



# PUBLIC ATTACHMENTS

Ordinary Council

Meeting 25 March 2020

Shire of Victoria Plains					
Creditor & Payroll Payments for the Month of February 2020					
Chq/EFT	Date	Name	Description	Invoice amount	Total Amount
EFT8643	12/02/2020	AFGRI Equipment Australia Pty Ltd	Nissan Navara General works vehicle - 140,000km service and checks of A/C and clutch, and cleared codes		555.46
EFT8644	12/02/2020	Autosweep	Sweep streets in Calingiri, Bolgart and Yerecoin - 23 January 2020		1,210.00
EFT8645	12/02/2020	Ampac Debt Recovery (wa) Pty Ltd	Debt recovery - commissions and cost for the month of January 2020		1,513.64
EFT8646	12/02/2020	Athena Water Services Pty Ltd	Piawaning Water Supply - repairs of Reverse Osmosis - fittings and materials		2,123.00
EFT8647	12/02/2020	BG Antenna Services	Staff housing - inspection for intermittent satellite TV reception		600.00
EFT8648	12/02/2020	BOC Limited	Monthly gas cylinder service and charges - January 2020		39.14
EFT8649	12/02/2020	Bluesteel Enterprises Pty Ltd	Repairs - Mogumber 4.4 - checked fault low water alarm and replaced low water module, checked and fixed emergency lights and siren, PA system, replaced faulty valves on foam system		3,717.24
EFT8650	12/02/2020	Bob Waddell & Associates Pty Ltd	Assistance with State Freight Network project		132.00
EFT8651	12/02/2020	Boekeman Machinery	Vehicle service and safety checks:		952.06
			>Toyota Prado CEO's vehicle - 100,000km service	527.87	
			>Toyota Hilux General works vehicle - 80,000km major service	424.19	
EFT8652	12/02/2020	Bolgart Rural Merchandise	Monthly purchases - tips and town maintenance, sundry plant maintenance items, Australia day breakfast, sheep yard mesh for Mofflin St.		688.09
EFT8653	12/02/2020	Brendonwilkes Electrical Contractor	Staff housing - upgraded switchboard, replaced smoke detector, installed isolator, upgraded main earth(stakes & cable)		1,600.50
EFT8654	12/02/2020	Calingiri Sports Club Inc	Council's contribution for Reverse Split System at Sports Club function room		3,000.00
EFT8655	12/02/2020	Civic Legal Pty Ltd	Legal advice on:		11,371.25
			>Compliance issues - Researching and considering the local government act/ Different regulations on Bush Fire Act on urgent basis	6,600.00	
			>Landgate searching, reviewing land within Gillingarra Water Supply	3,715.25	
			>Breaches of agreement for gravel extraction	1,056.00	
EFT8656	12/02/2020	Country Copiers Northam	Copier monthly readings and services - January 2020		802.89
EFT8657	12/02/2020	Dun Direct Pty Ltd	Purchased Multi Purpose Grease for Depot supplies		501.16

## Shire of Victoria Plains

## Creditor &amp; Payroll Payments for the Month of February 2020

Chq/EFT	Date	Name	Description	Invoice amount	Total Amount
EFT8658	12/02/2020	EAG Electrical Air-conditioning & Gas	Installed a new water pump to the evaporative airconditioning unit - Aged Person Unit Calingiri		396.00
EFT8659	12/02/2020	Fire and Safety WA	SQwincher mix stiks for fire prevention		64.90
EFT8660	12/02/2020	Fletcher Family Trust T/A Strategic Teams	Professional fee - preparation of Annual report and other governance support		2,915.00
EFT8661	12/02/2020	Hi-Tec Alarms	Supplied and installed detector into Administration Office		396.00
EFT8662	12/02/2020	IT Vision Australi Pty Ltd	Provision of rates services:		5,905.63
			>Monthly rates processing service, January 2020	2,935.63	
			>Fee for Pensioner fixes and rates reconciliation	2,970.00	
EFT8663	12/02/2020	JR & A Hersey Pty Ltd	Purchased litter pickers for Depot		126.50
EFT8664	12/02/2020	KA Tyres & Battery's	Nissan D40 King Cab Service Ute - fitted martrex tyre		258.00
EFT8665	12/02/2020	Landgate	Valuation charges - Rural UV		67.85
EFT8666	12/02/2020	Linsey Cotter	Cleaning services of various Shire's facilities from 31 January to 13 February 2020		992.60
EFT8667	12/02/2020	Mogumber & Districts Progress Association	Cleaning of public toilets at Mogumber hall		543.55
EFT8668	12/02/2020	Moora IGA	Food and drinks purchased - Mogumber Fire		481.00
EFT8669	12/02/2020	Natrad Midvale	Ride on Mower - carried out service to radiator assembly, bottom tank cleanout, and rodding of tubes		200.00
EFT8670	12/02/2020	Office of the Auditor General	Fee for the attest audit of the Shire of Victoria Plains for the year ended 30 June 2019		29,700.00
EFT8671	12/02/2020	Officeworks	Purchased toner for printer, water cooler bottles, facial tissues and wipes		350.98
EFT8672	12/02/2020	Rajaford Pty Ltd	Monthly purchases- Depot - maintenance items.		1,617.50
EFT8673	12/02/2020	Ramsay Construction Pty Ltd	Health and building services for the month January 2020		7,799.00
EFT8674	12/02/2020	Roadswest Engineering Group Pty Ltd	Provision of engineering services and report writing including inspection for Menzies Quarry Pty Pit-Mogumber Yarrawindah Rd - Costs to be recouped from Main Roads.		3,105.30
EFT8675	12/02/2020	Tutt Bryant Equipment	Purchased O rings hydraulic filter for Multi-tyred Roller		44.33
EFT8676	12/02/2020	Vern Mitchell	Website document management - January 2020		182.50
EFT8677	12/02/2020	WA Hino Sales & Services	Hino 9 Tonne Tip Truck - 240k service major service,and safety checks, and purchased clamps (\$56.94)		3,464.09

## Shire of Victoria Plains

## Creditor &amp; Payroll Payments for the Month of February 2020

Chq/EFT	Date	Name	Description	Invoice amount	Total Amount
EFT8678	12/02/2020	West Coast Turf	Additional grass for Calingiri Sports ground.		38.50
EFT8679	12/02/2020	Walkers Diesel Services	Multi-tyred Roller - 3500hr service and checks		715.55
EFT8680	12/02/2020	Wallis Computer Solutions	Monthly software renewals Microsoft Office 365 (\$66.22) and NBN wireless charges (\$693) - February 2020		759.22
EFT8681	12/02/2020	Westrac Pty Ltd - Parts	Purchased latch and lock assy for Caterpillar Excavator		18.39
EFT8682	12/02/2020	Winchester Industries	maintenance, and Toodyay-Bindi Bindi Roads to Recovery project. \$5,113.60 to be recouped from Roads to Recovery.		8,664.92
EFT8683	12/02/2020	Yerecoin Traders	Purchased reticulation parts for town maintenance		12.60
EFT8684	20/02/2020	Australian Taxation Office	Payroll deductions		27,636.00
EFT8685	20/02/2020	Dun Direct Pty Ltd	Purchased one Macnaught Greaser for 20lt grease bucket - Depot		1,716.00
EFT8686	20/02/2020	Lo-go Appointments	Travel reimbursement Lo-Go temp assignment.		441.32
EFT8687	20/02/2020	Moora IGA	Emergency purchases - meals for the Bush fire brigade, fire at Mogumber in December 2019		843.33
EFT8688	20/02/2020	R Munns Engineering Consulting Services	Consulting services on WSFN (Wheatbelt Secondary Freight Network) Pilot Project Mogumber/Yarawinday Road; and wrote 2019/20 Bitumen Surfacing RFQ document for various Road reseal projects. Costs to be recouped from Government Grant.		9,418.07
EFT8689	20/02/2020	Shred-It Australia Pty Ltd	Record management - Shredding service of archive boxes		1,051.63
EFT8690	20/02/2020	Star Track Express	Freight cost - Depot		49.25
EFT8691	20/02/2020	Thomas Culverwell	Cleaning services - toilets and emptied bins at Gillingarra Hall - 21 January to 11 February 2020		140.00
EFT8692	26/02/2020	Anspach AG Contracting	Plant hire for grading Yenart & Old Plains road including staff travel to/from worksite - Maintenance grading.		5,016.00
EFT8693	26/02/2020	Australian Services Union	Payroll deductions		51.80
EFT8694	26/02/2020	Avon Waste	Purchased and servicing of weighted base bins:		1,432.30
			>Credit note - weighted base bins in New Norcia	(40.80)	
			>Purchased weighted base bin for Mogumber hall	258.50	
			>Purchased and servicing of weighted base bins in New Norcia for 21 weeks until 30 June 2020	1,214.60	
EFT8695	26/02/2020	BigMate Monitoring Services Pty Ltd	Monthly GPS monitoring - February 2020		374.00
EFT8696	26/02/2020	Bindoon Bakehaus & Cafe	Catering services for Council briefing session - 17 February 2020		279.20



Shire of Victoria Plains					
Creditor & Payroll Payments for the Month of February 2020					
Chq/EFT	Date	Name	Description	Invoice amount	Total Amount
EFT8697	26/02/2020	Bob Waddell & Associates Pty Ltd	Assistance with system changes relating to public works overheads cost for Mogumber - Yarawindah project.		99.00
EFT8698	26/02/2020	Bolgart Progress Association	Monthly library services contribution - February 2020		261.25
EFT8699	26/02/2020	Brendonwilkes Electrical Contractor	Provision of services on:		2,349.60
			>Installations of switches and lights at Administration Office; removed redundant communications cable from office floor, ran wire for 4 lights	2,190.10	
			>Major service kitchen airconditioning at CWA Building	159.50	
EFT8700	26/02/2020	Child Support Agency	Payroll deductions		245.92
EFT8701	26/02/2020	Dave Watson Contracting Pty Ltd	Prune Coral Gum to Western Power specifications on George St Bolgart		577.50
EFT8702	26/02/2020	Fletcher Family Trust T/A Strategic Teams	Provision of services on:		3,080.00
			AROC waste services, Shire briefing notes, and others - email and advice, special council meeting minutes	770.00	
			>Governance support for week end 21 February 2020 - advice on delegation queries, adoption 18/19 annual report, review of pre-qualified suppliers panel draft policy and agenda reports, school bus routes policy, and other governance related issues	2,310.00	
EFT8703	26/02/2020	Linsey Cotter	Cleaning services of various Shire's facilities from 14 February to 27 February 2020		992.60
EFT8704	26/02/2020	New Norcia Services	Monthly purchases, New Norcia Fire Station - food and drinks		74.80
EFT8705	26/02/2020	Officeworks	Purchased office supplies - lateral tab file		190.95
EFT8706	26/02/2020	Rajaford Pty Ltd	Monthly purchases - Administration and New Norcia Fire brigade:		365.60
			>Administration - milk, newspaper, stamps and postage, council meetings food	334.60	
			>New Norcia Fire brigade - Eveready battery	31.00	
EFT8707	26/02/2020	Shire of Wongan-Ballidu	Boomer Advertising - full page colour for Customer Service job		57.00
EFT8708	26/02/2020	Signs Plus	Council members deskplate insert printed and stand for Council chambers		449.00
EFT8709	26/02/2020	Source My Parts Pty Ltd	Purchased flange screw and seat belt 150mm stem for Multi Loader		40.70
EFT8710	26/02/2020	Star Track Express	Freight charges - Bolgart Library		91.55

Shire of Victoria Plains					
Creditor & Payroll Payments for the Month of February 2020					
Chq/EFT	Date	Name	Description	Invoice amount	Total Amount
EFT8711	26/02/2020	Tutt Bryant Equipment	Purchased valve pressure safety and double-ended parts for Multi-tyred roller		558.29
EFT8712	26/02/2020	Westrac Pty Ltd - Parts	Purchased latch for Caterpillar excavator		189.34
EFT8713	26/02/2020	Jim Kelly	Member's sitting fees and telecommunication allowance 4th qtr 2019/2020		2,125.00
			<b>Total EFT payments</b>		157,823.34
DD11644.1	14/02/2020	Shire of Victoria Plains	Credit card charges for January 2020 - parking fees, subscriptions renewal, vacuum for Admin office, maintenance items,		1,675.89
11644	14/02/2020	Wright Express Australia Pty Ltd	Fuel card charges - January 2020		654.05
			<b>Total Credit and Fuel Card payments</b>		2,329.94
12258	12/02/2020	Office of the State Revenue	Refund Rates Pensioner duplicate claims		303.74
12259	12/02/2020	Shire of Victoria Plains - please pay cash	Petty cash recoupment - licences renewal, water bottles for council, parking fees,		336.30
12260	26/02/2020	Peter Laurance Brennan	Bond refund for toilet hire		110.00
12261	26/02/2020	Westnet Pty Ltd	Licence renewal for Anti-virus scanning - mail relay and hosting mail protection		184.00
			<b>Total Cheque payments</b>		934.04
DD11605.1	05/02/2020	WA Super	Payroll deductions		4,154.26
DD11605.2	05/02/2020	North Superannuation	Superannuation contributions		760.12
DD11605.3	05/02/2020	LGIA Super	Superannuation contributions		842.99
DD11605.4	05/02/2020	Sunsuper Pty Ltd	Superannuation contributions		209.38
DD11605.5	05/02/2020	IOOF Portfolio Service	Superannuation contributions		79.80
DD11605.6	05/02/2020	Australian Super Pty Ltd	Superannuation contributions		318.93
DD11605.7	05/02/2020	Prime Super	Superannuation contributions		207.07
DD11605.8	05/02/2020	BT Super For Life	Superannuation contributions		230.80
DD11611.1	03/02/2020	Department Of Transport	Transport licensing transactions 30/1/20		16.75
DD11611.2	04/02/2020	Department Of Transport	Transport licensing transactions 4/2/20		7,866.45
DD11611.3	05/02/2020	Department Of Transport	Transport licensing transactions 3/02/20		248.25
DD11611.4	07/02/2020	Department Of Transport	Transport licensing transactions 5/2/20		504.60

Shire of Victoria Plains					
Creditor & Payroll Payments for the Month of February 2020					
Chq/EFT	Date	Name	Description	Invoice amount	Total Amount
DD11611.5	10/02/2020	Department Of Transport	Transport licensing transactions 6/2/20		944.15
DD11617.1	15/02/2020	linet Limited	Internet charges - Bolgart & Mogumber - for February 2020		79.98
DD11617.2	05/02/2020	Telstra Corporation Ltd	Mobile phone charges from 17 January 2020 to 16 February 2020 - Officers		836.95
DD11617.3	07/02/2020	Water Corporation	Water charges from 5 November 2019 to 7 January 2020		4,050.79
DD11617.4	10/02/2020	Telstra Corporation Ltd	Phone charges from 22 December 2019 to 21 January 2020 Fire prevention		397.54
DD11617.5	12/02/2020	Synergy	Electricity charges from 19 November 2019 to 17 January 2020		363.16
			>Bolgart Caravan Park	206.39	
			>Bolgart Hall	156.77	
DD11617.6	13/02/2020	Synergy	Electricity charges from 28 June 2019 to 23 December 2019 Staff Housing		1,523.97
DD11621.1	11/02/2020	Department Of Transport	Transport licensing transactions 07/02/20		659.30
DD11621.2	12/02/2020	Department Of Transport	Transport licensing transactions 12/2/20		64.60
DD11621.3	13/02/2020	Department Of Transport	Transport licensing transactions 11/02/20		27.50
DD11627.1	19/02/2020	WA Super	Payroll deductions		4,226.60
DD11627.2	19/02/2020	North Superannuation	Superannuation contributions		804.39
DD11627.3	19/02/2020	LGIA Super	Superannuation contributions		842.99
DD11627.4	19/02/2020	Sunsuper Pty Ltd	Superannuation contributions		209.38
DD11627.5	19/02/2020	BT Super For Life	Superannuation contributions		357.95
DD11627.6	19/02/2020	Australian Super Pty Ltd	Superannuation contributions		232.73
DD11627.7	19/02/2020	Prime Super	Superannuation contributions		230.81
DD11627.8	19/02/2020	Cbus Super Australia	Superannuation contributions		97.25
DD11631.1	14/02/2020	Department Of Transport	Transport licensing transactions 12/02/20		51.70
DD11631.2	19/02/2020	Department Of Transport	Transport licensing transactions 17/02/20		289.10
DD11631.3	20/02/2020	Department Of Transport	Transport licensing transactions 18/02/20		1,884.70
DD11636.1	21/02/2020	Department Of Transport	Transport licensing transactions 19/02/20		142.40
DD11636.2	24/02/2020	Department Of Transport	Transport licensing transactions 20/02/20		265.10
DD11638.1	17/02/2020	Telstra Corporation Ltd	Telephone charges from 23 January 2020 to 22 February 2020 - Administration Office, CEO, Depot office, Works Manager, and libraries		1,167.17

Shire of Victoria Plains					
Creditor & Payroll Payments for the Month of February 2020					
Chq/EFT	Date	Name	Description	Invoice amount	Total Amount
DD11638.2	24/02/2020	Synergy	Electricity charges from 25 December 2019 to 24 January 2020 - Streetlights		1,373.82
DD11642.1	25/02/2020	Department Of Transport	Transport licensing transactions 21/02/20		557.10
DD11648.1	26/02/2020	Department Of Transport	Transport licensing transactions 24/02/20		350.25
DD11650.1	27/02/2020	Department Of Transport	Transport licensing transactions 26/02/20		288.65
DD11652.1	28/02/2020	Department Of Transport	Transport licensing transactions 26/02/20		3,135.55
DD	28/02/2020	Bendigo Bank	Bank fees and charges		426.53
			<b>Total Direct debits</b>		41,321.51
EFT	05/02/2020	Employees	Payroll Ending 04 February 2020		44,144.03
EFT	19/02/2020	Employees	Payroll Ending 18 February 2020		45,764.69
			<b>Total Payroll</b>		89,908.72
			<b>Total Municipal Account</b>		292,317.55
246	11/02/2020	Bruce Edmonds	Gym Bond Refund		44.00
247	25/02/2020	Murray King	Toilet Hire Bond Refund		110.00
			<b>Total Trust payments</b>		154.00
			<b>TOTAL ACCOUNTS PAID FOR THE MONTH OF FEBRUARY 2020</b>		<b>292,471.55</b>



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# SHIRE OF VICTORIA PLAINS

## MONTHLY FINANCIAL REPORT

**For the Period Ending 29 February 2020**

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

*Shire of Victoria Plains*  
**SHIRE OF VICTORIA PLAINS**  
**MONTHLY FINANCIAL REPORT**  
**For the Period Ending 29 February 2020**  
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# SHIRE OF VICTORIA PLAINS

## MONTHLY FINANCIAL REPORT

For the Period Ending 29 February 2020

### EXECUTIVE SUMMARY

#### Report Purpose

This report is prepared to meet the requirements of *Local Government (Financial Management) Regulations 1996, Regulation 34*.

#### Statement of Financial Activity

Statements are presented on pages 5 and 6 showing a surplus/(deficit) as at 29 February 2020 of \$1,187,078.

#### Items of Significance

The material variance adopted by the Shire of Victoria Plains for the 2019/20 year is \$10,000 and 10%. The following selected items have been highlighted due to the amount of the variance to the budget or due to the nature of the revenue/expenditure. The remaining items considered to be of material variance are disclosed in Note 2.

#### Significant Revenue and Expenditure

##### Significant Projects

	Collected / Completed %	Annual Budget \$	YTD Budget \$	YTD Actual \$
Bolgart East Road Final Seal (RRG)	0%	259,400	172,920	-
Bolgart East Road Final Seal (RTR)	0%	29,500	19,656	-
Toodyay-Bindi Bindi Road 19/20	96%	262,000	174,640	251,580
New Norcia-Gillingara Road 19/20	0%	114,000	75,984	-
AG Lime - Calingiri / Toodyay Intersection	6%	1,111,803	741,184	64,451
Glentromie-Yerecoin Road Bridge	0%	100,000	66,664	-
	17%	1,876,703	1,251,048	316,031

##### Grants, Subsidies and Contributions

Operating Grants, Subsidies and Contributions	83%	712,156	555,693	590,141
Non-operating Grants, Subsidies and Contributions	40%	1,962,516	1,358,540	776,776
	51%	2,674,672	1,914,233	1,366,917

##### Rates Levied

	100%	2,594,784	2,594,784	2,590,712
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% - Compares current YTD actuals to the Annual Budget

#### Financial Position

Account	Difference to Prior Year %	Current Year 29 Feb 20 \$	Prior Year 28 Feb 19 \$
Adjusted Net Current Assets	116%	1,187,078	1,024,060
Cash and Equivalent - Unrestricted	77%	924,361	1,195,885
Cash and Equivalent - Restricted	91%	487,662	534,847
Receivables - Rates	115%	183,833	159,225
Receivables - Other	78%	416,784	532,795
Payables	34%	274,910	797,358

% - Compares current YTD actuals to prior year actuals

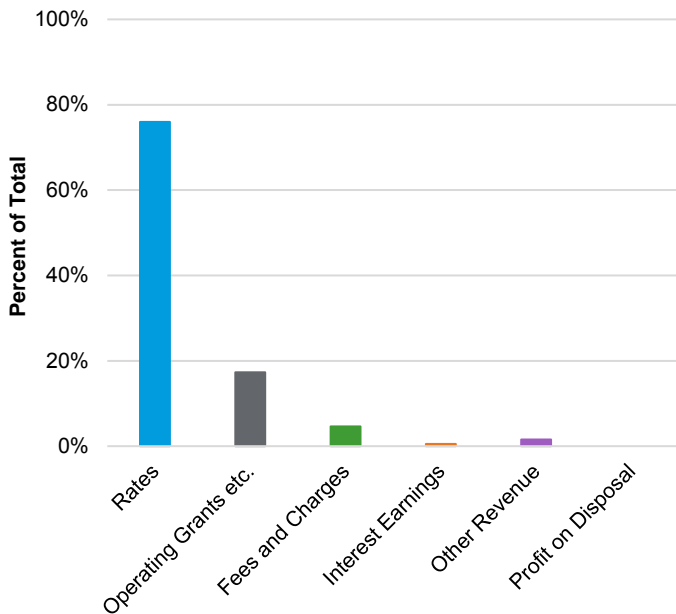
Note: The statements and accompanying notes are prepared based on all transactions recorded at the time of preparation and may vary due to transactions being processed for the reporting period after the date of preparation.

#### Preparation

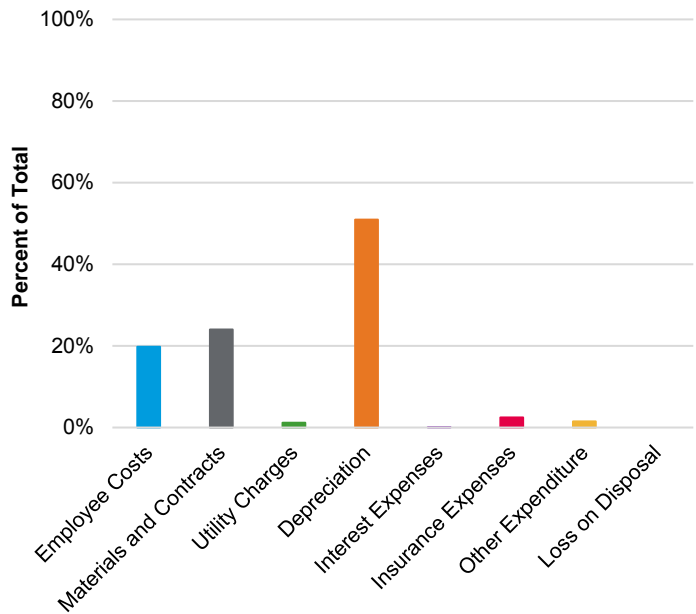
Prepared by: Glenn Boyes  
Reviewed by: Travis Bate  
Date prepared: 17 Mar 20

Shire of Victoria Plains  
**SHIRE OF VICTORIA PLAINS**  
**MONTHLY FINANCIAL REPORT**  
For the Period Ending 29 February 2020  
**SUMMARY GRAPHS**

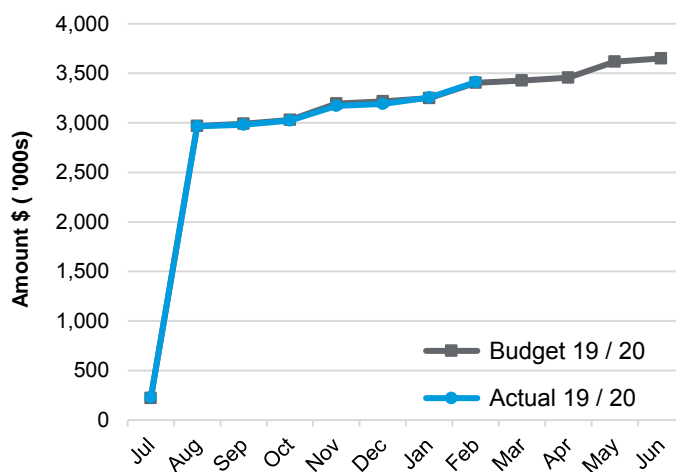
**Operating Income**



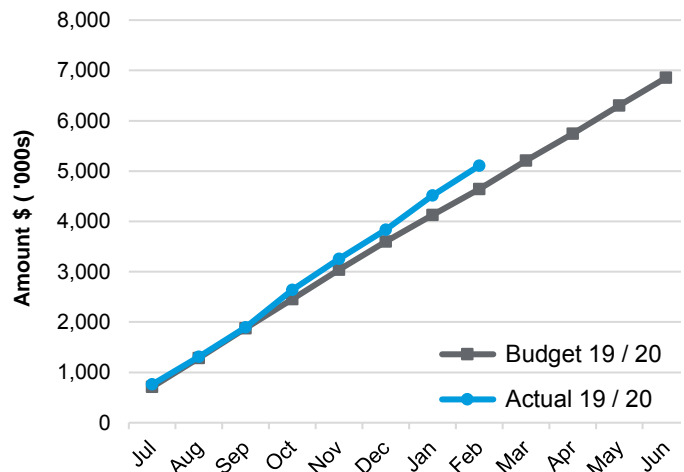
**Operating Expenditure**



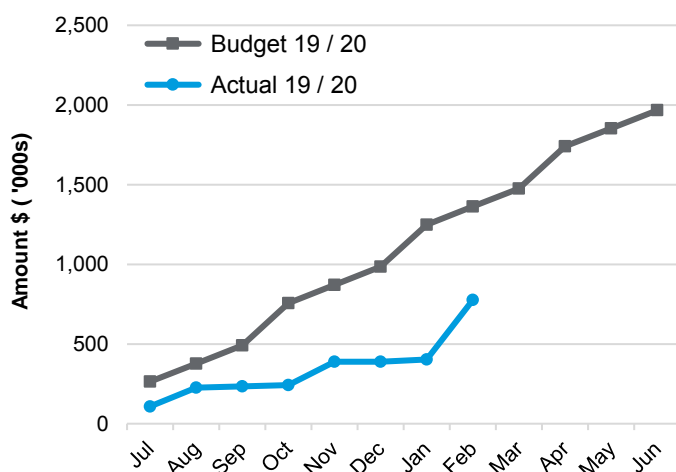
**Operating Revenues**



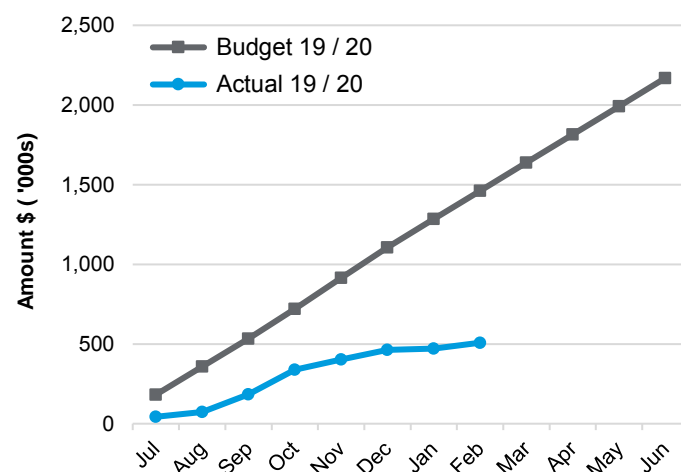
**Operating Expenses**



**Capital Revenues - Investing**



**Capital Expenses**



This information needs to be read in conjunction with the accompanying Financial Statements and Notes.



**SHIRE OF VICTORIA PLAINS**

**STATEMENT OF COMPREHENSIVE INCOME**

**For the Period Ending 29 February 2020**

**NATURE OR TYPE**

	Note	Annual Budget \$	YTD Budget \$	YTD Actual \$	Var* \$	Var* %
<b>Opening Funding Surplus / (Deficit)</b>	3	185,326	185,326	29,877		
<b>Revenue from Operating Activities</b>						
Rates	10	2,594,784	2,594,784	2,590,712	(4,072)	(0%)
Grants, Subsidies and Contributions	12(a)	712,156	555,693	590,141	34,448	6%
Fees and Charges		229,317	179,611	157,801	(21,810)	(12%)
Interest Earnings		46,403	28,965	17,907	(11,058)	(38%)
Other Revenue		63,319	42,132	53,259	11,127	26%
Profit on Disposal of Assets	8	4,100	2,728	-	(2,728)	(100%)
		<b>3,650,079</b>	<b>3,403,913</b>	<b>3,409,820</b>		
<b>Expenditure from Operating Activities</b>						
Employee Costs		(1,219,401)	(818,808)	(1,010,476)	(191,668)	(23%)
Materials and Contracts		(1,994,841)	(1,343,629)	(1,226,352)	117,277	9%
Utility Charges		(110,220)	(77,763)	(60,089)	17,674	23%
Depreciation on Non-current Assets		(3,224,366)	(2,149,536)	(2,601,124)	(451,588)	(21%)
Interest Expenses		(20,826)	(10,212)	(5,511)	4,701	46%
Insurance Expenses		(135,136)	(131,117)	(125,999)	5,118	4%
Other Expenditure		(149,498)	(108,832)	(76,603)	32,229	30%
Loss on Disposal of Assets	8	-	-	-	-	
		<b>(6,854,288)</b>	<b>(4,639,897)</b>	<b>(5,106,153)</b>		
<b>Excluded Non-cash Operating Activities</b>						
Depreciation and Amortisation		3,224,366	2,149,536	2,601,124		
(Profit) / Loss on Asset Disposal		(4,100)	(2,728)	-		
Movement in Deferred Pensioner Rates		-	-	3,098		
<b>Net Amount from Operating Activities</b>		<b>16,057</b>	<b>910,824</b>	<b>907,889</b>		
<b>Investing Activities</b>						
Grants, Subsidies and Contributions	12(b)	1,962,516	1,358,540	776,776	(581,764)	(43%)
Proceeds from Disposal of Assets	8	4,100	4,100	-	(4,100)	(100%)
Land and Buildings	9(a)	(48,000)	(48,000)	(33,829)	14,171	30%
Plant and Equipment		-	-	-	-	
Furniture and Equipment		-	-	-	-	
Infrastructure - Roads	9(b)	(2,021,289)	(1,346,036)	(474,281)	871,755	65%
Infrastructure - Bridges	9(c)	(100,000)	(66,664)	-	66,664	100%
<b>Net Amount from Investing Activities</b>		<b>(202,673)</b>	<b>(98,060)</b>	<b>268,666</b>		
<b>Financing Activities</b>						
Proceeds from Self Supporting Loans	11	16,777	8,388	8,997	609	7%
Transfer from Reserves	7	165,123	87,610	20,946	(66,664)	(76%)
Repayment of Debentures	11	(52,228)	(34,419)	(26,567)	7,852	23%
Transfer to Reserves	7	(127,446)	(91,938)	(22,729)	69,209	75%
<b>Net Amount from Financing Activities</b>		<b>2,226</b>	<b>(30,359)</b>	<b>(19,353)</b>		
<b>Closing Funding Surplus / (Deficit)</b>	3	<b>936</b>	<b>967,731</b>	<b>1,187,078</b>		

\* - Note 2 provides an explanation for the relevant variances shown above.

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

**SHIRE OF VICTORIA PLAINS**

**STATEMENT OF COMPREHENSIVE INCOME**

**For the Period Ending 29 February 2020**

**REPORTING PROGRAM**

	Note	Annual Budget \$	YTD Budget \$	YTD Actual \$	Var* \$	Var* %
<b>Opening Funding Surplus / (Deficit)</b>	3	185,326	185,326	29,877		
<b>Revenue from Operating Activities</b>						
Governance		4,233	2,804	38,039	35,235	1,257%
General Purpose Funding - Rates	10	2,594,784	2,594,784	2,590,712	(4,072)	(0%)
General Purpose Funding - Other		579,462	430,502	425,357	(5,145)	(1%)
Law, Order and Public Safety		59,818	37,626	34,900	(2,726)	(7%)
Health		3,150	2,096	1,749	(347)	(17%)
Education and Welfare		8,500	5,648	628	(5,020)	(89%)
Housing		98,492	65,395	57,255	(8,140)	(12%)
Community Amenities		85,738	82,066	84,244	2,178	3%
Recreation and Culture		26,946	15,989	6,791	(9,198)	(58%)
Transport		131,941	129,019	132,907	3,888	3%
Economic Services		39,355	26,216	18,072	(8,144)	(31%)
Other Property and Services		17,660	11,768	19,166	7,398	63%
		<b>3,650,079</b>	<b>3,403,913</b>	<b>3,409,820</b>		
<b>Expenditure from Operating Activities</b>						
Governance		(512,513)	(381,785)	(420,254)	(38,469)	(10%)
General Purpose Funding		(356,565)	(237,696)	(225,064)	12,632	5%
Law, Order and Public Safety		(312,101)	(213,086)	(209,896)	3,190	1%
Health		(148,887)	(99,232)	(94,128)	5,104	5%
Education and Welfare		(56,533)	(39,485)	(31,728)	7,757	20%
Housing		(241,243)	(175,227)	(122,992)	52,235	30%
Community Amenities		(742,819)	(485,850)	(322,175)	163,675	34%
Recreation and Culture		(679,097)	(455,630)	(517,394)	(61,764)	(14%)
Transport		(3,600,278)	(2,400,888)	(3,026,981)	(626,093)	(26%)
Economic Services		(194,252)	(129,660)	(107,111)	22,549	17%
Other Property and Services		(10,000)	(21,358)	(28,432)	(7,074)	(33%)
		<b>(6,854,288)</b>	<b>(4,639,897)</b>	<b>(5,106,153)</b>		
<b>Excluded Non-cash Operating Activities</b>						
Depreciation and Amortisation		3,224,366	2,149,536	2,601,124		
(Profit) / Loss on Asset Disposal	8	(4,100)	(2,728)	-		
Movement in Deferred Pensioner Rates		-	-	3,098		
<b>Net Amount from Operating Activities</b>		<b>16,057</b>	<b>910,824</b>	<b>907,889</b>		
<b>Investing Activities</b>						
Grants, Subsidies and Contributions	12(b)	1,962,516	1,358,540	776,776	(581,764)	(43%)
Proceeds from Disposal of Assets	8	4,100	4,100	-	(4,100)	(100%)
Land and Buildings	9(a)	(48,000)	(48,000)	(33,829)	14,171	30%
Plant and Equipment		-	-	-	-	
Furniture and Equipment		-	-	-	-	
Infrastructure - Roads	9(b)	(2,021,289)	(1,346,036)	(474,281)	871,755	65%
Infrastructure - Bridges	9(c)	(100,000)	(66,664)	-	66,664	100%
<b>Net Amount from Investing Activities</b>		<b>(202,673)</b>	<b>(98,060)</b>	<b>268,666</b>		
<b>Financing Activities</b>						
Proceeds from New Debentures	11	16,777	8,388	8,997	609	7%
Transfer from Reserves	7	165,123	87,610	20,946	(66,664)	(76%)
Repayment of Debentures	11	(52,228)	(34,419)	(26,567)	7,852	23%
Transfer to Reserves	7	(127,446)	(91,938)	(22,729)	69,209	75%
<b>Net Amount from Financing Activities</b>		<b>2,226</b>	<b>(30,359)</b>	<b>(19,353)</b>		
<b>Closing Funding Surplus / (Deficit)</b>	3	<b>936</b>	<b>967,731</b>	<b>1,187,078</b>		

\* - Note 2 provides an explanation for the relevant variances shown above.

