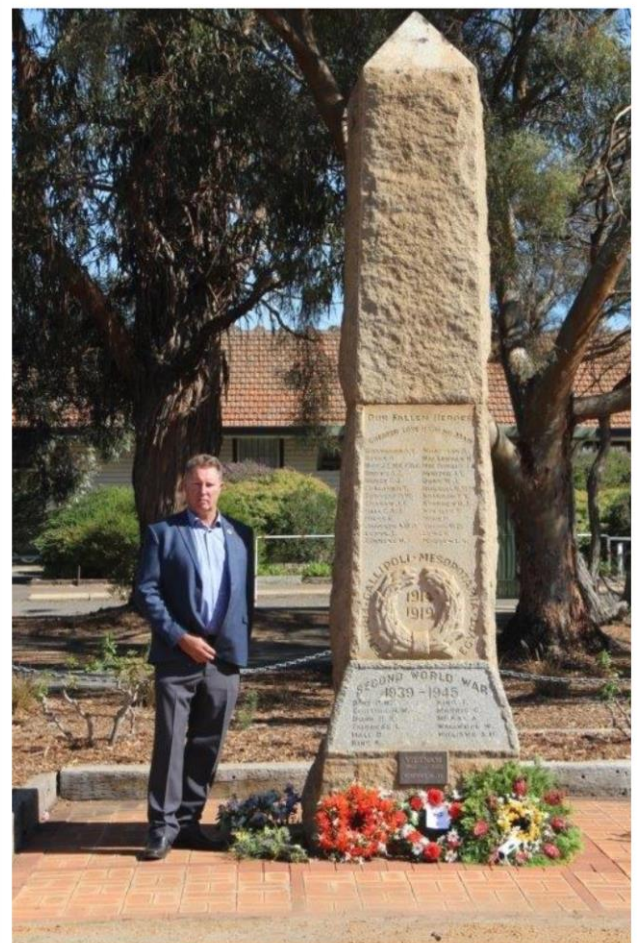
Local Government is constantly changing, with new regulations and higher expectations continually challenging us. In December 2018 we adopted our Strategic Community Plan, and in April 2019 we adopted the Corporate Business Plan. Driven and developed in collaboration with the community, these documents, part of our Integrated Planning and Reporting (IPR) framework, set us up for recognising and meeting these challenges. They will form the platform for sound decision making by Council and ensuring that these decisions accord with the communities expectations.

Thus year we also undertook a Community Scorecard survey, where we performed very well. This survey provides us with a baseline to benchmark our performance into the future, and, as the same survey has been completed by other Local Governments in our region, to compare us to these other Local Governments. As we do more of these surveys we hope to stay ahead of emerging issues, and to maintain our good score.

We have an excellent team in the offices and depots in our Shire, and I would like to thank them all for another successful year. I am confident that our staff will continue to provide excellent service for our community

Keith Williams  
CHIEF EXECUTIVE OFFICER

Councillor Michael White at  
the ANZAC service held in Tambellup 2019



## SHIRE PROFILE

The Shire of Broomehill-Tambellup is a progressive rural community located within the Great Southern Region of Western Australia. The Region is predominantly a sheep and grain producing area with a growing interest in viticulture, horticulture and tourism.

The Shire has a population of approximately 1,144 people and covers around 2,813 square kilometres with approximately 272km of sealed roads and 754km unsealed roads.

The Shire has two towns, Broomehill Village and the Tambellup town site, that offer advantages of rural lifestyle with the convenience of most essential services including recreation and leisure facilities, government, health and education services.

The Shire of Broomehill-Tambellup covers the former individual Shires of Broomehill and Tambellup, which merged in July 2008. The main office is in Tambellup, and staff offer services at both offices such as processing of driver and vehicle licenses, animal registrations and payments of Shire accounts.

The vision of the Council is based on strong traditions, to provide:

- A great place to raise children
- Clean, green and prosperous
- A tradition of innovation – readily embracing new people and new ideas
- A strong sense of hospitality and tolerance
- Pride in our towns

The Council is committed to: achieving a better quality of living for the people in the community; providing a great place to live, work, raise children and visit, which will encourage a range of lifestyles and opportunities; caring for our natural environment, cultural diversity and heritage.

The Shire of Broomehill-Tambellup has two offices located at:

Broomehill  
30360 Great Southern Highway  
BROOMEHILL WA 6318

Tambellup  
46-48 Norrish Street  
TAMBELLUP WA 6320

Phone: 9825 3555  
Facsimile: 9825 1152  
Email: [mail@shirebt.wa.gov.au](mailto:mail@shirebt.wa.gov.au)  
Website: [www.shirebt.wa.gov.au](http://www.shirebt.wa.gov.au)  
Office Hours: 8.30 – 4.30pm Monday – Friday



Gardeners mulching the Shire Office gardens in Tambellup

## COUNCIL INFORMATION

In the year under review the Shire of Broomehill-Tambellup had seven Councillors including the Shire President. Ordinary Meetings of Council are held on the third Thursday of every month except January, commencing at 4.30pm. Committee Meetings of Council are held on an as needs basis.

### YOUR COUNCILLORS – During the year under review

**PRESIDENT**

Cr SJF (Scott) Thompson  
Term Expires 2019  
Phone: 9824 1243

**DEPUTY PRESIDENT**

Cr MC (Mark) Paganoni  
Term Expires 2021  
Phone: 9824 1316



Cr GM (Garry) Sheridan  
Term Expires 2019  
Phone: 9825 1836



Cr ME (Michael) White  
Term Expires 2019  
Phone: 9825 8216



Cr MC (Monica) Nazzari  
Term Expires 2021  
Phone: 9825 1095



Cr KJ (Kelly) Holzknacht  
Term Expires 2021  
9824 1312



Cr CJ (Carl) Letter  
Term Expires 2021  
Phone: 9825 8270



## **COUNCIL STAFF (as at 30th June 2019)**

### **Chief Executive Officer**

### **Manager Works**

### **Manager Finance and Administration**

### **Strategic Support and Projects Officer**

### **Executive Assistant**

### **Finance/Rates Officer**

### **Finance/Administration Officer**

### **Works Administration Officer (part time)**

### **Customer Service Officers**

### **Works Supervisor**

### **Works and Maintenance Crew**

### **Cleaners**

Keith Williams

Peter Vlahov

Kay O'Neill

Pam Hull

Louise Cristinelli

Erryn Beacham

Marni Lloyd-Woods

Coral Green

Jacinta Panting

Lesley Paskevicius

John Farmer

Ricky Riley

Allan Hankinson

Bevan Skinn

Darryl Pickett

Derek Carr

Foster Farmer

Joshua Ford

Lara Hugill

Larry Wildblood

Owen Kay

Sammy Oclarit

Stephen Ryan

Justin Lennox

Wayne Newnham

Ian Havard

Barry Ford

Braydon Baynes (Apprentice)

Max Barrett (Traineeship)

Diane Olden

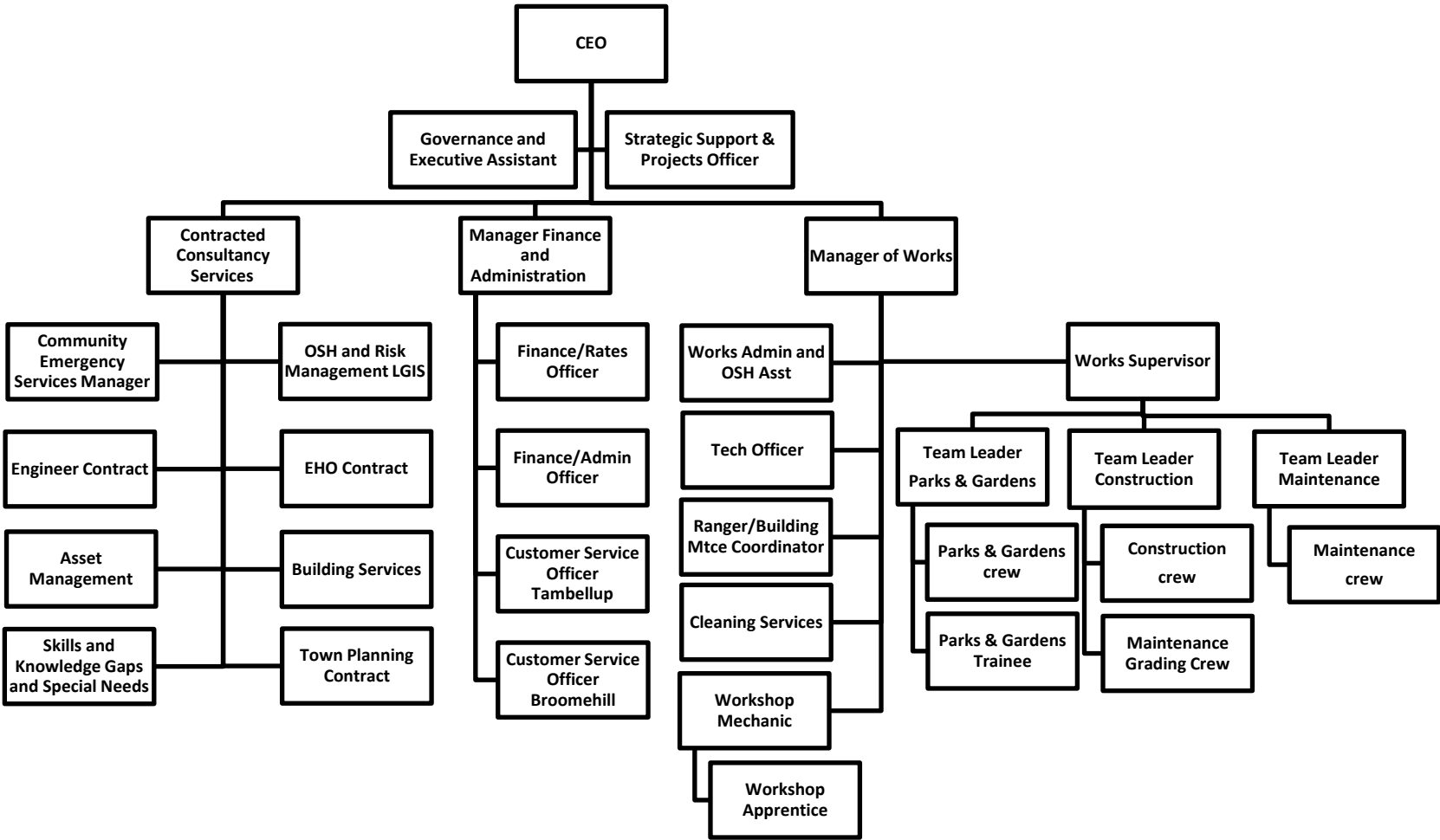
Julie Taylor

Mandy Tuffley

Charmaine Cantwell

Shannyn Timms

2019 ORGANISATIONAL STRUCTURE



## ADDITIONAL INFORMATION

### National Competition Policy

This policy has been introduced by the Commonwealth Government so as to promote competition for the benefit of business, consumers and the economy by removing unnecessary protection of monopolies of markets where competition can be enhanced. It effects local governments as factors such as exemption from company and income tax or possible local regulations and laws may give local government a potential advantage over private contractors.

In respect to competitive neutrality, the Shire of Broomehill-Tambellup reports:

- The Shire of Broomehill-Tambellup during 2018-19 did not engage in any significant business activities which generated in excess of \$200,000 annual income. Therefore, the introduction of competitive neutrality under Clause 7 of the policy was not required.
- There is no indication that the Council will become involved in any significant business activities during the next financial reporting period.
- There have been no allegations received by the Council of non-compliance with the neutrality principles.

### Employee Remuneration

The Local Government (Administration) Regulations 1996 – Regulation 19B requires that the annual report for a Local Government for a financial year is to contain the following information. Set out below, in bands of \$10,000, is the number of employees of the Shire entitled to an annual salary of \$100,000 or more.

100,000 – 109,999	2
110,000 – 119,999	
120,000 – 129,999	
130,000 – 139,999	1
140,000 – 149,999	

### Register of Complaints

Section 5.53(2)(hb) of the *Local Government Act 1995* requires that the Annual Report contain details of entries made in the Complaints Register under Section 5.121 regarding complaints made about elected members during the financial year. There were no complaints lodged against elected members in the year under review.

### Adoption of Local Laws

Council did not adopt any new Local Laws during the 2018-19 financial year; however a review of its existing Local Laws continued during the year. The review is being undertaken in conjunction with the other member Councils of the Southern Link VROC and will be completed during 2019-20.

### Public Interest Disclosure

In accordance with the requirements of the Public Interest Disclosure Act 2003, the Shire of Broomehill-Tambellup has established procedures to facilitate the making of disclosures under the Act. These procedures set out the processes in place in respect to protected disclosures generally, to protect people from reprisal for making protected disclosures and to provide guidance on investigations.

During the 2018-19 financial year, no disclosures relating to improper conduct were made to the Shire and therefore no disclosures were referred to the ombudsman.

## Freedom of Information

The Shire of Broomehill-Tambellup welcomes any enquiries for information held by Council.