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

**SHIRE OF VICTORIA PLAINS**

**STATEMENT OF CAPITAL ACQUISITIONS AND FUNDING**

**For the Period Ending 29 February 2020**

**CAPITAL ACQUISITIONS AND FUNDING**

<b>Asset Group</b>	<b>Note</b>	<b>Annual Budget \$</b>	<b>YTD Actual Total \$</b>
Land and Buildings	9(a)	48,000	33,829
Plant and Equipment		-	-
Furniture and Equipment		-	-
Infrastructure - Roads	9(b)	2,021,289	474,281
Infrastructure - Bridges	9(c)	100,000	-
<b>Total Capital Expenditure</b>		<b>2,169,289</b>	<b>508,111</b>
<b>Capital Acquisitions Funded by:</b>			
Capital Grants and Contributions		1,962,516	776,776
Borrowings		-	-
Other (Disposals and C/Fwd)		4,100	-
Council Contribution - From Reserves		165,123	20,946
Council Contribution - Operations		37,550	(289,612)
<b>Total Capital Acquisitions Funding</b>		<b>2,169,289</b>	<b>508,111</b>

**SHIRE OF VICTORIA PLAINS**  
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**  
**For the Period Ending 29 February 2020**

**1. SIGNIFICANT ACCOUNTING POLICIES**

**(a) Basis of Accounting**

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

**(b) The Local Government Reporting Entity**

All Funds through which the Council controls resources to carry on its functions have been included in this statement. In the process of reporting on the local government as a single unit, all transactions and balances between those funds (for example, loans and transfers between Funds) have been eliminated. All monies held in the Trust Fund are excluded from the statement, but a separate statement of those monies appears at Note 5.

**(c) Rounding Off Figures**

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

**(d) Rates, Grants, Donations and Other Contributions**

Rates, grants, donations and other contributions are recognised as revenues when the local government obtains control over the assets comprising the contributions. Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates.

**(e) 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.

**(f) Cash and Cash Equivalents**

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

**(g) Trade and Other Receivables**

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

Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets. Collectability of trade and other receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that they will not be collectible.

**(h) Inventories**

**General**

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

**Land Held for Resale**

Land held for development and sale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until completion of development. Finance costs and holding charges incurred after development is completed are expensed. Gains and losses are recognised in profit or loss at the time of signing an unconditional contract of sale if significant risks and rewards, and effective control over the land, are passed on to the buyer at this point. Land held for sale is classified as current except where it is held as non-current based on Council's intentions to release for sale.

**SHIRE OF VICTORIA PLAINS**  
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**  
**For the Period Ending 29 February 2020**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(i) Fixed Assets**

All assets are initially recognised at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the local government includes the cost of all materials used in the construction, direct labour on the project and an appropriate proportion of variable and fixed overhead. Certain asset classes may be revalued on a regular basis such that the carrying values are not materially different from fair value. Assets carried at fair value are to be revalued with sufficient regularity to ensure the carrying amount does not differ materially from that determined using fair value at reporting date.

**(j) Depreciation of Non-Current Assets**

All non-current assets having a limited useful life are systematically depreciated over their useful lives in a manner which reflects the consumption of the future economic benefits embodied in those assets.

Depreciation is recognised on a straight-line basis, using rates which are reviewed each reporting period. Major depreciation rates and periods are:

<b>Asset</b>	<b>Years</b>
Buildings	30 to 50 years
Furniture and Equipment	4 to 10 years
Plant and Equipment	5 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
Formed roads	
formation	not depreciated
pavement	50 years
Footpaths - slab	20 years
Sewerage Piping	100 years
Water Supply Piping and Drainage Systems	75 years

**(k) Trade and Other Payables**

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

**(l) Employee Benefits**

The provisions for employee benefits relates to amounts expected to be paid for long service leave, annual leave, wages and salaries and are

**(i) Wages, Salaries, Annual Leave and Long Service Leave (Short-term Benefits)**

The provision for employees' benefits to wages, salaries, annual leave and long service leave expected to be settled within 12 months represents the amount the Shire has a present obligation to pay resulting from employees services provided to balance date. The provision has been calculated at nominal amounts based on remuneration rates the Shire expects to pay and includes related on-costs.

**(ii) Annual Leave and Long Service Leave (Long-term Benefits)**

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the project unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match as closely as possible, the estimated future cash outflows. Where the Shire does not have the unconditional right to defer settlement beyond 12 months, the liability is recognised as a current liability.

**(m) Interest-bearing Loans and Borrowings**

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings.

Borrowings are classified as current liabilities unless the Council has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

**SHIRE OF VICTORIA PLAINS**  
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**  
**For the Period Ending 29 February 2020**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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.

**(n) Provisions**

Provisions are recognised when: The council has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one of item included in the same class of obligations may be small.

**(o) Current and Non-Current Classification**

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

**(p) Nature or Type Classifications**

**Rates**

All rates levied under the *Local Government Act 1995*. Includes general, differential, specific area rates, minimum rates, interim rates, back rates,

**Operating Grants, Subsidies and Contributions**

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

**Non-operating Grants, Subsidies and Contributions**

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

**Profit on Asset Disposal**

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

**Fees and Charges**

Revenues (other than service charges) from the use of facilities and charges made for local government services, sewerage rates, rentals, hire charges, fee for service, photocopying charges, licences, sale of goods or information, fines, penalties and administration fees.

**Service Charges**

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

**Interest Earnings**

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

**Other Revenue / Income**

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

**Employee Costs**

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

**Materials and Contracts**

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



**SHIRE OF VICTORIA PLAINS**  
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**  
**For the Period Ending 29 February 2020**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Utilities (Gas, Electricity, Water, etc.)**

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

**Insurance**

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

**Loss on Asset Disposal**

Loss on the disposal of fixed assets.

**Depreciation on Non-current Assets**

Depreciation expense raised on all classes of assets.

**Interest Expenses**

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

**Other Expenditure**

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

**(q) Program Classifications (Function / Activity)**

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

**GOVERNANCE**

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

**GENERAL PURPOSE FUNDING**

Rates, general purpose government grants and interest revenue.

**LAW, ORDER, PUBLIC SAFETY**

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

**HEALTH**

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

**EDUCATION AND WELFARE**

Maintenance of child minding centre, playgroup centre, senior citizen centre and aged care centre. Provision and maintenance of home and community care programs and youth services.

**HOUSING**

Provision and maintenance of residents housing.

**COMMUNITY AMENITIES**

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

**RECREATION AND CULTURE**

Maintenance of public halls, civic centres, aquatic centre, beaches, recreation centres and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of library, museum and other cultural facilities.

**TRANSPORT**

Construction and maintenance of roads, streets, footpaths, depots, cycle ways, parking facilities and traffic control. Cleaning of streets and maintenance of street trees, street lighting etc.

**ECONOMIC SERVICES**

Tourism and area promotion including the maintenance and operation of a caravan park. Provision of rural services including weed control, vermin control and standpipes. Building Control.

**OTHER PROPERTY AND SERVICES**

Private works operation, plant repair and operation costs and engineering operation costs.

**SHIRE OF VICTORIA PLAINS**

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**

**For the Period Ending 29 February 2020**

**2. EXPLANATION OF MATERIAL VARIANCES**

Variances which have exceeded the thresholds are listed below by Program. Significant variances within the Program are listed underneath it by Nature or Type.

The material variance adopted by Council for the 2019/20 year is \$10,000 and 10%.

Reporting Program	Var \$	Var %	Var	Explanation of Variance
<b>Operating Revenues</b>				
Governance	35,235	1,257%	▲	Traineeship Grant
<b>Operating Expense</b>				
Governance	(38,469)	(10%)	▼	Consultants, Legal, Computing Support over budget. Public Relations under budget
General Purpose Funding	12,632	5%	▲	Admin allocation. Admin expenses over budget
Housing	52,235	30%	▲	Staff and Aged Persons housing costs over budget
Community Amenities	163,675	34%	▲	Landfill maintenance, Town Planner under budget
Recreation and Culture	(61,764)	(14%)	▼	Town Garden maintenance, Calingiri Football Ground maintenance over budget
Transport	(626,093)	(26%)	▼	Grading, Signage, Stormwater Damage, Depreciation over budget
Economic Services	22,549	17%	▲	Noxious Weeds and Pest Control, Area Promotion, Caravan Park costs under budget
<b>Capital Revenues</b>				
Grants, Subsidies and Contributions	(581,764)	(43%)	▼	AG Lime project no longer going forward. Mogumber - Yarawindah Road invoiced but not in budget
<b>Capital Expenses</b>				
Land and Buildings	14,171	30%	▲	Depot office upgrade under budget
Infrastructure - Roads	871,755	65%	▲	AG Lime project no longer going forward
Infrastructure - Bridges	66,664	100%	▲	Project not started yet
<b>Financing</b>				
Transfer from Reserves	(66,664)	(76%)	▼	Timing of reserve transfers
Transfer to Reserves	69,209	75%	▲	Timing of reserve transfers
<b>Nature or Type</b>				
<b>Operating Revenues</b>				
Grants, Subsidies and Contributions	34,448	6%	▲	Traineeship Grant
Fees and Charges	(21,810)	(12%)	▼	Private Works, Pet Licencing, Caravan Park, Building Application fees under budget
Interest Earnings	(11,058)	(38%)	▼	Journal Calingiri Football Club Loan payment to income
Other Revenue	11,127	26%	▲	Diesel Fuel Rebate not in budget
<b>Operating Expense</b>				
Employee Costs	(191,668)	(23%)	▼	Grading, Town Garden maintenance, Calingiri Football Ground maintenance, Works Wages over budget
Materials and Contracts	117,277	9%	▲	Consultants, Legal, Office Costs, Audit Fees, Computing Support over budget. Landfill maintenance under budget
Utility Charges	17,674	23%	▲	Electricity costs under budget
Depreciation on Non-current Assets	(451,588)	(21%)	▼	Tracking over budget
Other Expenditure	32,229	30%	▲	Public Relations under budget



Shire of Victoria Plains  
**SHIRE OF VICTORIA PLAINS**

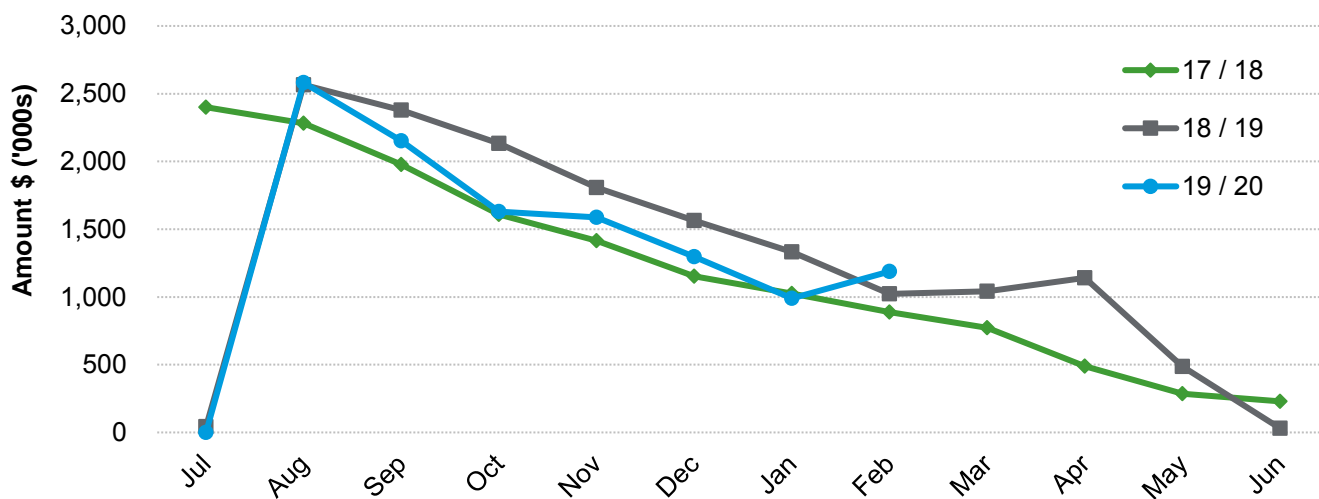
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**

For the Period Ending 29 February 2020

**3. NET CURRENT FUNDING POSITION**

	Note	Current Month 29 Feb 20	Prior Year Closing 30 Jun 19	This Time Last Year 28 Feb 19
<b>Current Assets</b>				
Cash Unrestricted	4	\$ 924,361	\$ 352,718	\$ 1,195,885
Cash Restricted	4	471,901	470,117	534,847
Cash Bonds and Deposits	4	15,761	15,123	-
Receivables - Rates	6(a)	183,833	22,201	159,225
Receivables - Sundry	6(b)	416,784	173,231	532,795
Receivables - Other		43,453	300,243	-
Receivables - Loans	11	3,945	17,678	-
Provision for Doubtful Debts		(32,195)	(32,195)	-
Inventories		50,207	33,416	47,711
<b>Total Current Assets</b>		<b>2,078,050</b>	<b>1,352,532</b>	<b>2,470,463</b>
<b>Current Liabilities</b>				
Payables - Sundry		(180,464)	(367,074)	(774,611)
Payables - Other		(44,051)	(250,185)	-
Rates Received in Advance		(8,134)	(35,434)	-
Deposits and Bonds		(15,699)	(15,123)	-
Loan Liabilities	11	(26,562)	(53,129)	(22,747)
<b>Total Payables</b>		<b>(274,910)</b>	<b>(720,945)</b>	<b>(797,358)</b>
Provisions		(163,322)	(167,044)	(136,945)
<b>Total Current Liabilities</b>		<b>(438,232)</b>	<b>(887,989)</b>	<b>(934,303)</b>
Less: Cash Reserves	7	(471,901)	(470,117)	(534,847)
Less: Movement in Provisions		(3,721)	-	-
Add: Loan Principal (Current)		22,882	35,451	22,747
Add: Trust Transactions to Municipal		-	-	-
<b>Net Funding Position - Surplus / (Deficit)</b>		<b>1,187,078</b>	<b>29,877</b>	<b>1,024,060</b>

**Liquidity over the Year**



Shire of Victoria Plains  
**SHIRE OF VICTORIA PLAINS**

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**

For the Period Ending 29 February 2020

**4. CASH AND FINANCIAL ASSETS**

	Unrestricted	Restricted	Total	Institution	Interest	Maturity
	\$	\$	\$		Rate	Date
					%	
<b>Cash</b>						
Cash on Hand	590		590	N/A	0.00	N/A
Municipal Fund	266,064		266,064	Bendigo	0.00	N/A
Municipal Savings	3,594		3,594	Bendigo	0.25	N/A
Municipal 3 Months (#1)	654,113		654,113	Bendigo	1.55	03 Apr 20
Reserve Funds		362,778	362,778	Bendigo	0.25	N/A
Bonds and Deposits		15,761	15,761	Bendigo	0.00	N/A
<b>Financial Assets at Amortised Cost</b>						
Reserve Funds		109,123	109,123	Bendigo	1.20	05 Sep 20
<b>Total Cash and Financial Assets</b>	<b>924,361</b>	<b>487,662</b>	<b>1,412,024</b>			

**5. TRUST FUND**

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

Description	Opening Balance 01 Jul 19	Amount Received	Amount Paid	Closing Balance 29 Feb 20
	\$	\$	\$	\$
	-	-	-	-
<b>Total Funds in Trust</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Comments / Notes**

No funds were held in Trust at reporting date.

Shire of Victoria Plains  
**SHIRE OF VICTORIA PLAINS**

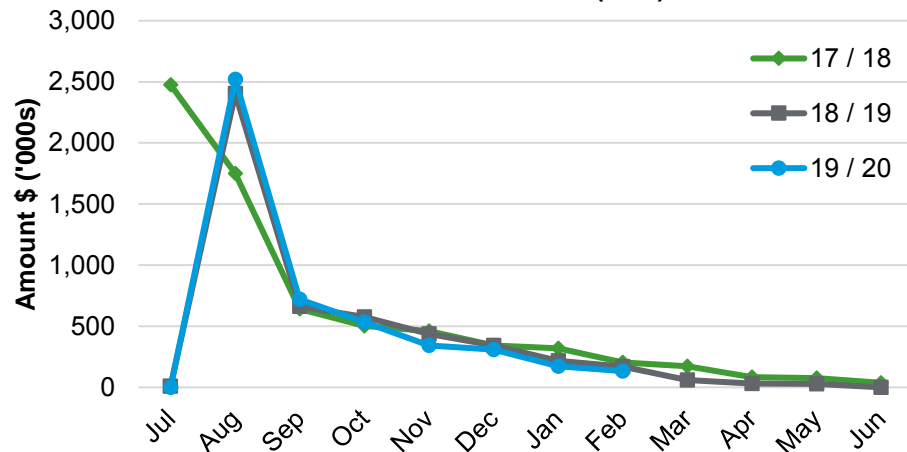
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**  
**For the Period Ending 29 February 2020**

**6. RECEIVABLES**

**(a) Rates Receivable**

	29 Feb 20
	\$
Rates Receivables	183,833
Rates Received in Advance	(8,134)
<b>Total Rates Receivable Outstanding</b>	<b>175,699</b>
Closing Balances - Prior Year	22,201
Rates Levied this Year	2,590,712
Closing Balances - Current Month	(175,699)
<b>Total Rates Collected to Date</b>	<b>2,437,214</b>
Percentage Collected	93%

**Rates Receivable (YTD)**



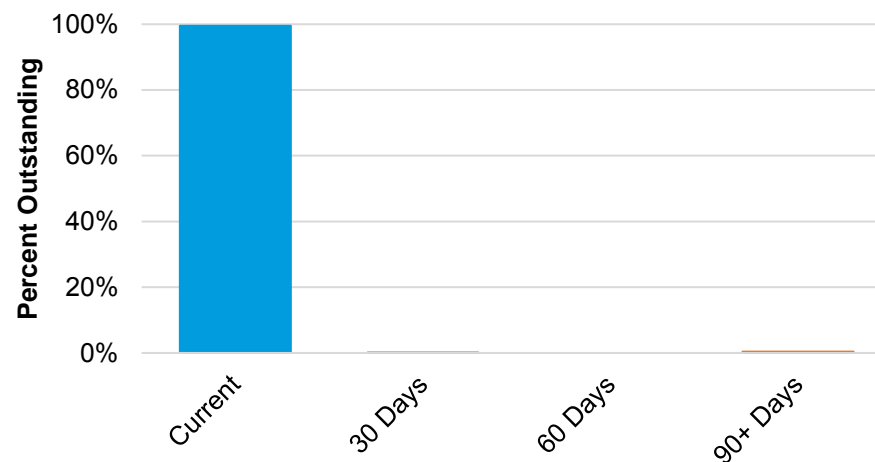
**Comments / Notes**

Rubbish fees included in YTD graph

**(b) General Receivables**

	29 Feb 20
	\$
Current	414,833
30 Days	275
60 Days	-
90+ Days	1,675
<b>Total General Receivables Outstanding</b>	<b>416,784</b>

**General Receivables**



**Comments / Notes**

Amounts shown above include GST (where applicable)

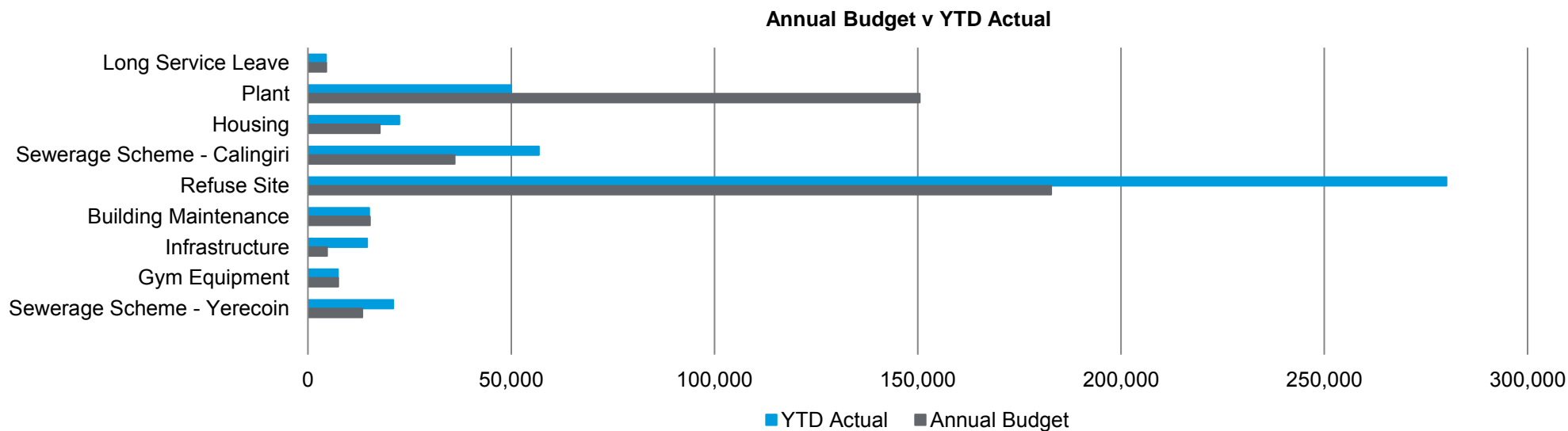
Shire of Victoria Plains  
**SHIRE OF VICTORIA PLAINS**

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**

For the Period Ending 29 February 2020

**7. CASH BACKED RESERVES**

Reserve Name	Annual Budget				YTD Actual				
	Balance	Transfers	Interest	Transfer	Balance	Transfers	Interest	Transfer	Balance
	01 Jul 19	from	Received	to	30 Jun 20	from	Received	to	29 Feb 20
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Long Service Leave	4,437	-	61	-	4,498	-	17	-	4,454
Plant	49,808	-	689	100,000	150,497	-	189	-	49,997
Housing	22,400	(5,000)	310	-	17,710	-	85	-	22,485
Sewerage Scheme - Calingiri	77,578	(42,249)	783	-	36,112	(20,946)	215	-	56,847
Refuse Site	278,983	(100,000)	3,857	-	182,840	-	1,058	-	280,041
Building Maintenance	15,032	-	208	-	15,240	-	57	-	15,089
Infrastructure	14,535	(10,000)	201	-	4,736	-	55	-	14,590
Gym Equipment	7,344	-	101	-	7,445	-	28	-	7,372
Sewerage Scheme - Yerecoin	-	(7,874)	290	20,946	13,362	-	79	20,946	21,025
Total Cash Backed Reserves	470,117	(165,123)	6,500	120,946	432,440	(20,946)	1,783	20,946	471,900



**SHIRE OF VICTORIA PLAINS**

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**

**For the Period Ending 29 February 2020**

**8. DISPOSAL OF ASSETS**

**Annual Budget**

	<b>WDV</b>	<b>Proceeds</b>	<b>Profit</b>	<b>(Loss)</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Transport</b>				
<b>Plant and Equipment</b>				
PE097 Toro Z580D 25hp Ride On Mower	-	4,100	4,100	-
<b>Total Disposal of Assets</b>	<b>-</b>	<b>4,100</b>	<b>4,100</b>	<b>-</b>
<b>Total Profit or (Loss)</b>				<b>4,100</b>

**YTD Actual**

	<b>WDV</b>	<b>Proceeds</b>	<b>Profit</b>	<b>(Loss)</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Transport</b>				
<b>Plant and Equipment</b>				
PE097 Toro Z580D 25hp Ride On Mower	-	-	-	-
<b>Total Disposal of Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Profit or (Loss)</b>				<b>-</b>

**9. CAPITAL ACQUISITIONS**

**(a) Land and Buildings**

	Funding Source	Annual Budget \$	YTD Budget \$	YTD Actual \$	YTD Variance \$
<b>Governance</b>					
Admin Office Upgrade		12,000	12,000	11,161	839
		<b>12,000</b>	<b>12,000</b>	<b>11,161</b>	<b>839</b>
<b>Housing</b>					
44 Edmonds Street Upgrade		5,000	5,000	-	5,000
		<b>5,000</b>	<b>5,000</b>	<b>-</b>	<b>5,000</b>
<b>Other Property and Services</b>					
Depot Office Upgrade		31,000	31,000	22,669	8,331
		<b>31,000</b>	<b>31,000</b>	<b>22,669</b>	<b>8,331</b>
<b>Total Land and Buildings</b>		<b>48,000</b>	<b>48,000</b>	<b>33,829</b>	<b>14,171</b>

**(b) Infrastructure - Roads**

	Funding Source	Annual Budget \$	YTD Budget \$	YTD Actual \$	YTD Variance \$
<b>Transport</b>					
AG Lime - Calingiri / Toodyay Intersection		1,111,803	741,184	64,451	676,733
AG Lime - Mogumber West Road		-	-	958	(958)
Bolgart East Road Final Seal	RRG	259,400	172,920	-	172,920
Bolgart East Road Final Seal	RTR	29,500	19,656	-	19,656
Bolgart West Road	Council	20,746	13,824	-	13,824
Duggan Road	Council	100,500	66,976	-	66,976
Gillingarra Glentromie Road	Council	18,000	11,984	-	11,984
New Norcia-Gillingarra Road 19/20	RTR	114,000	75,984	-	75,984
Mogumber-Yarawindah Road		-	-	73,318	(73,318)
Toodyay-Bindi Bindi Road 19/20	RTR	262,000	174,640	251,580	(76,940)
Toodyay-Bindi Bindi Road 18/19	RRG	7,000	2,332	-	2,332
Woods Road	Council	95,340	63,536	83,975	(20,439)
Yerecoin SE Road 18/19	RTR	3,000	3,000	-	3,000
		<b>2,021,289</b>	<b>1,346,036</b>	<b>474,281</b>	<b>871,755</b>
<b>Total Infrastructure - Roads</b>		<b>2,021,289</b>	<b>1,346,036</b>	<b>474,281</b>	<b>871,755</b>

**(c) Infrastructure - Bridges**

	Funding Source	Annual Budget \$	YTD Budget \$	YTD Actual \$	YTD Variance \$
<b>Transport</b>					
Glentromie-Yerecoin Road Bridge	RTR	100,000	66,664	-	66,664
		<b>100,000</b>	<b>66,664</b>	<b>-</b>	<b>66,664</b>
<b>Total Infrastructure - Bridges</b>		<b>100,000</b>	<b>66,664</b>	<b>-</b>	<b>66,664</b>
<b>Total Capital Expenditure</b>		<b>2,169,289</b>	<b>1,460,700</b>	<b>508,111</b>	<b>952,589</b>

Shire of Victoria Plains  
**SHIRE OF VICTORIA PLAINS**

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**

For the Period Ending 29 February 2020

**10. RATING INFORMATION**

	Rateable Value \$	Valuation \$	Number of Properties #	Annual Budget Revenue \$	Rate Revenue \$	Interim Rates \$	Back Rates \$	YTD Actual Revenue \$
<b>General Rates</b>								
GRV	1,794,146	0.105810	162	189,839	189,839	-	-	189,839
UV	321,973,750	0.007051	302	2,270,237	2,270,237	(3,030)	(785)	2,266,422
<b>Total General Rates</b>				<b>2,460,076</b>	<b>2,460,076</b>	<b>(3,030)</b>	<b>(785)</b>	<b>2,456,260</b>
<b>Minimum Rates</b>								
GRV	81,774	436.80	65	28,392	28,392	-	-	28,392
UV	1,726,321	572.00	53	30,316	30,316	-	-	30,316
<b>Total Minimum Rates</b>				<b>58,708</b>	<b>58,708</b>	<b>-</b>	<b>-</b>	<b>58,708</b>
<b>Total General and Minimum Rates</b>				<b>2,518,784</b>	<b>2,518,784</b>	<b>(3,030)</b>	<b>(785)</b>	<b>2,514,968</b>
<b>Other Rate Revenue</b>								
Facilities Fees (Ex Gratia)				76,000				75,744
<b>Total Rate Revenue</b>				<b>2,594,784</b>				<b>2,590,712</b>

Shire of Victoria Plains  
**SHIRE OF VICTORIA PLAINS**

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**

For the Period Ending 29 February 2020

**11. INFORMATION ON BORROWINGS**

**Debenture Repayments\***

	01 Jul 19 \$	New Loans \$	Principal Repayments \$	Annual Budget Interest Repayments	Principal Outstanding \$	Principal Repayments \$	YTD Actual Interest Repayments \$	Principal Outstanding \$
<b>Housing</b>								
Loan 82 Calingiri Sports Pavilion	59,114	-	18,838	2,903	40,276	9,315	1,198	49,799
<b>Economic Services</b>								
Loan 84 Piawaning Water Supply	135,222	-	16,613	4,200	118,609	8,255	1,003	126,967
<b>Recreation and Culture</b>								
Loan 83 Calingiri Football Club	222,074	-	16,777	11,723	205,297	8,997	3,310	213,077
<b>Total Debenture Repayments</b>	<b>416,410</b>	<b>-</b>	<b>52,228</b>	<b>18,826</b>	<b>364,182</b>	<b>26,567</b>	<b>5,511</b>	<b>389,843</b>

**Self Supporting Loans**

	01 Jul 19 \$	New Loans \$	Principal Repayments \$	Annual Budget Interest Repayments	Principal Outstanding \$	Principal Repayments \$	YTD Actual Interest Repayments \$	Principal Outstanding \$
<b>Recreation and Culture</b>								
Loan 83 Calingiri Football Club	222,074	-	16,777	11,723	205,297	8,997	4,735	213,077
<b>Total Self Supporting Loans</b>	<b>222,074</b>	<b>-</b>	<b>16,777</b>	<b>11,723</b>	<b>205,297</b>	<b>8,997</b>	<b>4,735</b>	<b>213,077</b>

**Comments / Notes**

\* - All debenture repayments were financed by general purpose revenue.  
No new debentures are expected to be raised this year.



**SHIRE OF VICTORIA PLAINS**

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**

**For the Period Ending 29 February 2020**

**12. GRANTS, SUBSIDIES AND CONTRIBUTIONS**

**(a) Operating Grants, Subsidies and Contributions**

Program / Details	Grant Provider	Annual Budget \$	YTD Budget \$	YTD Actual \$
<b>Governance</b>				
Traineeship Grant	DPIRD	-	-	30,000
<b>General Purpose Funding</b>				
General Commission Grants	WALGGC	279,811	209,856	210,285
<b>Law, Order and Public Safety</b>				
ESL BFB Operating Grant	DFES	45,116	25,716	27,441
DFES Commission on ESL Levy	DFES	4,000	2,664	4,000
<b>Education and Welfare</b>				
Seniors Week/TAVD Community	DLGC	2,000	1,328	(1,000)
WA Youth Week Grant	DLGC	1,000	664	-
Community Development Programs		5,000	3,328	-
<b>Transport</b>				
Roads Commission Grants	WALGGC	251,018	188,262	188,278
Street Lighting	MRWA	1,000	664	-
Direct Road	MRWA	123,211	123,211	131,137
<b>Total Operating Grants, Subsidies and Contributions</b>		<b>712,156</b>	<b>555,693</b>	<b>590,141</b>

**(b) Non-operating Grants, Subsidies and Contributions**

<b>Transport</b>				
Regional Road Group - Road Projects	Main Roads WA	257,921	193,440	176,938
Roads to Recovery	Dept of Infrastructure	344,595	258,444	138,789
Mogumber - Yarawindah Road	Main Roads WA	-	-	373,333
Ag-Lime Project	CBH	680,000	453,328	-
Ag-Lime Project	Main Roads WA	680,000	453,328	87,716
<b>Total Non-Operating Grants, Subsidies and Contributions</b>		<b>1,962,516</b>	<b>1,358,540</b>	<b>776,776</b>

<b>Total Grants, Subsidies and Contributions</b>		<b>2,674,672</b>	<b>1,914,233</b>	<b>1,366,917</b>
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Shire of Victoria Plains  
**SHIRE OF VICTORIA PLAINS**

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**  
**For the Period Ending 29 February 2020**

**13. BUDGET AMENDMENTS**

The following details the amendments made to the original budget since its adoption.

GL Code	Job Code	Description	Council Resolution	Classification	Non Cash Adjustment \$	Increase in Cash \$	Decrease in Cash \$	Running Balance \$
		Adjustment to 1 July Opening Surplus						-

**Amended Budget Totals**

- - - -



**Shire of Victoria Plains**

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# **SHIRE OF VICTORIA PLAINS**

## **ANNUAL STATUTORY BUDGET**

### **Budget Review 2019 - 2020**



**RSM Australia Pty Ltd**

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## **Compilation Report**

### **To the Council**

### **Shire of Victoria Plains**

#### **Scope**

We have compiled the accompanying special purpose financial statements.

The specific purpose for which the special purpose financial report has been prepared is to provide information relating to the financial performance and financial position of the Shire that satisfies the information needs of the Council and the *Local Government Act 1995* and associated regulations.

#### **The responsibility of the Shire**

The Shire is solely responsible for the information contained in the special purpose financial report and have determined that the accounting policies used are consistent and are appropriate to satisfy the requirements of the Council and the *Local Government Act 1995* and associated regulations.

#### **Our responsibility**

On the basis of information provided by the Shire, we have compiled the accompanying special purpose financial statements in accordance with the significant accounting policies adopted as set out in Note 1 to the financial statements and APES 315: Compilation of Financial Information.

Our procedures use accounting expertise to collect, classify and summarise the financial information, which the Management provided, into a financial report. Our procedures do not include any verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed.

To the extent permitted by law, we do not accept liability for any loss or damage which any person, other than the Shire of Victoria Plains, may suffer arising from negligence on our part.

This report was prepared for the benefit of the Council of the Shire of Victoria Plains and the purpose identified above. We do not accept responsibility to any other person for the content of the report.