If information cannot be accessed by less formal means, a Freedom of Information request can be made by contacting the Chief Executive Officer.

It should be noted that some documents are for viewing only and documents cannot be copied which would breach the *Copyright Act 1968*.

Nil enquiries were received during the 2018-19 period.

Council's Information Statement is reviewed annually and a copy made available at both administration offices for perusal, as required under the *Freedom of Information Act 1992*.

## Disability Access and Inclusion Plan

Section 29(m) of the Disability Services Act 1993 requires the Shire to report on the following seven outcomes in its approach to assisting people with disability within the Shire:

### **1. People with disability have the same opportunities as other people to access the services of, and any events organised by, the relevant public authority.**

Council-organised community events are held in appropriate venues with facilities which allow for ease of access by people with disability. Community organisations utilising Council facilities for public events are provided with an events checklist which incorporates accessibility considerations. Our Library services cater for those with disability through the provision of large print and audio books.

### **2. People with disability have the same opportunities as other people to access the buildings and other facilities of the relevant public authority.**

Council is committed to ensuring all Council buildings are able to be accessed by people with Disability, and as budgets have allowed, modifications to improve accessibility have been made. This year the extension and upgrade of the Tambellup Fire Shed included the installation of a sealed car park area incorporating one ACROD parking bay and improved access to the shed.

Footpath replacement and maintenance continues to be a priority, and this year almost 400 metres of concrete block paths were removed and replaced with black asphalt, which has significantly reduced the risk of trips and falls by people using the path.

### **3. People with disability receive information from the relevant public authority in a format that will enable them to access the information as readily as other people are able to access it.**

All Council publications are available in a variety of formats on request for people with specific needs. This information is conveyed through local newsletters and within each individual document.

### **4. People with disability receive the same level and quality of service from the staff of the relevant public authority.**

Council's Customer Service Charter outlines a commitment to providing a high standard of service to all customers of the Shire through all avenues of contact including in-person, over the telephone and through written correspondence. One staff member attended Disability Awareness training this year, and it is intended to provide all administration staff with refresher training through 2019-2020.

**5. People with disability have the same opportunities as other people to make complaints to the relevant public authority.**

A complaints mechanism has been implemented through the Shire Administration and is accessible for all members of the community including people with disability.

**6. People with disability have the same opportunities as other people to participate in any public consultation by the relevant public authority.**

In March 2019 the Shire, along with other local governments in the Great Southern, undertook a community perceptions survey, to evaluate community priorities and measure Councils performance against key performance indicators in the Strategic Community Plan. The survey was available for completion online and hard copies were also mailed to residents.

The survey collected a range of demographic information, and it was noted that of the 102 responses received, almost a quarter were received from people with disability. With the review of the DAIP due to be completed in 2020, the Shire will endeavour to obtain input from this group of people to ensure the Plan is relevant to their needs.

**7. People with disability have the same opportunities as other people to obtain and maintain employment with the Shire of Broomehill-Tambellup.**

Recruitment was undertaken for one advertised full time position and a number of unadvertised casual positions during the year. All positions were filled with inclusive recruitment practices in place. Policies and procedures were subject to an annual review.

**State Records Act 2000**

The Shire of Broomehill-Tambellup's amended Recordkeeping Plan RKP 2014039 is due for review in March 2020. The purpose of the review is to enable the Shire of Broomehill-Tambellup to comply with section 28 of the State Records Act 2006 and to ensure that our recordkeeping systems are continually evaluated and improved in order to meet compliance requirements and continuing business needs.

All shire records including the archived records at the Broomehill Repository remain accounted for while the Shire of Broomehill-Tambellup's shelving at the Archive Repository is being utilised with space still available for future records. The retention and disposal of all records is being maintained in a timely manner from the Administration building in Tambellup.

Staff development in the area of recordkeeping compliance has continued throughout the year with new staff members having received a basic introduction as a part of their induction into the organisation. This training provides an overview of the responsibilities of individual officers under the Shire of Broomehill-Tambellup's Policy and Procedure Manual and Council's obligations under the *State Records Act 2000*.

The Elected members have received information on what constitutes a record from a councillor perspective, and their responsibility to ensure relevant information is captured into Council's record keeping system.



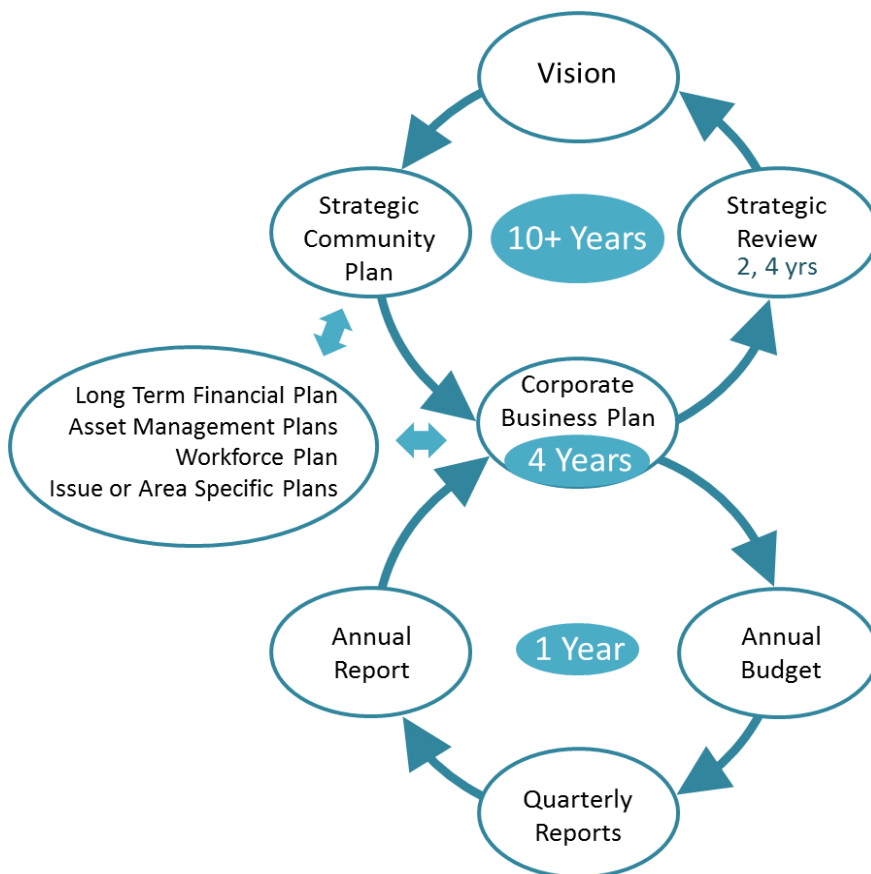
## INTEGRATED PLANNING & REPORTING: STRATEGIC COMMUNITY PLAN 2012-2022

In 2010, the Integrated Planning and Reporting (IPR) Framework and Guidelines were introduced in Western Australia (WA) as part of the State Government's Local Government Reform Program. All local governments were required to have their first suite of IPR documents in place by 1 July 2013.

In essence, IPR is a process designed to:

- Articulate the community's vision, outcomes and priorities
- Allocate resources to achieve the vision, striking a considered balance between aspirations and affordability
- Monitor and report progress

The IPR process is based on a four year cycle, with the Strategic Community Plan, the highest level document, being reviewed at the two and four year mark to coincide with the review timeframe of the next level document, the Corporate Business Plan, and other informing strategies.



*Integrated Planning and Reporting Cycle*

### Strategic Community Plan 2018-2028

During 2018, Council commenced the community consultation required for the first major review of the Strategic Community Plan 2012-2022. Consultation included surveys by mail and online, community workshops and focus groups, with the resulting feedback collated into a draft document. The document incorporated a community vision and overarching goal, with three Key Result Areas (KRAs) developed— 'Our People', 'Our Economy' and 'Our Places'. These evolved from the analysis of community feedback, and objectives and strategies were developed under each KRA to achieve the stated desired outcome. The draft Strategic Community Plan 2018-2028 was advertised for public comment in November 2018, and adopted by Council in December 2018.



Key Result Areas

### Corporate Business Plan 2018-2022

Council's endorsement of the new Strategic Community Plan paved the way for the development of the Corporate Business Plan 2018-2022. This Plan is the 'doing' of the Strategic Community Plan, setting out Council's operational priorities over the first four year period. The Corporate Business Plan is subject to a major review at the four year mark in line with the major review of the Strategic Community Plan, but is also subject to an annual desktop review to consider any amendment required in terms of changes to legislative compliance requirements, changes to regional or state policy, to consider any new information or opportunities that have arisen since the last review, but mainly to review the financial implications of the Plan in the context of the Annual Budget and Long Term Financial Plan.

The Corporate Business Plan sets out the KRAs, objectives and strategies from the Strategic Community Plan 2018-2028, with actions assigned to achieve these. Progress of the Corporate Business Plan is reported to Council and the community quarterly.

The Corporate Business Plan 2018-2022 was endorsed by Council in April 2019.

### Community Scorecard

In 2018/2019, the Shire of Broomehill-Tambellup joined with all local governments in the Great Southern to undertake a community perception survey (Scorecard) to support ongoing strategic and business planning. The proposal was initiated by the regional Peer Support group, with the survey process being undertaken by Catalyse, an independent research organisation. The survey provided the Shire with a benchmark to measure future progress against, as well as comparing this Shire's responses to other Great Southern Shires, the state as a whole, and industry standards. The survey will be repeated in 2020-2021.

Overall, the Shire of Broomehill-Tambellup scored highly in the areas of sport and recreation facility provision, customer service, playgrounds, parks and reserves, and library and information services. Areas to focus on included roads, economic development, development of town centres and tourism. These focus areas were consistent with feedback received from the community consultation conducted in 2017-2018 as part of the review of the Strategic Community Plan. The survey provided valuable feedback in terms of community priorities, and will influence the review of the Corporate Business Plan in 2019-2020.

A summary of the survey results follows.

Community Scorecard - May 2019	WA High %	WA Average %	Great Southern High %	Great Southern Average %	Shire BT 2018/2019 %
<b>Levels of Community Satisfaction - Performance Index Score</b>					
The Shire of Broomehill-Tambellup as a place to live	95	75	84	79	64
The Shire of Broomehill-Tambellup as a place to visit	87	64	87	76	47
The Shire of Broomehill-Tambellup as the organisation that governs the local area	74	56	68	54	61
Value for money from Council rates	64	45	57	41	48
The Shire has developed and communicated a clear vision for the area	61	35	52	29	40
The Shire has a good understanding of community needs	62	34	54	29	50
The Shire listens to and respects residents' views	52	33	52	25	50
<b>LEADERSHIP AND COMMUNICATION</b>					
Council's leadership within the community	67	50	60	49	59
Advocacy and lobbying on behalf of the community to influence decisions, support local causes, etc	68	50	64	48	57
The Shire's efforts to work with regional partners	79	59	79	56	66
Openness and transparency of Council processes	61	45	61	44	61
How the Shire embraces change, innovation and new technology	65	52	65	51	59
How the community is consulted about local issues	63	46	58	44	58
How the community is informed about what's happening in the local area (including what the Shire of Broomehill-Tambellup does, local issues, events and facilities)	66	54	64	52	64
Shire's website	68	58	63	57	52
Social media presence on Facebook	65	54	61	50	36
Customer service	79	63	72	64	68
<b>NATURAL ENVIRONMENT</b>					
Conservation and environmental management	76	58	73	56	49
Promoting and adopting sustainable practices	68	54	62	55	49
Efforts to adapt to climate change	54	48	54	50	47
Efforts to reduce waste	66	53	66	56	50
Waste collection services	85	69	76	63	62
Animal and pest control	69	53	55	49	53
Natural disaster management (education, prevention and relief for fires, flooding, etc)	66	56	66	58	57
<b>ECONOMIC DEVELOPMENT</b>					
Economic development (efforts to attract investors, attract and retain businesses, grow tourism and create job opportunities)	63	43	43	40	38
Agricultural development (efforts to grow and develop agriculture and protect prime agricultural land)	64	48	64	48	49
Tourism attractions and marketing	60	46	60	55	37
How your local town centre is being developed	69	51	54	49	42
Access to goods and services in the local area	61	48	56	50	40
Access to education, training and personal development opportunities	63	49	59	56	40
<b>COMMUNITY DEVELOPMENT</b>					
I feel like I belong in my local community	75	59	68	60	56
Services and facilities for families and children	71	59	66	60	50
Services and facilities for youth	70	48	52	48	33
Services and care available for seniors	67	55	61	58	50
Access to services and facilities for people with disabilities	66	51	56	52	42
Participation in volunteering (in last 12 months)	86	61	86	59	61
<b>COMMUNITY SERVICES</b>					
The Shire provides adequate opportunities for residents and visitors to lead a healthy and active lifestyle	74	49	74	62	50
Access to health and community services	69	54	63	59	48
Community buildings, halls and toilets	78	60	78	60	64
Sport and recreation facilities	85	66	85	73	78
Playgrounds, parks and reserves	86	68	86	69	67
Public health and wellbeing programs and education	61	50	61	57	46
Safety and security	76	55	76	59	53
I feel safe being out in public in my local community	94	72	94	70	72
<b>ART AND CULTURE</b>					
Library and information services	89	71	79	74	67
Festivals, events, art and cultural activities	78	62	74	66	38
How local history and heritage is preserved and promoted	79	60	75	66	46
How local Aboriginal people, history and heritage are recognised and respected	67	54	67	61	46
<b>BUILT ENVIRONMENT</b>					
The area's character and identity	85	59	67	63	48
Managing responsible growth and development	58	48	58	50	44
Planning and building approvals	65	45	60	44	52
Access to housing that meets your needs	68	57	66	52	46
Streetscapes	83	54	62	53	52
Lighting of streets and public places	65	56	64	57	56
Building and maintaining local roads	80	53	62	44	52
Traffic management on local roads	67	55	64	53	57
Footpaths, trails and cycleways	71	53	62	52	49

**Strategic Community Plan 2018-2028 – Progress 2018-2019**

The following provides an overview of actions and achievements through the year that contribute to achieving the desired outcome for each Key Result Area.

**Key Result Area 1: Our People**

**Desired Outcome: To have a cohesive, diverse and inclusive community supported by quality services and facilities. These will be supported by a Council demonstrating effective leadership and good governance.**

<b>1.1 Our community is safe, connected, harmonious and inclusive</b>	
A range of media utilised to promote Shire and community events and information, eg Topics, website, flyers	Support for Aboriginal Health delivery of youth wellbeing services (provision of venue)
Ongoing support for local emergency services, financial and administrative support for shared Community Emergency Services Manager position	Quarterly meetings of the Local Emergency Management Committee conducted
Support and promotion of youth events in neighbouring Shires	Community education on bushfire risks and mitigation through Topics, increased focus on compliance in special rural areas
<b>1.2 Our community has services and facilities that meet our needs and expectations</b>	
Ongoing discussion and advocacy for improved local service provision by external agencies	Ongoing liaison and support for agency delivery of services and activities, including Aboriginal Health, Tambellup Health Centre,
Sport and recreation facilities maintained to a high standard	Ongoing liaison with service providers re mobile phone tower power outages
Seniors exercise program delivered in partnership with Shire of Cranbrook	Crawford St basketball court upgrade completed
<b>1.3 Our community provides opportunities to enhance local employment</b>	
Workplace Learning student placement through Katannign Senior High School.	Ongoing liaison with Impact Services re indigenous employment opportunities.
Two traineeships offered, one apprenticeship offered. All positions filled.	
<b>1.4 Organisations in our community demonstrate strong leadership and commitment</b>	
Support for community-led events including Broomehill Ute Muster and Market Day, Tambellup P&C Quiz night, school events (venue)	Support and assist with committee-led landscaping and playground construction at Broomehill and Tambellup recreation grounds
<b>1.5 Our Shire demonstrates strong leadership, effective governance and efficient service delivery to our community</b>	
Councillors participated in Elected Member training programs	Key compliance activities met, no areas of concern in annual audit.
Summary of Council decisions from meetings published in Topics reports monthly.	Agendas and minutes of all Council and committee meetings available for public perusal.
Ongoing participation with Southern Link VROC and other regional organisations, both local Government and other	Community perceptions survey completed
Shire is lead organisation for Great Southern Housing Initiative project	Staff attend training as appropriate for the role.
Strategic Community Plan reviewed, endorsed December 2018	Corporate Business Plan endorsed April 2019

**Key Result Area 2: Our Economy**

**Desired Outcome:** *To maintain an environment in the towns and rural areas of the Shire that is conducive to tourism, small business and population retention and growth.*

<b>2.1 Our community provides a unique tourism and visitor experience</b>	
Council support for community events including Broomehill Ute Muster, Market Day, Anzac Day, Australia Day events	Short stay accommodation at Broomehill Caravan Park proposed as part of Great Southern Housing Initiative
Ongoing financial and inkind support for Great Southern Treasures and Bloom Festival participation	48 hour RV stopping place established in Tambellup.
<b>2.2 A stable population base is important to the sustainability of our community</b>	
Tenders advertised for construction of key worker housing – Broomehill and Tambellup – part of the Great Southern Housing Initiative.	Tenders advertised for construction of independent living units – Broomehill – part of the Great Southern Housing Initiative.
Housing and Land Strategy reviewed	Local schools supported with in kind works, and ongoing financial/in kind support to A Smart Start.
Ongoing liaison with WA Country Health Services re services available at Tambellup Health Centre.	
<b>2.3 Our Shire actively supports existing local business and encourages new business ventures</b>	
Tenders – criteria includes assessment for use of local and regional suppliers.	Council delegate to Tambellup Business Centre committee.
Local suppliers used across the organisation where possible	

**Key Result Area 3: Our Places**

**Desired Outcome:** *To have appealing town centres and surrounding rural areas that reflect their unique history and culture, connected by quality transport infrastructure and well managed natural environments.*

<b>3.1 The history, heritage and culture of our communities is reflected in attractive townscapes</b>	
Support and participation in development of Great Southern Centre for Outdoor Recreational Excellence Regional Trails Masterplan	Broomehill and Tambellup local history groups and Broomehill Men's Shed supported through provision and maintenance of venues
Townscaping program commenced in Tambellup	Support for community initiative to fly the Aboriginal flag at government offices in Tambellup
<b>3.2 Our community and Council are environmentally aware and engaged</b>	
Drum Muster program conducted in 2018	Options for sustainable water and energy use incorporated into requirements for new housing to be constructed
Recycling information provided through Topics	Roadside weed control and vegetation management completed
Advice and assessment for remediation of contaminated site sought	Participation in Tidy Towns competition in 2018
Depot washdown bay facility completed – integrating water harvesting and recycling	Modifications to Waste Transfer Stations for ease of unloading of rubbish and recycling



<b>3.3 Our transport networks are safe and efficient</b>	
2018-2019 works from 10 year roads program implemented	Funded road works program completed for 2018-2019
Ongoing collaboration with Regional Roads Group	Amendment requests for RAV ratings presented to Council for consideration.
10 Year Footpath plan developed	Day to day works programming to maintain roads
<b>3.4 Our Council facilities and infrastructure are managed sustainably to meet current and future needs</b>	
Strategic Resource Plan to support asset management endorsed by Council April 2019	Day to day works programming to maintain community facilities
Housing and Land Strategy reviewed with consideration to Great Southern Housing Initiative outcomes	



Broomehill Primary School children with their 2018 Western Australian Local Government Association Banner in the Terrace entry which received a High Commendation



## CAPITAL PROJECTS

### Blackspot

Work on the Tambellup West Road and Warrenup Road intersection commenced, however, significant rock was encountered and this work took longer than anticipated as explosives and rock breakers had to be utilised to remove the rock.

### Regional Road Group

Regional Road Group funding is provided on the basis of Main Roads WA contributing 2/3 and Council matching 1/3 of the project cost. The following road projects were funded by Regional Road Group:-

- Gnowangerup-Tambellup Road – surface correction & reseal (carry over from 17-18)
- Broomehill-Kojonup Road – reseal (carry over from 17-18)
- Pallinup South Road – construct and seal
- Warrenup Road – construct and seal
- Broomehill-Kojonup Road – stabilise patches and seal
- Tambellup West Road – reconstruct and seal
- Tambellup West Road – stabilise patches and seal

### Roads to Recovery

Councils allocation from the Roads to Recovery program was allocated to the following projects:-

- Flat Rocks Road – construct and seal
- Morgan Road – seal
- McGuire Road – seal

### Commodity Routes

Commodity Routes funding is provided on the basis of MRWA contributing 2/3 and Council matching 1/3 of the project cost. Commodity Routes funding provided for the following works:

- Completion of the reseal on Toolbrunup Road; carried over from the previous year.

### Footpaths

Budget provision was made to continue footpath upgrades in the Broomehill and Tambellup townsites, in accordance with Council's 5 year Footpath Plan. This year works included the replacement of a footpath on Garrity St.

### Vegetation Maintenance

Vegetation along road sides has caused significant issues for road maintenance as well as access for agricultural machinery. The Shire has budgeted for vegetation maintenance and priority roads have had some vegetation trimmed.

### Townscape

Stage 1 of townscape works commenced at the Norrish St/Crowden St intersection, with the removal of existing kerbing and installation of new concrete kerbing and nibs. The new kerbing and new paving commenced and 150 metres of paving has been replaced with new paving. New planter beds have been installed with grass trees and ground covers planted.

### Bridgeworks

Funding was provided by the WA Local Government Grants Commission to undertake refurbishment works on Bridge 4233 on Broomehill-Kojonup Rd through the year. Scheduled works at Bridge 4326 on Tambellup West Rd were carried over from the previous financial year and were completed in 2018-19. This work is coordinated by Main Roads WA.

**SHIRE OF BROOMEHILL-TAMBELLUP**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2019**

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**COMMUNITY VISION**

*Building prosperity and community spirit through individual commitment, partnerships and collaboration to enhance our way of life.*

**Overarching Goal**

*To have a peaceful and friendly rural lifestyle with thriving towns.*

**Principal place of business:**

46-48 Norrish Street  
TAMBELLUP WA 6320



**SHIRE OF BROOMEHILL-TAMBELLUP  
FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2019**

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

**STATEMENT BY CHIEF EXECUTIVE OFFICER**

The attached financial report of the Shire of Broomehill-Tambellup 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 Broomehill-Tambellup 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 14<sup>th</sup> day of February, 2020



\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Keith Williams

\_\_\_\_\_  
Name of Chief Executive Officer





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

	NOTE	2019 Actual \$	2019 Budget \$	2018 Actual \$
<b>Revenue</b>				
Rates	19(a)	2,404,513	2,417,500	2,323,056
Operating grants, subsidies and contributions	2(a)	3,643,982	2,935,600	3,763,592
Fees and charges	2(a)	269,473	256,600	261,896
Interest earnings	2(a)	58,745	54,600	52,666
Other revenue	2(a)	91,085	92,800	85,739
		6,467,798	5,757,100	6,486,949
<b>Expenses</b>				
Employee costs		(1,877,240)	(1,872,500)	(1,885,276)
Materials and contracts		(2,816,589)	(3,550,900)	(3,241,642)
Utility charges		(191,928)	(190,800)	(190,068)
Depreciation on non-current assets	10(b)	(1,763,567)	(1,129,600)	(1,140,458)
Interest expenses	2(b)	(57,659)	(58,700)	(61,300)
Insurance expenses		(153,509)	(168,400)	(155,081)
Other expenditure		(78,228)	(88,000)	(77,431)
		(6,938,720)	(7,058,900)	(6,751,256)
		(470,922)	(1,301,800)	(264,307)
Non-operating grants, subsidies and contributions	2(a)	1,756,937	3,755,500	3,289,667
Profit on asset disposals	10(a)	18,177	436,100	3,739
(Loss) on asset disposals	10(a)	(38,697)	(122,400)	(87,500)
		1,736,417	4,069,200	3,205,906
<b>Net result for the period</b>		<b>1,265,495</b>	<b>2,767,400</b>	<b>2,941,599</b>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	10	23,566	0	1,040,124
<b>Total other comprehensive income for the period</b>		<b>23,566</b>	<b>0</b>	<b>1,040,124</b>
<b>Total comprehensive income for the period</b>		<b>1,289,061</b>	<b>2,767,400</b>	<b>3,981,723</b>

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

**SHIRE OF BROOMEHILL-TAMBELLUP**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY PROGRAM**  
**FOR THE YEAR ENDED 30TH JUNE 2019**

	NOTE	2019 Actual \$	2019 Budget \$	2018 Actual \$
<b>Revenue</b>	2(a)			
Governance		33,189	36,000	30,728
General purpose funding		4,335,220	3,366,600	4,199,369
Law, order, public safety		125,477	117,200	113,792
Health		1,798	1,100	1,750
Education and welfare		46,838	64,800	62,993
Housing		61,410	72,100	67,612
Community amenities		90,913	80,700	81,865
Recreation and culture		41,778	46,300	70,536
Transport		1,566,138	1,868,500	1,736,567
Economic services		68,230	42,300	65,206
Other property and services		96,807	61,500	56,531
		6,467,798	5,757,100	6,486,949
<b>Expenses</b>	2(b)			
Governance		(554,627)	(679,800)	(570,746)
General purpose funding		(265,863)	(262,900)	(255,889)
Law, order, public safety		(225,366)	(227,700)	(216,246)
Health		(30,681)	(54,600)	(44,689)
Education and welfare		(53,170)	(83,600)	(72,088)
Housing		(77,034)	(91,100)	(80,113)
Community amenities		(401,213)	(426,500)	(379,780)
Recreation and culture		(1,133,956)	(1,066,500)	(1,199,447)
Transport		(3,858,226)	(3,866,200)	(3,655,880)
Economic services		(208,324)	(208,100)	(197,561)
Other property and services		(72,601)	(33,200)	(17,517)
		(6,881,061)	(7,000,200)	(6,689,956)
<b>Finance Costs</b>	2(b)			
Governance		(6,312)	(6,500)	(8,217)
Recreation and culture		(51,347)	(52,200)	(53,083)
		(57,659)	(58,700)	(61,300)
		(470,922)	(1,301,800)	(264,307)
Non-operating grants, subsidies and contributions	2(a)	1,756,937	3,755,500	3,289,667
Profit on disposal of assets	10(a)	18,177	436,100	3,739
(Loss) on disposal of assets	10(a)	(38,697)	(122,400)	(87,500)
		1,736,417	4,069,200	3,205,906
<b>Net result for the period</b>		<b>1,265,495</b>	<b>2,767,400</b>	<b>2,941,599</b>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	10	23,566	0	1,040,124
<b>Total other comprehensive income for the period</b>		<b>23,566</b>	<b>0</b>	<b>1,040,124</b>
<b>Total comprehensive income for the period</b>		<b>1,289,061</b>	<b>2,767,400</b>	<b>3,981,723</b>