Signed at GERALDTON

Date 18<sup>th</sup> March 2020

RSM Australia Pty Ltd  
Chartered Accountants

**THE POWER OF BEING UNDERSTOOD**  
AUDIT | TAX | CONSULTING

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RSM Australia Pty Ltd ACN 009 321 377 atf Birdanco Practice Trust ABN 65 319 382 479 trading as RSM

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**SHIRE OF VICTORIA PLAINS**  
**ANNUAL STATUTORY BUDGET REVIEW**  
**FOR THE YEAR ENDING 30 JUNE 2020**  
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**SHIRE OF VICTORIA PLAINS**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDING 30 JUNE 2020**  
**BY NATURE OR TYPE**

		<b>Revised Budget 19 / 20 \$</b>	<b>Estimated Actual 31-Jan-20 \$</b>	<b>Adopted Budget 19 / 20 \$</b>
<b>Revenue</b>	<b>Note</b>			
Rates		2,594,784	2,590,712	2,594,784
Grants, Subsidies and Contributions	2(a)	742,156	457,287	712,156
Fees and Charges		230,486	146,906	229,317
Interest Earnings		46,403	17,490	46,403
Other Revenue		87,291	43,627	63,319
		<u>3,701,120</u>	<u>3,256,022</u>	<u>3,645,979</u>
<b>Expenses</b>				
Employee Costs		(1,434,411)	(883,531)	(1,219,401)
Materials and Contracts		(1,657,453)	(1,070,550)	(1,994,841)
Utility Charges		(109,630)	(53,304)	(110,220)
Depreciation on Non-current Assets		(3,953,089)	(2,303,920)	(3,224,366)
Interest Expenses		(20,826)	(5,511)	(20,826)
Insurance Expenses		(151,086)	(125,999)	(135,136)
Other Expenditure		(149,498)	(70,951)	(149,498)
		<u>(7,475,993)</u>	<u>(4,513,765)</u>	<u>(6,854,288)</u>
Operating Surplus / (Deficit)		<u>(3,774,873)</u>	<u>(1,257,744)</u>	<u>(3,208,309)</u>
<b>Other Revenue and Expenses</b>				
Grants, Subsidies and Contributions	2(b)	1,623,565	403,443	1,962,516
Profit on Disposal of Assets	3	8,013	-	4,100
(Loss) on Disposal of Assets	3	(18,336)	-	-
<b>Net Result</b>		<u>(2,161,631)</u>	<u>(854,301)</u>	<u>(1,241,693)</u>
<b>Total Comprehensive Income</b>		<u><u>(2,161,631)</u></u>	<u><u>(854,301)</u></u>	<u><u>(1,241,693)</u></u>

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

**SHIRE OF VICTORIA PLAINS**

**STATEMENT OF COMPREHENSIVE INCOME**

**2019 - 2020**

**BY PROGRAM**

		<b>Revised Budget 19 / 20</b>	<b>Estimated Actual 31-Jan-20</b>	<b>Adopted Budget 19 / 20</b>
		<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Revenue</b>				
Governance		32,889	31,967	4,233
General Purpose Funding		3,174,246	2,881,370	3,174,246
Law, Order, Public Safety		59,818	34,803	59,818
Health		3,150	1,749	3,150
Education and Welfare		8,500	578	8,500
Housing		92,732	50,236	98,492
Community Amenities		91,142	80,624	85,738
Recreation and Culture		27,687	6,056	26,946
Transport		127,841	132,907	127,841
Economic Services		39,355	16,753	39,355
Other Property and Services		43,760	18,979	17,660
		<u>3,701,120</u>	<u>3,256,022</u>	<u>3,645,979</u>
<b>Expenses</b>				
Governance		(503,146)	(322,289)	(512,513)
General Purpose Funding		(362,341)	(224,476)	(356,565)
Law, Order, Public Safety		(319,967)	(192,994)	(312,101)
Health		(150,015)	(88,030)	(148,887)
Education and Welfare		(47,828)	(31,130)	(56,533)
Housing		(209,523)	(115,138)	(241,243)
Community Amenities		(510,572)	(290,049)	(742,819)
Recreation and Culture		(693,797)	(466,925)	(679,097)
Transport		(4,492,083)	(2,654,169)	(3,600,278)
Economic Services		(176,721)	(93,678)	(194,252)
Other Property and Services		(10,000)	(34,887)	(10,000)
		<u>(7,475,993)</u>	<u>(4,513,765)</u>	<u>(6,854,288)</u>
Operating Surplus / (Deficit)		<u>(3,774,873)</u>	<u>(1,257,744)</u>	<u>(3,208,309)</u>
<b>Other Revenue and Expenses</b>				
Grants, Subsidies and Contributions	2(b)	1,623,565	403,443	1,962,516
Profit on Disposal of Assets	3	8,013	-	4,100
(Loss) on Disposal of Assets	3	(18,336)	-	-
<b>Net Result</b>		<u>(2,161,631)</u>	<u>(854,301)</u>	<u>(1,241,693)</u>
<b>Total Comprehensive Income</b>		<u><u>(2,161,631)</u></u>	<u><u>(854,301)</u></u>	<u><u>(1,241,693)</u></u>

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

Shire of Victoria Plains  
**SHIRE OF VICTORIA PLAINS**  
**ANNUAL STATUTORY BUDGET REVIEW**  
**FOR THE YEAR ENDING 30 JUNE 2020**  
**STATEMENT OF CASH FLOWS**

		<b>Revised Budget 19 / 20 \$</b>	<b>Estimated Actual 31-Jan-20 \$</b>	<b>Adopted Budget 19 / 20 \$</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Rates		2,594,784	2,361,755	2,569,784
Grants, Subsidies and Contributions		759,911	623,917	709,656
Fees and Charges		230,486	146,906	229,317
Interest Earnings		46,403	17,490	46,403
Goods and Services Tax		337,716	270,536	337,716
Other Revenue		87,291	43,627	63,319
		<u>4,056,591</u>	<u>3,464,231</u>	<u>3,956,195</u>
<b>Payments</b>				
Employee Costs		(1,434,411)	(924,846)	(1,219,401)
Materials and Contracts		(1,657,349)	(1,392,756)	(1,966,641)
Utility Charges		(109,630)	(53,304)	(110,220)
Interest Expenses		(20,826)	(5,511)	(20,826)
Insurance Expenses		(151,086)	(125,999)	(135,136)
Goods and Services Tax		(358,766)	(156,074)	(358,766)
Other Expenditure		(149,498)	(70,951)	(149,498)
		<u>(3,881,566)</u>	<u>(2,729,441)</u>	<u>(3,960,488)</u>
Net Cash provided by Operating Activities		<u>175,025</u>	<u>734,790</u>	<u>(4,293)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Grants, Subsidies and Contributions	2(b)	1,623,565	403,443	1,962,516
Proceeds from Sale of Fixed Assets	3	96,100	-	4,100
Land and Buildings	4	(33,590)	(33,829)	(48,000)
Plant and Equipment	4	-	-	-
Furniture and Equipment	4	-	-	-
Infrastructure - Roads	5	(1,874,394)	(437,754)	(2,021,289)
Infrastructure - Bridges	5	(100,000)	-	(100,000)
Net Cash provided by Investing Activities		<u>(288,319)</u>	<u>(68,141)</u>	<u>(202,673)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of Long Term Borrowings	6	(52,228)	(26,567)	(52,228)
Proceeds from New Loans	6	70,000	-	-
Proceeds from Self Supporting Loans	6	16,777	8,997	16,777
Net Cash provided by Financing Activities		<u>34,549</u>	<u>(17,570)</u>	<u>(35,451)</u>
<b>Net Increase / (Decrease) in Cash Held</b>		<b>(78,745)</b>	<b>649,079</b>	<b>(242,417)</b>
Cash at Beginning of Year		837,958	837,958	822,703
<b>Cash and Cash Equivalents at the End of the Year</b>	8(a)	<u>759,213</u>	<u>1,487,037</u>	<u>580,286</u>

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



Shire of Victoria Plains  
**SHIRE OF VICTORIA PLAINS**  
**ANNUAL STATUTORY BUDGET REVIEW**  
**FOR THE YEAR ENDING 30 JUNE 2020**  
**RATE SETTING STATEMENT**

		Revised Budget 19 / 20 \$	Estimated Actual 31-Jan-20 \$	Adopted Budget 19 / 20 \$
<b>OPERATING ACTIVITIES</b>				
	<b>Note</b>			
<b>Net Current Assets at 01 Jul - Surplus / (Deficit)</b>		29,877	29,877	185,326
<b>Revenue from Operating Activities (Excluding Rates)</b>				
Governance		32,889	31,967	4,233
General Purpose Funding		655,462	346,246	655,462
Law, Order, Public Safety		59,818	34,803	59,818
Health		3,150	1,749	3,150
Education and Welfare		8,500	578	8,500
Housing		92,732	50,236	98,492
Community Amenities		91,142	80,624	85,738
Recreation and Culture		27,687	6,056	26,946
Transport		135,854	132,907	131,941
Economic Services		39,355	16,753	39,355
Other Property and Services		43,760	18,979	17,660
		1,190,349	720,897	1,131,295
<b>Expenditure from Operating Activities</b>				
Governance		(503,146)	(322,289)	(512,513)
General Purpose Funding		(362,341)	(224,476)	(356,565)
Law, Order, Public Safety		(319,967)	(192,994)	(312,101)
Health		(150,015)	(88,030)	(148,887)
Education and Welfare		(47,828)	(31,130)	(56,533)
Housing		(209,523)	(115,138)	(241,243)
Community Amenities		(510,572)	(290,049)	(742,819)
Recreation and Culture		(693,797)	(466,925)	(679,097)
Transport		(4,510,419)	(2,654,169)	(3,600,278)
Economic Services		(176,721)	(93,678)	(194,252)
Other Property and Services		(10,000)	(34,887)	(10,000)
		(7,494,329)	(4,513,765)	(6,854,288)
<b>Excluded Non-cash Operating Activities</b>				
(Profit) on Disposal of Assets	3	(8,013)	-	(4,100)
Loss on Disposal of Assets	3	18,336	-	-
Depreciation and Amortisation on Assets		3,953,089	2,303,920	3,224,366
Net Amount provided from Operating Activities		(2,340,568)	(1,488,948)	(2,502,727)
<b>INVESTING ACTIVITIES</b>				
Grants, Subsidies and Contributions	2(b)	1,623,565	403,443	1,962,516
Proceeds from Disposal of Assets	3	96,100	-	4,100
Purchase of Property, Plant and Equipment	4	(33,590)	(33,829)	(48,000)
Payments for Construction of Infrastructure	5	(1,974,394)	(437,754)	(2,121,289)
Net Amount provided from Investing Activities		(288,319)	(68,141)	(202,673)
<b>FINANCING ACTIVITIES</b>				
Repayment of Long Term Borrowings	6	(52,228)	(26,567)	(52,228)
Proceeds from New Loans	6	70,000	-	-
Proceeds from Self Supporting Loans	6	16,777	8,997	16,777
Transfers to Reserves (Restricted Assets)	7	(119,446)	(22,729)	(127,446)
Transfers from Reserves (Restricted Assets)	7	165,123	20,946	165,123
Net Amount provided from Financing Activities		80,226	(19,353)	2,226
<b>Surplus / (Deficit) before General Rates</b>		(2,518,784)	(1,546,565)	(2,517,848)
Total Amount raised from General Rates		2,518,784	2,535,124	2,518,784
<b>Net Current Assets at 30 Jun - Surplus / (Deficit)</b>		-	988,559	936

**SHIRE OF VICTORIA PLAINS**

**NOTES TO AND FORMING PART OF THE BUDGET REVIEW  
FOR THE YEAR ENDING 30 JUNE 2020**

**1. SIGNIFICANT ACCOUNTING POLICIES**

**(a) Basis of Accounting**

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

**(b) The Local Government Reporting Entity**

All Funds through which the Council controls resources to carry on its functions have been included in this statement. In the process of reporting on the local government as a single unit, all transactions and balances between those funds (for example, loans and transfers between Funds) have been eliminated. All monies held in the Trust Fund are excluded from the statement, but a separate statement of those monies appears at Note 5.

**(c) Rounding Off Figures**

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

**(d) Rates, Grants, Donations and Other Contributions**

Rates, grants, donations and other contributions are recognised as revenues when the local government obtains control over the assets comprising the contributions. Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates.

**(e) 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.

**(f) Cash and Cash Equivalents**

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

**(g) Trade and Other Receivables**

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

Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets. Collectability of trade and other receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that they will not be collectible.

**(h) Inventories**

**General**

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

**Land Held for Resale**

Land held for development and sale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until completion of development. Finance costs and holding charges incurred after development is completed are expensed. Gains and losses are recognised in profit or loss at the time of signing an unconditional contract of sale if significant risks and rewards, and effective control over the land, are passed on to the buyer at this point. Land held for sale is classified as current except where it is held as non-current based on Council's intentions to release for sale.

**SHIRE OF VICTORIA PLAINS**

**NOTES TO AND FORMING PART OF THE BUDGET REVIEW  
FOR THE YEAR ENDING 30 JUNE 2020**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(i) Fixed Assets**

All assets are initially recognised at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the local government includes the cost of all materials used in the construction, direct labour on the project and an appropriate proportion of variable and fixed overhead. Certain asset classes may be revalued on a regular basis such that the carrying values are not materially different from fair value. Assets carried at fair value are to be revalued with sufficient regularity to ensure the carrying amount does not differ materially from that determined using fair value at reporting date.

**(j) Depreciation of Non-Current Assets**

All non-current assets having a limited useful life are systematically depreciated over their useful lives in a manner which reflects the consumption of the future economic benefits embodied in those assets.

Depreciation is recognised on a straight-line basis, using rates which are reviewed each reporting period. Major depreciation rates and periods are:

<b>Asset</b>	<b>Years</b>
Buildings	30 to 50 years
Furniture and Equipment	4 to 10 years
Plant and Equipment	5 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
Formed roads	
formation	not depreciated
pavement	50 years
Footpaths - slab	20 years
Sewerage Piping	100 years
Water Supply Piping and Drainage Systems	75 years

**(k) Trade and Other Payables**

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

**(l) Employee Benefits**

The provisions for employee benefits relates to amounts expected to be paid for long service leave, annual leave, wages and salaries and are

**(i) Wages, Salaries, Annual Leave and Long Service Leave (Short-term Benefits)**

The provision for employees' benefits to wages, salaries, annual leave and long service leave expected to be settled within 12 months represents the amount the Shire has a present obligation to pay resulting from employees services provided to balance date. The provision has been calculated at nominal amounts based on remuneration rates the Shire expects to pay and includes related on-costs.

**(ii) Annual Leave and Long Service Leave (Long-term Benefits)**

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the project unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match as closely as possible, the estimated future cash outflows. Where the Shire does not have the unconditional right to defer settlement beyond 12 months, the liability is recognised as a current liability.

**(m) Interest-bearing Loans and Borrowings**

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings.

Borrowings are classified as current liabilities unless the Council has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

## SHIRE OF VICTORIA PLAINS

### NOTES TO AND FORMING PART OF THE BUDGET REVIEW FOR THE YEAR ENDING 30 JUNE 2020

#### 1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### **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.

##### **(n) Provisions**

Provisions are recognised when: The council has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one of item included in the same class of obligations may be small.

##### **(o) Current and Non-Current Classification**

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

##### **(p) Nature or Type Classifications**

##### **Rates**

All rates levied under the *Local Government Act 1995*. Includes general, differential, specific area rates, minimum rates, interim rates, back

##### **Operating Grants, Subsidies and Contributions**

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

##### **Non-operating Grants, Subsidies and Contributions**

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

##### **Profit on Asset Disposal**

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

##### **Fees and Charges**

Revenues (other than service charges) from the use of facilities and charges made for local government services, sewerage rates, rentals, hire charges, fee for service, photocopying charges, licences, sale of goods or information, fines, penalties and administration fees.

##### **Service Charges**

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

##### **Interest Earnings**

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

##### **Other Revenue / Income**

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

##### **Employee Costs**

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

##### **Materials and Contracts**

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

**SHIRE OF VICTORIA PLAINS**  
**NOTES TO AND FORMING PART OF THE BUDGET REVIEW**  
**FOR THE YEAR ENDING 30 JUNE 2020**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Utilities (Gas, Electricity, Water, etc.)**

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

**Insurance**

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

**Loss on Asset Disposal**

Loss on the disposal of fixed assets.

**Depreciation on Non-current Assets**

Depreciation expense raised on all classes of assets.

**Interest Expenses**

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

**Other Expenditure**

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

**(q) Program Classifications (Function / Activity)**

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

**GOVERNANCE**

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

**GENERAL PURPOSE FUNDING**

Rates, general purpose government grants and interest revenue.

**LAW, ORDER, PUBLIC SAFETY**

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

**HEALTH**

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

**EDUCATION AND WELFARE**

Maintenance of child minding centre, playgroup centre, senior citizen centre and aged care centre. Provision and maintenance of home and community care programs and youth services.

**HOUSING**

Provision and maintenance of residents housing.

**COMMUNITY AMENITIES**

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

**RECREATION AND CULTURE**

Maintenance of public halls, civic centres, aquatic centre, beaches, recreation centres and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of library, museum and other cultural facilities.

**TRANSPORT**

Construction and maintenance of roads, streets, footpaths, depots, cycle ways, parking facilities and traffic control. Cleaning of streets and maintenance of street trees, street lighting etc.

**ECONOMIC SERVICES**

Tourism and area promotion including the maintenance and operation of a caravan park. Provision of rural services including weed control, vermin control and standpipes. Building Control.

**OTHER PROPERTY AND SERVICES**

Private works operation, plant repair and operation costs and engineering operation costs.

**SHIRE OF VICTORIA PLAINS**

**NOTES TO AND FORMING PART OF THE BUDGET REVIEW**

**FOR THE YEAR ENDING 30 JUNE 2020**

**2. OPERATING REVENUE**

**(a) Operating Grants**

	<b>Revised Budget 19 / 20 \$</b>	<b>Estimated Actual 31-Jan-20 \$</b>	<b>Adopted Budget 19 / 20 \$</b>
Governance	30,000	30,000	-
General Purpose Funding	530,829	265,709	530,829
Law, Order, Public Safety	49,116	31,441	49,116
Education and Welfare	8,000	(1,000)	8,000
Transport	124,211	131,137	124,211
<b>Total Operating Grants</b>	<b>742,156</b>	<b>457,287</b>	<b>712,156</b>

**(b) Non-Operating Grants**

	<b>Revised Budget 19 / 20 \$</b>	<b>Estimated Actual 31-Jan-20 \$</b>	<b>Adopted Budget 19 / 20 \$</b>
Transport	1,623,565	403,443	1,962,516
<b>Total Non-operating Grants</b>	<b>1,623,565</b>	<b>403,443</b>	<b>1,962,516</b>

Shire of Victoria Plains  
**SHIRE OF VICTORIA PLAINS**

**NOTES TO AND FORMING PART OF THE BUDGET REVIEW  
FOR THE YEAR ENDING 30 JUNE 2020**

**3. DISPOSAL OF ASSETS**

**Revised Budget**

	<b>Book Value 19 / 20 \$</b>	<b>Proceeds 19 / 20 \$</b>	<b>Profit 19 / 20 \$</b>	<b>(Loss) 19 / 20 \$</b>
<b>Transport</b>				
<b>Plant and Equipment</b>				
PE097 Toro Z580D 25hp Ride On Mower	-	4,100	4,100	-
Community Vehicle	12,087	16,000	3,913	-
<b>Housing</b>				
<b>Land and Buildings</b>				
44 Edmonds Street	94,336	76,000	-	(18,336)
<b>Total Disposal of Assets</b>	<b>106,423</b>	<b>96,100</b>	<b>8,013</b>	<b>(18,336)</b>
<b>Total Profit or (Loss)</b>				<b>(10,323)</b>

**Estimated Actual**

	<b>Book Value 31-Jan-20 \$</b>	<b>Proceeds 31-Jan-20 \$</b>	<b>Profit 31-Jan-20 \$</b>	<b>(Loss) 31-Jan-20 \$</b>
<b>Transport</b>				
<b>Plant and Equipment</b>				
PE097 Toro Z580D 25hp Ride On Mower	-	-	-	-
<b>Total Disposal of Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Profit or (Loss)</b>				<b>-</b>

**Annual Budget**

	<b>Book Value 19 / 20 \$</b>	<b>Proceeds 19 / 20 \$</b>	<b>Profit 19 / 20 \$</b>	<b>(Loss) 19 / 20 \$</b>
<b>Transport</b>				
<b>Plant and Equipment</b>				
PE097 Toro Z580D 25hp Ride On Mower	-	4,100	4,100	-
<b>Total Disposal of Assets</b>	<b>-</b>	<b>4,100</b>	<b>4,100</b>	<b>-</b>
<b>Total Profit or (Loss)</b>				<b>4,100</b>



**SHIRE OF VICTORIA PLAINS**

**NOTES TO AND FORMING PART OF THE BUDGET REVIEW  
FOR THE YEAR ENDING 30 JUNE 2020**

**4. CAPITAL ACQUISITIONS - PROPERTY, PLANT AND EQUIPMENT**

**(a) Land and Buildings**

	Revised Budget 19 / 20 \$	Estimated Actual 31-Jan-20 \$	Adopted Budget 19 / 20 \$
<b>Governance</b>			
Admin Office Upgrade	12,000	11,161	12,000
	<b>12,000</b>	<b>11,161</b>	<b>12,000</b>
<b>Housing</b>			
44 Edmonds Street Upgrade	2,000	-	5,000
	<b>2,000</b>	<b>-</b>	<b>5,000</b>
<b>Other Property and Services</b>			
Depot Office Upgrade	19,590	22,669	31,000
	<b>19,590</b>	<b>22,669</b>	<b>31,000</b>
<b>Total Land and Buildings</b>	<b>33,590</b>	<b>33,829</b>	<b>48,000</b>
<b>Total Property, Plant and Equipment</b>	<b>33,590</b>	<b>33,829</b>	<b>48,000</b>

**5. CAPITAL ACQUISITIONS - INFRASTRUCTURE**

**(a) Roads**

	Revised Budget 19 / 20 \$	Estimated Actual 31-Jan-20 \$	Adopted Budget 19 / 20 \$
<b>Transport</b>			
AG Lime - Calingiri / Toodyay Intersection	65,408	65,408	1,111,803
Bolgart East Road Final Seal (RGR)	259,400	-	259,400
Bolgart East Road Final Seal (RTR)	29,500	-	29,500
Bolgart West Road	20,746	-	20,746
Duggan Road	-	-	100,500
Gillingarra Glentromie Road	18,000	-	18,000
New Norcia-Gillingarra Road 19/20	114,000	-	114,000
Mogumber-Yarawindah Road	1,000,000	36,791	-
Toodyay-Bindi Bindi Road 19/20	262,000	251,580	262,000
Toodyay-Bindi Bindi Road 18/19	7,000	-	7,000
Woods Road	95,340	83,975	95,340
Yerecoin SE Road 18/19	3,000	-	3,000
	<b>1,874,394</b>	<b>437,754</b>	<b>2,021,289</b>
<b>Total Roads</b>	<b>1,874,394</b>	<b>437,754</b>	<b>2,021,289</b>

**(b) Bridges**

	Revised Budget 19 / 20 \$	Estimated Actual 31-Jan-20 \$	Adopted Budget 19 / 20 \$
<b>Transport</b>			
Glentromie-Yerecoin Road Bridge	100,000	-	100,000
	<b>100,000</b>	<b>-</b>	<b>100,000</b>
<b>Total Bridges</b>	<b>100,000</b>	<b>-</b>	<b>100,000</b>
<b>Total Infrastructure</b>	<b>1,974,394</b>	<b>437,754</b>	<b>2,121,289</b>



Shire of Victoria Plains  
**SHIRE OF VICTORIA PLAINS**

**NOTES TO AND FORMING PART OF THE BUDGET REVIEW  
FOR THE YEAR ENDING 30 JUNE 2020**

**6. INFORMATION ON BORROWINGS**

**(a) Debenture Repayments**

	Annual Budget 19 / 20*					Estimated Actual as at 31-Jan-20		
	01 Jul 19	New Loans	Principal Repayments	Interest Repayments	Principal Outstanding	Principal Repayments	Interest Repayments	Principal Outstanding
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Housing</b>								
Loan 82 Calingiri Sports Pavilion	59,114	-	18,838	2,903	40,276	9,315	1,198	49,799
<b>Economic Services</b>								
Loan 84 Piawaning Water Supply	135,222	-	16,613	4,200	118,609	8,255	1,003	126,967
<b>Recreation and Culture</b>								
Loan 83 Calingiri Football Club	222,074	-	16,777	11,723	205,297	8,997	3,310	213,077
<b>Transport</b>								
Mogumber-Yarawindah Project	-	70,000	-	-	70,000	-	-	-
<b>Total Debenture Repayments</b>	<b>416,410</b>	<b>70,000</b>	<b>52,228</b>	<b>18,826</b>	<b>434,182</b>	<b>26,567</b>	<b>5,511</b>	<b>389,843</b>

**(b) Self Supporting Loans**

	Annual Budget 19 / 20*					Estimated Actual as at 31-Jan-20		
	01 Jul 19	New Loans	Principal Repayments	Interest Repayments	Principal Outstanding	Principal Repayments	Interest Repayments	Principal Outstanding
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Recreation and Culture</b>								
Loan 83 Calingiri Football Club	222,074	-	16,777	11,723	205,297	8,997	4,735	213,077
<b>Total Self Supporting Loans</b>	<b>222,074</b>	<b>-</b>	<b>16,777</b>	<b>11,723</b>	<b>205,297</b>	<b>8,997</b>	<b>4,735</b>	<b>213,077</b>

**Comments / Notes**

\* - No new self supporting loans are expected to be entered into this year.

Shire of Victoria Plains  
**SHIRE OF VICTORIA PLAINS**

**NOTES TO AND FORMING PART OF THE BUDGET REVIEW  
FOR THE YEAR ENDING 30 JUNE 2020**

**7. CASH BACKED RESERVES**

Reserve Name	Revised Budget 19 / 20					Estimated Actual as at 31-Jan-20				
	Balance 01-Jul-19	Transfers from	Interest Received	Transfer to	Balance 30-Jun-20	Balance 01-Jul-19	Transfers from	Interest Received	Transfer to	Balance 31-Jan-20
Long Service Leave	4,437	-	61	-	4,498	4,437	-	17	-	4,454
Plant	49,808	-	689	16,000	66,497	49,808	-	189	-	49,997
Housing	22,400	(5,000)	310	76,000	93,710	22,400	-	85	-	22,485
Sewerage Scheme - Calingiri	77,578	(42,249)	783	-	36,112	77,578	(20,946)	215	-	56,847
Refuse Site	278,983	(100,000)	3,857	-	182,840	278,983	-	1,058	-	280,041
Building Maintenance	15,032	-	208	-	15,240	15,032	-	57	-	15,089
Infrastructure	14,535	(10,000)	201	-	4,736	14,535	-	55	-	14,590
Gym Equipment	7,344	-	101	-	7,445	7,344	-	28	-	7,372
Sewerage Scheme - Yerecoin	-	(7,874)	290	20,946	13,362	-	-	79	20,946	21,025
<b>Total Reserves</b>	<b>470,117</b>	<b>(165,123)</b>	<b>6,500</b>	<b>112,946</b>	<b>424,440</b>	<b>470,117</b>	<b>(20,946)</b>	<b>1,783</b>	<b>20,946</b>	<b>471,900</b>

Shire of Victoria Plains  
**SHIRE OF VICTORIA PLAINS**

**NOTES TO AND FORMING PART OF THE BUDGET REVIEW  
FOR THE YEAR ENDING 30 JUNE 2020**

**8. NOTES TO THE STATEMENT OF CASH FLOWS**

The statement of cash flows includes cash and cash equivalents net of outstanding overdrafts. The estimated cash at reporting date is as follows:

	Revised Budget 19 / 20	Estimated Actual 31-Jan-20	Adopted Budget 19 / 20
<b>(a) Reconciliation of Cash</b>	\$	\$	\$
Cash - Unrestricted	334,773	1,015,137	147,846
Cash - Restricted	424,440	471,900	432,440
<b>Total Cash on Hand</b>	<b>759,213</b>	<b>1,487,037</b>	<b>580,286</b>
<b>(b) Reconciliation of Net Cash from Operating Activities to Net Result</b>			
Net Result	(2,161,631)	(854,301)	(1,241,693)
Depreciation	3,953,089	2,303,920	3,224,366
(Profit) on Sale of Asset	(8,013)	-	(4,100)
Loss on Sale of Asset	18,336	-	-
(Increase) / Decrease in Receivables	31,264	208,209	(48,550)
(Increase) / Decrease in Inventories	(6,163)	(11,041)	3,200
Increase / (Decrease) in Payables	310,660	(508,555)	25,000
Non-operating Grants, Subsidies and Contributions	(1,962,516)	(403,443)	(1,962,516)
<b>Net Cash from Operating Activities</b>	<b>175,025</b>	<b>734,790</b>	<b>(4,293)</b>

**9. NET CURRENT ASSETS**

Composition of Estimated Net Current Asset Position

**Current Assets**

	Revised Budget 19 / 20	Estimated Actual 31-Jan-20	Adopted Budget 19 / 20
	\$	\$	\$
Cash - Unrestricted	334,773	1,015,137	147,846
Cash - Restricted Reserves	424,440	471,900	432,440
Receivables	416,755	223,516	336,941
Inventories	33,416	44,457	42,884
<b>Total Current Assets</b>	<b>1,209,384</b>	<b>1,755,010</b>	<b>960,111</b>

**Current Liabilities**

Trade and Other Payables	(576,968)	(107,518)	(389,790)
Deposits and Bonds	(15,255)	(16,310)	-
Short Term Borrowings	(53,129)	(26,562)	-
Provisions	(167,043)	(163,322)	(136,945)
<b>Total Current Liabilities</b>	<b>(812,395)</b>	<b>(313,712)</b>	<b>(526,735)</b>

**Net Current Funding Position**

	<b>396,989</b>	<b>1,441,298</b>	<b>433,376</b>
Less: Cash - Restricted Reserves	(432,440)	(471,900)	(432,440)
Less: Movement in Provisions	-	(3,721)	-
Less: Self-Supporting Loan	(17,678)	(3,945)	-
Add: Current Portion of Debentures	53,129	26,828	-
<b>Estimated Surplus / (Deficit) C/FWD</b>	<b>-</b>	<b>988,559</b>	<b>936</b>

Shire of Victoria Plains  
**SHIRE OF VICTORIA PLAINS**

**NOTES TO AND FORMING PART OF THE BUDGET REVIEW  
FOR THE YEAR ENDING 30 JUNE 2020**

**10. BUDGET AMENDMENTS**

GL	Description	Classification	Non Cash Adjustment \$	Increase in Cash \$	Decrease in Cash \$	Running Balance \$
	Adjustment to 1 July Opening Surplus		(155,449)			(155,449)
	<b>Operating Revenue</b>					
10431	Commissions	Budget Review			(4,200)	(159,649)
10433	Sundry Income	Budget Review		2,856		(156,793)
10436	Grant - Traineeship (DPIRD)	Budget Review		30,000		(126,793)
10923	Calingiri Aged Person Unit 4 - 11 Harrington Street.	Budget Review			(5,760)	(132,553)
11020	Effluent Scheme Income - Calingiri	Budget Review		5,404		(127,149)
11103	Calingiri Gymnasium	Budget Review		741		(126,408)
11410	Sundry Income	Budget Review		630		(125,778)
11411	Diesel Fuel Rebate	Budget Review		25,470		(100,308)
	<b>Operating Expenses</b>					
20403	Election Expenses	Budget Review		1,915		(98,393)
20404	Conferences & Seminars - Local Government Week	Budget Review		681		(97,712)
20405	Conferences & Seminars - Councillor Training	Budget Review		15,000		(82,712)
20406	Meeting Costs	Budget Review			(1,190)	(83,902)
20408	Sundry	Budget Review		3,000		(80,902)
20414	Subscriptions - Members	Budget Review			(5,500)	(86,402)
20430	Salaries & Wages	Budget Review		18,377		(68,025)
20432	Finance and Administration Manager Package	Budget Review		9,000		(59,025)
20435	Computing/IT Support	Budget Review			(15,043)	(74,068)
20437	Staff Recruitment	Budget Review		7,500		(66,568)
20438	Staff Training	Budget Review		8,000		(58,568)
20442	Subscriptions - Admin	Budget Review			(1,603)	(60,171)
20444	Postage	Budget Review		2,500		(57,671)
20451	Consultancy/Contractors	Budget Review		2,000		(55,671)
20452	Legal Fees - Administration	Budget Review			(65,000)	(120,671)
20500	Fire Prevention	Budget Review			(497)	(121,168)
20510	Mtce of Plant & Equip (FESA Fire Trucks)	Budget Review			(4,387)	(125,555)
20520	Animal Control	Budget Review			(545)	(126,100)

Shire of Victoria Plains  
**SHIRE OF VICTORIA PLAINS**

**NOTES TO AND FORMING PART OF THE BUDGET REVIEW  
FOR THE YEAR ENDING 30 JUNE 2020**

**10. BUDGET AMENDMENTS (Continued)**

GL	Description	Classification	Non Cash Adjustment \$	Increase in Cash \$	Decrease in Cash \$	Running Balance \$
<b>Operating Expenses (Continued)</b>						
20534	Ranger Services	Budget Review			(994)	(127,094)
20710	Mosquito Control	Budget Review		729		(126,365)
20804	Community Development Expenditure	Budget Review			(2,295)	(128,660)
20809	Grants Officer - External	Budget Review		11,000		(117,660)
20901	Staff Housing Building & Surrounds Maintenance	Budget Review		25,000		(92,660)
20903	Calingiri Aged Person Units Maintenance	Budget Review		2,000		(90,660)
20905	Bolgart Aged Person Units - Maintenance	Budget Review		6,000		(84,660)
21005	Landfill Site Maintenance	Budget Review		201,000		116,340
21033	Jet Cleaning & CCTV of Sewer Mains - Calingiri	Budget Review		23,835		140,175
21037	Jet Cleaning & CCTV of Sewer Mains - Yerecoin	Budget Review		8,816		148,991
21102	Piawaning Hall	Budget Review			(1,064)	147,927
21103	Mogumber Hall	Budget Review		7,209		155,136
21104	Gillingarra Hall	Budget Review		800		155,936
21105	Yerecoin Hall	Budget Review		1,000		156,936
21110	Town & Gardens Maintenance	Budget Review			(20,000)	136,936
21130	Library - Salaries & Wages	Budget Review			(88)	136,848
21200	Maintenance Grading	Budget Review			(121,507)	15,341
21202	Bitumen Maintenance	Budget Review		35,000		50,341
21203	Signage & Guideposts	Budget Review			(40,427)	9,914
21204	Tree Lopping/Verge Maintenance	Budget Review		40,000		49,914
21206	Town Streets Maintenance	Budget Review		16,000		65,914
21207	Roads Stormwater Damage (includes call-outs)	Budget Review			(28,105)	37,809
21209	Bridge & Culvert Maintenance	Budget Review			(18,443)	19,366
21212	Traffic Signs & Control Equipment	Budget Review			(3,764)	15,602
21218	Minor Plant/Equipment Purchases	Budget Review			(4,100)	11,502
21420	Depot Maintenance	Budget Review		8,000		19,502
21300	Noxious Weeds & Pest Control	Budget Review		18,680		38,182
21321	Caravan Parks and Camping Grounds Operating	Budget Review			(75)	38,107
21410	Salaries & Wages	Budget Review			(115,828)	(77,721)
21411	Works Manager Package	Budget Review			(3,033)	(80,754)
21412	Superannuation	Budget Review			(3,453)	(84,207)

Shire of Victoria Plains  
**SHIRE OF VICTORIA PLAINS**

**NOTES TO AND FORMING PART OF THE BUDGET REVIEW  
FOR THE YEAR ENDING 30 JUNE 2020**

**10. BUDGET AMENDMENTS (Continued)**

GL	Description	Classification	Non Cash Adjustment \$	Increase in Cash \$	Decrease in Cash \$	Running Balance \$
<b>Operating Expenses (Continued)</b>						
21413	Insurance	Budget Review			(20,327)	(104,534)
21415	Conferences & Seminars	Budget Review		863		(103,671)
21416	Engineering Services	Budget Review			(4,000)	(107,671)
21422	Staff Training	Budget Review		7,703		(99,968)
21433	Insurance & Licences	Budget Review			(3,510)	(103,478)
21445	Legal Fees - Cessation of EBA	Budget Review			(3,327)	(106,805)
21490	Workshop Overheads Recovered	Budget Review		214,088		107,283
21495	Plant Recovery	Budget Review			(28,630)	78,653
21496	Gross Salaries & Wages	Budget Review			(185,598)	(106,945)
21497	Salaries & Wages Allocated	Budget Review		114,591		7,646
<b>Capital Revenue</b>						
16018	AG Lime Route 2 - Other Contributions	Budget Review			(680,000)	(672,354)
16054	R4R CLGF Grants - Road Projects	Budget Review			(592,284)	(1,264,638)
16091	MRWA Mogumber - Yarawindah Rd	Budget Review		933,333		(331,305)
95111	Transfers from Plant Reserves	Budget Review		100,000		(231,305)
95111	Transfers to Plant Reserves	Budget Review			(16,000)	(247,305)
95121	Transfers to Housing Reserves	Budget Review			(76,000)	(323,305)
16088	Proceeds from Sale of Plant	Budget Review		16,000		(307,305)
16090	Proceeds - 44 Edmonds Street	Budget Review		76,000		(231,305)
94000	Proceeds from New Loan	Budget Review		70,000		(161,305)
<b>Capital Expenditure</b>						
40110	44 Edmonds Street - Housing upgrade	Budget Review		3,000		(158,305)
40021	Roadworks - Council & Direct Road Funding	Budget Review		100,500		(57,805)
40024	RTR Funded Infrastructure	Budget Review				(57,805)
40025	AG Lime Route Capital Expenditure	Budget Review		1,046,395		988,590
40322	Roadworks - State Freight Network	Budget Review			(1,000,000)	(11,410)
40063	Depot Office Upgrade	Budget Review		11,410		-
<b>Amended Budget Totals</b>			<b>(155,449)</b>	<b>3,232,026</b>	<b>(3,076,577)</b>	<b>-</b>





## Auditor General

### INDEPENDENT AUDITOR'S REPORT

#### To the Councillors of the Shire of Victoria Plains

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

##### **Opinion**

I have audited the annual financial report of the Shire of Victoria Plains 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 Victoria Plains:

- (i) is based on proper accounts and records; and
- (ii) fairly represents, in all material respects, the results of the operations of the Shire for the year ended 30 June 2019 and its financial position at the end of that period in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

##### **Basis for Opinion**

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

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

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

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

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

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

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



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

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

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

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

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

**Report on Other Legal and Regulatory Requirements**

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

- (i) In my opinion, the following material matters indicate significant adverse trends in the financial position of the Shire:
  - a. The Operating Surplus Ratio is below the DLGSCI standard for the past 3 years.  
The financial ratios are reported at Note 33 to the financial report.
- (ii) The following material matters indicating non-compliance with Part 6 of the *Local Government Act 1995*, the Local Government (Financial Management) Regulations 1996 or applicable financial controls of any other written law were identified during the course of my audit:
  - a. In 2 instances services were procured where the total spend for each supplier during the year exceeded \$150,000, however tenders were not called.