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

**SHIRE OF BROOMEHILL-TAMBELLUP**  
**STATEMENT OF FINANCIAL POSITION**  
**FOR THE YEAR ENDED 30TH JUNE 2019**

	NOTE	2019 \$	2018 Restated *	1 July 2017 Restated *
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	3	2,425,758	2,242,880	2,204,025
Trade receivables	5	852,526	1,071,975	601,942
Inventories	6	26,158	15,693	56,548
<b>TOTAL CURRENT ASSETS</b>		<b>3,304,442</b>	<b>3,330,548</b>	<b>2,862,515</b>
<b>NON-CURRENT ASSETS</b>				
Trade receivables	5	64,723	62,453	55,460
Financial assets at fair values through other comprehensive income	7(b)	70,964	70,965	62,764
Inventories	6	216,000	216,000	216,000
Property, plant and equipment	8	15,642,399	15,813,481	15,725,645
Infrastructure	9	117,772,581	116,120,996	112,685,686
<b>TOTAL NON-CURRENT ASSETS</b>		<b>133,766,667</b>	<b>132,283,895</b>	<b>128,745,555</b>
<b>TOTAL ASSETS</b>		<b>137,071,109</b>	<b>135,614,443</b>	<b>131,608,070</b>
<b>CURRENT LIABILITIES</b>				
Trade and other payables	11	646,318	466,341	322,814
Borrowings	12(b)	62,001	59,290	82,286
Employee related provisions	13	361,222	298,436	363,027
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,069,541</b>	<b>824,067</b>	<b>768,127</b>
<b>NON-CURRENT LIABILITIES</b>				
Trade and other payables	11	3,056	10,372	10,372
Borrowings	12(b)	1,098,431	1,160,432	1,219,722
Employee related provisions	13	70,009	78,562	57,702
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>1,171,496</b>	<b>1,249,366</b>	<b>1,287,796</b>
<b>TOTAL LIABILITIES</b>		<b>2,241,037</b>	<b>2,073,433</b>	<b>2,055,923</b>
<b>NET ASSETS</b>		<b>134,830,072</b>	<b>133,541,010</b>	<b>129,552,147</b>
<b>EQUITY</b>				
Retained surplus		35,578,443	34,742,836	31,867,600
Reserves - cash backed	4	1,488,347	1,058,458	992,095
Revaluation surplus	10	97,763,282	97,739,716	96,692,452
<b>TOTAL EQUITY</b>		<b>134,830,072</b>	<b>133,541,010</b>	<b>129,552,147</b>

\* See note 25 for details regarding the restatement as a result of an error

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

SHIRE OF BROOMEHILL-TAMBELLUP  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30TH JUNE 2019

	NOTE	RETAINED SURPLUS	RESERVES CASH BACKED	REVALUATION SURPLUS	TOTAL EQUITY
		\$	\$	\$	\$
<b>Balance as at 1 July 2017</b>		<b>32,030,392</b>	<b>992,095</b>	<b>96,692,452</b>	<b>129,714,939</b>
Correction of error	25	(162,792)	0	0	(162,792)
<b>Restated total equity at the beginning of the financial year</b>		<b>31,867,600</b>	<b>992,095</b>	<b>96,692,452</b>	<b>129,552,147</b>
Comprehensive income					
Net result for the period		2,941,599	0	0	2,941,599
Other comprehensive income	10	0	0	1,040,124	1,040,124
Total comprehensive income		2,941,599	0	1,040,124	3,981,723
Transfers from/(to) reserves		(66,363)	66,363	0	0
<b>Balance as at 30 June 2018</b>		<b>34,742,836</b>	<b>1,058,458</b>	<b>97,732,576</b>	<b>133,533,870</b>
Correction of error	25	0	0	7,140	7,140
<b>Restated total equity at the beginning of the financial year</b>		<b>34,742,836</b>	<b>1,058,458</b>	<b>97,739,716</b>	<b>133,541,010</b>
Comprehensive income					
Net result for the period		1,265,496	0	0	1,265,496
Other comprehensive income	10	0	0	23,566	23,566
Total comprehensive income		1,265,496	0	23,566	1,289,062
Transfers from/(to) reserves		(429,889)	429,889	0	0
<b>Balance as at 30 June 2019</b>		<b>35,578,443</b>	<b>1,488,347</b>	<b>97,763,282</b>	<b>134,830,072</b>

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

**SHIRE OF BROOMEHILL-TAMBELLUP**  
**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		2,360,542	2,435,500	2,322,483
Operating grants, subsidies and contributions		4,058,124	3,793,800	3,307,991
Fees and charges		269,473	261,800	261,896
Interest received		58,745	53,400	52,666
Goods and services tax received		674,887	539,900	750,500
Other revenue		91,085	92,800	85,739
		7,512,856	7,177,200	6,781,275
<b>Payments</b>				
Employee costs		(1,831,401)	(1,846,200)	(1,930,380)
Materials and contracts		(2,829,642)	(3,235,900)	(3,056,292)
Utility charges		(191,928)	(190,800)	(190,068)
Interest expenses		(58,437)	(76,700)	(61,082)
Insurance paid		(153,509)	(168,400)	(155,081)
Goods and services tax paid		(643,457)	(781,000)	(771,165)
Other expenditure		(78,228)	(88,000)	(77,431)
		(5,786,602)	(6,387,000)	(6,241,499)
<b>Net cash provided by (used in) operating activities</b>	14	1,726,254	790,200	539,776
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for purchase of property, plant & equipment		(1,250,991)	(4,566,500)	(1,949,820)
Payments for construction of infrastructure		(2,852,584)	(2,983,200)	(3,021,890)
Non-operating grants, subsidies and contributions		1,756,937	3,755,500	3,289,667
Proceeds from sale of property, plant & equipment		862,552	1,886,000	1,263,408
<b>Net cash provided by (used in) investment activities</b>		(1,484,086)	(1,908,200)	(418,635)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of borrowings		(59,290)	(59,300)	(82,286)
<b>Net cash provided by (used in) financing activities</b>		(59,290)	(59,300)	(82,286)
<b>Net increase (decrease) in cash held</b>		182,878	(1,177,300)	38,855
Cash at beginning of year		2,242,880	2,242,000	2,204,025
<b>Cash and cash equivalents at the end of the year</b>	14	2,425,758	1,064,700	2,242,880

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



**SHIRE OF BROOMEHILL-TAMBELLUP**  
**RATE SETTING STATEMENT**  
**FOR THE YEAR ENDED 30TH JUNE 2019**

	NOTE	2019 Actual \$	2019 Budget \$	2018 Actual \$
<b>OPERATING ACTIVITIES</b>				
<b>Net current assets at start of financial year - surplus/(deficit)</b>	20 (b)	1,892,465	2,144,400	1,623,406
		1,892,465	2,144,400	1,623,406
<b>Revenue from operating activities (excluding rates)</b>				
Governance		35,517	36,000	31,475
General purpose funding		1,930,707	949,100	1,873,469
Law, order, public safety		125,477	117,200	113,792
Health		1,798	1,100	1,750
Education and welfare		46,838	64,800	62,993
Housing		61,410	498,500	67,612
Community amenities		90,913	80,700	81,865
Recreation and culture		41,778	48,000	70,536
Transport		1,581,987	1,876,500	1,739,559
Economic services		68,230	42,300	65,206
Other property and services		96,807	61,500	56,531
		4,081,462	3,775,700	4,164,788
<b>Expenditure from operating activities</b>				
Governance		(562,466)	(692,800)	(594,564)
General purpose funding		(265,863)	(262,900)	(255,889)
Law, order, public safety		(225,366)	(227,700)	(216,246)
Health		(30,681)	(54,600)	(44,689)
Education and welfare		(53,170)	(83,600)	(72,088)
Housing		(77,034)	(91,100)	(80,113)
Community amenities		(401,213)	(426,500)	(379,780)
Recreation and culture		(1,185,303)	(1,118,700)	(1,252,530)
Transport		(3,895,396)	(3,982,100)	(3,727,779)
Economic services		(208,324)	(208,100)	(197,561)
Other property and services		(72,601)	(33,200)	(17,517)
		(6,977,417)	(7,181,300)	(6,838,756)
Non-cash amounts excluded from operating activities	20 (b)	1,831,398	815,900	1,184,411
<b>Amount attributable to operating activities</b>		827,908	(445,300)	133,849
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions		1,756,937	3,755,500	3,289,667
Proceeds from disposal of assets	10(a)	862,552	1,886,000	1,263,408
Purchase of property, plant and equipment	8(a)	(1,250,991)	(4,566,500)	(1,949,820)
Purchase and construction of infrastructure	9(a)	(2,852,584)	(2,983,200)	(3,021,890)
<b>Amount attributable to investing activities</b>		(1,484,086)	(1,908,200)	(418,635)
<b>FINANCING ACTIVITIES</b>				
Repayment of borrowings	12(b)	(59,290)	(59,300)	(82,286)
Transfers to reserves (restricted assets)	4	(845,243)	(1,808,300)	(735,209)
Transfers from reserves (restricted assets)	4	415,354	1,803,600	668,846
<b>Amount attributable to financing activities</b>		(489,179)	(64,000)	(148,649)
<b>Surplus/(deficit) before imposition of general rates</b>		(1,145,357)	(2,417,500)	(433,435)
<b>Total amount raised from general rates</b>	19	2,404,513	2,417,500	2,325,900
<b>Surplus/(deficit) after imposition of general rates</b>	20 (b)	<b>1,259,156</b>	<b>0</b>	<b>1,892,465</b>

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

## 1. BASIS OF PREPARATION

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

The *Local Government (Financial Management) Regulations 1996* take precedence over Australian Accounting Standards. Regulation 16 prohibits a local government from recognising as assets Crown land that is a public thoroughfare, such as land under roads, and land not owned by but under the control or management of the local government, unless it is a golf course, showground, racecourse or recreational facility of State or regional significance. Consequently, some assets, including land under roads acquired on or after 1 July 2008, have not been recognised in this financial report. This is not in accordance with the requirements of *AASB 1051 Land Under Roads paragraph 15* and *AASB 116 Property, Plant and Equipment paragraph 7*.

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

### CRITICAL ACCOUNTING ESTIMATES

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

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

### THE LOCAL GOVERNMENT REPORTING ENTITY

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

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 22 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	33,180	36,000	30,728
General purpose funding	1,869,590	891,700	1,821,432
Law, order, public safety	49,567	41,000	42,701
Education and welfare	46,838	64,800	62,993
Housing	2,510	3,500	4,602
Community amenities	2,321	2,000	2,164
Recreation and culture	22,863	20,800	51,900
Transport	1,532,250	1,834,300	1,702,791
Economic services	3,436	0	6,952
Other property and services	81,427	41,500	37,329
	3,643,982	2,935,600	3,763,592
<b>Non-operating grants, subsidies and contributions</b>			
Housing	0	1,844,200	0
Recreation and culture	38,114	10,000	773,043
Transport	1,718,823	1,718,800	2,516,624
Economic services	0	182,500	0
	1,756,937	3,755,500	3,289,667
<b>Total grants, subsidies and contributions</b>	<b>5,400,919</b>	<b>6,691,100</b>	<b>7,053,259</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 comprising the contributions.

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

##### Grants, donations and other contributions (Continued)

a particular period, and those conditions were undischarged as at the reporting date, the nature of and amounts pertaining to those undischarged conditions are disclosed in Note 18. 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)

	2019 Actual \$	2019 Budget \$	2018 Actual \$
<b>Significant revenue</b>			
Transport	1,388,432	1,750,000	1,567,898
<b>Other revenue</b>			
Reimbursements and recoveries	267,407	243,400	290,324
Other	91,085	22,200	85,739
	358,492	265,600	376,063
<b>Fees and Charges</b>			
Governance	9	0	0
General purpose funding	3,564	3,800	3,451
Law, order, public safety	5,283	4,700	5,779
Health	1,798	1,100	1,750
Housing	58,900	68,600	63,010
Community amenities	88,591	78,700	79,701
Recreation and culture	18,915	25,500	18,636
Transport	14,617	12,200	12,348
Economic services	64,624	42,000	58,019
Other property and services	13,172	20,000	19,202
	269,473	256,600	261,896
There were no changes during the year to the amount of the fees or charges detailed in the original budget.			
<b>Interest earnings</b>			
Reserve accounts interest	34,042	22,100	25,509
Rates instalment and penalty interest (refer Note 18(c))	24,703	27,500	27,152
Other interest earnings	0	5,000	5
	58,745	54,600	52,666

### SIGNIFICANT ACCOUNTING POLICIES

#### Interest earnings

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

#### Interest earnings (Continued)

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes

## 2. REVENUE AND EXPENSES (Continued)

### (b) Expenses

#### Significant expense

Transport

#### Auditors remuneration

- Audit of the Annual Financial Report

- Other services

#### Interest expenses (finance costs)

Borrowings (refer Note 12(b))

#### Rental charges

- Operating leases

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Transport	1,411,827	1,750,000	1,715,579
Auditors remuneration			
- Audit of the Annual Financial Report	7,260	30,000	25,260
- Other services	1,100	0	5,365
	8,360	30,000	30,625
Interest expenses (finance costs)			
Borrowings (refer Note 12(b))	57,659	58,700	61,300
	57,659	58,700	61,300
Rental charges			
- Operating leases	27,704	27,000	26,806
	27,704	27,000	26,806

### 3. CASH AND CASH EQUIVALENTS

	NOTE	2019 \$	2018 \$
Cash at bank and on hand		2,425,758	2,242,880
		2,425,758	2,242,880
<b>Comprises:</b>			
- Unrestricted cash and cash equivalents		701,484	501,120
- Restricted cash and cash equivalents		1,724,274	1,741,760
		2,425,758	2,242,880
The following restrictions have been imposed by regulations or other externally imposed requirements:			
<b>Reserve accounts</b>			
Leave Reserve	4	82,076	60,903
Plant Replacement Reserve	4	260,173	212,057
Building Reserve	4	261,528	156,180
Computer Reserve	4	42,739	31,796
Tamb Rec Ground & Pavilion Reserve	4	51,616	45,401
Bhill Rec Complex Reserve	4	86,052	75,429
Building Maintenance Reserve	4	67,324	20,084
Sandalwood Villas Reserve	4	82,086	70,174
Bhill Synthetic Bowling Green Reserve	4	65,635	55,514
Refuse Sites Post Closure Mgt Reserve	4	26,554	20,955
Lavieville Lodge Reserve	4	69,746	58,139
Townscape Plan Implementation Reserve	4	347,522	244,326
Tamb Synthetic Bowling Green Reserve	4	15,296	7,500
Tourism & Economic Development Reserve	4	30,000	0
		1,488,347	1,058,458
<b>Other restricted cash and cash equivalents</b>			
Unspent grants/contributions	18	51,506	683,302
Great Southern Treasures		48,837	0
A Smart Start Great Southern		131,994	0
Bonds		3,590	0
<b>Total restricted cash and cash equivalents</b>		1,724,274	1,741,760

#### SIGNIFICANT ACCOUNTING POLICIES

##### Cash and cash equivalents

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

##### Cash and cash equivalents (Continued)

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



**SHIRE OF BROOMEHILL-TAMBELLUP**  
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**FOR THE YEAR ENDED 30TH JUNE 2019**

**4. RESERVES - CASH BACKED**

	2019 Actual Opening Balance	2019 Actual Transfer to	2019 Actual Transfer (from)	2019 Actual Closing Balance	2019 Budget Opening Balance	2019 Budget Transfer to	2019 Budget Transfer (from)	2019 Budget Closing Balance	2018 Actual Opening Balance	2018 Actual Transfer to	2018 Actual Transfer (from)	2018 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Leave Reserve	60,903	52,240	(31,067)	82,076	60,900	51,800	(57,300)	55,400	104,816	37,373	(81,286)	60,903
(b) Plant Replacement Reserve	212,057	429,437	(381,321)	260,173	212,100	504,000	(588,000)	128,100	88,287	514,190	(390,420)	212,057
(c) Building Reserve	156,180	105,348	0	261,528	156,200	1,058,000	(958,300)	255,900	116,260	103,291	(63,371)	156,180
(d) Computer Reserve	31,796	10,943	0	42,739	31,800	11,000	0	42,800	48,413	11,183	(27,800)	31,796
(e) Tamb Rec Ground & Pavilion Reserve	45,401	6,216	0	51,617	45,400	6,000	0	51,400	39,475	5,926	0	45,401
(f) Bhill Rec Complex Reserve	75,429	10,623	0	86,052	75,400	9,900	0	85,300	65,293	10,136	0	75,429
(g) Building Maintenance Reserve	20,084	47,239	0	67,323	20,100	17,000	0	37,100	53,904	1,180	(35,000)	20,084
(h) Sandalwood Villas Reserve	70,174	11,912	0	82,086	70,200	11,500	0	81,700	58,765	11,409	0	70,174
(i) Bhill Synthetic Bowling Green Reserve	55,514	10,121	0	65,635	55,500	9,600	0	65,100	45,805	9,709	0	55,514
(j) Refuse Sites Post Closure Mgt Reserve	20,955	5,600	0	26,555	21,000	5,500	0	26,500	15,553	5,402	0	20,955
(k) Lavieville Lodge Reserve	58,139	11,606	0	69,745	58,100	11,200	0	69,300	46,987	11,152	0	58,139
(l) Townscape Plan Implementation Reserve	244,326	106,162	(2,966)	347,522	244,300	105,000	(200,000)	149,300	308,537	6,758	(70,969)	244,326
(m) Tamb Synthetic Bowling Green Reserve	7,500	7,796	0	15,296	7,500	7,800	0	15,300	0	7,500	0	7,500
(n) Tourism & Economic Development Reserve	0	30,000	0	30,000	0	0	0	0	0	0	0	0
	1,058,458	845,243	(415,354)	1,488,347	1,058,500	1,808,300	(1,803,600)	1,063,200	992,095	735,209	(668,846)	1,058,458

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

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

Name of Reserve	Anticipated date of use	Purpose of the reserve
(a) Leave Reserve	Ongoing	- to be used to meet the Councils Long Service Leave liability for its employees.
(b) Plant Replacement Reserve	Ongoing	- to be used for the purchase of plant and equipment in accordance with the Plant Replacement Program.
(c) Building Reserve	Ongoing	- to be used to finance replacement, major repair or construction of new Shire buildings, and costs associated with subdivision of land.
(d) Computer Reserve	Ongoing	- to be used for the replacement or upgrade of computer hardware and software.
(e) Tamb Rec Ground & Pavilion Reserve	Ongoing	- to be used to maintain and develop sport and recreational facilities at the Tambellup Recreation Ground and Pavilion.
(f) Bhill Rec Complex Reserve	Ongoing	- to be used for works at the Broomehill Recreation Complex in agreeance with the Complex Management Committee.
(g) Building Maintenance Reserve	Ongoing	- to be used to fund building maintenance requirements for all Shire owned buildings.
(h) Sandalwood Villas Reserve	Ongoing	- to be utilised towards upgrade and maintenance of the 6 units at Sandalwood Villas.
(i) Bhill Synthetic Bowling Green Reserve	10+ years	- to be used for the future replacement of the synthetic bowling green at the Broomehill Recreational Complex.
(j) Refuse Sites Post Closure Mgt Reserve	20+ years	- to meet the financial requirements for the closure of the Broomehill and Tambellup landfill sites when their useful life expires.
(k) Lavieville Lodge Reserve	Ongoing	- to be utilised towards upgrade and maintenance of the 4 units at Lavieville Lodge.
(l) Townscape Plan Implementation Reserve	2019-2021	- to be used for implementation of the Townscape Plans for the Broomehill and Tambellup townsites.
(m) Tamb Synthetic Bowling Green Reserve	10+ years	- to be used for the future replacement of the synthetic bowling green at the Tambellup Sportsground.
(n) Tourism & Economic Development Reserve	Ongoing	- to be used to progress tourism and economic development opportunities in the Shire.

## 5. TRADE RECEIVABLES

### Current

Rates receivable
Sundry receivables
GST receivable
Accrued Income

### Non-current

Pensioner's rates and ESL deferred
Long Service Leave Debtors

2019	2018
\$	\$
252,396	210,695
511,794	329,973
25,617	57,046
62,719	474,261
852,526	1,071,975
39,457	37,187
25,266	25,266
64,723	62,453

## 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 21.

### Previous accounting policy: Impairment of trade receivables

In the prior year, the impairment of trade receivables was assessed based on the incurred loss model. Individual receivables which were known to be uncollectible were written off by reducing the carrying amount directly. The other receivables were assessed collectively to determine whether there was objective evidence that an impairment had been incurred but not yet identified. For these receivables the estimated impairment losses were recognised in a separate provision for impairment.

### 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

Fuels, Oils & Materials

	2019	2018
	\$	\$
Fuels, Oils & Materials	26,158	15,693
	26,158	15,693

### Non-current

Land held for resale - cost

Cost of acquisition

Cost of acquisition	216,000	216,000
	216,000	216,000

The following movements in inventories occurred during the year:

### Carrying amount at 1 July

Additions to inventory

### Carrying amount at 30 June

Carrying amount at 1 July	231,693	231,693
Additions to inventory	10,465	
Carrying amount at 30 June	242,158	231,693

## SIGNIFICANT ACCOUNTING POLICIES

### General

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

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

## 7. OTHER FINANCIAL ASSETS

### (a) Current assets

### (b) Non-current assets

Financial assets at fair values through other comprehensive income

#### Financial assets at fair values through other comprehensive income

BKW Co-op Shares  
Local Govt House Unit Trust

2019	2018
\$	\$
70,965	70,965
70,965	70,965
897	897
70,068	70,068
70,965	70,965

### 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 21.

### 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 are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

#### 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 are 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.

## 8. 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	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2017</b>	1,115,900	7,400	1,123,300	1,980,000	9,089,156	11,069,156	12,192,456	36,503	3,496,686	15,725,645
Additions	63,371	0	63,371	0	201,755	201,755	265,126	27,834	1,656,860	1,949,820
(Disposals)	0	0	0	0	0	0	0	(1,294)	(1,345,875)	(1,347,169)
Depreciation (expense)	0	0	0	(45,020)	(173,209)	(218,229)	(218,229)	(3,487)	(266,794)	(488,510)
Transfers	0	0	0	0	(26,305)	(26,305)	(26,305)	0	0	(26,305)
<b>Carrying amount at 30 June 2018</b>	1,179,271	7,400	1,186,671	1,934,980	9,091,397	11,026,377	12,213,048	59,556	3,540,877	15,813,481
<b>Comprises:</b>										
Gross carrying amount at 30 June 2018	1,179,271	7,400	1,186,671	1,980,000	9,264,606	11,244,606	12,431,277	66,236	4,001,665	16,499,178
Accumulated depreciation at 30 June 2018	0	0	0	(45,020)	(173,209)	(218,229)	(218,229)	(6,680)	(460,788)	(685,697)
<b>Carrying amount at 30 June 2018</b>	1,179,271	7,400	1,186,671	1,934,980	9,091,397	11,026,377	12,213,048	59,556	3,540,877	15,813,481
Additions	0	0	0	15,827	0	15,827	15,827	0	1,235,164	1,250,991
(Disposals)	0	0	0	0	0	0	0	0	(883,071)	(883,071)
Revaluation increments / (decrements) transferred to revaluation surplus	0	0	0	0	0	0	0	(11,632)	35,198	23,566
Depreciation (expense)	0	0	0	(45,699)	(188,707)	(234,406)	(234,406)	(6,124)	(322,038)	(562,568)
<b>Carrying amount at 30 June 2019</b>	1,179,271	7,400	1,186,671	1,905,108	8,902,690	10,807,798	11,994,469	41,800	3,606,130	15,642,399
<b>Comprises:</b>										
Gross carrying amount at 30 June 2019	1,179,271	7,400	1,186,671	1,995,827	9,264,606	11,260,433	12,447,104	41,800	3,606,130	16,095,034
Accumulated depreciation at 30 June 2019	0	0	0	(90,719)	(361,916)	(452,635)	(452,635)	0	0	(452,635)
<b>Carrying amount at 30 June 2019</b>	1,179,271	7,400	1,186,671	1,905,108	8,902,690	10,807,798	11,994,469	41,800	3,606,130	15,642,399