- (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 Funding Ratio included in the annual financial report were supported by verifiable information and reasonable assumptions.

**Other Matter**

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

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

This auditor's report relates to the annual financial report of the Shire of Victoria Plains for the year ended 30 June 2019 included on the Shire's website. The Shire's management is responsible for the integrity of the Shire's website. This audit does not provide assurance on the integrity of the Shire's website. The auditor's report refers only to the annual financial report described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this annual financial report. If users of the annual financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited annual financial report to confirm the information contained in this website version of the annual financial report.



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



Ms Glenda Teede  
Chief Executive Officer  
Shire of Victoria Plains  
PO Box 21  
CALINGIRI WA 6569

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PERTH WA 6849

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Dear Ms Teede

### **ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2019**

The Office has completed the audit of the annual financial report for your Shire. In accordance with section 7.12AD (2) of the *Local Government Act 1995*, we enclose the Auditor General's auditor's report, together with the audited annual financial report.

We have also forwarded the reports to the President and the Minister for Local Government, as required by the Act. You are required to publish the annual report, including the auditor's report and the audited financial report, on your Shire's official website within 14 days after the annual report has been accepted by your Council.

#### **Management Control Issues**

While the result of the audit was generally satisfactory, I would like to draw your attention to the attached listing of deficiencies in internal control and other matters that were identified during the audit. These matters have been discussed with management and their comments have been included in the attachments.

Please note that the purpose of our audit was to express an opinion on the financial report. The audit included consideration of internal control relevant to the preparation of the financial report in order to design audit procedures that were appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control.

An audit is not designed to identify all internal control deficiencies that may require management attention. The matters being reported are limited to those deficiencies that have been identified during the audit that are of sufficient importance to warrant being reported. It is possible that other irregularities and deficiencies may have occurred and not been identified as a result of our audit.

This letter has been provided for the purposes of the Shire and the Minister for Local Government and may not be suitable for other purposes.

I would like to take this opportunity to thank you, the management and the staff of the Shire for their cooperation with the audit team during our audit.

Feel free to contact me on 6557 7609 if you would like to discuss these matters further.

Yours faithfully

pp. JORDAN LANGFORD-SMITH  
SENIOR DIRECTOR  
FINANCIAL AUDIT  
17 December 2019

Attach



**SHIRE OF VICTORIA PLAINS****PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2019****FINDING IDENTIFIED DURING THE FINAL AUDIT**

INDEX OF FINDING	RATING		
	Significant	Moderate	Minor
1. Tenders and Quotations - Procurement Policy and Local Regulations Not Adhered To	✓		

**KEY TO RATINGS**

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

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

**SHIRE OF VICTORIA PLAINS****PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2019****FINDING IDENTIFIED DURING THE FINAL AUDIT****Tenders and Quotations – Shire Procurement Policy and Local Government Regulation Not Adhered To****Finding:**

The Shire's Purchasing Policy ('Policy') within Section 3 – Financial Management Schedule 3.1(d), states that purchases \$150,000 and above require a public tender. This is also a Local Government (Functions and General) Regulations 1996 ('LGRegs'), regulation 11(1) and WALGA Procurement Handbook requirement.

Our audit identified that purchases above \$150,000 were made from two suppliers cumulatively for the 2018-19 year amounting to \$152,029 and \$642,951 respectively without adhering to the abovementioned policy.

**Rating: Significant****Implication:**

Non-compliance with the Shire's Policy and the LGRegs, may result in procurements made without going to the market to obtain a best value for money purchase.

**Recommendation:**

We recommend that purchasing thresholds are communicated effectively to employees and internal controls implemented to prevent future non-compliance with the Policy and LGRegs.

**Management comment:**

It is acknowledged that there were two occasions where Request for Tenders should have been sought to comply with both the Local Government Regulations, and indeed the Shire's own Purchasing and Tendering Policy (Section 3 - Financial Management of the Shire's Council Policy (June 2019)). There are a number of mitigating circumstances as to how this has occurred.

Regarding the Financial Services Provision for the Shire, the Shire underestimated the breadth and depth of the Financial Services work necessary to be undertaken for the Shire to function on a required and sustainable level. The full extent only becoming apparent during the course of undertaking required tasks. Moving forward, Shire staff now have a better understanding of the required financial reporting obligations and are in a considerably much position to operate from a more independent and stable platform, (Additional Training Presentation Module in place and to be delivered by January 2020). In particular, the Shire has implemented a check and balance system which is updated on a weekly basis and reported to Council each month to report project and external supplier and or contractor fees. \*\*Further details of Procurement requirements outlined below.

Regarding the Roads West works undertaken, a situation occurred where the Works and Services Manager was of the understanding that Louise Adamson, Operations Manager (Narrogin), Wheatbelt Region, Main Roads, was undertaking the Administration of the Funding for the Ag Lime Works. This understanding was incorrect and hence there was payment via purchase orders to Roadswest when indeed a Tender should have been called. (Statement from Works and Services Manager provided).



**SHIRE OF VICTORIA PLAINS****PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2019****FINDING IDENTIFIED DURING THE FINAL AUDIT**

The Shire will now be operating under the following understanding and arrangements:

- LGA section 6.8 – not to incur expenditure without an adopted budget unless by resolution
- LGA Section 6.10 – regulations to outline the management of and the making of payments from the muni and trust funds
- Func and Gen Reg 11. – specifies the process and rules regarding tenders. Tenders must be used for anything over \$150,000 unless an exemption applies.
- ensure proper authorisation for the incurring of liabilities and the making of payments
- before the approval of the payment of accounts, the requirement to confirm relevant debt was incurred by a person properly authorised to do so
- monthly list of accounts provided to Council showing who has been paid how much and when.
- The Shire has recently obtained a quote to update the Shire Purchasing Policy to set up a Panel of Pre-Qualified Suppliers which will assist considerably.
- Review of implementing the following:
  - Policy -Debt Management
  - Policy -Procurement Framework
  - Policy -Strategic Policy Framework
  - Policy – Purchasing Exemptions
  - Policy – Credit Card use

As the CEO, I take responsibility for what has occurred and the intent moving forward is to continue to educate staff and streamline processes with a safety net of checks and balances so total payments made are easily viewable and actioned in a timely manner.

**Responsible person:** Glenda Teede, CEO, Shire of Victoria Plains  
**Completion date:** January 2020

**SHIRE OF VICTORIA PLAINS****PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2019****FINDINGS IDENTIFIED DURING THE AUDIT**

INDEX OF FINDINGS	RATING		
	Significant	Moderate	Minor
1. Quotations for Purchases		✓	
2. Purchase Orders		✓	
3. Only Two Authorised Signatories for Online Payments			✓
4. New Employees Data Entry		✓	
5. Leave Forms			✓
6. Credit Card Payments	✓		

**KEY TO RATINGS**

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

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



**SHIRE OF VICTORIA PLAINS****PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2019****FINDINGS IDENTIFIED DURING THE AUDIT****1. Quotations for Purchases****Finding:**

During our procurement testing, we identified 12 purchases between \$1,500 and \$5,000, where there was no evidence that the minimum number of quotes required by the Policy Manual were obtained.

We also noted that the Shire did not attach all the quotations obtained for purchases to the payment documentation supporting the payment. Instead, only the selected quotation supporting the invoice for payment was filed.

**Rating: Moderate****Implication:**

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

**Recommendation:**

We recommend that:

1. For purchases below the tender threshold, quotes should be obtained, in accordance with the Shire's Policy Manual
2. If instances arise where it is impractical to obtain the requisite number of quotations, the reasons should be recorded and attached to the purchase order at the time of the purchase being made.
3. All verbal quotations obtained are recorded on the purchase order to evidence the Shire's Purchasing Policy having been adhered to.

**Management Comments:**

Discussed with employees with follow up email from the CEO outlining that the Shire Purchasing Policy must be strictly adhered to and where to seek further assistance (Governance Officer) should any staff member require further guidance. Furthermore, It was emphasized that all purchases require written quotations, however where impractical to procure quotes, verbal quotations are to be noted on the requisitions or purchase orders. Purchases not adhering to these rules will not be authorised.

**Responsible Person:**

Finance and Administration Manager

**Completion Date:**

October 2019

**SHIRE OF VICTORIA PLAINS**

**PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2019**

**FINDINGS IDENTIFIED DURING THE AUDIT**

**2. Purchase Orders**

**Finding:**

From our sample of 95 purchases, we found:

- 1 purchase where the purchase order was not on file
- 5 purchase orders which were not signed.

Our testing confirmed that these purchases were valid and appropriate for the Shire.

**Rating: Moderate**

**Implication:**

When purchases are not authorised per the Shire's Purchasing Policy and Delegated Authority Register there is a greater risk of inappropriate expenditure (including fraud) being authorised and paid.

**Recommendation:**

We recommend that purchase orders for all qualifying expenditure are obtained and signed by the appropriate employee as evidence of authorisation to ensure compliance with the Shire's Purchasing Policy and Delegated Authority Register.

**Management Comments:**

The Managers (FAM & WSM) to ensure that purchase orders are compliant duly authorised according to procedure and signed. The payment will only be processed with supporting documentation as required within the Council's purchasing policy.

In addition, the Finance Manager and Finance Officer have received formal direction that all purchase orders are to be reviewed to ensure that they were completed prior to the purchase of the goods, the invoice matches the purchase order, or where differences occur, relevant information is provided by requisitioning Officer with reason. Furthermore, no invoice is to be paid that does not have relevant quotes etc. attached to the purchase order without approval from the CEO.

**Responsible Person:**

Finance and Administration Manager & Works Services Manager

**Completion Date:**

October 2019



**SHIRE OF VICTORIA PLAINS**

**PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2019**

**FINDINGS IDENTIFIED DURING THE AUDIT**

**3. Only Two Authorised Signatories for Online Payments**

**Finding:**

We noted that only the Chief Executive Officer and the Works & Service Manager are currently set up as authorised bank signatories for online payments. Should one of these members of management be unavailable, delays in the release of payments are experienced.

**Rating: Minor**

**Implication:**

There is a risk that payments are not made in a timely manner should one of the above two employees be unavailable for an extended period of time resulting in delays in settling suppliers.

**Recommendation:**

We recommend that the Shire increase the number of authorised bank signatories to cater for instances where one of the regular bank signatories are unavailable.

We further recommend that a member of Council be included as one of the additional bank signatories.

**Management Comments:**

The Finance and Administration Manager has applied to be an authorised bank signatory.

**Responsible Person:** The Chief Executive Officer (primary delegation)

**Completion Date:** November 2019

**SHIRE OF VICTORIA PLAINS**

**PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2019**

**FINDINGS IDENTIFIED DURING THE AUDIT**

**4. New Employees Data Entry**

**Finding:**

We noted that there is no independent review of new employee details entered in to the payroll system by the Finance & Administration Manager.

**Rating: Moderate**

**Implication:**

There is a risk that incorrect employee details are captured in the payroll system resulting in pay errors.

**Recommendation:**

The Shire should perform an independent review of new employee details entered in to the payroll system by the Finance & Administration Manager.

**Management Comments:**

The former process was that the Finance and Administration Manager reviews details supplied by the new employee which are then provided to the Payroll Officer who enters the new employee details, which were then reviewed for a final time by the Finance and Administration Manager.

The process has been reviewed and updated:

The Finance & Administration Manager (FAM) reviews new employee contract and ensures that new employment detail form is signed by the respective manager and approved by the CEO. Payroll Officer enters the details into the system which is then checked by the Finance and Administration Manager.

**Responsible Person:** Finance and Administration Manager

**Completion Date:** October 2019

**SHIRE OF VICTORIA PLAINS**

**PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2019**

**FINDINGS IDENTIFIED DURING THE AUDIT**

**5. Leave Forms**

**Finding:**

During our review of the payroll reports, we noted 2 instances where there was no approved leave form for employees taking leave.

**Rating: Minor**

**Implication:**

When leave is not approved, there is a greater risk that leave records will be inaccurate which may result in financial loss.

**Recommendation:**

We recommend that valid leave forms are completed for all leave taken and approved by management. We further recommend that all leave forms are placed on file to support the entries in the payroll reports.

**Management Comments:**

Regarding the missing forms, this was potentially due to a filing issue. The process has now been reviewed and updated so that the Payroll Officer returns all processed and signed forms to the Finance and Administration Manager for filing.

**Responsible Person:**

Finance and Administration Manager

**Completion Date:**

September 2019



**SHIRE OF VICTORIA PLAINS**

**PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2019**

**FINDINGS IDENTIFIED DURING THE AUDIT**

**6. Credit Card Payments**

**Finding:**

We noted that the Works & Service Manager approves credit card purchases for the Chief Executive Officer's credit card. In addition, management do not present a list of individual credit card payments or the monthly credit card statements to the Council along with the monthly payments schedule for approval. Instead, the re-imbursement of the credit card balance is listed in the monthly payments schedule for approval by the Council.

We also note that a payment of a personal nature was made by the Chief Executive Officer in March 2019.

**Rating: Significant**

**Implication:**

Although credit card purchases made by the Chief Executive Officer are reviewed, the review may not be as effective as it could be in identifying inappropriate expenditure because it is performed by an officer reporting to the Chief Executive Officer.

**Recommendation:**

We recommend that the credit card statements for the Chief Executive Officer be submitted to the Council for approval each month.

We also recommend that the Shire take measures to rectify all instances of expenditure incurred of a personal nature.

**Management Comments:**

The credit card statement is now presented to Council for approval each month.

On the occasion of work attire being purchased by the CEO, the Finance and Administration Manager confirmed the CEO's authority to purchase the clothing prior to it being purchased.

**Responsible Person:** Chief Executive Officer  
**Completion Date:** October 2019



Office of the Auditor General  
Serving the Public Interest

**BUTLER**  **SETTINERI**  
*Real People. Better Business.*

# Annual Audit Completion Report

SHIRE OF VICTORIA PLAINS

[butlersettineri.com.au](https://butlersettineri.com.au)

Ordinary Council Meeting  
25 March 2020



# Introduction



## From our Partner

We have set out in this report the significant matters arising from our audit of The Shire of Victoria Plains for the year ended 30 June 2019.

We would like to take this opportunity to thank the management team for their assistance during the audit process. If you have any queries on the report, please feel free to contact Robert Hall or myself.



**MARIUS VAN DER MERWE**

**Partner**

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**ROBERT HALL**

**Manager**

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**CARLY MEAGHER**

**Director Financial Audit**

(OAG Representative)  
Carly.Meagher@audit.wa.gov.au

# EXECUTIVE SUMMARY

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- Butler Settineri (Audit) Pty Ltd were appointed as the contract auditor by the Office of the Auditor General for the year ended 30 June 2019;
- Butler Settineri (Audit) Pty Ltd have completed the external statutory audit for the year ended 30 June 2019 as contract auditor on behalf of the Office of the Auditor General;
- No sign of any unresolved issues other than the final review of the financial report by ourselves and the Office of the Auditor General;
- We intend to recommend to the Auditor General to issue an unqualified audit opinion;
- No outstanding matters apart from the final review and sign off of the financial report and management representation letter.

# INDEPENDENCE

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We are independent of the Shire in accordance with the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants.

Threats to independence include the following:



SELF INTEREST THREATS



SELF REVIEW THREATS



ADVOCACY THREATS



FAMILIARITY THREATS



INTIMIDATION THREATS

What we do to remain independent:

- All team members sign an independence declaration at the commencement of the audit;
- Monitor our individual independence throughout the audit;
- All team members sign off an independence declaration at the completion of the audit.



# Audit Outcomes



During the planning phase of the audit, we identified the following issues and key areas of audit risk.

# AUDIT OUTCOMES

Details of Risk / Issue	Audit Approach
Audit findings reported in the previous audit	We followed up on last year's audit issues during the audit. All issues were resolved.
Changes to accounting standards: <ul style="list-style-type: none"> <li>AASB 9 Financial Instruments</li> </ul>	We reviewed management's assessment of the impact of this accounting standard on the financial statements.  No significant impact of the standard for the Shire.
Changes to <i>Local Government (Financial Management) Regulations</i> that have been signalled by the Department of Local Government, Sport and Cultural Industries (DLGSCI): <ul style="list-style-type: none"> <li>Introduction of a \$5,000 asset capitalisation threshold – if mandated, local governments would need to expense existing assets below \$5,000. Associated with this, DLGSCI proposes that those assets below \$5,000 that are portable and attractive be included in a separate register.</li> <li>Replacement of specific valuation dates for classes of assets with a requirement for assets to be at fair value and revalued every 3 to 5 years.</li> </ul>	We assessed management's implementation of the changes to regulations and the effect on the financial report.  The adjustment to assets to comply with the new regulation was not sufficiently material to apply retrospectively and has been accounted for at 1 July 2018.  This adjustment is not deemed to be significant.  A new accounting policy specifying the frequency for the revaluation of assets has been adopted.
We have identified the following areas that we consider require additional focus during our 2018-19 local government audits: <ul style="list-style-type: none"> <li>Related party disclosures</li> <li>Revenue recognition</li> <li>Revaluation of Plant &amp; Equipment</li> <li>Unauthorised expenditure</li> <li>Unrecorded liabilities and expenses</li> <li>Fictitious employees</li> </ul>	We reviewed the related audit evidence as part of our audit testing and confirmed that appropriate disclosures have been made in the financial statements.
The following annual financial report items are derived from accounting estimates and hence will receive specific audit attention: <ul style="list-style-type: none"> <li>Provision for annual and long service leave</li> <li>Fair value of assets and Infrastructure</li> <li>Impairment of assets</li> </ul>	We reviewed the methodology and underlying data that management used when determining critical accounting estimates. We confirmed the reasonableness of the assumptions and corroborating representations.
Important changes in management or the control environment	There were no changes in management or the control environment impacting the audit risk.

# AUDIT MISSTATEMENTS

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- The Shire's share of the joint operation assets is incorrectly accounted for at 25% instead of 18.98%. As a result land and buildings assets and the revaluation surplus are overstated by \$55,276. We do not deem this to be material.

# AUDIT FINDINGS

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## *Per the Interim Management Letter:*

1. No quotations for 12 purchases between \$1,500 and \$5,000 – employees instructed to adhere to the Purchasing Policy
2. No purchase order for 1 sample and 5 purchase orders not signed out of 95 audit samples - employees instructed to adhere to the Purchasing Policy with no payment unless accompanied by required supporting documentation
3. Only two authorised signatories for online payments - The Finance and Administration Manager has applied to be an authorised bank signatory
4. No independent review of new employee details entered into Synergy Soft – the review process has been updated so that the Finance & Administration Manager (FAM) reviews new employee contract and ensures that new employment detail form is signed by the respective manager and approved by the CEO
5. We noted 2 instances where leave forms were not authorized – process updated so that the Payroll Officer returns all processed and signed forms to the Finance and Administration Manager for filing
6. Works & Services Manager approves credit card purchases for the CEO's Credit Card - the credit card statement is now presented to Council for approval each month

## *Per the Final Management Letter:*

1. 2 Instances where the spend to a particular qualifying supplier cumulatively for the 2018-19 year exceeded \$150K and the Shire has failed to adhere to the tender process contained within the procurement policy and Local Government (Financial Management Regulations 1996).

# AUDIT FINDINGS

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## **Report on Other Legal and Regulatory Requirements in the Auditor's Report:**

### **Matter indicating significant adverse trends in the financial position**

- ▀ The Shire's Operating Surplus Ratio has been below the Department of Local Government, Sport and Cultural Industries (DLGSCI) basic standard for the past three years ( 2017 to 2019) and the current year is below last year. This indicates a significant adverse trend in the financial position of the Shire. This significant adverse trend will be reported in the Auditor's report. A draft copy of the Auditor's Report is attached.

### **Matter indicating non-compliance with Part 6 of the *Local Government Act 1995*, the *Local Government (Financial Management) Regulations 1996* or applicable financial controls of any other written law**

- ▀ The tender process was not followed in 2 instances where the total spend to supplier during the year exceeded \$150,000.

# NON COMPLIANCE WITH LAWS & REGULATIONS AND FRAUD

---

## Laws and Regulations applicable to the Shire include the following:

- Local Government Act 1995;
- Local Government (Financial Management Regulations 1996);
- Local Government (Audit) Regulations 1996
- Australian Tax Office (GST/FBT/PAYG Compliance);
- Compliance with conditions of program funding arrangements.

During the audit process we noted:

- No issues found in relation to the above Laws and Regulations other than those reported.
- No findings or indications of suspected fraud.

# CHANGES IN ACCOUNTING & AUDIT STANDARDS

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## Accounting Issues for 2019

---

- AASB 9 implemented

Minimal impact of adopting AASB 9

## Accounting Issues for 2020

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- Take time to consider and read AASB 15: Revenue from Contracts with Customers and AASB 1058;
- Revenue to be recognized when performance obligations have been complied with;
- Take time to consider and read AASB 16: Leases;
- Understand your existing leases practices and policies, including reviewing existing agreements with landlords;
- Apply the requirements of AASB 16 to your existing agreements and understand the impact of any changes

# MATTERS THAT AFFECTED THE AUDIT

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## **New AASB 9 Financial Instruments Standard**

*Policy updated and implemented*



## **Revaluation of Assets**

*Plant and equipment assets revalued at 30 June 2019 by Griffin Valuers*



## **Compliance with new Regulations**

*\$5,000 asset capitalisation threshold implemented at 1 July 2018 with prospective application*



# THANK YOU

We would like to take this opportunity to once again thank the management team for their assistance during the audit process, in particular we would like to thank Glenda Teede, Ina Edwardson, Bob Waddell and the finance team for their support.



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*Real People. Better Business.*

**SHIRE OF VICTORIA PLAINS**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2019**

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**COMMUNITY VISION**

Our Vision Statement is an expression of what we aspire to ensure the Shire of Victoria Plains is like for people who live here in the future:-

**The Shire of Victoria Plains**  
**Many Localities**  
**One Perfect Lifestyle**  
**A Place To Grow**

Principal place of business:  
28 Cavell Street  
CALINGIRI WA 6569

**SHIRE OF VICTORIA PLAINS  
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 Victoria Plains 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 Victoria Plains 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

16<sup>TH</sup>

day of

DECEMBER 2019



Chief Executive Officer

Glenda Teede

Name of Chief Executive Officer



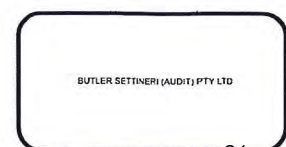
BUTLER SETHIERI (AUDIT) PTY LTD



SHIRE OF VICTORIA PLAINS  
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	23(a)	2,489,921	2,517,266	2,387,518
Operating grants, subsidies and contributions	2(a)	1,350,448	598,487	1,180,050
Fees and charges	2(a)	274,381	219,775	212,602
Interest earnings	2(a)	45,152	52,036	47,130
Other revenue	2(a)	110,329	92,130	166,429
		<u>4,270,231</u>	<u>3,479,694</u>	<u>3,993,729</u>
<b>Expenses</b>				
Employee costs		(1,719,360)	(1,573,068)	(1,611,616)
Materials and contracts		(2,197,029)	(1,862,534)	(1,750,000)
Utility charges		(109,015)	(99,802)	(109,076)
Depreciation on non-current assets	11(b)	(3,965,343)	(1,869,194)	(1,896,036)
Interest expenses	2(b)	(19,140)	(23,121)	(20,653)
Insurance expenses		(133,410)	(127,161)	(126,717)
Other expenditure		(172,447)	(151,841)	(153,704)
		<u>(8,315,744)</u>	<u>(5,706,721)</u>	<u>(5,667,802)</u>
		<u>(4,045,513)</u>	<u>(2,227,027)</u>	<u>(1,674,073)</u>
Non-operating grants, subsidies and contributions	2(a)	3,158,029	3,135,051	1,928,541
Profit on asset disposals	11(a)	0	1,914	16,508
(Loss) on asset disposals	11(a)	(218,192)	(48,600)	(27,124)
Fair value adjustments to financial assets at fair value through profit or loss	8(b)	52,551	0	0
Impairment of Motor Vehicles	9(a)	(463,334)	0	0
		<u>2,529,054</u>	<u>3,088,365</u>	<u>1,917,925</u>
<b>Net result for the period</b>		<b>(1,516,459)</b>	<b>861,338</b>	<b>243,852</b>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	12	(66,325)	0	17,276,442
<b>Total other comprehensive income for the period</b>		<b>(66,325)</b>	<b>0</b>	<b>17,276,442</b>
<b>Total comprehensive income for the period</b>		<b>(1,582,784)</b>	<b>861,338</b>	<b>17,520,294</b>

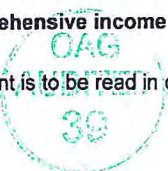
This statement is to be read in conjunction with the accompanying notes.



SHIRE OF VICTORIA PLAINS  
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		4,678	5,724	(785)
General purpose funding		3,710,300	3,032,763	3,466,978
Law, order, public safety		65,348	65,691	64,588
Health		2,858	5,638	6,747
Education and welfare		3,082	5,000	33,675
Housing		97,804	91,243	68,963
Community amenities		80,158	83,301	98,717
Recreation and culture		43,042	43,080	30,848
Transport		147,509	81,512	80,457
Economic services		37,513	33,887	42,378
Other property and services		77,939	31,855	101,163
		4,270,231	3,479,694	3,993,729
<b>Expenses</b>	2(b)			
Governance		(560,041)	(503,006)	(506,332)
General purpose funding		(415,963)	(348,880)	(353,550)
Law, order, public safety		(359,667)	(296,833)	(294,175)
Health		(166,667)	(144,599)	(140,232)
Education and welfare		(70,648)	(104,687)	(55,118)
Housing		(258,076)	(226,694)	(290,720)
Community amenities		(530,632)	(445,117)	(392,888)
Recreation and culture		(740,274)	(498,609)	(550,185)
Transport		(4,956,596)	(2,915,412)	(2,848,916)
Economic services		(190,635)	(189,763)	(203,407)
Other property and services		(47,405)	(10,000)	(11,626)
		(8,296,604)	(5,683,600)	(5,647,149)
<b>Finance Costs</b>	2(b)			
Governance		0	(2,000)	0
Community amenities		(439)	(589)	(1,085)
Recreation and culture		(14,173)	(15,812)	(15,100)
Economic services		(4,528)	(4,720)	(4,468)
		(19,140)	(23,121)	(20,653)
		(4,045,513)	(2,227,027)	(1,674,073)
Non-operating grants, subsidies and contributions	2(a)	3,158,029	3,135,051	1,928,541
Profit on disposal of assets	11(a)	0	1,914	16,508
(Loss) on disposal of assets	11(a)	(218,192)	(48,600)	(27,124)
Fair value adjustments to financial assets at fair value through profit or loss	8(b)	52,551	0	0
Impairment of Motor Vehicles	9(a)	(463,334)	0	0
		2,529,054	3,088,365	1,917,925
<b>Net result for the period</b>		<b>(1,516,459)</b>	<b>861,338</b>	<b>243,852</b>
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<b>Total comprehensive income for the period</b>		<b>(1,582,784)</b>	<b>861,338</b>	<b>17,520,294</b>

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

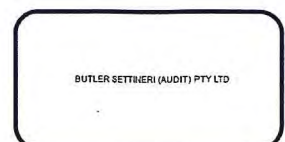




SHIRE OF VICTORIA PLAINS  
STATEMENT OF FINANCIAL POSITION  
AS AT 30TH JUNE 2019

	NOTE	2019 \$	2018 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	837,958	1,090,475
Trade receivables	5	458,136	297,376
Other financial assets	8(a)	17,678	16,815
Inventories	6	33,416	40,612
Other current assets	7	5,343	6,474
<b>TOTAL CURRENT ASSETS</b>		<b>1,352,531</b>	<b>1,451,752</b>
<b>NON-CURRENT ASSETS</b>			
Trade receivables	5	12,856	9,757
Other financial assets	8(b)	256,947	274,913
Property, plant and equipment	9	10,299,696	11,534,856
Infrastructure	10	117,199,458	117,233,320
<b>TOTAL NON-CURRENT ASSETS</b>		<b>127,768,957</b>	<b>129,052,846</b>
<b>TOTAL ASSETS</b>		<b>129,121,488</b>	<b>130,504,598</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	13	667,817	443,682
Borrowings	14(b)	53,129	61,335
Employee related provisions	15	167,043	136,945
<b>TOTAL CURRENT LIABILITIES</b>		<b>887,989</b>	<b>641,962</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	14(b)	363,281	416,698
Employee related provisions	15	35,523	28,459
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>398,804</b>	<b>445,157</b>
<b>TOTAL LIABILITIES</b>		<b>1,286,793</b>	<b>1,087,119</b>
<b>NET ASSETS</b>		<b>127,834,695</b>	<b>129,417,479</b>
<b>EQUITY</b>			
Retained surplus		20,967,499	22,329,228
Reserves - cash backed	4	470,117	624,847
Revaluation surplus	12	106,397,079	106,463,404
<b>TOTAL EQUITY</b>		<b>127,834,695</b>	<b>129,417,479</b>

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



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

		RETAINED	RESERVES	REVALUATION	TOTAL
	NOTE	SURPLUS	CASH BACKED	SURPLUS	EQUITY
		\$	\$	\$	\$
<b>Balance as at 1 July 2017</b>		<b>21,989,545</b>	<b>720,678</b>	<b>89,186,962</b>	<b>111,897,185</b>
Comprehensive income					
Net result for the period		243,852	0	0	243,852
Other comprehensive income	12	0	0	17,276,442	17,276,442
Total comprehensive income		243,852	0	17,276,442	17,520,294
Transfers from/(to) reserves		95,831	(95,831)	0	0
<b>Balance as at 30 June 2018</b>		<b>22,329,228</b>	<b>624,847</b>	<b>106,463,404</b>	<b>129,417,479</b>
Comprehensive income					
Net result for the period		(1,516,459)	0	0	(1,516,459)
Other comprehensive income	12	0	0	(66,325)	(66,325)
Total comprehensive income		(1,516,459)	0	(66,325)	(1,582,784)
Transfers from/(to) reserves		154,730	(154,730)	0	0
<b>Balance as at 30 June 2019</b>		<b>20,967,499</b>	<b>470,117</b>	<b>106,397,079</b>	<b>127,834,695</b>

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



SHIRE OF VICTORIA PLAINS  
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		2,527,405	2,514,741	2,422,261
Operating grants, subsidies and contributions		1,427,660	634,487	1,167,281
Fees and charges		274,381	219,775	211,351
Interest received		45,152	52,036	231,047
Goods and services tax received		115,645	(306,641)	306,641
Other revenue		110,329	92,130	166,429
		4,500,572	3,206,528	4,505,010
<b>Payments</b>				
Employee costs		(1,558,737)	(1,573,068)	(1,589,694)
Materials and contracts		(2,122,706)	(1,854,984)	(1,846,286)
Utility charges		(109,015)	(99,802)	(109,076)
Interest expenses		(19,896)	(23,121)	(20,870)
Insurance paid		(133,410)	(127,161)	(126,717)
Goods and services tax paid		(358,766)	306,641	(282,252)
Other expenditure		(172,447)	(151,841)	(153,704)
		(4,474,977)	(3,523,336)	(4,128,599)
<b>Net cash provided by (used in) operating activities</b>	16	25,595	(316,808)	376,411
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for purchase of property, plant & equipment	9(a)	(145,816)	(188,015)	(1,489,003)
Payments for construction of infrastructure	10(a)	(3,412,142)	(3,318,075)	(1,076,523)
Non-operating grants, subsidies and contributions	2(a)	3,158,029	3,135,051	1,928,541
Proceeds from self supporting loans	14(b)	17,103	16,815	18,247
Proceeds from sale of property, plant & equipment	11(a)	166,337	214,500	112,963
<b>Net cash provided by (used in) investment activities</b>		(216,489)	(139,724)	(505,775)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of borrowings	14(b)	(61,623)	(61,335)	(59,235)
<b>Net cash provided by (used in) financing activities</b>		(61,623)	(61,335)	(59,235)
<b>Net increase (decrease) in cash held</b>		(252,517)	(517,867)	(188,599)
Cash at beginning of year		1,090,475	1,104,716	1,279,074
<b>Cash and cash equivalents at the end of the year</b>	16	837,958	586,849	1,090,475

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

**SHIRE OF VICTORIA PLAINS  
RATE SETTING STATEMENT  
FOR THE YEAR ENDED 30TH JUNE 2019**

	NOTE	2019 Actual \$	2019 Budget \$	2018 Actual \$
<b>OPERATING ACTIVITIES</b>				
Net current assets at start of financial year - surplus/(deficit)	24 (b)	229,463	335,505	474,406
		229,463	335,505	474,406
<b>Revenue from operating activities (excluding rates)</b>				
Governance		57,229	5,724	8,003
General purpose funding		1,293,700	610,963	1,149,504
Law, order, public safety		65,348	65,691	64,588
Health		2,858	5,638	6,747
Education and welfare		3,082	5,000	33,675
Housing		97,804	91,243	68,963
Community amenities		80,158	83,301	98,717
Recreation and culture		43,042	43,080	30,848
Transport		147,509	83,426	88,177
Economic services		37,513	33,887	42,378
Other property and services		77,939	31,855	101,163
		1,906,182	1,059,808	1,692,763
<b>Expenditure from operating activities</b>				
Governance		(560,041)	(505,006)	(506,332)
General purpose funding		(415,963)	(348,880)	(353,550)
Law, order, public safety		(359,667)	(296,833)	(321,299)
Health		(166,667)	(144,599)	(140,232)
Education and welfare		(70,648)	(104,687)	(55,118)
Housing		(258,076)	(226,694)	(290,720)
Community amenities		(531,071)	(445,706)	(393,973)
Recreation and culture		(754,447)	(514,421)	(565,285)
Transport		(5,174,788)	(2,964,012)	(2,848,916)
Economic services		(195,163)	(194,483)	(207,875)
Other property and services		(510,739)	(10,000)	(11,626)
		(8,997,270)	(5,755,321)	(5,694,926)
Non-cash amounts excluded from operating activities	24(a)	4,598,283	1,915,880	1,908,925
Amount attributable to operating activities		(2,263,342)	(2,444,128)	(1,618,832)
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions	2(a)	3,158,029	3,135,051	1,928,541
Proceeds from disposal of assets	11(a)	166,337	214,500	112,963
Proceeds from self supporting loans	14(b)	17,103	16,815	18,247
Purchase of property, plant and equipment	9(a)	(145,816)	(188,015)	(1,489,003)
Purchase and construction of infrastructure	10(a)	(3,412,142)	(3,318,075)	(1,076,523)
Amount attributable to investing activities		(216,489)	(139,724)	(505,775)
<b>FINANCING ACTIVITIES</b>				
Repayment of borrowings	14(b)	(61,623)	(61,335)	(59,235)
Transfers to reserves (restricted assets)	4	0	0	(14,169)
Transfers from reserves (restricted assets)	4	154,730	204,880	110,000
Amount attributable to financing activities		93,107	143,545	36,596
Surplus/(deficit) before imposition of general rates		(2,386,724)	(2,440,307)	(2,088,011)
Total amount raised from general rates	23	2,416,600	2,421,800	2,317,474
Surplus/(deficit) after imposition of general rates	24(b)	29,876	(18,507)	229,463

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



**SHIRE OF VICTORIA PLAINS**

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

**1. BASIS OF PREPARATION**

The financial report comprises general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and Interpretations of the Australian Accounting Standards Board, and the *Local Government Act 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 26 to these financial statements.

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

**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>			
General purpose funding	1,173,318	458,848	1,023,394
Law, order, public safety	52,055	57,830	52,525
Education and welfare	0	5,000	30,918
Community amenities	949	0	0
Transport	124,126	76,809	73,213
	<u>1,350,448</u>	<u>598,487</u>	<u>1,180,050</u>
<b>Non-operating grants, subsidies and contributions</b>			
Law, order, public safety	0	0	367,351
Housing	0	0	677,241
Transport	3,158,029	3,135,051	883,949
	<u>3,158,029</u>	<u>3,135,051</u>	<u>1,928,541</u>
<b>Total grants, subsidies and contributions</b>	<u>4,508,477</u>	<u>3,733,538</u>	<u>3,108,591</u>

**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 22. 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.



**SHIRE OF VICTORIA PLAINS**

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

**2. REVENUE AND EXPENSES (Continued)**

(a) Revenue (Continued)	2019	2019	2018
	Actual	Budget	Actual
	\$	\$	\$
<b>Other revenue</b>			
Reimbursements and recoveries	36,216	43,830	97,233
Other	74,113	48,300	69,196
	<u>110,329</u>	<u>92,130</u>	<u>166,429</u>
<b>Fees and Charges</b>			
Governance	7,550	4,000	4,073
General purpose funding	(1,062)	10,000	9,818
Law, order, public safety	9,434	4,700	4,058
Health	944	3,500	3,472
Housing	85,966	82,970	59,864
Community amenities	77,723	78,805	87,478
Recreation and culture	8,911	8,650	8,619
Transport	19,171	0	40
Economic services	18,651	16,150	24,784
Other property and services	47,093	11,000	10,396
	<u>274,381</u>	<u>219,775</u>	<u>212,602</u>

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

<b>Interest earnings</b>			
Loans receivable - clubs/institutions	11,406	11,986	11,067
Reserve accounts interest	6,283	14,000	11,108
Rates instalment and penalty interest (refer Note 23(e))	13,500	18,050	18,403
Other interest earnings	13,963	8,000	6,552
	<u>45,152</u>	<u>52,036</u>	<u>47,130</u>

**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

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

**2. REVENUE AND EXPENSES (Continued)**

(b) Expenses

**Auditors remuneration**

- Audit of the Annual Financial Report

- Other services

**Interest expenses (finance costs)**

Borrowings (refer Note 14(b))

	2019 Actual \$	2019 Budget \$	2018 Actual \$
	27,000	28,000	15,294
	1,775	0	1,375
	28,775	28,000	16,669
	19,140	21,121	20,653
	19,140	23,121	20,653

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

**3. CASH AND CASH EQUIVALENTS**

	NOTE	2019 \$	2018 \$
Cash at bank and on hand		837,958	1,090,475
		<u>837,958</u>	<u>1,090,475</u>
<b>Comprises:</b>			
- Unrestricted cash and cash equivalents		343,432	439,678
- Restricted cash and cash equivalents		<u>494,526</u>	<u>650,797</u>
		837,958	1,090,475
The following restrictions have been imposed by regulations or other externally imposed requirements:			
<b>Reserve accounts</b>			
Long Service Leave Reserve	4	4,437	4,437
Plant Reserve	4	49,808	67,678
Housing Reserve	4	22,400	37,400
Sewerage Scheme Reserve	4	77,578	77,578
Refuse Site Reserve	4	278,983	278,983
Building Maintenance Reserve	4	15,032	77,292
Infrastructure Reserve	4	14,535	74,135
Gymnasium Reserve	4	<u>7,344</u>	<u>7,344</u>
		470,117	624,847
<b>Other restricted cash and cash equivalents</b>			
Unspent grants/contributions	22	9,286	25,950
Bonds and deposits held	26	<u>15,123</u>	<u>0</u>
<b>Total restricted cash and cash equivalents</b>		494,526	650,797

**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 VICTORIA PLAINS  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2019

Shire of Victoria Plains

4. RESERVES - CASH BACKED

	2019 Actual Opening Balance	2019 Actual Transfer to	2019 Actual Transfer (from)	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) Long Service Leave Reserve	\$ 4,437	\$ 0	\$ 0	\$ 4,425	\$ 0	\$ 0	\$ 4,425	\$ 28,843	\$ 594	\$ (25,000)	\$ 4,437
(b) Plant Reserve	67,678	0	(17,870)	67,563	0	(25,500)	42,063	66,264	1,414	0	67,678
(c) Housing Reserve	37,400	0	(15,000)	37,331	0	(20,000)	17,331	70,966	1,434	(35,000)	37,400
(d) Sewerage Scheme Reserve	77,578	0	0	77,447	0	(27,120)	50,327	76,096	1,482	0	77,578
(e) Refuse Site Reserve	278,983	0	0	278,509	0	0	278,509	273,653	5,330	0	278,983
(f) Building Maintenance Reserve	77,292	0	(62,260)	77,161	0	(62,260)	14,901	75,815	1,477	0	77,292
(g) Infrastructure Reserve	74,135	0	(59,600)	74,000	0	(70,000)	4,000	121,837	2,298	(50,000)	74,135
(h) Gymnasium Reserve	7,344	0	0	7,333	0	0	7,333	7,204	140	0	7,344
	624,847	0	(154,730)	623,769	0	(204,880)	418,889	720,678	14,169	(110,000)	624,847

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) Long Service Leave Reserve	Ongoing	To be used to fund annual and long service leave requirements.
(b) Plant Reserve	Ongoing	To be used for the purchase of major plant.
(c) Housing Reserve	Ongoing	To be used in the procurement of staff housing.
(d) Sewerage Scheme Reserve	Ongoing	To be used to maintain and improve the Calingiri sewerage system.
(e) Refuse Site Reserve	Ongoing	To be used to fund future refuse site development.
(f) Building Maintenance Reserve	Ongoing	To be used for long term maintenance of Shire buildings.
(g) Infrastructure Reserve	Ongoing	To be used for future infrastructure development to ensure long term Shire sustainability.
(h) Gymnasium Reserve	Ongoing	To be used for future purchases and replacement of gymnasium equipment.



**SHIRE OF VICTORIA PLAINS**

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

**5. TRADE RECEIVABLES**

**Current**

	2019	2018
	\$	\$
Rates receivable	22,201	27,350
Sundry receivables	179,815	226,083
GST receivable	288,315	45,194
Allowance for impairment of receivables	(32,195)	(1,251)
	<u>458,136</u>	<u>297,376</u>

**Non-current**

Pensioner's rates and ESL deferred	12,856	9,757
	<u>12,856</u>	<u>9,757</u>

**Movement of allowance for impairment of receivables**

Opening balance	1,251	0
Additions	31,010	1,251
Reversal	(66)	0
Closing balance	<u>32,195</u>	<u>1,251</u>

**SIGNIFICANT ACCOUNTING POLICIES**

**Trade and other receivables**

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

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

**Impairment and risk exposure**

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 25.

**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.

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

**6. INVENTORIES**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>Current</b>		
Fuel and materials	33,416	40,612
	<u>33,416</u>	<u>40,612</u>

The following movements in inventories occurred during the year:

<b>Carrying amount at 1 July</b>	40,612	41,242
Inventories expensed during the year	(7,196)	(630)
<b>Carrying amount at 30 June</b>	<u>33,416</u>	<u>40,612</u>

**SIGNIFICANT ACCOUNTING POLICIES**

**General**

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

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

SHIRE OF VICTORIA PLAINS

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

**7. OTHER ASSETS**

	2019	2018
	\$	\$
<b>Other current assets</b>		
Accrued income - Interest receivable	1,425	1,532
Accrued income - Other revenue	3,918	4,942
	<u>5,343</u>	<u>6,474</u>

**SIGNIFICANT ACCOUNTING POLICIES**

**Other current assets**

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



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

**8. OTHER FINANCIAL ASSETS**

	2019	2018
	\$	\$
<b>(a) Current assets</b>		
Other financial assets at amortised cost	17,678	16,815
	17,678	16,815
<b>Other financial assets at amortised cost</b>		
- Financial assets at amortised cost - self supporting loans	17,678	16,815
<b>(b) Non-current assets</b>		
Other financial assets at amortised cost	204,396	222,362
Financial assets at fair value through profit and loss	52,551	0
Available for sale financial assets	0	52,551
	256,947	274,913
<b>Other financial assets at amortised cost</b>		
- Financial assets at amortised cost - self supporting loans	204,396	222,362
	204,396	222,362
<b>Financial assets at fair value through profit and loss</b>		
- Unlisted equity investments		
- Units in local government house trust	52,551	0
	52,551	0
<b>Available for sale financial assets</b>		
- Unlisted equity investments		
- Units in local government house trust	0	52,551
	0	52,551

Loans receivable from clubs/institutions have the same terms and conditions as the related borrowing disclosed in Note 14(b) as self supporting loans.

Changes in fair value of Units in Local Government House recognised as non-current financial assets at fair value through profit and loss for the current year have not been recognised nor considered as they are unlikely to be material and unable to be reliably determined at the time of preparation of these statements.

**SIGNIFICANT ACCOUNTING POLICIES**

**Other financial assets at amortised cost**

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

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

**Financial assets at fair value through profit and loss**

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

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

**Impairment and risk**

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

**SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Previous accounting policy: available for sale financial assets**

Available-for-sale financial assets were non-derivative financial assets that were either not suitable to be classified as other categories of financial assets due to their nature, or they 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 28 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.

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

9. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Carrying Amounts

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

	Land - freehold land	Buildings - non- specialised	Buildings - specialised	Total buildings	Total land buildings	Furniture and equipment	Plant and equipment	Motor Vehicles	Constructio n other than Buildings	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2017	822,000	1,615,000	4,980,102	6,595,102	7,417,102	204,907	1,819,912	1,623,554	1,587,494	12,652,969
Additions		16,279	997,546	1,013,825	1,013,825	0	28,483	430,710	15,985	1,489,003
(Disposals)	0	0	0	0	0	0	(1,152)	(122,427)	0	(123,579)
Revaluation increments / (decrements) transferred to revaluation surplus	232,500	(632,101)	0	(632,101)	(399,601)					(399,601)
Depreciation (expense)	0	(32,299)	(100,278)	(132,577)	(132,577)	(37,989)	(186,642)	(135,350)	(69,142)	(561,700)
Transfers		0	12,101	12,101	12,101	0	(12,515)	12,515	(1,534,337)	(1,522,236)
Carrying amount at 30 June 2018	1,054,500	966,879	5,889,471	6,856,350	7,910,850	166,918	1,648,086	1,809,002	0	11,534,856
Comprises:										
Gross carrying amount at 30 June 2018	1,054,500	986,279	5,989,749	6,976,028	8,030,528	234,461	1,991,189	2,027,016	0	12,283,194
Accumulated depreciation at 30 June 2018	0	(19,400)	(100,278)	(119,678)	(119,678)	(67,543)	(343,103)	(218,014)	0	(748,338)
Carrying amount at 30 June 2018	1,054,500	966,879	5,889,471	6,856,350	7,910,850	166,918	1,648,086	1,809,002	0	11,534,856
Additions	0	16,577	87,472	104,049	104,049	23,897	17,870	0	0	145,816
(Disposals)	0	0	0	0	0	(62,045)	(268,860)	0	0	(330,905)
(Write-off of assets under \$5k threshold)	0	0	0	0	0	(25,293)	(28,331)	0	0	(53,624)
Revaluation increments / (decrements) transferred to revaluation surplus	0	0	0	0	0	50,076	52,555	(116,405)	0	(13,774)
Revaluation (loss) / reversals transferred to profit or loss	0	0	0	0	0	0	0	(463,334)	0	(463,334)
Depreciation (expense)	0	(23,990)	(113,685)	(137,675)	(137,675)	(39,244)	(170,611)	(147,312)	0	(494,842)
Transfers	0	0	0	0	0	0	(24,497)	0	0	(24,497)
Carrying amount at 30 June 2019	1,054,500	959,466	5,863,258	6,822,724	7,877,224	114,309	1,226,212	1,081,951	0	10,299,696
Comprises:										
Gross carrying amount at 30 June 2019	1,054,500	1,002,856	6,077,221	7,080,077	8,134,577	114,309	1,226,212	1,081,951	0	10,557,049
Accumulated depreciation at 30 June 2019	0	(43,390)	(213,963)	(257,353)	(257,353)	0	0	0	0	(257,353)
Carrying amount at 30 June 2019	1,054,500	959,466	5,863,258	6,822,724	7,877,224	114,309	1,226,212	1,081,951	0	10,299,696



## 9. PROPERTY, PLANT AND EQUIPMENT (Continued)

### (b) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
<b>Land and buildings</b>					
Land - freehold land	2	Sales comparison approach and cost approach	Independent Registered valuers	June 2017	Price per hectare
Land - freehold land	3	Improvements to land valued using cost approach using depreciated replacement cost	Independent Registered valuers	June 2017	Improvements to land using construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Buildings - non-specialised	2	Market approach using recent observable market data for similar properties	Independent Registered valuers	June 2017	Price per square metre
Buildings - specialised	3	Improvements to land valued using cost approach using depreciated replacement cost	Independent Registered valuers	June 2017	Improvements to land using construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
<b>Furniture and equipment</b>					
- Independent valuation 2019	3	Cost approach using depreciated replacement cost	Independent Registered valuers	June 2019	Purchase costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
- Management valuation 2019	3	Cost approach using depreciated replacement cost	Management valuation	June 2019	Purchase costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs

## 9. PROPERTY, PLANT AND EQUIPMENT (Continued)

### (b) Fair Value Measurements (Continued)

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
<b>Plant and equipment</b>					
- Independent valuation 2019	2	Market approach using recent observable market data for similar items	Independent Registered valuers	June 2019	Price per item
- Independent valuation 2019	3	Cost approach using depreciated replacement cost	Independent Registered valuers	June 2019	Purchase costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
- Management valuation 2019	3	Cost approach using depreciated replacement cost	Management valuation	June 2019	Purchase costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
<b>Motor Vehicles</b>					
- Independent valuation 2019	2	Market approach using recent observable market data for similar items	Independent Registered valuers	June 2019	Price per item
- Independent valuation 2019	3	Cost approach using depreciated replacement cost	Independent Registered valuers	June 2019	Purchase costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
- Management valuation 2019	3	Cost approach using depreciated replacement cost	Management valuation	June 2019	Purchase costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs

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

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



## 10. INFRASTRUCTURE

### (a) Movements in Carrying Amounts

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

	Infrastructure - Roads	Infrastructure - Footpaths	Infrastructure - Other	Infrastructure - Bridges	Total Infrastructure
	\$	\$	\$	\$	\$
<b>Balance at 1 July 2017</b>	91,360,356	513,066	6,471,981	0	98,345,403
Additions	1,053,225	23,300	0	0	1,076,525
Revaluation increments / (decrements) transferred to revaluation surplus	17,278,790	143,682	335,155	(134,135)	17,623,492
Depreciation (expense)	(1,173,811)	(16,238)	(144,287)	0	(1,334,336)
Transfers	2,925,750	0	(3,650,149)	2,246,635	1,522,236
<b>Carrying amount at 30 June 2018</b>	<b>111,444,310</b>	<b>663,810</b>	<b>3,012,700</b>	<b>2,112,500</b>	<b>117,233,320</b>
<b>Comprises:</b>					
Gross carrying amount at 30 June 2018	150,189,096	899,241	6,211,100	6,840,000	164,139,437
Accumulated depreciation at 30 June 2018	(38,744,786)	(235,431)	(3,198,400)	(4,727,500)	(46,906,117)
<b>Carrying amount at 30 June 2018</b>	<b>111,444,310</b>	<b>663,810</b>	<b>3,012,700</b>	<b>2,112,500</b>	<b>117,233,320</b>
Additions	3,412,142	0	0	0	3,412,142
Depreciation (expense)	(3,133,146)	(11,240)	(212,567)	(113,548)	(3,470,501)
Transfers	(336,074)	0	24,497	336,074	24,497
<b>Carrying amount at 30 June 2019</b>	<b>111,387,232</b>	<b>652,570</b>	<b>2,824,630</b>	<b>2,335,026</b>	<b>117,199,458</b>
<b>Comprises:</b>					
Gross carrying amount at 30 June 2019	153,265,164	899,241	6,246,096	7,176,074	167,586,575
Accumulated depreciation at 30 June 2019	(41,877,932)	(246,671)	(3,421,466)	(4,841,048)	(50,387,117)
<b>Carrying amount at 30 June 2019</b>	<b>111,387,232</b>	<b>652,570</b>	<b>2,824,630</b>	<b>2,335,026</b>	<b>117,199,458</b>

## 10. INFRASTRUCTURE (Continued)

### (b) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Infrastructure - Roads	3	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 - Other	3	Cost approach using depreciated replacement cost	Independent registered valuers	June 2017	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - Bridges	3	Cost approach using depreciated replacement cost	Independent registered valuers	June 2017	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.



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

**11. 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)(ii)*, the Shire was required to include as an asset (by 30 June 2013), Crown Land operated by the local government as a golf course, showground, racecourse or other sporting or recreational facility of State or Regional significance.

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

**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.

SHIRE OF VICTORIA PLAINS

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2019

11. 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
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Furniture and equipment	87,338	0	0	(87,338)	0	0	0	0	0	0	0	0
Plant and equipment	297,191	166,337	0	(130,854)	261,186	214,500	1,914	(48,600)	1,152	8,872	7,720	0
Motor Vehicles	0	0	0	0	0	0	0	0	122,427	104,091	8,788	(27,124)
	384,529	166,337	0	(218,192)	261,186	214,500	1,914	(48,600)	123,579	112,963	16,508	(27,124)

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>Transport</b>				
Assets under LGA \$5,000 Threshold	28,331	0	0	(28,331)
Assets scrapped	25,923	0	0	(25,923)
Assets which existed under other asset categories	48,620	0	0	(48,620)
Volvo BL71B Backhoe Loader	94,525	59,112	0	(35,413)
Caterpillar Grader 120M series	161,837	107,225	0	(54,612)
	359,236	166,337	0	(192,899)
<b>Furniture and Equipment</b>				
<b>Transport</b>				
Assets under LGA \$5,000 Threshold	25,293	0	0	(25,293)
	384,529	166,337	0	(218,192)



**SHIRE OF VICTORIA PLAINS  
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**11. PROPERTY, PLANT AND EQUIPMENT (INCLUDING INFRASTRUCTURE) (Continued)**

(b) Depreciation	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Buildings - non-specialised	23,990	31,843	32,299
Buildings - specialised	113,685	98,858	100,278
Furniture and equipment	39,244	37,450	37,989
Plant and equipment	170,611	183,999	186,642
Motor Vehicles	147,312	133,434	135,350
Construction other than Buildings	0	68,163	69,142
Infrastructure - Roads	3,133,146	1,157,195	1,173,811
Infrastructure - Footpaths	11,240	16,008	16,238
Infrastructure - Other	212,567	142,244	144,287
Infrastructure - Bridges	113,548	0	0
	3,965,343	1,869,194	1,896,036

**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	Asset Class	Useful life
Buildings	30 to 50 years	Sewerage piping	80 years
Furniture and equipment	4 to 10 years	Water supply piping and drainage systems	17 to 80 years
Plant and equipment	5 to 15 years	Bridges	60 years
Sealed roads and streets		Other infrastructure	15 to 80 years
formation	not depreciated		
pavement	50 years		
seal			
- bituminous seals	15 to 20 years		
- asphalt surfaces	20 years		
Gravel roads			
formation	not depreciated		
pavement	50 years		
Formed roads (unsealed)			
formation	not depreciated		
pavement	50 years		
Footpaths - slab	40 to 60 years		
Sewerage piping	80 years		
Water supply piping and drainage systems	17 to 80 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.





**SHIRE OF VICTORIA PLAINS**  
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**FOR THE YEAR ENDED 30TH JUNE 2019**

**13. TRADE AND OTHER PAYABLES**

**Current**

	<b>2019</b>	<b>2018</b>
	\$	\$
Sundry creditors	367,074	342,063
Accrued salaries and wages	9,594	9,504
ATO liabilities	193,549	70,178
Bonds and deposits (refer to Note 26)	15,123	0
Accrued interest on long term borrowings	2,909	3,665
Accrued expenditure	44,134	18,272
Income received in advance	35,434	0
	<b>667,817</b>	<b>443,682</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**Trade and other payables**

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

**Trade and other payables (Continued)**

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

## Shire of Victoria Plains

Ordinary Council Meeting  
25 March 2023

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Ordinary Council Meeting  
25 March 2023

\* WA Treasury Corporation

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

**(c) New Borrowings - 2018/19**

There were no new loan borrowing during the 2018/19 financial year.

**(c) Unspent Borrowings**

There were no unspent loan borrowing during the 2018/19 financial year.

	2019	2018
	\$	\$
<b>(c) Undrawn Borrowing Facilities</b>		
<b>Credit Standby Arrangements</b>		
Bank overdraft limit	300,000	0
Bank overdraft at balance date	0	0
Credit card limit	20,000	20,000
Credit card balance at balance date	(2,132)	(2,996)
<b>Total amount of credit unused</b>	<b>317,868</b>	<b>17,004</b>
 <b>Loan facilities</b>		
Loan facilities - current	53,129	61,335
Loan facilities - non-current	363,281	416,698
<b>Total facilities in use at balance date</b>	<b>416,410</b>	<b>478,033</b>
 <b>Unused loan facilities at balance date</b>	<b>NIL</b>	<b>NIL</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 25.



**SHIRE OF VICTORIA PLAINS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**15. EMPLOYEE RELATED PROVISIONS**

**Employee Related Provisions**

	Provision for Annual Leave	Provision for Long Service Leave	Total
	\$	\$	\$
<b>Opening balance at 1 July 2018</b>			
Current provisions	71,020	65,925	136,945
Non-current provisions	0	28,459	28,459
	71,020	94,384	165,404
 Additional provision	35,037	2,125	37,162
<b>Balance at 30 June 2019</b>	106,057	96,509	202,566
 <b>Comprises</b>			
Current	106,057	60,986	167,043
Non-current	0	35,523	35,523
	106,057	96,509	202,566
	<b>2019</b>	<b>2018</b>	
	\$	\$	
<b>Amounts are expected to be settled on the following basis:</b>			
Less than 12 months after the reporting date	132,750	99,876	
More than 12 months from reporting date	76,135	71,847	
Expected reimbursements from other WA local governments	(6,319)	(6,319)	
	202,566	165,404	

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.



**SHIRE OF VICTORIA PLAINS**

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

**16. NOTES TO THE STATEMENT OF CASH FLOWS**

**Reconciliation of Cash**

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

	<b>2019 Actual</b>	<b>2019 Budget</b>	<b>2018 Actual</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Cash and cash equivalents	837,958	586,849	1,090,475
<b>Reconciliation of Net Cash Provided By Operating Activities to Net Result</b>			
Net result	(1,516,459)	861,338	243,852
Non-cash flows in Net result:			
Depreciation	3,965,343	1,869,194	1,896,036
(Profit)/loss on sale of asset	218,192	46,686	10,616
Loss on impairment of fixed assets	463,334	0	0
Fair value adjustments to financial assets at fair value through profit or loss	(52,551)	0	0
Changes in assets and liabilities:			
(Increase)/decrease in receivables	(163,859)	33,475	229,029
(Increase)/decrease in other assets	1,131		0
(Increase)/decrease in inventories	7,196	5,050	630
Increase/(decrease) in payables	224,135	2,500	(73,456)
Increase/(decrease) in provisions	37,162	0	(1,755)
Grants contributions for the development of assets	(3,158,029)	(3,135,051)	(1,928,541)
Net cash from operating activities	25,595	(316,808)	376,411

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**17. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Governance	1,250,220	1,205,197
General purpose funding	50,180	37,107
Law, order, public safety	879,722	163,661
Education and welfare	17,259	34,750
Housing	2,263,047	2,378,206
Community amenities	2,501,750	2,602,014
Recreation and culture	5,059,680	5,214,677
Transport	115,290,884	115,213,096
Economic services	194,235	202,380
Other property and services	1,614,511	3,453,510
	<b>129,121,488</b>	<b>130,504,598</b>

**SHIRE OF VICTORIA PLAINS  
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**18. CONTINGENT LIABILITIES**

The Shire's Bolgart refuse site licence contains a requirement to rehabilitate the site. The Shire has recently engaged a consultant to prepare a site closure management plan, but has not been able to estimate the remediation costs of this site.

**SHIRE OF VICTORIA PLAINS**  
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**19. RELATED PARTY TRANSACTIONS**

**Elected Members Remuneration**

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

	<b>2019 Actual</b>	<b>2019 Budget</b>	<b>2018 Actual</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Meeting Fees	52,500	52,500	57,500
President's allowance	6,500	6,500	6,500
Deputy President's allowance	1,625	1,625	1,625
Travelling expenses	5,299	13,000	10,122
Telecommunications allowance	7,000	12,000	10,257
	<b>72,924</b>	<b>85,625</b>	<b>86,004</b>

**Key Management Personnel (KMP) Compensation Disclosure**

	<b>2019 Actual</b>	<b>2018 Actual</b>
	<b>\$</b>	<b>\$</b>
The total of remuneration paid to KMP of the Shire during the year are as follows:		
Short-term employee benefits	335,560	290,093
Post-employment benefits	32,838	37,476
Other long-term benefits	3,722	1,177
Termination benefits	0	32,692
	<b>372,120</b>	<b>361,438</b>

*Short-term employee benefits*

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

*Post-employment benefits*

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

*Other long-term benefits*

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

*Termination benefits*

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



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**19. RELATED PARTY TRANSACTIONS (Continued)**

**Transactions with related parties**

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

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

	<b>2019</b>	<b>2018</b>
	<b>Actual</b>	<b>Actual</b>
	<b>\$</b>	<b>\$</b>
The following transactions occurred with related parties:		
Purchase of goods and services - other related parties	431,890	148,780
<b>Amounts payable to related parties:</b>		
Trade and other payables - other related parties	35,755	16,618

**Related Parties**

**The Shire's main related parties are as follows:**

*i. Key management personnel*

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any elected member, are considered key management personnel. KMP are employed by the Shire under normal employment terms and conditions.

*ii. Other Related Parties*

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

*iii. Entities subject to significant influence by the Shire*

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

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**19. JOINT ARRANGEMENTS**

2019	2018
\$	\$

**(a) Joint Operation Housing - Aged Person Units**

The Shire together with Homeswest have a joint arrangement agreement with regards to the provision of two aged persons units in Bolgart and four aged persons units in Calingiri.

The terms of the joint arrangement agreements provided for Council to initially contribute equity of \$162,949.

These joint arrangements constitute a joint operation and Council's 18.98% and 18% interest in these developments is included in the Property, Plant & Equipment as follows:-

**Non-current assets**

Land and buildings  
Less: accumulated depreciation

2019	2018
\$	\$
242,500	242,500
(12,947)	(4,300)
229,553	238,200

**Statement of comprehensive income**

Fees & charges - Housing revenue  
Employee costs - Housing expenditure  
Materials & contracts - Housing expenditure  
Depreciation - Housing expenditure  
Net result for the period

9,029	9,112
(198)	(50)
(38)	(173)
(8,647)	(17,200)
146	(8,311)

**SIGNIFICANT ACCOUNTING POLICIES**

**Interests in joint arrangements**

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

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

**Interests in joint arrangements (Continued)**

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

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**20. MAJOR LAND TRANSACTIONS**

The Shire did not have any major land transactions at the reporting date

**21. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS**

The Shire did not have any trading undertakings or major trading undertakings at the reporting date



## 22. 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>Education and welfare</b>							
Dept of Health - Suicide Prevention Grant	0	20,000	0	20,000	0	(10,714)	9,286
Dept of Local Government & Communities - Well Being Matters Grant	0	6,100	(150)	5,950	0	(5,950)	0
<b>Total</b>	0	26,100	(150)	25,950	0	(16,664)	9,286

**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 current reporting period
- (3) - Grants/contributions which had been recognised as revenues in a previous reporting period or received in the current reporting period and which had not yet been fully expended in the current reporting period



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RATE TYPE		2018/19		2018/19		2018/19		2018/19		2018/19		2018/19		2018/19		2017/18	
Rate in \$	Number of Properties	Actual Rateable Value	2018/19		2018/19		2018/19		2018/19		2018/19		2018/19		2017/18		
			Actual Rate	Actual Interim Rates	Actual Back Rates	Actual Total Revenue	Budget Rate	Budget Interim Rate	Budget Back Rate	Budget Total Revenue	Actual Total Revenue						
Differential general rate / general rate																	
Gross rental valuations																	
0.101086	160	1,776,674	179,597	(1,766)	(420)	177,411	179,597	0	0	179,597	171,087						
Unimproved valuations																	
0.006883	306	318,010,000	2,188,863	(2,963)	(51)	2,185,849	2,188,863	0	0	2,188,863	2,086,027						
Minimum \$	466	319,786,674	2,368,460	(4,729)	(471)	2,363,260	2,368,460	0	0	2,368,460	2,257,114						
Gross rental valuations																	
420	72	93,787	30,240	0	0	30,240	30,240	0	0	30,240	30,660						
550	42	1,299,241	23,100	0	0	23,100	23,100	0	0	23,100	29,700						
Sub-Total	114	1,393,028	53,340	0	0	53,340	53,340	0	0	53,340	60,360						
Total amount raised from general rate																	
Ex-gratia rates																	
Totals	580	321,179,702	2,421,800	(4,729)	(471)	2,416,600	2,421,800	0	0	2,421,800	2,317,474						
Ex-gratia rates																	
Totals	70,044																
2,387,518																	

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

SHIRE OF VICTORIA PLAINS  
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**23. RATING INFORMATION (Continued)**

**(b) Specified Area Rate**

No specified area rates were imposed by the Shire during the year ended 30 June 2019.

**(c) Service Charges**

No service charges were imposed by the Shire during the year ended 30 June 2019.

**(d) Discounts, Incentives, Concessions, & Write-offs**

**Rates Discounts**

No rates discount was offered Shire during the year ended 30 June 2019.

**Waivers or Concessions**

No waivers or concessions were offered Shire during the year ended 30 June 2019.