## 8. 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
<b>Land and buildings</b>					
Land - freehold land	2	Market approach using recent observable market data for similar properties / income approach using discounted cashflow methodology	Independent Registered Valuers	June 2017	Price per hectare / market borrowing rates
Land - vested in and under the control of Council	2	Market approach using recent observable market data for similar properties / income approach using discounted cashflow methodology	Independent Registered Valuers	June 2017	Price per hectare / market borrowing rates
Buildings - non-specialised	2	Market approach using recent observable market data for similar properties / income approach using discounted cashflow methodology	Independent Registered Valuers	June 2017	Price per hectare / market borrowing rates
Buildings - specialised	2	Market approach using recent observable market data for similar properties / income approach using discounted cashflow methodology	Independent Registered Valuers	June 2017	Price per hectare / market borrowing rates
<b>Furniture and equipment</b>	2	Market approach using recent observable market data for similar assets	Management Valuation	June 2019	Market price per item
<b>Plant and equipment</b>	2	Market approach using recent observable market data for similar assets	Management Valuation	June 2019	Market price per item

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

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



SHIRE OF BROOMEHILL-TAMBELLUP  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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## 9. 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 - Earthworks & Clearing	Infrastructure - Roads	Infrastructure - Footpaths	Infrastructure - Drainage	Infrastructure - Parks & Ovals	Infrastructure - Water Supply	Infrastructure - Other	Total Infrastructure
	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2017	44,378,390	64,787,408	615,192	759,859	1,653,755	65,701	425,381	112,685,686
Additions	392,913	1,656,072	0	0	849,566	0	123,339	3,021,890
Revaluation increments / (decrements) transferred to revaluation surplus	2,057,287	(963,389)	117,168	35,376	(172,897)	(3,552)	(30,930)	1,039,063
Depreciation (expense)	0	(528,485)	(5,338)	(8,626)	(94,031)	(3,649)	(11,819)	(651,948)
Transfers					26,305			26,305
Carrying amount at 30 June 2018	46,828,590	64,951,606	727,022	786,609	2,262,698	58,500	505,971	116,120,996
Comprises:								
Gross carrying amount at 30 June 2018	46,828,590	64,951,606	727,022	786,609	2,262,698	58,500	505,971	116,120,996
Carrying amount at 30 June 2018	46,828,590	64,951,606	727,022	786,609	2,262,698	58,500	505,971	116,120,996
Additions	394,499	2,379,569	24,268	0	30,026	0	24,222	2,852,584
Depreciation (expense)	0	(1,058,732)	(27,278)	(8,731)	(94,402)	(2,925)	(8,931)	(1,200,999)
Carrying amount at 30 June 2019	47,223,089	66,272,443	724,012	777,878	2,198,322	55,575	521,262	117,772,581
Comprises:								
Gross carrying amount at 30 June 2019	47,223,089	67,331,175	751,290	786,609	2,292,724	58,500	530,193	118,973,580
Accumulated depreciation at 30 June 2019	0	(1,058,732)	(27,278)	(8,731)	(94,402)	(2,925)	(8,931)	(1,200,999)
Carrying amount at 30 June 2019	47,223,089	66,272,443	724,012	777,878	2,198,322	55,575	521,262	117,772,581

## 9. INFRASTRUCTURE (Continued)

### (b) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Infrastructure - Roads - Earthworks & C	3	Cost approach using depreciated replacement cost	Management Valuation	June 2018	Construction costs and current condition (Level 2) Residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - Roads	3	Cost approach using depreciated replacement cost	Management Valuation	June 2018	Construction costs and current condition (Level 2) Residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - Footpaths	3	Cost approach using depreciated replacement cost	Management Valuation	June 2018	Construction costs and current condition (Level 2) Residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - Drainage	3	Cost approach using depreciated replacement cost	Management Valuation	June 2018	Construction costs and current condition (Level 2) Residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - Parks & Ovals	3	Cost approach using depreciated replacement cost	Management Valuation	June 2018	Construction costs and current condition (Level 2) Residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - Water Supply	3	Cost approach using depreciated replacement cost	Management Valuation	June 2018	Construction costs and current condition (Level 2) Residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - Other	3	Cost approach using depreciated replacement cost	Independent Valuation	June 2018	Construction costs and current condition (Level 2) Residual values and remaining useful life assessments (Level 3) inputs

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

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

## 9. PROPERTY, PLANT AND EQUIPMENT (INCLUDING INFRASTRUCTURE)

### SIGNIFICANT ACCOUNTING POLICIES

#### Fixed assets

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

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

#### Revaluation

The fair value of fixed assets is determined at least every three years and 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)(iii)*, 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 in *Australian Accounting Standard AASB 1051 Land Under Roads* and the fact *Local Government (Financial Management) Regulation 16(a)(i)* prohibits local governments from recognising such land as an asset.

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

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

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

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

(a) Disposals of Assets

	2019 Actual Net Book Value	2019 Actual Sale Proceeds	2019 Actual Profit	2019 Actual Loss	2019 Budget Net Book Value	2019 Budget Sale Proceeds	2019 Budget Profit	2019 Budget Loss	2018 Actual Net Book Value	2018 Actual Sale Proceeds	2018 Actual Profit	2018 Actual Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Land - freehold land	0	0	0	0	135,000	135,000	0	0	0	0	0	0
Buildings - non-specialised	0	0	0	0	393,600	820,000	426,400	0	0	0	0	0
Furniture and equipment	0	0	0	0	0	0	0	0	1,294	0	0	(1,294)
Plant and equipment	883,072	862,552	18,177	(38,697)	1,043,700	931,000	9,700	(122,400)	1,345,875	1,263,408	3,739	(86,206)
	883,072	862,552	18,177	(38,697)	1,572,300	1,886,000	436,100	(122,400)	1,347,169	1,263,408	3,739	(87,500)

The following assets were disposed of during the year.

	2019 Actual Net Book Value	2019 Actual Sale Proceeds	2019 Actual Profit	2019 Actual Loss
	\$	\$	\$	\$
<b>Plant and Equipment</b>				
<b>Governance</b>				
Ford Ranger XLT dual cab - OTA	42,990	42,314	0	(676)
Ford Ranger XLT dual cab - OTA	41,766	41,993	227	0
Ford Ranger XLT dual cab - OTA	44,455	44,496	41	0
Ford Everest Wagon - BH000	48,743	47,892	0	(851)
Ford Everest Wagon - BH000	46,381	48,441	2,060	0
<b>Transport</b>				
Isuzu FRR600 truck TA017	60,412	31,818	0	(28,594)
Caterpillar PR300 roller BH005	43,110	54,000	10,890	0
Ford Ranger Wildtrak dual cab 1T	45,676	45,556	0	(120)
Ford Ranger Wildtrak dual cab 1T	45,689	45,854	165	0
Ford Ranger Wildtrak dual cab 1T	45,226	46,000	774	0
Ford Ranger Wildtrak dual cab 1T	46,125	46,666	541	0
Ford Ranger dual cab - TA052	35,161	32,058	0	(3,103)
Ford Ranger XLT dual cab - TA00	44,041	43,453	0	(588)
Ford Ranger XLT dual cab - TA00	42,879	43,360	481	0
Ford Ranger XLT dual cab - TA00	45,074	45,275	201	0
Ford Ranger XLT dual cab - TA00	45,412	43,636	0	(1,776)
Ford Ranger dual cab - BH00	35,605	36,738	1,133	0
Ford Ranger extra cab - BH014	48,296	45,307	0	(2,989)
Ford Ranger dual cab - BH003	46,249	46,503	254	0
Toyota Hilux single cab - TA005	29,782	31,192	1,410	0
	883,072	862,552	18,177	(38,697)
	883,072	862,552	18,177	(38,697)

## 10. PROPERTY, PLANT AND EQUIPMENT (INCLUDING INFRASTRUCTURE) (Continued)

### (b) Depreciation

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Buildings - non-specialised	45,699	45,700	45,020
Buildings - specialised	188,707	168,700	173,209
Furniture and equipment	6,124	4,500	3,487
Plant and equipment	322,038	274,400	266,794
Infrastructure - Roads	1,058,732	527,000	528,485
Infrastructure - Footpaths	27,278	5,000	5,338
Infrastructure - Drainage	8,731	8,000	8,626
Infrastructure - Parks & Ovals	94,402	79,300	94,031
Infrastructure - Water Supply	2,925	3,700	3,649
Infrastructure - Other	8,931	13,300	11,819
	1,763,567	1,129,600	1,140,458

### SIGNIFICANT ACCOUNTING POLICIES

#### Depreciation

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

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

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

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

#### 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	40 to 50 years
Furniture and equipment	5 to 10 years
Plant and equipment	1 to 15 years
Sealed roads and streets	
formation	not depreciated
pavement	50 years
seal	
- bituminous seals	20 years
- asphalt surfaces	25 years
Gravel roads	
formation	not depreciated
pavement	50 years
Footpaths - slab	20 years
Water supply piping and drainage systems	75 years

#### Depreciation (Continued)

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

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

## 10. REVALUATION SURPLUS

	2019 Opening Balance	2019 Revaluation Increment	Total Movement on Revaluation	2019 Closing Balance	2018 Opening Balance	2018 Revaluation Increment	Total Movement on Revaluation	2018 Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$
Land and Buildings	4,950,234	0	0	4,950,234	4,950,234	0	0	4,950,234
Plant and Equipment	18,433	23,566	23,566	41,999	18,433	0	0	18,433
Infrastructure	92,708,910	0	0	92,708,910	91,669,847	1,039,063	1,039,063	92,708,910
Local Govt House Unit Trust	62,139	0	0	62,139	53,938	8,201	8,201	62,139
	97,739,716	23,566	23,566	97,763,282	96,692,452	1,047,264	1,047,264	97,739,716

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.



## 11. TRADE AND OTHER PAYABLES

### Current

Sundry creditors	
Rates paid in advance	
Accrued salaries and wages	
Accrued interest on long term borrowings	
Accrued Expenses	
Income Received in Advance	
Other Payables	

### Non-Current

Long Service Leave Creditors	
------------------------------	--

2019	2018
\$	\$
344,611	257,064
22,442	23,046
34,637	35,716
19,602	20,380
27,906	122,561
12,699	7,574
184,421	0
646,318	466,341
3,056	10,372
3,056	10,372

### 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.

### Other Payables comprises -

Other bonds and deposits	3,590
Great Southern Treasures	48,837
A Smart Start Great Southern	131,994
	184,421

The Shire is the administrator of funding for Great Southern Treasures and A Smart Start Great Southern, as in kind administrative support to these community organisations. These funds were previously held in the Trust Fund but have been transferred out in 2018/19 and now shown as a current liability.

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12. INFORMATION ON BORROWINGS

(a) Borrowings

	2019	2018
	\$	\$
Current	62,001	59,290
Non-current	1,098,431	1,160,432
	1,160,432	1,219,722

(b) Repayments - Borrowings

Particulars	Loan Number	Institution	Interest Rate	Actual Principal	30 June 2019	30 June 2019	30 June 2019	Budget Principal	30 June 2019	30 June 2019	30 June 2019	Actual Principal	30 June 2018	30 June 2018	30 June 2018
				1 July 2018	Actual Principal repayments	Actual Interest repayments	Actual Principal outstanding		Budget Principal repayments	Budget Interest repayments	Budget Principal outstanding		Actual Principal repayments	Actual Interest repayments	Actual Principal outstanding
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Governance</b>															
Tambellup Admin Building	95	WATC	5.58%	108,141	19,315	6,312	88,826	108,100	19,300	6,500	88,800	126,422	18,281	7,450	108,141
Broomehill Admin Building	98	WATC	3.28%	0	0	0	0	0	0	0	0	25,586	25,586	767	0
<b>Recreation and culture</b>															
Tambellup Pavilion	99	WATC	4.01%	1,111,581	39,975	51,347	1,071,606	1,111,600	40,000	52,200	1,071,600	1,150,000	38,419	53,083	1,111,581
				1,219,722	59,290	57,659	1,160,432	1,219,700	59,300	58,700	1,160,400	1,302,008	82,286	61,300	1,219,722
				1,219,722	59,290	57,659	1,160,432	1,219,700	59,300	58,700	1,160,400	1,302,008	82,286	61,300	1,219,722

Self supporting loans are financed by payments from third parties. These are shown in Note 7 as other financial assets at amortised cost.

All other loan repayments were financed by general purpose revenue.

## 12. INFORMATION ON BORROWINGS (Continued)

	2019	2018
	\$	\$
<b>(c) Undrawn Borrowing Facilities</b>		
<b>Credit Standby Arrangements</b>		
Bank overdraft limit	500,000	500,000
Credit card limit	14,000	14,000
Credit card balance at balance date	(368)	(1,688)
<b>Total amount of credit unused</b>	<b>513,632</b>	<b>512,312</b>
<b>Loan facilities</b>		
Loan facilities - current	62,001	59,290
Loan facilities - non-current	1,098,431	1,160,432
<b>Total facilities in use at balance date</b>	<b>1,160,432</b>	<b>1,219,722</b>

### SIGNIFICANT ACCOUNTING POLICIES

#### Financial liabilities

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

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

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

#### Borrowing costs

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

#### Risk

Information regarding exposure to risk can be found at Note 21.