**SHIRE OF VICTORIA PLAINS**  
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**23. RATING INFORMATION (Continued)**

**(e) Interest Charges & Instalments**

<b>Instalment Options</b>	<b>Date Due</b>	<b>Instalment Plan Admin Charge</b>	<b>Instalment Plan Interest Rate</b>	<b>Unpaid Rates Interest Rate</b>
		<b>\$</b>	<b>%</b>	<b>%</b>
<b>Option One</b>				
Single Full Payment	25/09/2018			11.00%
<b>Option Two</b>				
First Instalment	25/09/2018			
Second Instalment	20/11/2018	4.50	5.50%	11.00%
Third Instalment	15/01/2019	4.50	5.50%	11.00%
Fourth Instalment	12/03/2019	4.50	5.50%	11.00%

	<b>2019 Actual</b>	<b>2019 Budget</b>	<b>2018 Actual</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Interest on unpaid rates	5,716	16,000	12,182
Interest on instalment plan	7,608	2,000	6,221
Interest on ESL penalty	176	50	0
Charges on instalment plan	1,876	2,000	1,719
	<b>15,376</b>	<b>20,050</b>	<b>20,122</b>



SHIRE OF VICTORIA PLAINS

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24. RATE SETTING STATEMENT INFORMATION

	2018/19	2018/19	2018/19
	Budget	Budget	Brought
	(30 June 2019)	(30 June 2019)	(1 July 2018)
Note	Carried Forward)	Carried Forward)	Forward)
	\$	\$	\$

(a) Non-cash amounts excluded from operating activities

The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with *Financial Management Regulation 32*.

Adjustments to operating activities

Less: Profit on asset disposals	11(a)	0	(1,914)	(16,508)
Less: Fair value adjustments to financial assets through profit or loss		(52,551)	0	0
Movement in pensioner deferred rates (non-current)		(3,099)	0	(3,058)
Movement in employee benefit provisions (non-current)		7,064	0	5,331
Add: Loss on disposal of assets	11(a)	218,192	48,600	27,124
Add: Loss on revaluation of fixed assets	10(a)	463,334	0	0
Add: Depreciation on assets	11(b)	3,965,343	1,869,194	1,896,036
<b>Non cash amounts excluded from operating activities</b>		<b>4,598,283</b>	<b>1,915,880</b>	<b>1,908,925</b>

(b) Surplus/(deficit) after imposition of general rates

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

Adjustments to net current assets

Less: Reserves - restricted cash	3	(470,117)	(418,889)	(624,847)
Less: - Financial assets at amortised cost - self supporting loans	8(a)	(17,678)	(638)	(16,815)
Add: Borrowings	14(a)	53,129	(53,483)	61,335
<b>Total adjustments to net current assets</b>		<b>(434,666)</b>	<b>(473,010)</b>	<b>(580,327)</b>

Net current assets used in the Rate Setting Statement

Total current assets		1,352,531	885,377	1,451,752
Less: Total current liabilities		(887,989)	(430,874)	(641,962)
Less: Total adjustments to net current assets		(434,666)	(473,010)	(580,327)
<b>Net current assets used in the Rate Setting Statement</b>		<b>29,876</b>	<b>(18,507)</b>	<b>229,463</b>



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

**25. 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.

<b>Risk</b>	<b>Exposure arising from</b>	<b>Measurement</b>	<b>Management</b>
<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 other debt	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.

	<b>Weighted Average Interest Rate</b>	<b>Carrying Amounts</b>	<b>Fixed Interest Rate</b>	<b>Variable Interest Rate</b>	<b>Non Interest Bearing</b>
	<b>%</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>2019</b>					
Cash and cash equivalents	0.59%	837,958	108,007	365,698	364,253
<b>2018</b>					
Cash and cash equivalents	0.69%	1,090,475	108,007	519,651	462,817

**Sensitivity**

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

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Impact of a 1% movement in interest rates on profit and loss and equity*	3,657	5,197

\* Holding all other variables constant

**Borrowings**

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



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**25. FINANCIAL RISK MANAGEMENT (Continued)**

**(b) Credit risk**

**Trade Receivables**

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

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

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

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

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

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

	Current	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total
<b>30 June 2019</b>					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	19,454	6,124	2,080	7,399	35,057
Loss allowance	0	0	0	0	0
<b>01 July 2018</b>					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	1,106	(4,416)	12,240	28,177	37,107
Loss allowance	0	0	0	0	0

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

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
<b>30 June 2019</b>					
Sundry Receivables					
Expected credit loss	15.05%	5.14%	0.00%	57.82%	
Gross carrying amount	140,152	21,869	528	17,266	179,815
Loss allowance	21,088	1,123	0	9,984	32,195
<b>01 July 2018</b>					
Sundry Receivables					
Expected credit loss	0.00%	0.00%	0.00%	36.55%	
Gross carrying amount	220,848	623	1,189	3,423	226,083
Loss allowance	0	0	0	1,251	1,251

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## 25. FINANCIAL RISK MANAGEMENT (Continued)

### (c) Liquidity risk

#### Payables and borrowings

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The Shire manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required and disclosed in Note 14(c).

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

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
<u>2019</u>	\$	\$	\$	\$	\$
Payables	474,268	0	0	474,268	474,268
Borrowings	70,051	237,458	193,696	501,205	416,410
	544,319	237,458	193,696	975,473	890,678
<u>2018</u>					
Payables	373,504	0	0	373,504	373,504
Borrowings	80,853	258,832	242,374	582,059	478,033
	454,357	258,832	242,374	955,563	851,537

**SHIRE OF VICTORIA PLAINS**

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**

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**26. TRUST FUNDS**

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

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

	1 July 2018	Amounts Received	Amounts Paid	Reclassified to Restricted Cash	30 June 2019
	\$	\$	\$	\$	\$
BCITF	2,252	5,221	(7,313)	(160)	0
BSL	3,318	4,612	(5,774)	(2,156)	0
Gillingara Sports & Recreation Association	0	5,000	0	(5,000)	0
Gym Key Bonds	862	241	(20)	(1,083)	0
Hall Bonds	740	1,249	(797)	(1,192)	0
Tip Key Bonds	1,538	40	0	(1,578)	0
Transport Licencing	2,098	250,525	(252,162)	(461)	0
Other	1,538	2,055	(100)	(3,493)	0
	12,346	268,943	(266,166)	(15,123)	0



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**27. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD**

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Shire.

**SHIRE OF VICTORIA PLAINS  
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## **28. INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS**

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

Whilst many reflected consequential changes associated with the amendment of existing standards, the only new standard with material application is AASB 9 *Financial Instruments*.

### **AASB 9 Financial instruments**

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

The Shire applied AASB 9 prospectively, with an initial application date of 1 July 2018. The adoption of AASB 9 has resulted in changes in accounting policies.

The effect of adopting AASB9 as at 1 July 2018 was assessed as not material, therefore no adjustment to be recognised directly in retained surplus.

The nature of these adjustments are described below.

**SHIRE OF VICTORIA PLAINS**  
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**28. INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS (Continued)**

**(a) Classification and measurement**

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

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

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

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

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

Financial asset category	AASB 9 category			
	AASB 139 value	Financial assets at amortised cost	Fair value through OCI	Fair value through P/L
	\$	\$	\$	\$
<b>Loans and receivables</b>				
Trade receivables*	261,939	261,939	0	0
Loans and advances	239,177	239,177	0	0
	501,116	501,116	0	0
<b>Other financial assets at fair value</b>				
Available-for-sale financial assets	52,551	0	0	52,551

\* The change in carrying amount is a result of additional impairment allowance. See the discussion on impairment below.

**(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 Shire did not recognise any additional impairment on the Shire's Trade receivables.



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

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

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

This note explains management's assessment of the new and amended pronouncements that are relevant to the Shire, the impact of the adoption of AASB 15 *Revenue from Contracts with Customers*, AASB 16 *Leases* and AASB 1058 *Income for Not-for-Profit Entities*. These standards are applicable to future reporting periods and have not yet been adopted.

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

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

In accordance with the transition provisions AASB 15 and AASB 1058, the Shire will adopt the new rules retrospectively with the cumulative effect of initially applying these rules recognised on 1 July 2019.

AASB 15 and AASB 1058 introduces a five step process for revenue recognition with the core principle of the new Standard being for entities to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is payment) to which the entity expects to be entitled in exchange for those goods or services as performance obligations have been met as specified in the contracts with customers. The impact of the standards may cause the Shire to defer some revenue until all performance obligations have been met.

**(b) Leases**

The Shire will adopt AASB 16 retrospectively from 1 July 2019 resulting in changes in accounting policies.

In accordance with the transition provisions of AASB 16, the Shire will apply this Standard to its leases retrospectively, with the cumulative effect of initially applying AASB 16 recognised on 1 July 2019.

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

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

As the Shire has no operating leases, this standard will have no impact.

**(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.

AASB 1058 introduces a five step process for revenue recognition with the core principle of the new Standard being for entities to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is payment) to which the entity expects to be entitled in exchange for those goods or services as performance obligations have been met as specified in the contracts with customers.

The impact of the standard may cause the Shire to defer some revenue until all performance obligations have been met.



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

**30. CHANGE IN ACCOUNTING POLICY**

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

The adoption of the regulation constitutes a change in accounting policy.

Due to the effect on the financial statements not being material, the Shire did not retrospectively apply the changes in accounting policy arising from the new regulations and has not restated comparative figures.

During the year assets with a fair value at the date of acquisition of under \$5,000 and purchased prior to 1 July 2018 have been excluded from the assets of the Shire and written off in the Statement of Comprehensive Income.

The impact of the write off of \$53,624 was immaterial and therefore no restatement is required.

**SHIRE OF VICTORIA PLAINS**

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

**31. OTHER SIGNIFICANT ACCOUNTING POLICIES**

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

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.



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

**32. ACTIVITIES/PROGRAMS**

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

**PROGRAM NAME AND OBJECTIVES**

**ACTIVITIES**

**GOVERNANCE**

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

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

**GENERAL PURPOSE FUNDING**

To collect revenue to allow for the provision of services.

Rates, general purpose government grants and interest revenue.

**LAW, ORDER, PUBLIC SAFETY**

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

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

**HEALTH**

To provide an operational framework for environmental and community health.

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

**EDUCATION AND WELFARE**

To provide and maintain housing.

Provision and maintenance of elderly residents housing.

**HOUSING**

To provide services required by the community.

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

**COMMUNITY AMENITIES**

To establish and effectively manage infrastructure and resource which will help the social wellbeing of the community.

Maintenance of public halls, civic centres, aquatic centre, beaches, recreation centres and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of library, museum and other cultural facilities.

**RECREATION AND CULTURE**

To establish and effectively manage infrastructure and resource which will help the social wellbeing of the community.

Maintenance of public halls, civic centres, aquatic centre, beaches, recreation centres and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of library, museum and other cultural facilities.

**TRANSPORT**

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

Construction and maintenance of roads, streets, footpaths, depots, cycle ways, parking facilities and traffic control. Cleaning of streets and maintenance of street trees, street lighting etc.

**ECONOMIC SERVICES**

To help promote the Shire and its economic wellbeing.

Tourism and area promotion including the maintenance and operation of a caravan park. Provision of rural services including weed control, vermin control and standpipes. Building Control.

**OTHER PROPERTY AND SERVICES**

To monitor and control the Shire's overhead operating accounts.

Private works operation, plant repair and operation costs and engineering operation costs.

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

### 33. FINANCIAL RATIOS

	2019 Actual	2018 Actual	2017 Actual
Current ratio	0.99	1.26	1.67
Asset consumption ratio	0.72	0.68	0.97
Asset renewal funding ratio	1.12	0.84	0.94
Asset sustainability ratio	0.86	0.71	1.25
Debt service cover ratio	(8.54)	2.90	13.92
Operating surplus ratio	(1.60)	(0.60)	(0.32)
Own source revenue coverage ratio	0.34	0.50	0.51

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







# SHIRE OF VICTORIA PLAINS

## ANNUAL REPORT 2018 – 2019





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## THE DISTRICT AT A GLANCE

<b>Population:</b>	921 (2016 Census Data)
<b>Area:</b>	2,563 km <sup>2</sup>
<b>Number of Electors:</b>	581
<b>Townsites:</b>	Bolgart, Calingiri, Yerecoin, Piawaning, Gillingarra and Mogumber, as well as the New Norcia community
<b>Libraries:</b>	Calingiri
<b>Primary Schools:</b>	Bolgart, Calingiri, Yerecoin
<b>Length of sealed roads:</b>	246km
<b>Length of unsealed roads:</b>	578km
<b>Rates levied (18/19):</b>	\$2,489,921
<b>Total revenue (18/19):</b>	\$7,321,474 (45% from capital grants)

The Shire of Victoria Plains is located in the wheatbelt region of Western Australia, some 140km North East of Perth. It is a short yet scenic drive featuring picturesque fields and homes. Tourist attractions within the Shire include natural wildflower displays, the Old Wyening mission and winery, and the Benedictine Community of New Norcia – a world renowned tourist destination being the only monastic township in Australia.

Major agricultural activities include cereal crops, sheep, cattle, pigs and vineyards. A range of local services exist, including recreation facilities such as halls, sporting oval, sports pavillion, as well as parks, gardens and barbecue facilities for tourists and visitors. Secondary education, health and aged services are provided in a number of the Shire's neighbouring local government districts.



Anzac Celebrations 2019

# Our Vision

## *“A Place to Grow”*

### OUR VISION

“A Place to Grow”



Anzac Day 2019



Australia Day Awards



Seniors Get together

## OUR COUNCIL

### SHIRE PRESIDENT'S REPORT 2018 - 2019



A year of challenges and welcome achievements. Compliance issues required by State Government has used up considerable time and use of outside advisors. For example, the state Auditor General will take over all Local Government audits with apparent changes of attention to certain details which is requiring considerable extra time and resources to achieve. The need to achieve certain financial ratios desired will prove very difficult for small Local Governments like ours compared with large city LG's with much larger populations which result in huge Federal grants compared to ours.

Council continued to review and update policy and planning positions including long term stability and balancing services and asset maintenance -always a challenge to balance income (rates and grants) with community expectations and desires.

In August most councillors attended Local Government Week - a great opportunity for exchange of ideas with others and hear some really inspiring and character developing speakers. I believe this investment in councillors' development is of real value, especially now that councillor training is to become compulsory.

Two new potential projects flagged to council this year for our region offer benefits to our community but will need careful watching to ensure no surprise downsides . One is a major cattle feedlot and back grounding facility in Koojan . This could offer employment and demand for Cattle and fodder . The main part of the complex is in Dandarragan Shire but it could impact on VP raids.

Also a potential open cut Coppermine between Calingiri and Wongan has to be handled with care by our shire to realise benefits but avoid costly outcomes. Your council is in contact with other shires with mines to learn from them.

Our shire moved away from being part of a joint Local Emergency Management Committee with Wongan to set up out own shire Committee due to differences in needs and risks .

Thanks to councillors and staff for ongoing support and dedication to our shire's success.

Cr David Lovelock.  
**Shire President**

## COUNCILLORS



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**Cr A (Andrew) Broadhurst**  
(East Ward)

## COUNCIL MEETINGS

Ordinary Council Meetings are held on the fourth Wednesday of each month in the Council Chambers at the Shire administration office, 28 Cavell Street, Calingiri from 2:00pm. All meetings are open to the public.

Special Meetings of Council are held as and when required.

Minutes of the meetings are available on the Shire's website:  
<https://www.victoriaplains.wa.gov.au/council-meetings/past>

## ANNUAL MEETING OF ELECTORS

An Annual Meeting of Electors is held each financial year, in accordance with Part 3 of the *Local Government (Administration) Regulations 1996* and the *Local Government Act 1995* Part 5, Division 2, Subdivision 4, section 5.27. The purpose of the meeting is to, firstly, present the Annual Report (including the Auditor's Report) to electors, and then to discuss any other general business. Under section 5.33, all decisions made at an elector's meeting are to be considered at the next ordinary meeting of Council. The previous meeting was held on 24 April 2019.

## COUNCIL ELECTIONS

Elected members (councillors) are elected for four-year terms with Council elections held every two years on the third Saturday in October.

Elections were held on 21 October 2017 that included the reduction of elected members from nine to seven with the following results:

- Cr David Lovelock was returned and then re-elected Shire President;
- Cr Pauline Bantock was elected as Deputy Shire President;
- Cr Stephanie Penn was returned.
- Cr Jamie King was returned.

The next Council elections will be held on 20 October 2019.

## COUNCIL DELEGATES TO COMMITTEES

Councillors participate in two types of committees. The first type are the committees of Council i.e. the Audit Committee and the Chief Executive Officer Performance Review Committee. The second type of committee is where councillors are invited to participate on committees external to the Shire of Victoria Plains as an organisation. Most terms expire at the next Ordinary Local Government election (20 October 2019).

At its meeting on 25 October 2017, Council resolved to make the following appointments:

### **Audit Committee**

Council Representatives - Cr Bantock, Cr Penn, Cr Clarke  
Ms Lou Witham and Mr Gary McGill were elected as Community members on the SOVP Audit Committee.

### **ANZAC Commemorative Committee**

Council Representatives - Cr Penn and Cr Corless-Crowther  
CEO (Glenda Teede), and Mr Gary McGill as the Warden of the Memorial

### **Avon Midland Zone of the Western Australian Local Government Association**

Council Representative - Cr Lovelock  
Proxy: Cr Bantock

### **Avon Voluntary Regional Organisation of Councils (AROC)**

Council Representative - Cr Lovelock

### **Regional Road Group – Wheatbelt North Moora Subgroup**

Council Representative - Cr Lovelock  
Proxy: Cr Clarke

### **Local Emergency Management Committee (LEMC)**

Council Representatives - Cr Clarke, Cr Broadhurst, Cr King  
Other Representatives - (CEO, Gary Manning, Gavin Halligan)

### **Rural Water Council**

Council Representatives - Cr Broadhurst and Cr Penn

### **Development Assessment Panel**

Council Representatives - Cr Penn and Cr Bantock (memberships expired 26/07/2018 and were subsequently reappointed for a further 12 months). This included:

- Cr Bantock nominated herself to step up to Representative and not be proxy.
- Cr Corless-Crowther and Cr Clarke were nominated as proxy members.

### **Works and Services Committee**

It was determined that all Councillors will now be on the Works and Services Committee.

### **Australia Day Celebration Committee**

Council Representatives - Cr Corless-Crowther, Cr King, Cr Clarke, Cr Penn, Cr Lovelock

Other Representatives - (CEO & CDO)

### **Suicide Prevention Committee**

Cr Corless-Crowther, Cr Penn, Cr King and Cr Clarke

## COMPLAINTS

The *Local Government Act 1995* s.5.53(2)(hb) requires reporting of the formal complaints entered into a register under section 5.121 that require action in accordance with section 5.110(6)(b) or (c).

No. of complaints recorded	Method of dealing with complaints
0	Apology
0	Sanction
0	Training

No formal complaints were reported during 2018-2019.

## ELECTED MEMBERS ATTENDANCE AT MEETINGS

In future reports, the Shire will include the list of attendance by the elected members



Our Australia Day Recipients: Oliver Clarke, Dianne Edmonds and Gary Homer  
(on behalf of the Calingiri Primary School)



## CEO'S MESSAGE 2018-2019

With the Shire growing, facing and overcoming challenges, we continue to progress in different ways. Like always and everywhere, the landscape is always changing in one way or another, with outside influences having an impact on our District.



### OVERALL FINANCIAL POSITION

The Shire is remaining steady with the budget continuing in the black, however due to the nominal rate increase during the last financial year, the Shire finances must be prudently managed with little room for growth of reserves.

Compliance requirements are an ever increasing cost to the Shire and this is a State issue which is being managed on a local level.

### CAPITAL WORKS

#### Roads and Other Infrastructure

Some of the major capital works for the year include progress of the Mogumber-Yarawindah Road, upgrade to the Moora River Bridge, upgrades to footings and kerbings within the District and a bicycle footpath upgrade (contributed to by Grant Funding).

Further, the Shire continues to prioritise investment in its ongoing Road Development and Maintenance Program and continues to advocate for funding in this area with the recent Mogumber-Yarawindah Road Pilot funding a significant Project.

From a State perspective with benefits to the Shire, 2018/19 saw significant progress in the development of the Muchea Bypass, which is due for opening in 2020, and will bring with it many benefits to the Community including safety and economic development.

#### Plant and Vehicle Replacement

The review of the Shire's plant and vehicles is to be finalised for 2019/20. The progress of this program is provided in specific updates in the Manager Works & Services Report.

### COMMUNITY DEVELOPMENT

The Calingiri Sport and Recreational Centre has been refurbished and contributes to the health and social benefits of the Shire as well as providing an additional space for training in the Community.

To better service the growth of the District within the 2018/19 financial year, the Shire has improved social media services and provided additional community workshops and meetings for various issues to be addressed. This has been well received by the Community.

The Shire aims to continue to expand and develop a range of recreation, cultural and sporting facilities to enhance the liveability of the Region.

## **ENVIRONMENT**

There have been new initiatives around recycling and sustainable living as per the Integrated Planning Strategic Community Plan 2017/18 to 2027/28 that was developed after community consultation.

## **GOVERNANCE**

### **Local Laws and Land Use Planning**

The review of the Shire's Local Laws was completed in June 2018. During 2018/19 Council considered the possibility of adding new local laws regarding amenity, environment and nuisances as well as an omnibus local law to do a minor tidy up of some other provisions. Going forward, the Local Planning Scheme is to be updated, in part, due to the complexity of the task.

### **Role of the Auditor General**

Additional governance requirements, particularly from the Office of the Auditor General increases compliance, however, ensures full transparency and accountability. The Auditor General is now responsible for the Shire's external audits and conducting each year additional specialist audits regarding a local government's functions including procurement and record keeping.

## **CONCLUSION**

In addition to staff upskilling and training of staff within the Office, the Shire continues to move forward with efficiencies in data management and a key project moving forward is records management which will assist to streamline processes.

Finally, I extend my thanks to all staff and the Councillors of the Shire for their continued efforts.

Glenda Teede  
**Chief Executive Officer**

## FINANCE AND ADMINISTRATION

### NET SURPLUS / DEFICIT CARRIED FORWARD

The 2019 financial year has resulted in a net surplus carried forward of \$29,876 against a budget of (\$18,507).

### OPERATING SURPLUS / DEFECIT

The 2019 actual operating deficit was (\$1,105,676) before fair value adjustments of (\$410,783) against an operating budget of \$861,338. This was due to depreciation being \$2,096,149 higher than budgeted, associated with fair value adjustments. Total Comprehensive Income was (\$1,582,784) after allowing for an impairment of motor vehicles of (\$463,334) and a net fair value adjustment of (\$66,325) for Furniture & Equipment, Plant & Equipment, Motor Vehicles and Investment in Local Government House Trust,

### FAIR VALUE

Under *Local Government (Financial Management) Regulation 17A(4)* a local government must revalue an asset of the local government:

- a) Whenever the local government is of the opinion that the fair value of the asset is likely to be materially different from its carrying amount; and
- b) In any event, within a period of at least 3 years but no more than 5 years after the day on which the asset was last valued or revalued.

Fair Value valuations were applied to the following classes of assets at 30 June 2019 as follows:

Asset Class	Book Value at 30 June 2019 (\$)	Fair Value at 30 June 2019 (\$)	Revaluation Increment (Decrement) (\$)
Furniture & Equipment	64,233	114,309	50,076
Plant & Equipment	1,173,657	1,226,212	52,555
Motor Vehicles	1,661,690	1,081,951	(579,739)
<b>Total</b>	<b>2,899,580</b>	<b>2,422,472</b>	<b>(477,108)</b>

### BORROWINGS

As at 30 June 2019, the total principal owing was \$416,410. There were no new borrowings during the 2019 financial year. Debt principal repaid during the year was \$61,623.

### INTEREST

Interest revenue for the 2019 financial year amounted to 45,152 against a budget of \$52,036. This was due to lower interest on reserve accounts (\$7,717)

and lower rates instalment and penalty interest (\$4,550), offset by higher other interest earnings of \$5,963.

Interest expense on borrowings for the year amounted to \$19,140 (Budget \$23,121).

## **RATES**

Income from rates amounted to \$2,489,921 (Budget \$2,517,266, 2018 \$2,387,518), including ex-gratia rates of \$73,321 (Budget \$95,466, 2018 \$70,044).

No rates discounts, waivers or concessions were offered by the Shire during the 2019 financial year.

## **ROADS**

Total road grants income received for the financial year amounted to \$3,829,847 as follows:

• Grants Commission – Local Roads	\$548,606
• Grant – Direct Road	\$123,211
• Grant – Regional Road Group – Road Projects	\$339,948
• Grant – Roads to Recovery	\$649,412
• Grant – Ag-Lime Project	\$2,168,670

Total road expenditure was \$8,346,176 (2018 \$6,233,487) as follows:

- Road Construction \$3,389,580 (Budget \$3,318,075)
- Road Maintenance \$4,956,596 (Budget \$2,915,412)

The major road construction works were:

- Toodyay-Bindi Bindi Road
- Moore River Bridge Repairs
- Yerecoin SE Road
- Ag Lime Roads Project Development & Management
- Ag Lime – Calingiri / New Norcia Road
- Ag Lime – Mogumber West Road
- Ag Lime – Calingiri / Goomalling Road

## **MAJOR PLANT**

There were no items of major plant purchased during the 2019 financial year.



**CASH BACKED RESERVES**

As at 30 June 2019, the Cash-Backed Reserves balance was \$470,117 (2018 \$624,847), against a budgeted closing balance of \$418,889.

<b>Reserves</b>			
	<b>2019 Actual</b>	<b>2019 Budget</b>	<b>2018 Actual</b>
Opening Balance	624,847	623,769	720,678
Net Transfers	(154,730)	(204,880)	(95,831)
<b>Closing Balance</b>	<b>470,117</b>	<b>418,889</b>	<b>624,847</b>

**FINANCIAL RATIOS**

Financial Ratios are required to be reported in accordance with the Local Government (Financial Management) Regulations. The Shires ratios for 2019 are:

	<b>2019 Actual</b>	<b>DLGSCI Benchmark*</b>
Current Ratio	0.99	≥ 1.00
Asset Consumption Ratio	0.72	≥ 0.50
Asset Renewal Funding Ratio	1.12	≥ 0.75
Asset Sustainability Ratio	0.86	≥ 0.90
Debt Service Cover Ratio	(8.54)	≥ 2.00
Operating Surplus Ratio	(1.60)	≥ 0.01
Own Source Revenue Coverage Ratio	0.34	≥ 0.40

\*Department of Local Government, Sport and Cultural Industries

**CONCLUSION**

My thanks go to the Finance and Administration team and to all other Shire staff for their support and work they have done and in maintaining a very high standard for the year. My thanks also go to the Councillors for their support during the year and I look forward to a productive and successful 2020.

Ina Edwardson

**Finance and Administration Manager**

## WORKS AND SERVICES

The Works and Services Department undertakes capital construction, major maintenance works, and routine maintenance of hard infrastructure within the Shire. To undertake these required activities, a portion of funding is derived from external grant funds, being various Federal and State Government agencies and from other Shire income streams.



### CAPITAL PROGRAM

#### Revenue – Grant Funding

External funding is the major income stream for capital works and major maintenance of the Shire's assets. In 2018/19 financial year, external Federal or State Government grants funded to the Shire of Victoria Plains were from:

- Wheatbelt North Regional Road Group (RRG) – funding administered by Main Roads Western Australia (MRWA);
- Main Roads WA Direct Grants for roads;
- Department of Infrastructure, Transport, Regional Development and Local Government (Australian Government) Roads to Recovery funding program;
- Ag Lime Funding through the Western Australian Government's Royalties for Regions; and
- Financial Assistance Grants – Road Component. Distributed by the Local Government Grants Commission.

The Shire also contributed key funding as it is required to match funding provided by the State.

#### Capital Works

Major capital construction projects undertaken in 2018/2019 financial year were:

#### **Shire Funded Road Projects:**

- Minor road patching on all sealed roads;
- Toodyay Bindi- Bindi Rd. had parts of a three km section reconstructed, sealed, white-lined, with several culverts extended or widened;
- Yerecoin S.E. Rd. had five kilometres of gravel shoulder reconstruction applied;
- Konnongorring West Rd. had three kilometres of gravel sheeting applied;
- Ag Lime Route 2 had 38,000 sq/mts of road reconstruction and sealing, also culvert replacement, all was carried out on various sections of Goomalling-Calingiri, Calingiri-New-Norcia and Mogumber West roads, the defects were identified by Main Roads WA. Engineers. This work was undertaken by Contractors by tender;
- Gillingara West Road Moore River Bridge was repaired by Contractors engaged by Main Roads WA.

**Buildings**

The Shires Administration Office older style cubicles were stripped out and converted to open plan, with new furniture being purchased. The ATM was relocated to make room for extra office space.

**Plant and Vehicle Replacement**

A new ride-on Kubota Mower was purchased out-right, the older mower was kept to clean-up areas in our bush parks and non-turfed ovals e.g. Mogumber.

**Light Plant**

Several pieces of light plant such as chain saws, blowers were purchased.

**OPERATIONS PROGRAM****Works**

Construction and maintenance of roads, footpaths, and drainage throughout the Shire. Maintenance grading of Shire roads is ongoing and an important part of the works that are done within the Shire. There are 555.16 kilometres of unsealed roads in the Shire. The Shire owns one caterpillar 120M graders and maintains the unsealed road network as well as being involved in capital works. The expectation is to achieve two to three grades over the network per year. Two grading contractors have helped when required.

**Parks and Gardens**

Construction and maintenance of the Shires sporting fields, passive parkland areas, road verges, streetscapes and street trees. Attention has been paid to the Hockey and football grounds at Calingiri which has helped bring them up to standard.

**Waste Management**

Waste management is a core function of the Shire. It encompasses activities and services related to the collection and disposal of waste, along with waste minimization and recycling initiatives.

The Shire strives to manage waste in an environmentally responsible and sustainable manner to protect the natural environment and public health.

**Drum Muster**

The Shire again participated in the "Drum Muster Program". This nation- wide program provides for the collection and disposal of used farm chemical containers.

**Kerbside Collection**

A weekly kerbside waste collection service operates in the town sites of Yerecoin, Calingiri and Bolgart.

**ROMAN**

Road data is utilized to maintain an asset value of the road network and replacement cost. Data gathered is also used by the LGGC (Local Government

Grants Commission) to calculate funds allocated to the Shire from the LGGC.

The ROMAN System has highlighted the need for a higher level of expenditure on road maintenance and preservation. Council's current and future budgets will reflect the higher priority needed to maintain existing road and bridge infrastructure.

Shire officers are continually collecting traffic counts and classification data to support the deterioration modelling which assists the preparation of the Shires ten year works and maintenance programme.

### **Ranger Service**

As part of the Works department we have an officer who carries out ranger services. We provide regular patrols of all towns within the Shire and are responsible for stock control, animal welfare, responsible dog ownership, cat control, litter /illegal dumping control.

### **Customer Works Request**

The Shire aims to be responsive to ratepayer's requests for minor improvements and fault rectification. Requests vary dramatically and can be minor in nature from sweeping a path or an emergency with fallen trees to major road works/ drainage which needs future budget funding.

Unresolved issues are monitored until a satisfactory resolution has been reached.

### **Staff**

Works and Services employ a total of ten staff and at times three casual staff that operate from the Shire depot with the Works and Services Manager. All depot staff are located on the corner of Edmonds Street and Cavell Street, Calingiri.

Staff undertake a multitude of duties and as such are skilled in many areas relating to the maintenance and construction of public infrastructure from roads to gardens.

### **Summary**

The Works Department has achieved a great deal this year in some trying times.

As Works and Services Manager for a diverse section of activities undertaken within the Shire of Victoria Plains, I believe that the Shire and its residents are well served by their employees, many of whom go to great lengths to provide services to the public in their role as a Shire employee.

I would also like to express my thanks to all team members within the works and services department as well as all the administration staff for their high professional standards and output efforts during the 2018/2019 year.

Bob Edwards  
**Works and Services Manager**



## ENVIRONMENTAL HEALTH AND BUILDING SERVICES

### ENVIRONMENTAL HEALTH (applicable to the Shire of Victoria Plains)

- Inspection of Food Premises, including stall holders and mobile food vendors
- Surveillance of Food Standards;
- Ensuring currency of Legislation;
- Attendance as required on recall of food product;
- Inspection and surveillance of three refuse sites, processing and submitting annual reports to Department of Water and Environmental Regulation, and enforcing any and all restrictions/requirements adhered to those refuse site licenses;
- Caravan Parks and Camping Grounds;
- Other public and private accommodation;
- Public buildings;
- Approval and inspection of effluent disposal systems
- Follow-up of Notifiable Disease Notifications;
- Noise, dust and other health related complaints;
- General advice to the public on matters relating to environmental health; and
- Any other relevant health matter required to be attended to by Council staff.



### BUILDING

- Assessment of Building Applications for compliance with the National Construction Code of Australia and relevant Australian Standards;
- Issue of Certificate of Design Compliance for Class 1 & 10 buildings;
- Process and issue of Building Permits;
- Process and issue of Demolition Permits;
- Monitoring the handling and disposal of any Asbestos Containing Materials and the compliance with the ACM Handling and Disposal Code;
- Initial and periodic compliance inspections of private swimming pools barrier fencing, gates and access points in townships;
- Inspection and maintenance of Council controlled and owned buildings when required.
- Maintain close liaison with builders, architects/draftsmen and owner builders to ensure a satisfactory standard of building construction and compliance with the Building Code of Australia, is maintained; and
- Any other relevant building matter required to be attended to by Council staff.

A positive achievement for the Shire's Building Services has been the ability to maintain an efficient turnaround time in receiving and processing building permit applications once they have received R Code or Local Town Planning Scheme compliance certification, within the mandatory period. A contributory factor in achieving this is the fact that a qualified Building Surveyor works at the office two days per week.

### WASTE MANAGEMENT

#### Landfill Refuse Sites

Periodic inspections were carried out at the Mogumber, Bolgart and Calingiri landfill sites during the financial year. As part of the licensing conditions for the refuse sites, Annual Reports were submitted to the Department of Water & Environment (DWER) within the specified time frame.

During the year the Shire has sought to continue improvement in its waste management practices and an improved level of compliance with DWER Regulatory requirements. Furthermore, management of the Bolgart and

Calingiri refuse sites will be under the control of the Shire in January 2020 to ensure all compliance issues are met.

The Bolgart site DWER asked for a Water Sampling and Analyst Plan (SAP) and consequently this estimated expense was budgeted for in the 2019/20 financial year.

### **Calingiri and Yerrecoin Sewerage Systems**

As part of the licensing conditions through the Department of Water a condition report was prepared by McRoberts Contracting Service. CCTV camera was used to check the condition of all sewerage pipes and access hatches. The condition report highlighted the need to provide more funds in the 2020 financial year to undertake minor maintenance work and more CCTV camera work as well as pressure clean all sewerage pipes. The proposed work was reported to the Department of Water in the annual report of the sewerage system. The extra work will be funded by money in the Sewerage Reserve Fund. This was reported to Council and consequently Council resolved to increase in the sewerage rate to ensure that the reserve fund builds up again to carry out future work.