### 13. EMPLOYEE RELATED PROVISIONS

#### Employee Related Provisions

#### Opening balance at 1 July 2018

Current provisions

Non-current provisions

Additional provision

Amounts used

#### Balance at 30 June 2019

#### Comprises

Current

Non-current

	Provision for Annual Leave	Provision for Long Service Leave	Total
	\$	\$	\$
Opening balance at 1 July 2018			
Current provisions	143,340	155,096	298,436
Non-current provisions	0	78,562	78,562
	143,340	233,658	376,998
Additional provision	142,061	60,581	202,642
Amounts used	(117,342)	(31,067)	(148,409)
Balance at 30 June 2019	168,059	263,172	431,231
Comprises			
Current	168,059	193,163	361,222
Non-current	0	70,009	70,009
	168,059	263,172	431,231

#### Amounts are expected to be settled on the following basis:

Less than 12 months after the reporting date

More than 12 months from reporting date

Expected reimbursements from other WA local governments

	2019	2018
	\$	\$
Less than 12 months after the reporting date	194,225	199,091
More than 12 months from reporting date	211,740	151,652
Expected reimbursements from other WA local governments	25,266	26,255
	431,231	376,998

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.

## 14. NOTES TO THE STATEMENT OF CASH FLOWS

### Reconciliation of Cash

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

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Cash and cash equivalents	2,425,758	1,064,700	2,242,880
<b>Reconciliation of Net Cash Provided By Operating Activities to Net Result</b>			
Net result	1,265,495	2,767,400	2,941,599
Non-cash flows in Net result:			
Depreciation	1,763,567	1,129,600	1,140,458
(Profit)/loss on sale of asset	20,520	(313,700)	83,761
Changes in assets and liabilities:			
(Increase)/decrease in receivables	217,179	639,100	(477,026)
(Increase)/decrease in inventories	(10,465)	(35,000)	40,855
Increase/(decrease) in payables	179,977	332,000	143,527
Increase/(decrease) in provisions	46,918	26,300	(43,731)
Grants contributions for the development of assets	(1,756,937)	(3,755,500)	(3,289,667)
Net cash from operating activities	1,726,254	790,200	539,776

## 15. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2019	2018
	\$	\$
Governance	1,637,000	1,702,009
Law, order, public safety	463,805	425,802
Health	105,900	108,600
Housing	2,084,281	2,129,980
Community amenities	521,270	515,281
Recreation and culture	8,194,835	8,377,426
Transport	119,012,424	117,261,887
Economic services	568,794	586,821
Other property and services	1,042,671	1,042,671
Unallocated	3,440,129	3,463,966
	137,071,109	135,614,443

## 16. CAPITAL AND LEASING COMMITMENTS

### (a) Capital Expenditure Commitments

Contracted for:

- capital expenditure projects

2019	2018
\$	\$
4,330,000	0
4,330,000	0

Payable:

- not later than one year

4,330,000	0
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The Shire is a participant in the Great Southern Housing Initiative which will deliver Independent Living Seniors and Key Worker accommodation across 7 Shires.

The Shire is constructing 4 seniors units, 6 houses and cabins at the Broomehill Caravan Park.

### (b) Operating Lease Commitments

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

Payable:

- not later than one year

- later than one year but not later than five years

2019	2018
\$	\$
17,873	26,806
33,046	4,468
50,919	31,274

### SIGNIFICANT ACCOUNTING POLICIES

#### Leases

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

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

#### Leases (Continued)

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

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

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

## 17. RELATED PARTY TRANSACTIONS

### Elected Members Remuneration

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

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Meeting Fees	52,000	55,000	52,000
President's Allowance	2,000	2,000	2,000
Deputy Presidents Allowance	500	500	500
Travelling Expenses	0	1,000	402
Telecommunications Allowance	3,500	3,500	3,500
	58,000	62,000	58,402

### Key Management Personnel (KMP) Compensation Disclosure

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

	2019 Actual	2018 Actual
	\$	\$
Short-term employee benefits	411,366	493,450
Post-employment benefits	46,295	57,925
Other long-term benefits	8,427	5,689
Termination benefits	0	116,459
	466,088	673,523

#### *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 long service benefits accruing during the year.

#### *Termination benefits*

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



## 17. 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 outstanding balances or 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	44,666	23,362
<b>Amounts payable to related parties:</b>		
Trade and other payables	44,666	0

### 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.

##### *ii. Other Related Parties*

The associate person of KMP was employed by the Shire under normal employment terms and conditions.

##### *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.

## 18. CONDITIONS OVER GRANTS/CONTRIBUTIONS

Grant/Contribution	Opening Balance <sup>(1)</sup> 1/07/17	Received <sup>(2)</sup> 2017/18	Expended <sup>(3)</sup> 2017/18	Closing Balance <sup>(1)</sup> 30/06/18	Received <sup>(2)</sup> 2018/19	Expended <sup>(3)</sup> 2018/19	Closing Balance 30/06/19
	\$	\$	\$	\$	\$	\$	\$
<b>Governance</b>							
DLG - Amalgamation	51,506	0	0	51,506	0	0	51,506
DLG - Strategic Community Planning	10,325	0	(187)	10,138	0	(10,138)	0
<b>Recreation and culture</b>							
DSR - Kidsport	1,154	3,251	(4,405)	0			0
DSR - Crawford St basketball courts	0	0	0	0	11,478	(11,478)	0
TCPavilionAssoc - playground equip	0	0	0	0	26,636	(26,636)	0
<b>Transport</b>							
Roads to Recovery program	29,927	579,300	(609,227)	0	445,766	(445,766)	0
MRWA Regional Road Group	0	1,021,220	(1,001,562)	19,658	858,797	(878,455)	0
MRWA State Black Spot	0	53,200	(53,200)	0	13,300	(13,300)	0
MRWA Commodity Routes	115,564	199,000	(314,564)	0	40,000	(40,000)	0
WALGGC - Bridge 4326	0	262,000	0	262,000	0	(262,000)	0
WALGGC - Bridge 4233	0	340,000	0	340,000		(340,000)	0
MRWA - Bridge 4326	0	0	0	0	131,000	(131,000)	0
MRWA - Bridge 4233	0	0	0	0	170,000	(170,000)	0
WACHS - Kerbing reinstatement	25,000	0	(25,000)	0	0	0	0
DWER - Washdown Bay	0	61,904	(61,904)	0	0	0	0
<b>Total</b>	<b>233,476</b>	<b>2,519,875</b>	<b>(2,070,049)</b>	<b>683,302</b>	<b>1,696,977</b>	<b>(2,328,773)</b>	<b>51,506</b>

**Notes:**

(1) - Grants/contributions recognised as revenue in a previous reporting period which were not expended at the close of the previous reporting period.

(2) - New grants/contributions which were recognised as revenues during the reporting period and which had not yet been fully expended in the manner specified by the contributor.

(3) - Grants/contributions which had been recognised as revenues in a previous reporting period or received in the current reporting period and which were expended in the current reporting period in the manner specified by the contributor.

## 19. RATING INFORMATION

### (a) Rates

RATE TYPE	Rate in \$	Number of Properties	2018/19 Actual Rateable Value \$	2018/19 Actual Rate Revenue \$	2018/19 Actual Interim Rates \$	2018/19 Actual Total Revenue \$	2018/19 Budget Rate Revenue \$	2018/19 Budget Total Revenue \$	2017/18 Actual Total Revenue \$
Differential general rate / general rate									
<b>Gross rental valuations</b>									
Residential	0.107682	244	1,987,298	213,996	29	214,025	213,900	213,900	205,636
Commercial	0.107682	12	186,262	20,057	0	20,057	20,000	20,000	19,286
<b>Unimproved valuations</b>									
Rural	0.009387	378	234,708,500	2,203,209	0	2,203,209	2,203,100	2,203,100	2,120,836
Mining	0.009387	0	0	0	0	0	0	0	0
<b>Sub-Total</b>		634	236,882,060	2,437,262	29	2,437,291	2,437,000	2,437,000	2,345,758
<b>Minimum payment</b>	<b>Minimum \$</b>								
<b>Gross rental valuations</b>									
Residential	475	121	165,285	57,475	0	57,475	57,400	57,400	55,055
Commercial	475	3	7,663	1,425	0	1,425	1,400	1,400	1,365
<b>Unimproved valuations</b>									
Rural	475	26	750,900	12,350	0	12,350	12,300	12,300	10,465
Mining	475	3	11,329	1,425	(1)	1,424	1,400	1,400	384
<b>Sub-Total</b>		153	935,177	72,675	(1)	72,674	72,500	72,500	67,269
		787	237,817,237	2,509,937	28	2,509,965	2,509,500	2,509,500	2,413,027
Discounts/concessions (refer Note 19(b))						(105,452)		(92,000)	(87,127)
<b>Total amount raised from general rate</b>						2,404,513	2,417,500	2,417,500	2,325,900

### 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.

19 RATING INFORMATION (Continued)

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

Rates Discounts

Rate or Fee			2019	2019	2018	
Discount Granted	Discount	Discount	Actual	Budget	Actual	Circumstances in which Discount is Granted
	%	\$	\$	\$	\$	
General Rates	5.00%		101,982	88,000	86,577	Rates & charges paid in full within 28 days of the date of issue on the rate notice
			101,982	88,000	86,577	

Waivers or Concessions

Rate or Fee and Charge to which the Waiver or Concession is Granted	Type	Discount	Discount	2019	2019	2018
		%	\$	Actual	Budget	Actual
				\$	\$	\$
General Rates - GRV	Concession	100.00%	0.00	3,470	4,000	550
				3,470	4,000	550

Rate or Fee and Charge to which the Waiver or Concession is Granted	Circumstances in which the Waiver or Concession is Granted and to whom it was available	Objects of the Waiver or Concession	Reasons for the Waiver or Concession
General Rates - GRV	Community organisations apply annually for a rate concession	To support the Tambellup Business Centre and Tambellup Golf Club	Both facilities are owned by local not for profit community organisations are available for use year round by the entire community.

## 19 RATING INFORMATION (Continued)

### (c) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge	Instalment Plan Interest Rate	Unpaid Rates Interest Rate
		\$	%	%
Single payment in full within 28 days of issue				
- with 5% discount	31 Aug 2018	0.00	0.00%	11.00%
Single payment in full	07 Sep 2018	0.00	0.00%	11.00%
First Instalment	07 Sep 2018	0.00	5.50%	11.00%
Second Instalment	07 Jan 2019	10.00	5.50%	11.00%
<b>Option Four</b>				
First Instalment	07 Sep 2018	0.00	5.50%	11.00%
Second Instalment	07 Nov 2018	10.00	5.50%	11.00%
Third Instalment	07 Jan 2019	10.00	5.50%	11.00%
Fourth Instalment	07 Mar 2019	10.00	5.50%	11.00%

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Interest on unpaid rates	22,217	24,500	24,585
Interest on instalment plan	2,486	3,000	2,567
Charges on instalment plan	1,640	2,000	1,500
	26,343	29,500	28,652

## 20. RATE SETTING STATEMENT INFORMATION

		2018/19 (30 June 2019 Carried Forward)	2018/19 Budget (30 June 2019 Carried Forward)	2018/19 (1 July 2018 Brought Forward)
Note		\$	\$	\$
<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	10(a) (18,177)	(436,100)	(3,739)
	Less: Change in accounting policy	23 (b) 0	0	0
	Movement in pensioner deferred rates (non-current)	(2,270)	0	(1,702)
	Movement in employee benefit provisions (non-current)	45,838	0	(45,663)
	Movement in other provisions	3,743	0	7,557
	Add: Loss on disposal of assets	10(a) 38,697	122,400	87,500
	Add: Depreciation on assets	10(b) 1,763,567	1,129,600	1,140,458
	<b>Non cash amounts excluded from operating activities</b>	<b>1,831,398</b>	<b>815,900</b>	<b>1,184,411</b>
<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 (1,488,347)	(1,063,200)	(1,058,458)
	Add: Borrowings	12(a) 62,001	59,300	59,290
	Add: Payables	89,380	0	86,716
	Add: Employee Provisions	361,222	(124,800)	298,436
	<b>Total adjustments to net current assets</b>	<b>(975,744)</b>	<b>(1,128,700)</b>	<b>(614,016)</b>
<b>Net current assets used in the Rate Setting Statement</b>				
	Total current assets	3,304,441	1,535,500	3,330,548
	Less: Total current liabilities	(1,069,541)	(406,800)	(824,067)
	Less: Total adjustments to net current assets	(975,744)	(1,128,700)	(614,016)
	<b>Net current assets used in the Rate Setting Statement</b>	<b>1,259,156</b>	<b>0</b>	<b>1,892,465</b>

## 21. 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
<b>Market risk - interest rate</b>	Long term borrowings at variable rates	Sensitivity analysis	Utilise fixed interest rate borrowings
<b>Credit risk</b>	Cash and cash equivalents, trade receivables, financial assets and	Aging analysis Credit analysis	Diversification of bank deposits, credit limits. Investment policy
<b>Liquidity risk</b>	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	1.90%	2,425,758	0	2,425,758	0
<b>2018</b>					
Cash and cash equivalents	2.65%	2,242,880	0	2,242,880	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*	24,257	22,428

\* 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 12(b).