### **FOOD PREMISES**

18 food premises inspections were carried out during the year and 6 temporary food vendor licenses issued. It is mandatory under the provisions Food Act that all food premises inspections are recorded and provided to the Department of Health. Food Premises were inspected throughout the year at regular intervals on a risk assessment basis and, where required, work requests were issued for premises to be brought into compliance with the Food Standards Code.

A noticeable improvement in the overall standard of the premises, food handling, storage and preparation of food in the food premises has been observed and pressure will continue to keep the standard improving.

### **ON-SITE EFFLUENT DISPOSAL SYSTEMS**

Eight on site effluent disposal systems were approved during the year. This also includes the inspection of the site prior to approval to ensure that the right system is used for the site conditions whether they be clay or sandy sites.

### **PRIVATE SWIMMING POOLS & BARRIER FENCE INSPECTIONS**

The mandatory four yearly inspections of private swimming pool safety barriers inspections in townsites of the Shire were undertaken. The eight registered pools were all inspected as well as seven extra inspections carried out to ensure the defects noted were rectified. The inspections were also reported to the Building Commission as part of their reporting procedure.

**BUILDING CONTROL**

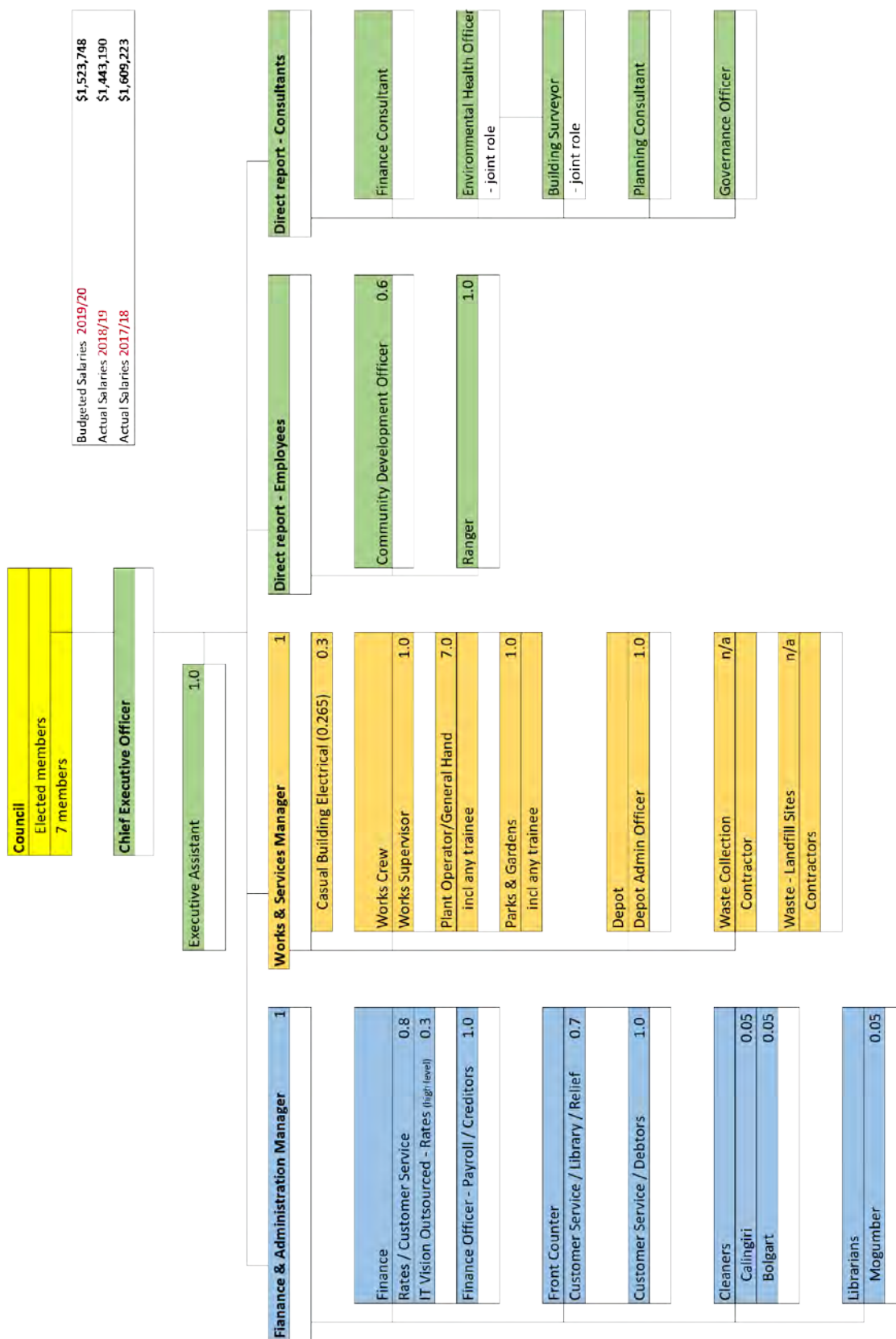
General Statistics, for the 2018/2019 financial year:

	Number	Value
Houses	8	\$1,236,360
Additions/alterations	3	\$84,500
Outbuildings	18	\$809,678
Commercial/Industrial/Public	8	\$1,909,590
Demolition	1	\$9,500
<b>Total</b>	<b>38</b>	<b>\$4,049,628</b>

Allan Ramsay

**Environmental Health Officer/Building Surveyor**

## SHIRE'S ORGANISATIONAL CHART





## EMPLOYEE REMUNERATION

The *Local Government (Administration) Regulations 1996* r.19B requires that employee remuneration in specific bands be reported.

The Shire's executive remuneration is assessed against skills, qualifications, experience and the responsibilities of the position.

The figures below represent a cash base salary but do not include vehicle allowances, non-monetary benefits such as professional memberships or superannuation in accordance with policy.

Salary Band	30 June 2017	30 June 2018	30 June 2019
\$120,001 - \$130,000	1		
\$130,001 - \$140,000	1	1	1

## OTHER MATTERS OF GOVERNANCE – STATUTORY REPORTING

### PUBLIC INTEREST DISCLOSURES (PIDs)

The Shire is required to complete the Public Sector Commission's Integrity & Conduct Survey each year. This covers the annual reporting responsibilities under the *Public Interest Disclosure Act 2003*. The survey assists the PSC in monitoring ethical trends and building capacity through strengthening organizational structure, leadership and systems, and policies and processes, as part of its oversight of minor misconduct functions under the *Corruption, Crime and Misconduct Act 2003*.

The Shire of Victoria Plains did not conduct the survey for 2019 and did not receive any public interest disclosures during 2018/2019. The Shire does not have PID Information on the website. The Shire will ensure that both the PID survey is conducted in future and that PID information is put on the Shire's website.

### NATIONAL COMPETITION POLICY (NCP)

The Shire is required to report its progress in implementing the National Competition Policy in their annual report. There are a number of specific requirements placed on local government in the areas of competitive neutrality, legislation review and structural reform.

#### Competitive Neutrality

The principle of competitive neutrality is that government business should not enjoy a competitive advantage or disadvantage, simply as a result of their public sector ownership. For local government this relates to user-pays income of over \$200,000.

In accordance with the Shire's responsibilities under Clause 7 of the statement relating to competitive neutrality, the Shire of Victoria Plains has reviewed its activities in line with advice from the Department of Local Government Circular No 806 and has found that none of its activities are "Significant Business Activity" for competitive neutrality requirements.

The Shire of Victoria Plains did not privatise any activities in 2018/2019 and so consequently there were no obligations to report in this area.

### **Legislative Review**

The Shire is required to assess which of its local laws might impact on competition and conduct a review to determine how restrictive practices might be overcome.

One new local law was created in 2018/2019. The Shire is in the process of completing the development of an Amenity Local Law (Animals, Environment and Nuisance Matters) and amendments to Waste Local Law (Domestic collection matters, management of refuse sites and so on). This process has not impacted on NCP requirements.

The next review required by the Local Government Act of the Shire's local laws is due in 2024.

## **RECORD KEEPING PLAN**

In line with Section 19 of the State Records Act 2000, local governments are required to have a Record Keeping Plan that is approved by the State Records Office (SRO). The plan applies to employees, councillors and contractors.

The Record Keeping Plan is the primary means of providing evidence of compliance with the Act and the implementation of best practice record keeping in the organisation. In line with Section 17 of the Act, the Shire, councillors and staff are legally required to comply with the actions listed in the plan.

The Shire is committed to the management of records in accordance with legislative requirements and best practice. Although it is planned to review the Shire's Record Keeping Plan during 2018/2019, the records review did not commence until the latter half of 2019. It is anticipated that the records review will take several years to complete.

## **FREEDOM OF INFORMATION (FOI)**

In April 2019, the Shire published its annual FOI statement in accordance with the requirements of the *Freedom of Information Act 1992*. A copy of the current statement is available on our website: [www.victoriaplains.wa.gov.au](http://www.victoriaplains.wa.gov.au). We confirm that the Shire complies with the relevant legislation and welcomes FOI enquiries.

The Shire of Victoria Plains did not receive any FOI application during 2018/2019.

## DISABILITIES ACCESS AND INCLUSION PLAN (DAIP)

The Disability Services Act 1993 s.29 requires the Shire to report on implementation of their Disability Access Inclusion Plan. Further, the Disability Services Regulations require that the report contain information on –

- a) progress made by the Shire and any agents and contractors in achieving the desired outcomes; and
- b) the strategies implemented to inform its agents and contractors of its Disability Access and Inclusion Plan.

The Shire's Disability Access Inclusion Plan (DAIP) 2015–2020 outlines the strategies and actions the Shire undertakes in working towards ensuring access and inclusion for all community members.

The DAIP comprises seven outcome areas which identify and address barriers that may prevent people with disability from accessing and enjoying the services, programs and facilities the Shire provides.

Strategy	
Outcome	Time
<b>1. People with disability have the same opportunities as other people to access the services of and any events organised by, the Shire of Victoria Plains</b>	
1.1. Disability planning is used in all new buildings	Ongoing
1.2. Develop links with other strategies, agencies and frameworks	Ongoing
1.3. Additional Public Toilet facilities for people with disability to be made available	Ongoing
1.4. Parking spaces for people with disability to be allocated at key access positions at Shire offices	Ongoing
1.5. Update refuse services to include specialised rubbish collection services if required	As required
1.6. Procedures for monitoring effectiveness, including Staff training to ensure awareness of the DAIP requirements	Ongoing
1.7. Procedural changes to include disability planning in new buildings	Ongoing
<b>2. People with disability will have the same opportunities as other people to access the buildings and other facilities of the Shire of Victoria Plains</b>	
2.1. Monitor Shires Access Plan to ensure it incorporates all planned activities and functions throughout the Shire	ongoing
2.2. New buildings to include disability and inclusion consideration at design stage	Ongoing
2.3. Develop link with other strategies and frameworks	Ongoing
2.4. Update Refuse Service to include specialised rubbish collection services	As required
2.5. Procedures for monitoring effectiveness	Ongoing
2.6. Disability Access Audit Report on Shire buildings	June 2011

<b>3. People with disability receive information from the Shire of Victoria Plains in a format that will enable them to access the information as readily as other people are able to access it</b>	
3.1. CD Disc containing council information on request	As required
3.2. Large print shire info on request	As required
3.3. Inform staff of DAIP requirements	Ongoing
<b>4. People with disability receive the same level and quality of service from the staff of the Shire of Victoria Plains as other people receive from the staff of the Shire of Victoria Plains</b>	
4.1. Allocate Duties, Responsibilities and accountability for DAIP	Ongoing
4.2. Deliver DAIP awareness training including disability communication training	Ongoing
4.3. Develop training matrix to include refresher training for DAIP	Ongoing
<b>5. People with disability have the same opportunity as other people to make complaints to the Shire of Victoria Plains</b>	
5.1. Ensure complaints procedure and outcome satisfaction form is made available in large print and CD	As required
5.2. Ensure staff who manage complaints procedure are aware of responsibilities and new procedures	Ongoing
5.3. Develop training matrix to include refresher training for DAIP	Ongoing
<b>6. People with disability have the same opportunities as other people to participate in consultation with the Shire of Victoria Plains</b>	
6.1. Invitation to people with disability to have a say in planning	Oct 2011
6.2. Invitation to be an ongoing disability community representative	Oct 2011
<b>7. People with disability have the same opportunities as other people to obtain and maintain employment with the Shire of Victoria Plains</b>	
7.1. People with disability are encouraged to apply for positions with the Shire	Ongoing

As per the activity in the 2017-2018 report, many tasks were on-going in nature. No priority issues were identified and no specific actions were required or undertaken.

It is planned that the DAIP will be reviewed during 2019/2020. Input, feedback and contributions from the community will be sought.

The Shire's DAIP is posted on our website, together with an Accessibility Notice.



## SHIRE FACILITIES

### CALINGIRI GYM

Opening hours 5:00am –9:00pm



#### **Shire Library**

28 Cavell Street, Calingiri

Phone: (08) 9628 7004

Fax: (08) 9628 7008

Email: [reception@victoriaplains.wa.gov.au](mailto:reception@victoriaplains.wa.gov.au)

#### **Calingiri Recreational Hall**

Yulgering Road, Calingiri

Phone: (08) 9628 7004

Fax: (08) 9628 7008

Email: [reception@victoriaplains.wa.gov.au](mailto:reception@victoriaplains.wa.gov.au)

#### **Calingiri Sports Pavilion**

Renovated and refurbished in 2012.

For bookings contact Jaymie King, Phone: (08) 9628 7182

#### **Bolgart Hall**

George Street, Bolgart

For information or bookings contact: Nancy Holmes 9627 5135 or the Shire on 9628 7004.

#### **Yerecoin Hall**

Miling Road, Yerecoin

For information and bookings contact - Yerecoin Traders 9654 6015

#### **Piawaning Hall**

Toodyay Bindi Bindi Road, Piawaning

For information or bookings contact - Naomi Purser 9654 5081

### **Mogumber Hall**

Bindoon Moora Road, Mogumber

For information or bookings contact - Tania Menzies (Mogumber Progress Association Treasurer & Bookings) 0408 515 037

### **Gillingarra Recreation Hall**

Bindoon Moora Road, Gillingarra

For information or bookings contact - Gillingarra Sport and Recreation Club, Executive Officer, Lana Kelly on 0427 364 167 or email: [eogsrc@gmail.com](mailto:eogsrc@gmail.com)



The Annual Christmas Cricket Match at Mogumber

## REPORT AGAINST THE PROGRESS OF THE STRATEGIC COMMUNITY PLAN & CORPORATE BUSINESS PLAN

### INTRODUCTION

The *Local Government Act 1995* s.5.53(2) requires that the annual report is to contain:

(e) an overview of the plan for the future of the district made in accordance with section 5.56, including major initiatives that are proposed to commence or to continue in the next financial year.

The Shire with its communities developed a new Strategic Community Plan in 2017/18 that has new themes and objectives to be reported against for the next ten years.

To assist with the implementation of the Strategic Community Plan, the Shire has in place a four year Corporate Business Plan. This is the CEO's action plan regarding achieving key outcomes for the Shire. The Shire will implement a new Corporate Business Plan in August 2019.



Gillingara Bridge Project

## Modification of Plans

In accordance with the *Local Government (Administration) Regulations 1996* r.19CA it is noted that:

- a. No modifications were made to the Strategic Community Plan during 2018/2019; and
- b. No modifications were made to the Corporate Business Plan.

## Strategic Community Plan

A new Strategic Community Plan (SCP) was adopted on 28 March 2018, following extensive consultation in the community and public meetings in the towns. The SCP identified the following as community priorities:

Priority Areas		Measuring our Success
<b>Community</b>	<i>to enhance and improve a sense of community in the Shire</i>	
1.1	Better publicise upcoming events and activities in the Shire	<ul style="list-style-type: none"> <li>• Development and implementation of a Shire recreation plan</li> </ul>
1.2	Improve aged care and support	
1.3	Promote community health and wellbeing	
1.4	Support sporting, volunteer and community groups	
1.5	Increase community activities	
1.6	Develop new/ reuse existing community facilities	
<b>Economic</b>	<i>to improve and add to local economic development and activity</i>	
2.1	Examine opportunities to diversify the local economy through initiatives such as tourism	<ul style="list-style-type: none"> <li>• Development and implementation of a Shire economic plan and associated activities</li> </ul>
2.2	Improve tourist/ caravan park accommodation	
2.3	Improve community connectivity	
2.4	Initiatives to reverse ageing population	
2.5	Art installations to support marketing of localities	
2.6	Review land supply in town sites	
2.7	Create a regional brand that encompasses all towns	
2.8	Develop a business and industry attraction strategy	
<b>Environment</b>	<i>to protect or improve the natural environment</i>	
3.1	Undertake initiatives to improve recycling	<ul style="list-style-type: none"> <li>• Establishment of initiatives such as small scale grants to undertake projects aimed at improvement or protection of environment, and a review of recycling activities and implement changes that are useful and affordable</li> </ul>
3.2	Support environmental sustainability initiatives and community forums	



**Infrastructure** *to maintain or add to the stock of infrastructure used by the community to go about daily life*

4.1	Undertake town beautification programs	● <i>Extent to which the Asset Management Plan is implemented</i>
4.2	Improve utilities (power, water, etc)	
4.3	Maintain/ improve community facilities to an agreed standard	
4.4	Develop a process to deal with miscellaneous works requests	● <i>Implementation of system to deal with minor works requests</i>
4.5	Improve facilities for trucks and drivers	
4.6	Instigate a road verge maintenance program	

**Civic Leadership** *to better allocate scarce resources and effectively interact with the community*

5.1	Implement measures to improve relationship and communication between Council and community	● <i>Implementation of initiatives to better connect Council with the community and associated matters.</i>
5.2	Improve elected member performance	
5.3	Develop an advocacy and lobbying capacity	
5.4	Measures to improve organisational efficiency	

In terms of the measures for success, the Shire reports:

- Shire Recreation Plan: Discussed, however it is yet to be developed.
- Economic Plan: The Shire recognised it needs to work more in this area.
- Small Scale Grants: Currently consists of annual community grants.
- Asset Management Plan: This plan was adopted 17 October 2018.
- Minor Works Requests: The minor works requests was put in place.
- Better Connect Council: A new social media policy was adopted 18 July 2018.

## Corporate Business Plan

The current Corporate Business Plan is now out of step with the SCP. A detailed revision of the Corporate Business Plan is programmed for adoption in August 2019. However, the Shire is still able to report against the Corporate Business Plan as follows:

1. An overview for key strategies or actions i.e. Goals and Outcomes.
2. A description regarding those actions that are completed for 0217/18 and 2018/19.
3. Whether an action within a strategy has another action against it i.e. cancelled/deferred.
4. Listing key strategies/actions that are planned for 2019 - 2020.

Goals and Outcomes	Status 17/18	Status 18/19
<b>1. Growth</b>		
1. Facilitate land release	<ul style="list-style-type: none"> <li>a. Working towards feasibility report for proposed Bolgart industrial area</li> <li>b. Land release and use subject to WA Planning Commission Policy and Guidelines</li> <li>c. Local Planning Scheme may require amendment to suit changed conditions and expectations</li> </ul>	<ul style="list-style-type: none"> <li>• Omnibus amendment commenced to Local Planning Scheme</li> </ul>
2. Promote sustainable management of the environment	<ul style="list-style-type: none"> <li>a. For future consideration</li> <li>b. To be referenced in Planning Policies to be developed</li> </ul>	<ul style="list-style-type: none"> <li>• Subject to the Omnibus amendments to the Local Planning Scheme</li> </ul>
3. Promote sustainable water management	<ul style="list-style-type: none"> <li>a. Monthly salinity testing in Bolgart and Mogumber for analysis</li> <li>b. Options for emergency water supplies at Mogumber</li> <li>c. Constant testing of water quality at Piawanning desalination plant</li> </ul>	<ul style="list-style-type: none"> <li>• The actions identified in 17/18 are ongoing</li> </ul>
<b>2. Community</b>		
1. Promote and develop health and education	<ul style="list-style-type: none"> <li>a. Support of physical and mental health initiatives</li> <li>b. Support of physical activities classes etc</li> <li>c. Maintenance of Calingiri Gym</li> <li>d. Support of Suicide Prevention Advisory Group</li> </ul>	<ul style="list-style-type: none"> <li>• Ongoing</li> <li>• Ongoing</li> <li>• Gym facilities upgraded</li> <li>• Elected Members on Committee</li> </ul>
2. Promote community prosperity	On-going efforts	<ul style="list-style-type: none"> <li>• Ongoing</li> </ul>
3. Promote community enrichment	<ul style="list-style-type: none"> <li>a. Annual community grants program for local organisations</li> <li>b. Continuing upgrade of children's playgrounds</li> <li>c. Support of community events and initiatives</li> </ul>	<ul style="list-style-type: none"> <li>• Ongoing</li> <li>• Ongoing</li> <li>• Ongoing</li> </ul>
<b>3. Shire Infrastructure</b>		
1. Sustainable management of Shire infrastructure	<ul style="list-style-type: none"> <li>a. Maintenance, upgrade, construction of roads</li> <li>b. Roads condition survey for asset management purposes</li> <li>c. 10 year roads program to be developed and considered in Annual Budgets</li> </ul>	<ul style="list-style-type: none"> <li>• Ongoing</li> <li>• Ongoing</li> <li>• 10 year road program in place</li> </ul>
2. Achieve sustainable waste management	<ul style="list-style-type: none"> <li>a. On-going investigation for waste management</li> <li>b. Participation in Avon Regional Organisation of Councils joint waste tender proposed</li> </ul>	<ul style="list-style-type: none"> <li>• The investigation into waste management continued</li> <li>• The AROC joint waste tender proposal will occur in 2019-2020</li> </ul>
3. Sustainable management of community buildings	<ul style="list-style-type: none"> <li>a. Maintenance, upgrade, renewal of buildings</li> <li>b. Buildings condition survey to be carried out</li> <li>c. 10 year buildings program to be developed and considered in Annual Budgets</li> </ul>	<ul style="list-style-type: none"> <li>• Building assets improvements ongoing</li> <li>• The Shire's building assets now form part of the Strategic Resources plan</li> </ul>
<b>4. Governance</b>		
1. Strong financial management	<ul style="list-style-type: none"> <li>a. Buildings and road data to be incorporated into – <ul style="list-style-type: none"> <li>• asset management planning</li> <li>• long term financial plans (minimum of 15 years)</li> </ul> </li> <li>b. Consultant engaged to improve compliance and reporting</li> </ul>	<ul style="list-style-type: none"> <li>• Asset Management Policy was adopted 17 July 2018</li> <li>• The Shires Strategic Resources Plan was reviewed and will be implemented in August 2019. Plan includes: <ul style="list-style-type: none"> <li>○ Asset Management Plan;</li> <li>○ Long Term Financial Plan</li> </ul> </li> <li>• Consultant (Governance Officer) continued improvements</li> </ul>

2. Excellence in human resources management	On-going development of administrative processes	<ul style="list-style-type: none"> <li>• Ongoing</li> </ul>
3. Full compliance with statutory requirements	a. Compliant Delegations Register finalised b. Compliant Policy Manual under development c. Local laws review completed and resolutions implemented d. On-going development and improvement of compliance efforts	<ul style="list-style-type: none"> <li>• Reviewed annually</li> <li>• Improvements to policy manual have continued</li> <li>• Two local laws to develop 19/20</li> <li>• Improvements continued</li> </ul>
4. Promote and develop advocacy	On-going efforts	<ul style="list-style-type: none"> <li>• Ongoing</li> </ul>
5. Pursue and develop innovative solutions	a. Resource sharing and joint arrangements – <ul style="list-style-type: none"> <li>• Bolgart and Calingiri aged housing units – in cooperation with Toodyay and Goomalling</li> <li>• Regional waste tender planned – in cooperation with other members of Avon Regional Organisation of Councils</li> </ul> b. Consultant engaged to improve compliance and reporting	<ul style="list-style-type: none"> <li>• The Shire shares a Community Emergency Services Manager with the Shire of Moora</li> <li>• The AROC joint waste tender proposal will occur in 2019-2020</li> <li>• Governance consultant continued to provide support and advice and made ongoing improvements including the review of policies, and the ongoing implementation of the Better Practice Review</li> </ul>
6. Strong administrative service and facilities	On-going development of administrative processes	Improvements to the Shire office were commenced, the Bendigo Bank ATM was relocated to provide better access.
7. Pursue development of excellent communication services	On-going development of processes with focus on – <ul style="list-style-type: none"> <li>• website</li> <li>• newsletter</li> <li>• Facebook</li> </ul>	Both the Shire's website and newsletter have been improved and Facebook is used on a regular basis

## KEY INITIATIVES 2019/2020

### Community

The Shire will develop a communications strategy/policy.

### Economic

The Shire will continue the Omnibus Review to its Local Planning Scheme.

### Environment

Council to consider the Community Deposit Scheme as a key recycling strategy by 30 June 2020

### Infrastructure

The Shire has received Commonwealth funding of \$933,333 to undertake the Wheatbelt Secondary Freight Network Pilot Project:

- Mogumber-Yarawindah Road Reconstruction Project;
- Calingiri-New Norcia Road and Toodyay-Bindi Bindi Road Intersection Project.

### Civic Leadership

There are a number of key outcomes to be achieved including the Shire to:

- Implement training and development of staff according to its workforce plan;
- Commence quarterly reporting on priorities in the CBP;

- Increase community awareness through promoting the Shire brand.



#### OMNIBUS AMENDMENT TO TOWN PLANNING SCHEME

The Shire's consultant town planner will continue focusing his attention during 2019/20 on an important, much needed amendment to the Shire of Victoria Plains Local Planning Scheme No.5. An overarching (omnibus) amendment is required to address a number of issues that have arisen and changes that have occurred since the Scheme was first approved and gazetted in March 2012 and subsequently amended in September 2017 to align it with the requirements of the *Planning and Development (Local Planning Schemes) Regulations 2015* and provide for a number of improvements, including greater clarity.

The proposed scheme amendment will be advertised for public comment commencing in February 2020 for a period of 90 days to provide opportunity for the local community to review the proposed changes and provide any feedback and comment considered appropriate. A community information session will also be held during the public advertising period to explain the proposal and answer any queries people may have. It is anticipated the scheme amendment will be finalised towards the end of 2020 subject to the Honourable Minister for Planning's approval.

A review of the Shire's local planning policies will also be undertaken during the course of the year to fine tune a number of existing planning policies that need updating. It is anticipated this review may also result in some new local planning policies being introduced to provide further clarity and guidance on key planning matters in the Shire and assist Council's consideration and determination of any future subdivision and development applications. The policy review process will involve public advertising for a minimum period of 30 days to provide opportunity for the local community to provide any feedback and comment on the proposed changes.



The Shire's town planner will also continue assisting local community members with any town planning and development related matters and will assess and provide recommendations to Council in respect of any subdivision and/or development applications received.

### CAPITAL PROGRAM 2019-20 – 2022/2023

A number of additional actions are forecast to be undertaken during the life of the Plan, which will result in additional capital expenditure. The additional activities are summarised below along with an indication of the forecast capital expenditure extracted from the Long-Term Financial Plan:

Action	Project	2019-20	2020-21	2021-22	2022-23
4.3.1	Plant Replacement Program	209,610	145,135	625,581	438,385
4.3.1	Furniture and Equipment Renewals	35,176			25,157
4.6.1	Road Renewals R2R	200,000	200,000	200,000	200,000
4.6.1	Road Renewals RRG	180,000	300,000	300,000	300,000
4.5.1	Bin Road Access	1,300,000			
4.3.1	Footpaths	50,000	50,000	50,000	50,000
4.2.2	Provision for Sewerage	30,000	30,000	30,000	30,000
4.4.1	Bunded Fuel Storage - Diesel	40,000			
4.3.1	Other Infrastructure renewals			12,990	112,616
4.3.1	Purchase House	350,000			
4.3.1	Building Renewal		60,000	60,000	60,000
<b>Total</b>		<b>2,184,786</b>	<b>785,135</b>	<b>1,278,571</b>	<b>1,216,571</b>



The Shire of Victoria 2018 – 2019 Annual Report was prepared by Sean Fletcher from the Shire's Governance Section. All queries regarding the Annual Report can be directed to the Shire's CEO.

## **AUDITOR'S REPORT**

### **AUDITED ANNUAL FINANCIAL STATEMENTS**

#### **(ANNUAL FINANCIAL REPORT)**



## Auditor General

### INDEPENDENT AUDITOR'S REPORT

#### To the Councillors of the Shire of Victoria Plains

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

##### **Opinion**

I have audited the annual financial report of the Shire of Victoria Plains 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 Victoria Plains:

- (i) is based on proper accounts and records; and
- (ii) fairly represents, in all material respects, the results of the operations of the Shire for the year ended 30 June 2019 and its financial position at the end of that period in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

##### **Basis for Opinion**

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

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

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

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

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

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

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



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

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

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

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

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

**Report on Other Legal and Regulatory Requirements**

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

- (i) In my opinion, the following material matters indicate significant adverse trends in the financial position of the Shire:
  - a. The Operating Surplus Ratio is below the DLGSCI standard for the past 3 years.  
The financial ratios are reported at Note 33 to the financial report.
- (ii) The following material matters indicating non-compliance with Part 6 of the *Local Government Act 1995*, the Local Government (Financial Management) Regulations 1996 or applicable financial controls of any other written law were identified during the course of my audit:
  - a. In 2 instances services were procured where the total spend for each supplier during the year exceeded \$150,000, however tenders were not called.



- (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 Funding Ratio included in the annual financial report were supported by verifiable information and reasonable assumptions.

**Other Matter**

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

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

This auditor's report relates to the annual financial report of the Shire of Victoria Plains for the year ended 30 June 2019 included on the Shire's website. The Shire's management is responsible for the integrity of the Shire's website. This audit does not provide assurance on the integrity of the Shire's website. The auditor's report refers only to the annual financial report described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this annual financial report. If users of the annual financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited annual financial report to confirm the information contained in this website version of the annual financial report.



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

**SHIRE OF VICTORIA PLAINS**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2019**

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**COMMUNITY VISION**

Our Vision Statement is an expression of what we aspire to ensure the Shire of Victoria Plains is like for people who live here in the future:-

**The Shire of Victoria Plains**  
**Many Localities**  
**One Perfect Lifestyle**  
**A Place To Grow**

Principal place of business:  
28 Cavell Street  
CALINGIRI WA 6569

**SHIRE OF VICTORIA PLAINS  
FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2019**

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

**STATEMENT BY CHIEF EXECUTIVE OFFICER**

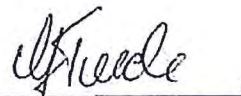
The attached financial report of the Shire of Victoria Plains for the financial year ended 30 June 2019 is based on proper accounts and records to present fairly the financial position of the Shire of Victoria Plains at 30 June 2019 and the results of the operations for the financial year then ended 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

16<sup>TH</sup>

day of

DECEMBER 2019



Chief Executive Officer

Glenda Teede

Name of Chief Executive Officer



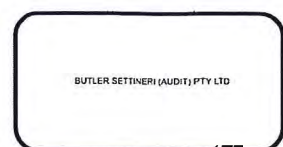
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SHIRE OF VICTORIA PLAINS  
STATEMENT OF COMPREHENSIVE INCOME  
BY NATURE OR TYPE  
FOR THE YEAR ENDED 30TH JUNE 2019

	NOTE	2019 Actual \$	2019 Budget \$	2018 Actual \$
<b>Revenue</b>				
Rates	23(a)	2,489,921	2,517,266	2,387,518
Operating grants, subsidies and contributions	2(a)	1,350,448	598,487	1,180,050
Fees and charges	2(a)	274,381	219,775	212,602
Interest earnings	2(a)	45,152	52,036	47,130
Other revenue	2(a)	110,329	92,130	166,429
		<u>4,270,231</u>	<u>3,479,694</u>	<u>3,993,729</u>
<b>Expenses</b>				
Employee costs		(1,719,360)	(1,573,068)	(1,611,616)
Materials and contracts		(2,197,029)	(1,862,534)	(1,750,000)
Utility charges		(109,015)	(99,802)	(109,076)
Depreciation on non-current assets	11(b)	(3,965,343)	(1,869,194)	(1,896,036)
Interest expenses	2(b)	(19,140)	(23,121)	(20,653)
Insurance expenses		(133,410)	(127,161)	(126,717)
Other expenditure		(172,447)	(151,841)	(153,704)
		<u>(8,315,744)</u>	<u>(5,706,721)</u>	<u>(5,667,802)</u>
		<u>(4,045,513)</u>	<u>(2,227,027)</u>	<u>(1,674,073)</u>
Non-operating grants, subsidies and contributions	2(a)	3,158,029	3,135,051	1,928,541
Profit on asset disposals	11(a)	0	1,914	16,508
(Loss) on asset disposals	11(a)	(218,192)	(48,600)	(27,124)
Fair value adjustments to financial assets at fair value through profit or loss	8(b)	52,551	0	0
Impairment of Motor Vehicles	9(a)	(463,334)	0	0
		<u>2,529,054</u>	<u>3,088,365</u>	<u>1,917,925</u>
<b>Net result for the period</b>		<b>(1,516,459)</b>	<b>861,338</b>	<b>243,852</b>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	12	(66,325)	0	17,276,442
<b>Total other comprehensive income for the period</b>		<b>(66,325)</b>	<b>0</b>	<b>17,276,442</b>
<b>Total comprehensive income for the period</b>		<b>(1,582,784)</b>	<b>861,338</b>	<b>17,520,294</b>

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

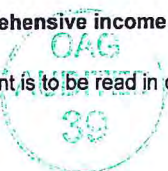




SHIRE OF VICTORIA PLAINS  
STATEMENT OF COMPREHENSIVE INCOME  
BY PROGRAM  
FOR THE YEAR ENDED 30TH JUNE 2019

	NOTE	2019 Actual \$	2019 Budget \$	2018 Actual \$
<b>Revenue</b>	2(a)			
Governance		4,678	5,724	(785)
General purpose funding		3,710,300	3,032,763	3,466,978
Law, order, public safety		65,348	65,691	64,588
Health		2,858	5,638	6,747
Education and welfare		3,082	5,000	33,675
Housing		97,804	91,243	68,963
Community amenities		80,158	83,301	98,717
Recreation and culture		43,042	43,080	30,848
Transport		147,509	81,512	80,457
Economic services		37,513	33,887	42,378
Other property and services		77,939	31,855	101,163
		4,270,231	3,479,694	3,993,729
<b>Expenses</b>	2(b)			
Governance		(560,041)	(503,006)	(506,332)
General purpose funding		(415,963)	(348,880)	(353,550)
Law, order, public safety		(359,667)	(296,833)	(294,175)
Health		(166,667)	(144,599)	(140,232)
Education and welfare		(70,648)	(104,687)	(55,118)
Housing		(258,076)	(226,694)	(290,720)
Community amenities		(530,632)	(445,117)	(392,888)
Recreation and culture		(740,274)	(498,609)	(550,185)
Transport		(4,956,596)	(2,915,412)	(2,848,916)
Economic services		(190,635)	(189,763)	(203,407)
Other property and services		(47,405)	(10,000)	(11,626)
		(8,296,604)	(5,683,600)	(5,647,149)
<b>Finance Costs</b>	2(b)			
Governance		0	(2,000)	0
Community amenities		(439)	(589)	(1,085)
Recreation and culture		(14,173)	(15,812)	(15,100)
Economic services		(4,528)	(4,720)	(4,468)
		(19,140)	(23,121)	(20,653)
		(4,045,513)	(2,227,027)	(1,674,073)
Non-operating grants, subsidies and contributions	2(a)	3,158,029	3,135,051	1,928,541
Profit on disposal of assets	11(a)	0	1,914	16,508
(Loss) on disposal of assets	11(a)	(218,192)	(48,600)	(27,124)
Fair value adjustments to financial assets at fair value through profit or loss	8(b)	52,551	0	0
Impairment of Motor Vehicles	9(a)	(463,334)	0	0
		2,529,054	3,088,365	1,917,925
<b>Net result for the period</b>		<b>(1,516,459)</b>	<b>861,338</b>	<b>243,852</b>
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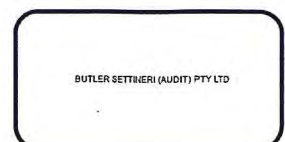
This statement is to be read in conjunction with the accompanying notes.