## 21. 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 fees and charges over a period of 36 months 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 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	0.00%	0.00%	0.00%	0.00%	0.00%
Gross carrying amount	483,761	1,121	1,029	15,144	501,055
Loss allowance	0	0	0	0	0
<b>01 July 2018</b>					
Sundry Receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	0.00%
Gross carrying amount	306,624	0	152	15,680	322,456
Loss allowance	0	0	0	0	0



## 21. 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 12(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.

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
<b>2019</b>					
Payables	449,198	3,056	0	452,254	461,897
Borrowings	109,236	411,858	1,093,976	1,615,070	1,160,432
	558,434	414,914	1,093,976	2,067,324	1,622,329
<b>2018</b>					
Payables	473,657	3,056	0	476,713	466,341
Borrowings	109,236	436,942	1,178,127	1,724,305	1,219,722
	582,893	439,998	1,178,127	2,201,018	1,686,063

## 22. TRUST FUNDS

Funds held at balance date which are required to be held in trust and which are not included in the financial statements are as follows:

	1 July 2018	Amounts Received	Amounts Paid	Reclassification to Restricted Cash	30 June 2019
	\$	\$	\$		\$
Hall Bonds	1,050	5,200	(4,750)	(1,500)	0
Key Bonds	300	50	(200)	(150)	0
Equipment Bonds	0	750	(750)	0	0
House Bonds	440	1,500	0	(1,940)	0
Prepaid Cemetery Fees	588	0	(588)	0	0
Great Southern Treasures	60,264	28,500	(39,927)	(48,837)	0
Broomehill Liaison Group	1,244	0	0	0	1,244
Fire Prevention	4,834	0	0	0	4,834
Youth Support Donations	130	0	0	0	130
Tourism Donations	44	0	0	0	44
Roadwise	329	0	0	0	329
Building Retention Bonds	2,456	0	0	0	2,456
A Smart Start Great Southern	180,178	0	(48,184)	(131,994)	0
Broomehill Dramatic Society	3,418	0	0	0	3,418
Rates - held upon sale of property	4,149	0	0	0	4,149
Unclaimed monies (2003)	1,566	0	0	0	1,566
	260,990	36,000	(94,399)	(184,421)	18,170

In previous years bonds and deposits were held in Trust. They are now included in Restricted Cash at Note 3 and shown as a current liability at Note 11.

## 23. 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).

The effect of adopting AASB 9 as at 1 July 2018 was assessed as not material, and therefore no adjustment was required to be made.

#### (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.

#### (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, the effect was not considered to be material, therefore no adjustment was made.

## 24. 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.

### (a) Revenue from Contracts with Customers

The Shire will adopt AASB 15 *Revenue from Contracts with Customers* (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.

### (b) Leases

The Shire adopted AASB 16 retrospectively from 1 July 2019 which resulted in changes in accounting policies. In accordance with the transition provisions of AASB 16, the Shire has applied this Standard to its leases retrospectively, with the cumulative effect of initially applying AASB 16 recognised on 1 July 2019. In applying the AASB 16 under the specific transition provisions chosen, the Shire will not restate comparatives for prior reporting periods.

On adoption of AASB 16, the Shire will recognise lease liabilities in relation to leases which had previously been classified as an 'operating lease' applying AASB 117. These lease liabilities will be measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate on 1 July 2019.

On adoption of AASB 16, the Shire will recognise a right-of-use asset in relation to a lease which had previously been classified as an 'operating lease' applying AASB 117. This right-of-use asset is to be measured as if AASB 16 had been applied since its commencement date by the carrying amount but discounted using the lessee's incremental borrowing rate as on 1 July 2019.

On adoption of AASB 16 *Leases* (issued February 2016), for leases which had previously been classified as an 'operating lease' when applying AASB 117, the Shire is not required to make any adjustments on transition for leases for which the underlying asset is of low value. Assets for which the fair value as at the date of acquisition is under \$5,000 are not recognised as an asset in accordance with Financial Management Regulation 17A (5).

In applying AASB 16 for the first time, the Shire will use the following practical expedient permitted by the standard.

- The exclusion of initial direct costs from the measurement of the right-of-use asset at the date of initial application.

Based on the current number of operating leases held by the Shire, the impact is not expected to be significant.

### (c) Income For Not-For-Profit Entities

The Shire will adopt AASB 1058 *Income for Not-for-Profit Entities* (issued December 2016) on 1 July 2019 which will result in changes in accounting policies. In accordance with the transition provisions AASB 1058, the Shire will adopt the new rules retrospectively with the cumulative effect of initially applying AASB 1058 recognised at 1 July 2019. Comparative information for prior reporting periods shall not be restated in accordance with AASB 1058 transition requirements.

Prepaid rates are, until the taxable event for the rates has occurred, refundable at the request of the ratepayer. Therefore the rates received in advance give rise to a financial liability that is within the scope of AASB 9. On 1 July 2019 the prepaid rates will be recognised as a financial asset and a related amount recognised as a financial liability and no income recognised by the Shire. When the taxable event occurs the financial liability will be extinguished and the Shire will recognise income for the prepaid rates that have not been refunded.

Assets that were acquired for consideration, that were significantly less than fair value principally to enable the Shire to further its objectives, may have been measured on initial recognition under other Australian Accounting Standards at a cost that was significantly less than fair value. Such assets are not required to be remeasured at fair value.

## 25. CHANGE IN ACCOUNTING POLICY

Paragraph 17A (5) was inserted into Local Government (Financial Management) Regulations 1996 and came into operation on 1 July 2018. The regulation stated an asset is to be excluded from the assets of a local government if the fair value of the asset at the date of acquisition by the local government is under \$5 000.

The Shire has retrospectively applied the change in its accounting policy to complied with the regulation and excluded assets with a fair value of under \$5,000 at the time of acquisition from the assets of the Shire.

During the year assets with a fair value at the date of acquisition of under \$5,000 and purchased prior to 30 June 2018 have been excluded from the assets of the Szhire and the 2018 comparatives amended accordingly

The impact of the changes in the accounting policy on the prior year comparatives are disclosed below:

Statement of Financial Position (Extract)	30 June 2018 \$	Increase/ (Decrease) \$	30 June 2018 (Restated) \$	30 June 2017 \$	Increase/ (Decrease) \$	01 July 2017 (Restated) \$
Property, plant and equipment	15,901,548	(88,067)	15,813,481	15,823,621	(97,976)	15,725,645
Infrastructure	116,175,346	(54,350)	116,120,996	112,750,502	(64,816)	112,685,686
Investment property						
Net assets	133,683,427	(142,417)	133,541,010	129,714,939	(162,792)	129,552,147
Retained earnings	34,892,393	(149,557)	34,742,836	32,030,392	(162,792)	31,867,600
Revaluation Surplus	97,732,576	7,140	97,739,716	96,692,452	0	96,692,452
Total equity	133,683,427	(142,417)	133,541,010	129,714,939	(162,792)	129,552,147

Statement of Comprehensive Income (Extract)	2018 \$	Increase/ (Decrease) \$	2018 (Restated) \$
<i>By Nature or Type</i>			
Depreciation	(1,153,693)	(13,235)	(1,140,458)
<i>By program</i>			
<b>Expenses</b>			
Governance	(571,066)	(320)	(570,746)
General purpose funding	(255,889)	0	(255,889)
Law, order, public safety	(217,126)	(880)	(216,246)
Health	(44,689)	0	(44,689)
Education and welfare	(72,088)	0	(72,088)
Housing	(80,113)	0	(80,113)
Community amenities	(380,455)	(675)	(379,780)
Recreation and culture	(1,202,039)	(2,592)	(1,199,447)
Transport	(3,663,580)	(7,700)	(3,655,880)
Economic services	(198,629)	(1,068)	(197,561)
Other property and services	(17,517)	0	(17,517)
Net result for the period	2,928,364	(13,235)	2,941,599
<b>Total comprehensive income for the period</b>			3,981,723

## 26. OTHER SIGNIFICANT ACCOUNTING POLICIES

### a) Goods and services tax (GST)

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

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

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

### b) Current and non-current classification

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

### c) Rounding off figures

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

### d) Comparative figures

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

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

### e) Budget comparative figures

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

### f) Superannuation

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

### g) Fair value of assets and liabilities

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

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

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

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

### h) Fair value hierarchy

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

#### Level 1

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

#### Level 2

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

#### Level 3

Measurements based on unobservable inputs for the asset or liability.

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

#### Valuation techniques

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

#### Market approach

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

#### Income approach

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

#### Cost approach

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

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

### i) Impairment of assets

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

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

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

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

## 27. ACTIVITIES/PROGRAMS

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

PROGRAM NAME AND OBJECTIVES	ACTIVITIES
<b>GOVERNANCE</b> To provide a decision making process for the efficient allocation of scarce resources.	Includes the activities of members of Council and the administrative support available to the Council for the provision of governance of the district. Other costs relating to the task of assisting elected members and ratepayers on matters which do not concern specific Shire services.
<b>GENERAL PURPOSE FUNDING</b> To collect revenue to allow for the provision of services	Rates, general purpose grants and interest revenue
<b>LAW, ORDER, PUBLIC SAFETY</b> To provide services to help ensure a safer and environmentally conscious community	Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety, including emergency services
<b>HEALTH</b> To provide an operational framework for environmental and community health	Inspection of food outlets and their control, mosquito control and maintenance of the Infant Health Clinic in Tambellup
<b>EDUCATION AND WELFARE</b> To provide services to the elderly, children and youth	Assistance to the Broomehill and Tambellup Primary Schools, support of the 'A Smart Start' program
<b>HOUSING</b> To provide and maintain staff housing and accommodation for 'well aged' seniors in the community	Provision and maintenance of staff housing and Independent Living Seniors Accommodation Units
<b>COMMUNITY AMENITIES</b> To provide services required by the community	Rubbish collection services, operation of the tip sites and waste transfer stations, administration of the Town Planning Schemes, cemetery maintenance, public conveniences and protection of the environment
<b>RECREATION AND CULTURE</b> To establish and effectively manage infrastructure and resources which will assist with the social well-being of the community	Maintenance of public halls, recreation grounds, parks, gardens, reserves and playgrounds. Operation of the Broomehill library and support for the Tambellup CRC for management of the Tambellup library. Museums and other cultural activities.
<b>TRANSPORT</b> To provide safe, effective and efficient transport services to the Community	Construction and maintenance of streets, roads and bridges. Cleaning and lighting of streets, maintenance of the Broomehill and Tambellup works depots. Provision of the Department of Transport licensing services to the community.
<b>ECONOMIC SERVICES</b> To assist in promoting the Shire and its economic wellbeing	Tourism and area promotion, including operation of the Broomehill Caravan Park. Provision of rural services including noxious weed control, vermin control and standpipes. Provision of building services.
<b>OTHER PROPERTY AND SERVICES</b> To monitor and control the Shire's works overheads operating accounts	Private works operations, public works overhead costs, plant operation costs and unclassified items.

## 28. FINANCIAL RATIOS

	2019 Actual	2018 Actual	2017 Actual
Current ratio	1.97	2.08	2.47
Asset consumption ratio	0.64	0.63	0.66
Asset renewal funding ratio	1.99	0.90	0.83
Asset sustainability ratio	1.75	2.33	2.75
Debt service cover ratio	11.37	5.95	23.28
Operating surplus ratio	(0.16)	(0.12)	0.30
Own source revenue coverage ratio	0.43	0.43	0.48

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	$\frac{\text{own source operating revenue}}{\text{operating expense}}$



## INDEPENDENT AUDITOR'S REPORT

To the Electors of the Shire of Broomehill-Tambellup

Shire of Broomehill-Tambellup



### Report on the Audit of the Financial Report

#### **Opinion**

I have audited the annual financial report of the Shire of Broomehill-Tambellup 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 Broomehill-Tambellup:

- (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 financial report. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### **Emphasis of Matter – Basis of Accounting**

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

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

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

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

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

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### **Auditor's Responsibility for the Audit of the Financial Report**

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

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

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

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

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

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

- (i) In my opinion, the following matter indicates a significant adverse trend in the financial position or the financial management practices of the Shire :  
The Operating Surplus Ratio has progressively declined over the past 3 years and the ratio as reported for the 2017-18 and 2018-19 years is below the DLGSCI standard.  
The financial ratios are reported in Note 28 to the financial report
- (ii) No instances of material non-compliance with Part 6 of the *Local Government Act 1995*, the *Local Government (Financial Management) Regulations 1996* or applicable financial controls of any other written law were identified during the course of my audit.
- (iii) All required information and explanations were obtained by me.



- (iv) All audit procedures were satisfactorily completed.
- (v) In my opinion, the asset consumption ratio and the asset renewal ratio included in the annual financial report were supported by verifiable information and reasonable assumptions.

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

This auditor's report relates to the annual financial report of the Shire of Broomehill-Tambellup 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 financial report described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this financial report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.



RUSSELL HARRISON  
LINCOLNS ACCOUNTANTS  
Albany, Western Australia  
14 February 2020