SHIRE OF VICTORIA PLAINS  
STATEMENT OF FINANCIAL POSITION  
AS AT 30TH JUNE 2019

	NOTE	2019 \$	2018 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	837,958	1,090,475
Trade receivables	5	458,136	297,376
Other financial assets	8(a)	17,678	16,815
Inventories	6	33,416	40,612
Other current assets	7	5,343	6,474
<b>TOTAL CURRENT ASSETS</b>		<b>1,352,531</b>	<b>1,451,752</b>
<b>NON-CURRENT ASSETS</b>			
Trade receivables	5	12,856	9,757
Other financial assets	8(b)	256,947	274,913
Property, plant and equipment	9	10,299,696	11,534,856
Infrastructure	10	117,199,458	117,233,320
<b>TOTAL NON-CURRENT ASSETS</b>		<b>127,768,957</b>	<b>129,052,846</b>
<b>TOTAL ASSETS</b>		<b>129,121,488</b>	<b>130,504,598</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	13	667,817	443,682
Borrowings	14(b)	53,129	61,335
Employee related provisions	15	167,043	136,945
<b>TOTAL CURRENT LIABILITIES</b>		<b>887,989</b>	<b>641,962</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	14(b)	363,281	416,698
Employee related provisions	15	35,523	28,459
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>398,804</b>	<b>445,157</b>
<b>TOTAL LIABILITIES</b>		<b>1,286,793</b>	<b>1,087,119</b>
<b>NET ASSETS</b>		<b>127,834,695</b>	<b>129,417,479</b>
<b>EQUITY</b>			
Retained surplus		20,967,499	22,329,228
Reserves - cash backed	4	470,117	624,847
Revaluation surplus	12	106,397,079	106,463,404
<b>TOTAL EQUITY</b>		<b>127,834,695</b>	<b>129,417,479</b>

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





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

		RETAINED	RESERVES	REVALUATION	TOTAL
	NOTE	SURPLUS	CASH BACKED	SURPLUS	EQUITY
		\$	\$	\$	\$
<b>Balance as at 1 July 2017</b>		<b>21,989,545</b>	<b>720,678</b>	<b>89,186,962</b>	<b>111,897,185</b>
Comprehensive income					
Net result for the period		243,852	0	0	243,852
Other comprehensive income	12	0	0	17,276,442	17,276,442
Total comprehensive income		243,852	0	17,276,442	17,520,294
Transfers from/(to) reserves		95,831	(95,831)	0	0
<b>Balance as at 30 June 2018</b>		<b>22,329,228</b>	<b>624,847</b>	<b>106,463,404</b>	<b>129,417,479</b>
Comprehensive income					
Net result for the period		(1,516,459)	0	0	(1,516,459)
Other comprehensive income	12	0	0	(66,325)	(66,325)
Total comprehensive income		(1,516,459)	0	(66,325)	(1,582,784)
Transfers from/(to) reserves		154,730	(154,730)	0	0
<b>Balance as at 30 June 2019</b>		<b>20,967,499</b>	<b>470,117</b>	<b>106,397,079</b>	<b>127,834,695</b>

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

SHIRE OF VICTORIA PLAINS  
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		2,527,405	2,514,741	2,422,261
Operating grants, subsidies and contributions		1,427,660	634,487	1,167,281
Fees and charges		274,381	219,775	211,351
Interest received		45,152	52,036	231,047
Goods and services tax received		115,645	(306,641)	306,641
Other revenue		110,329	92,130	166,429
		4,500,572	3,206,528	4,505,010
<b>Payments</b>				
Employee costs		(1,558,737)	(1,573,068)	(1,589,694)
Materials and contracts		(2,122,706)	(1,854,984)	(1,846,286)
Utility charges		(109,015)	(99,802)	(109,076)
Interest expenses		(19,896)	(23,121)	(20,870)
Insurance paid		(133,410)	(127,161)	(126,717)
Goods and services tax paid		(358,766)	306,641	(282,252)
Other expenditure		(172,447)	(151,841)	(153,704)
		(4,474,977)	(3,523,336)	(4,128,599)
<b>Net cash provided by (used in) operating activities</b>	16	25,595	(316,808)	376,411
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for purchase of property, plant & equipment	9(a)	(145,816)	(188,015)	(1,489,003)
Payments for construction of infrastructure	10(a)	(3,412,142)	(3,318,075)	(1,076,523)
Non-operating grants, subsidies and contributions	2(a)	3,158,029	3,135,051	1,928,541
Proceeds from self supporting loans	14(b)	17,103	16,815	18,247
Proceeds from sale of property, plant & equipment	11(a)	166,337	214,500	112,963
<b>Net cash provided by (used in) investment activities</b>		(216,489)	(139,724)	(505,775)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of borrowings	14(b)	(61,623)	(61,335)	(59,235)
<b>Net cash provided by (used in) financing activities</b>		(61,623)	(61,335)	(59,235)
<b>Net increase (decrease) in cash held</b>		(252,517)	(517,867)	(188,599)
Cash at beginning of year		1,090,475	1,104,716	1,279,074
<b>Cash and cash equivalents at the end of the year</b>	16	837,958	586,849	1,090,475

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



**SHIRE OF VICTORIA PLAINS  
RATE SETTING STATEMENT  
FOR THE YEAR ENDED 30TH JUNE 2019**

	NOTE	2019 Actual \$	2019 Budget \$	2018 Actual \$
<b>OPERATING ACTIVITIES</b>				
Net current assets at start of financial year - surplus/(deficit)	24 (b)	229,463	335,505	474,406
		229,463	335,505	474,406
<b>Revenue from operating activities (excluding rates)</b>				
Governance		57,229	5,724	8,003
General purpose funding		1,293,700	610,963	1,149,504
Law, order, public safety		65,348	65,691	64,588
Health		2,858	5,638	6,747
Education and welfare		3,082	5,000	33,675
Housing		97,804	91,243	68,963
Community amenities		80,158	83,301	98,717
Recreation and culture		43,042	43,080	30,848
Transport		147,509	83,426	88,177
Economic services		37,513	33,887	42,378
Other property and services		77,939	31,855	101,163
		1,906,182	1,059,808	1,692,763
<b>Expenditure from operating activities</b>				
Governance		(560,041)	(505,006)	(506,332)
General purpose funding		(415,963)	(348,880)	(353,550)
Law, order, public safety		(359,667)	(296,833)	(321,299)
Health		(166,667)	(144,599)	(140,232)
Education and welfare		(70,648)	(104,687)	(55,118)
Housing		(258,076)	(226,694)	(290,720)
Community amenities		(531,071)	(445,706)	(393,973)
Recreation and culture		(754,447)	(514,421)	(565,285)
Transport		(5,174,788)	(2,964,012)	(2,848,916)
Economic services		(195,163)	(194,483)	(207,875)
Other property and services		(510,739)	(10,000)	(11,626)
		(8,997,270)	(5,755,321)	(5,694,926)
Non-cash amounts excluded from operating activities	24(a)	4,598,283	1,915,880	1,908,925
Amount attributable to operating activities		(2,263,342)	(2,444,128)	(1,618,832)
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions	2(a)	3,158,029	3,135,051	1,928,541
Proceeds from disposal of assets	11(a)	166,337	214,500	112,963
Proceeds from self supporting loans	14(b)	17,103	16,815	18,247
Purchase of property, plant and equipment	9(a)	(145,816)	(188,015)	(1,489,003)
Purchase and construction of infrastructure	10(a)	(3,412,142)	(3,318,075)	(1,076,523)
Amount attributable to investing activities		(216,489)	(139,724)	(505,775)
<b>FINANCING ACTIVITIES</b>				
Repayment of borrowings	14(b)	(61,623)	(61,335)	(59,235)
Transfers to reserves (restricted assets)	4	0	0	(14,169)
Transfers from reserves (restricted assets)	4	154,730	204,880	110,000
Amount attributable to financing activities		93,107	143,545	36,596
Surplus/(deficit) before imposition of general rates		(2,386,724)	(2,440,307)	(2,088,011)
Total amount raised from general rates	23	2,416,600	2,421,800	2,317,474
Surplus/(deficit) after imposition of general rates	24(b)	29,876	(18,507)	229,463

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

**SHIRE OF VICTORIA PLAINS**

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

**1. BASIS OF PREPARATION**

The financial report comprises general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and Interpretations of the Australian Accounting Standards Board, and the *Local Government Act 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 26 to these financial statements.



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

**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>			
General purpose funding	1,173,318	458,848	1,023,394
Law, order, public safety	52,055	57,830	52,525
Education and welfare	0	5,000	30,918
Community amenities	949	0	0
Transport	124,126	76,809	73,213
	<u>1,350,448</u>	<u>598,487</u>	<u>1,180,050</u>
<b>Non-operating grants, subsidies and contributions</b>			
Law, order, public safety	0	0	367,351
Housing	0	0	677,241
Transport	3,158,029	3,135,051	883,949
	<u>3,158,029</u>	<u>3,135,051</u>	<u>1,928,541</u>
<b>Total grants, subsidies and contributions</b>	<u>4,508,477</u>	<u>3,733,538</u>	<u>3,108,591</u>

**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 22. 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.

**SHIRE OF VICTORIA PLAINS**

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

**2. REVENUE AND EXPENSES (Continued)**

(a) Revenue (Continued)	2019	2019	2018
	Actual	Budget	Actual
	\$	\$	\$
<b>Other revenue</b>			
Reimbursements and recoveries	36,216	43,830	97,233
Other	74,113	48,300	69,196
	<u>110,329</u>	<u>92,130</u>	<u>166,429</u>
<b>Fees and Charges</b>			
Governance	7,550	4,000	4,073
General purpose funding	(1,062)	10,000	9,818
Law, order, public safety	9,434	4,700	4,058
Health	944	3,500	3,472
Housing	85,966	82,970	59,864
Community amenities	77,723	78,805	87,478
Recreation and culture	8,911	8,650	8,619
Transport	19,171	0	40
Economic services	18,651	16,150	24,784
Other property and services	47,093	11,000	10,396
	<u>274,381</u>	<u>219,775</u>	<u>212,602</u>

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

<b>Interest earnings</b>			
Loans receivable - clubs/institutions	11,406	11,986	11,067
Reserve accounts interest	6,283	14,000	11,108
Rates instalment and penalty interest (refer Note 23(e))	13,500	18,050	18,403
Other interest earnings	13,963	8,000	6,552
	<u>45,152</u>	<u>52,036</u>	<u>47,130</u>

**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



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

**2. REVENUE AND EXPENSES (Continued)**

(b) Expenses

**Auditors remuneration**

- Audit of the Annual Financial Report

- Other services

**Interest expenses (finance costs)**

Borrowings (refer Note 14(b))

	2019 Actual \$	2019 Budget \$	2018 Actual \$
	27,000	28,000	15,294
	1,775	0	1,375
	28,775	28,000	16,669
	19,140	21,121	20,653
	19,140	23,121	20,653

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

**3. CASH AND CASH EQUIVALENTS**

	NOTE	2019 \$	2018 \$
Cash at bank and on hand		837,958	1,090,475
		<u>837,958</u>	<u>1,090,475</u>
<b>Comprises:</b>			
- Unrestricted cash and cash equivalents		343,432	439,678
- Restricted cash and cash equivalents		<u>494,526</u>	<u>650,797</u>
		837,958	1,090,475
The following restrictions have been imposed by regulations or other externally imposed requirements:			
<b>Reserve accounts</b>			
Long Service Leave Reserve	4	4,437	4,437
Plant Reserve	4	49,808	67,678
Housing Reserve	4	22,400	37,400
Sewerage Scheme Reserve	4	77,578	77,578
Refuse Site Reserve	4	278,983	278,983
Building Maintenance Reserve	4	15,032	77,292
Infrastructure Reserve	4	14,535	74,135
Gymnasium Reserve	4	<u>7,344</u>	<u>7,344</u>
		470,117	624,847
<b>Other restricted cash and cash equivalents</b>			
Unspent grants/contributions	22	9,286	25,950
Bonds and deposits held	26	<u>15,123</u>	<u>0</u>
<b>Total restricted cash and cash equivalents</b>		494,526	650,797

**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 VICTORIA PLAINS  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2019

Shire of Victoria Plains

4. RESERVES - CASH BACKED

	2019 Actual Opening Balance	2019 Actual Transfer to	2019 Actual Transfer (from)	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) Long Service Leave Reserve	\$ 4,437	\$ 0	\$ 0	\$ 4,425	\$ 0	\$ 0	\$ 4,425	\$ 28,843	\$ 594	\$ (25,000)	\$ 4,437
(b) Plant Reserve	67,678	0	(17,870)	67,563	0	(25,500)	42,063	66,264	1,414	0	67,678
(c) Housing Reserve	37,400	0	(15,000)	37,331	0	(20,000)	17,331	70,966	1,434	(35,000)	37,400
(d) Sewerage Scheme Reserve	77,578	0	0	77,447	0	(27,120)	50,327	76,096	1,482	0	77,578
(e) Refuse Site Reserve	278,983	0	0	278,509	0	0	278,509	273,653	5,330	0	278,983
(f) Building Maintenance Reserve	77,292	0	(62,260)	77,161	0	(62,260)	14,901	75,815	1,477	0	77,292
(g) Infrastructure Reserve	74,135	0	(59,600)	74,000	0	(70,000)	4,000	121,837	2,298	(50,000)	74,135
(h) Gymnasium Reserve	7,344	0	0	7,333	0	0	7,333	7,204	140	0	7,344
	624,847	0	(154,730)	623,769	0	(204,880)	418,889	720,678	14,169	(110,000)	624,847

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) Long Service Leave Reserve	Ongoing	To be used to fund annual and long service leave requirements.
(b) Plant Reserve	Ongoing	To be used for the purchase of major plant.
(c) Housing Reserve	Ongoing	To be used in the procurement of staff housing.
(d) Sewerage Scheme Reserve	Ongoing	To be used to maintain and improve the Calingiri sewerage system.
(e) Refuse Site Reserve	Ongoing	To be used to fund future refuse site development.
(f) Building Maintenance Reserve	Ongoing	To be used for long term maintenance of Shire buildings.
(g) Infrastructure Reserve	Ongoing	To be used for future infrastructure development to ensure long term Shire sustainability.
(h) Gymnasium Reserve	Ongoing	To be used for future purchases and replacement of gymnasium equipment.



**SHIRE OF VICTORIA PLAINS**

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

**5. TRADE RECEIVABLES**

**Current**

	2019 \$	2018 \$
Rates receivable	22,201	27,350
Sundry receivables	179,815	226,083
GST receivable	288,315	45,194
Allowance for impairment of receivables	(32,195)	(1,251)
	458,136	297,376

**Non-current**

Pensioner's rates and ESL deferred	12,856	9,757
	12,856	9,757

**Movement of allowance for impairment of receivables**

Opening balance	1,251	0
Additions	31,010	1,251
Reversal	(66)	0
Closing balance	32,195	1,251

**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 25.

**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.



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

**6. INVENTORIES**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>Current</b>		
Fuel and materials	33,416	40,612
	<u>33,416</u>	<u>40,612</u>

The following movements in inventories occurred during the year:

<b>Carrying amount at 1 July</b>	40,612	41,242
Inventories expensed during the year	(7,196)	(630)
<b>Carrying amount at 30 June</b>	<u>33,416</u>	<u>40,612</u>

**SIGNIFICANT ACCOUNTING POLICIES**

**General**

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

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

SHIRE OF VICTORIA PLAINS

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

**7. OTHER ASSETS**

	2019	2018
	\$	\$
<b>Other current assets</b>		
Accrued income - Interest receivable	1,425	1,532
Accrued income - Other revenue	3,918	4,942
	<u>5,343</u>	<u>6,474</u>

**SIGNIFICANT ACCOUNTING POLICIES**

**Other current assets**

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

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

**8. OTHER FINANCIAL ASSETS**

	2019	2018
	\$	\$
<b>(a) Current assets</b>		
Other financial assets at amortised cost	17,678	16,815
	<u>17,678</u>	<u>16,815</u>
<b>Other financial assets at amortised cost</b>		
- Financial assets at amortised cost - self supporting loans	17,678	16,815
<b>(b) Non-current assets</b>		
Other financial assets at amortised cost	204,396	222,362
Financial assets at fair value through profit and loss	52,551	0
Available for sale financial assets	0	52,551
	<u>256,947</u>	<u>274,913</u>
<b>Other financial assets at amortised cost</b>		
- Financial assets at amortised cost - self supporting loans	204,396	222,362
	<u>204,396</u>	<u>222,362</u>
<b>Financial assets at fair value through profit and loss</b>		
- Unlisted equity investments		
- Units in local government house trust	52,551	0
	<u>52,551</u>	<u>0</u>
<b>Available for sale financial assets</b>		
- Unlisted equity investments		
- Units in local government house trust	0	52,551
	<u>0</u>	<u>52,551</u>

Loans receivable from clubs/institutions have the same terms and conditions as the related borrowing disclosed in Note 14(b) as self supporting loans.

Changes in fair value of Units in Local Government House recognised as non-current financial assets at fair value through profit and loss for the current year have not been recognised nor considered as they are unlikely to be material and unable to be reliably determined at the time of preparation of these statements.

**SIGNIFICANT ACCOUNTING POLICIES**

**Other financial assets at amortised cost**

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

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

**Financial assets at fair value through profit and loss**

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

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

**Impairment and risk**

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

**SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Previous accounting policy: available for sale financial assets**

Available-for-sale financial assets were non-derivative financial assets that were either not suitable to be classified as other categories of financial assets due to their nature, or they 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 28 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.



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

9. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Carrying Amounts

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

	Land - freehold land	Buildings - non- specialised	Buildings - specialised	Total buildings	Total land buildings	Furniture and equipment	Plant and equipment	Motor Vehicles	Constructio n other than Buildings	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2017	822,000	1,615,000	4,980,102	6,595,102	7,417,102	204,907	1,819,912	1,623,554	1,587,494	12,652,969
Additions		16,279	997,546	1,013,825	1,013,825	0	28,483	430,710	15,985	1,489,003
(Disposals)	0	0	0	0	0	0	(1,152)	(122,427)	0	(123,579)
Revaluation increments / (decrements) transferred to revaluation surplus	232,500	(632,101)	0	(632,101)	(399,601)					(399,601)
Depreciation (expense)	0	(32,299)	(100,278)	(132,577)	(132,577)	(37,989)	(186,642)	(135,350)	(69,142)	(561,700)
Transfers		0	12,101	12,101	12,101	0	(12,515)	12,515	(1,534,337)	(1,522,236)
Carrying amount at 30 June 2018	1,054,500	966,879	5,889,471	6,856,350	7,910,850	166,918	1,648,086	1,809,002	0	11,534,856
Comprises:										
Gross carrying amount at 30 June 2018	1,054,500	986,279	5,989,749	6,976,028	8,030,528	234,461	1,991,189	2,027,016	0	12,283,194
Accumulated depreciation at 30 June 2018	0	(19,400)	(100,278)	(119,678)	(119,678)	(67,543)	(343,103)	(218,014)	0	(748,338)
Carrying amount at 30 June 2018	1,054,500	966,879	5,889,471	6,856,350	7,910,850	166,918	1,648,086	1,809,002	0	11,534,856
Additions	0	16,577	87,472	104,049	104,049	23,897	17,870	0	0	145,816
(Disposals)	0	0	0	0	0	(62,045)	(268,860)	0	0	(330,905)
(Write-off of assets under \$5k threshold)	0	0	0	0	0	(25,293)	(28,331)	0	0	(53,624)
Revaluation increments / (decrements) transferred to revaluation surplus	0	0	0	0	0	50,076	52,555	(116,405)	0	(13,774)
Revaluation (loss) / reversals transferred to profit or loss	0	0	0	0	0	0	0	(463,334)	0	(463,334)
Depreciation (expense)	0	(23,990)	(113,685)	(137,675)	(137,675)	(39,244)	(170,611)	(147,312)	0	(494,842)
Transfers	0	0	0	0	0	0	(24,497)	0	0	(24,497)
Carrying amount at 30 June 2019	1,054,500	959,466	5,863,258	6,822,724	7,877,224	114,309	1,226,212	1,081,951	0	10,299,696
Comprises:										
Gross carrying amount at 30 June 2019	1,054,500	1,002,856	6,077,221	7,080,077	8,134,577	114,309	1,226,212	1,081,951	0	10,557,049
Accumulated depreciation at 30 June 2019	0	(43,390)	(213,963)	(257,353)	(257,353)	0	0	0	0	(257,353)
Carrying amount at 30 June 2019	1,054,500	959,466	5,863,258	6,822,724	7,877,224	114,309	1,226,212	1,081,951	0	10,299,696



## 9. PROPERTY, PLANT AND EQUIPMENT (Continued)

### (b) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
<b>Land and buildings</b>					
Land - freehold land	2	Sales comparison approach and cost approach	Independent Registered valuers	June 2017	Price per hectare
Land - freehold land	3	Improvements to land valued using cost approach using depreciated replacement cost	Independent Registered valuers	June 2017	Improvements to land using construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Buildings - non-specialised	2	Market approach using recent observable market data for similar properties	Independent Registered valuers	June 2017	Price per square metre
Buildings - specialised	3	Improvements to land valued using cost approach using depreciated replacement cost	Independent Registered valuers	June 2017	Improvements to land using construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
<b>Furniture and equipment</b>					
- Independent valuation 2019	3	Cost approach using depreciated replacement cost	Independent Registered valuers	June 2019	Purchase costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
- Management valuation 2019	3	Cost approach using depreciated replacement cost	Management valuation	June 2019	Purchase costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs

## 9. PROPERTY, PLANT AND EQUIPMENT (Continued)

### (b) Fair Value Measurements (Continued)

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
<b>Plant and equipment</b>					
- Independent valuation 2019	2	Market approach using recent observable market data for similar items	Independent Registered valuers	June 2019	Price per item
- Independent valuation 2019	3	Cost approach using depreciated replacement cost	Independent Registered valuers	June 2019	Purchase costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
- Management valuation 2019	3	Cost approach using depreciated replacement cost	Management valuation	June 2019	Purchase costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
<b>Motor Vehicles</b>					
- Independent valuation 2019	2	Market approach using recent observable market data for similar items	Independent Registered valuers	June 2019	Price per item
- Independent valuation 2019	3	Cost approach using depreciated replacement cost	Independent Registered valuers	June 2019	Purchase costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
- Management valuation 2019	3	Cost approach using depreciated replacement cost	Management valuation	June 2019	Purchase costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs

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

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



## 10. INFRASTRUCTURE

### (a) Movements in Carrying Amounts

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

	Infrastructure - Roads	Infrastructure - Footpaths	Infrastructure - Other	Infrastructure - Bridges	Total Infrastructure
	\$	\$	\$	\$	\$
<b>Balance at 1 July 2017</b>	91,360,356	513,066	6,471,981	0	98,345,403
Additions	1,053,225	23,300	0	0	1,076,525
Revaluation increments / (decrements) transferred to revaluation surplus	17,278,790	143,682	335,155	(134,135)	17,623,492
Depreciation (expense)	(1,173,811)	(16,238)	(144,287)	0	(1,334,336)
Transfers	2,925,750	0	(3,650,149)	2,246,635	1,522,236
<b>Carrying amount at 30 June 2018</b>	<b>111,444,310</b>	<b>663,810</b>	<b>3,012,700</b>	<b>2,112,500</b>	<b>117,233,320</b>
<b>Comprises:</b>					
Gross carrying amount at 30 June 2018	150,189,096	899,241	6,211,100	6,840,000	164,139,437
Accumulated depreciation at 30 June 2018	(38,744,786)	(235,431)	(3,198,400)	(4,727,500)	(46,906,117)
<b>Carrying amount at 30 June 2018</b>	<b>111,444,310</b>	<b>663,810</b>	<b>3,012,700</b>	<b>2,112,500</b>	<b>117,233,320</b>
Additions	3,412,142	0	0	0	3,412,142
Depreciation (expense)	(3,133,146)	(11,240)	(212,567)	(113,548)	(3,470,501)
Transfers	(336,074)	0	24,497	336,074	24,497
<b>Carrying amount at 30 June 2019</b>	<b>111,387,232</b>	<b>652,570</b>	<b>2,824,630</b>	<b>2,335,026</b>	<b>117,199,458</b>
<b>Comprises:</b>					
Gross carrying amount at 30 June 2019	153,265,164	899,241	6,246,096	7,176,074	167,586,575
Accumulated depreciation at 30 June 2019	(41,877,932)	(246,671)	(3,421,466)	(4,841,048)	(50,387,117)
<b>Carrying amount at 30 June 2019</b>	<b>111,387,232</b>	<b>652,570</b>	<b>2,824,630</b>	<b>2,335,026</b>	<b>117,199,458</b>

## 10. INFRASTRUCTURE (Continued)

### (b) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Infrastructure - Roads	3	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 - Other	3	Cost approach using depreciated replacement cost	Independent registered valuers	June 2017	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - Bridges	3	Cost approach using depreciated replacement cost	Independent registered valuers	June 2017	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.



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

**11. 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)(ii)*, the Shire was required to include as an asset (by 30 June 2013), Crown Land operated by the local government as a golf course, showground, racecourse or other sporting or recreational facility of State or Regional significance.

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

**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.

SHIRE OF VICTORIA PLAINS

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2019

11. 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
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Furniture and equipment	87,338	0	0	(87,338)	0	0	0	0	0	0	0	0
Plant and equipment	297,191	166,337	0	(130,854)	261,186	214,500	1,914	(48,600)	1,152	8,872	7,720	0
Motor Vehicles	0	0	0	0	0	0	0	0	122,427	104,091	8,788	(27,124)
	384,529	166,337	0	(218,192)	261,186	214,500	1,914	(48,600)	123,579	112,963	16,508	(27,124)

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>Transport</b>				
Assets under LGA \$5,000 Threshold	28,331	0	0	(28,331)
Assets scrapped	25,923	0	0	(25,923)
Assets which existed under other asset categories	48,620	0	0	(48,620)
Volvo BL71B Backhoe Loader	94,525	59,112	0	(35,413)
Caterpillar Grader 120M series	161,837	107,225	0	(54,612)
	359,236	166,337	0	(192,899)
<b>Furniture and Equipment</b>				
<b>Transport</b>				
Assets under LGA \$5,000 Threshold	25,293	0	0	(25,293)
	384,529	166,337	0	(218,192)



**SHIRE OF VICTORIA PLAINS  
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FOR THE YEAR ENDED 30TH JUNE 2019**

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

(b) Depreciation	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Buildings - non-specialised	23,990	31,843	32,299
Buildings - specialised	113,685	98,858	100,278
Furniture and equipment	39,244	37,450	37,989
Plant and equipment	170,611	183,999	186,642
Motor Vehicles	147,312	133,434	135,350
Construction other than Buildings	0	68,163	69,142
Infrastructure - Roads	3,133,146	1,157,195	1,173,811
Infrastructure - Footpaths	11,240	16,008	16,238
Infrastructure - Other	212,567	142,244	144,287
Infrastructure - Bridges	113,548	0	0
	3,965,343	1,869,194	1,896,036

**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	Asset Class	Useful life
Buildings	30 to 50 years	Sewerage piping	80 years
Furniture and equipment	4 to 10 years	Water supply piping and drainage systems	17 to 80 years
Plant and equipment	5 to 15 years	Bridges	60 years
Sealed roads and streets		Other infrastructure	15 to 80 years
formation	not depreciated		
pavement	50 years		
seal			
- bituminous seals	15 to 20 years		
- asphalt surfaces	20 years		
Gravel roads			
formation	not depreciated		
pavement	50 years		
Formed roads (unsealed)			
formation	not depreciated		
pavement	50 years		
Footpaths - slab	40 to 60 years		
Sewerage piping	80 years		
Water supply piping and drainage systems	17 to 80 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.





**SHIRE OF VICTORIA PLAINS**  
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**13. TRADE AND OTHER PAYABLES**

**Current**

	<b>2019</b>	<b>2018</b>
	\$	\$
Sundry creditors	367,074	342,063
Accrued salaries and wages	9,594	9,504
ATO liabilities	193,549	70,178
Bonds and deposits (refer to Note 26)	15,123	0
Accrued interest on long term borrowings	2,909	3,665
Accrued expenditure	44,134	18,272
Income received in advance	35,434	0
	<b>667,817</b>	<b>443,682</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**Trade and other payables**

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

**Trade and other payables (Continued)**

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

## Shire of Victoria Plains

Ordinary Council Meeting  
25 March 2023

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Ordinary Council Meeting  
25 March 2023

+ WA Treasury Corporation

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**SHIRE OF VICTORIA PLAINS**  
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**14. INFORMATION ON BORROWINGS (Continued)**

**(c) New Borrowings - 2018/19**

There were no new loan borrowing during the 2018/19 financial year.

**(c) Unspent Borrowings**

There were no unspent loan borrowing during the 2018/19 financial year.

	2019	2018
	\$	\$
<b>(c) Undrawn Borrowing Facilities</b>		
<b>Credit Standby Arrangements</b>		
Bank overdraft limit	300,000	0
Bank overdraft at balance date	0	0
Credit card limit	20,000	20,000
Credit card balance at balance date	(2,132)	(2,996)
<b>Total amount of credit unused</b>	<b>317,868</b>	<b>17,004</b>
 <b>Loan facilities</b>		
Loan facilities - current	53,129	61,335
Loan facilities - non-current	363,281	416,698
<b>Total facilities in use at balance date</b>	<b>416,410</b>	<b>478,033</b>
 <b>Unused loan facilities at balance date</b>	<b>NIL</b>	<b>NIL</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 25.



**SHIRE OF VICTORIA PLAINS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**15. EMPLOYEE RELATED PROVISIONS**

**Employee Related Provisions**

	Provision for Annual Leave	Provision for Long Service Leave	Total
	\$	\$	\$
<b>Opening balance at 1 July 2018</b>			
Current provisions	71,020	65,925	136,945
Non-current provisions	0	28,459	28,459
	71,020	94,384	165,404
 Additional provision	35,037	2,125	37,162
<b>Balance at 30 June 2019</b>	106,057	96,509	202,566
 <b>Comprises</b>			
Current	106,057	60,986	167,043
Non-current	0	35,523	35,523
	106,057	96,509	202,566
	<b>2019</b>	<b>2018</b>	
	\$	\$	
<b>Amounts are expected to be settled on the following basis:</b>			
Less than 12 months after the reporting date	132,750	99,876	
More than 12 months from reporting date	76,135	71,847	
Expected reimbursements from other WA local governments	(6,319)	(6,319)	
	202,566	165,404	

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.



**SHIRE OF VICTORIA PLAINS**

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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**16. NOTES TO THE STATEMENT OF CASH FLOWS**

**Reconciliation of Cash**

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

	<b>2019 Actual</b>	<b>2019 Budget</b>	<b>2018 Actual</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Cash and cash equivalents	837,958	586,849	1,090,475

**Reconciliation of Net Cash Provided By  
Operating Activities to Net Result**

Net result	(1,516,459)	861,338	243,852
Non-cash flows in Net result:			
Depreciation	3,965,343	1,869,194	1,896,036
(Profit)/loss on sale of asset	218,192	46,686	10,616
Loss on impairment of fixed assets	463,334	0	0
Fair value adjustments to financial assets at fair value through profit or loss	(52,551)	0	0
Changes in assets and liabilities:			
(Increase)/decrease in receivables	(163,859)	33,475	229,029
(Increase)/decrease in other assets	1,131		0
(Increase)/decrease in inventories	7,196	5,050	630
Increase/(decrease) in payables	224,135	2,500	(73,456)
Increase/(decrease) in provisions	37,162	0	(1,755)
Grants contributions for the development of assets	(3,158,029)	(3,135,051)	(1,928,541)
Net cash from operating activities	25,595	(316,808)	376,411

**SHIRE OF VICTORIA PLAINS**  
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**17. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Governance	1,250,220	1,205,197
General purpose funding	50,180	37,107
Law, order, public safety	879,722	163,661
Education and welfare	17,259	34,750
Housing	2,263,047	2,378,206
Community amenities	2,501,750	2,602,014
Recreation and culture	5,059,680	5,214,677
Transport	115,290,884	115,213,096
Economic services	194,235	202,380
Other property and services	1,614,511	3,453,510
	<b>129,121,488</b>	<b>130,504,598</b>

**SHIRE OF VICTORIA PLAINS  
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**18. CONTINGENT LIABILITIES**

The Shire's Bolgart refuse site licence contains a requirement to rehabilitate the site. The Shire has recently engaged a consultant to prepare a site closure management plan, but has not been able to estimate the remediation costs of this site.

**SHIRE OF VICTORIA PLAINS**  
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## 19. 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	52,500	52,500	57,500
President's allowance	6,500	6,500	6,500
Deputy President's allowance	1,625	1,625	1,625
Travelling expenses	5,299	13,000	10,122
Telecommunications allowance	7,000	12,000	10,257
	<u>72,924</u>	<u>85,625</u>	<u>86,004</u>

### Key Management Personnel (KMP) Compensation Disclosure

	2019 Actual	2018 Actual
	\$	\$
The total of remuneration paid to KMP of the Shire during the year are as follows:		
Short-term employee benefits	335,560	290,093
Post-employment benefits	32,838	37,476
Other long-term benefits	3,722	1,177
Termination benefits	0	32,692
	<u>372,120</u>	<u>361,438</u>

#### Short-term employee benefits

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

#### Post-employment benefits

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

#### Other long-term benefits

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

#### Termination benefits

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



**SHIRE OF VICTORIA PLAINS**  
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**19. RELATED PARTY TRANSACTIONS (Continued)**

**Transactions with related parties**

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

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

	<b>2019</b>	<b>2018</b>
	<b>Actual</b>	<b>Actual</b>
	<b>\$</b>	<b>\$</b>
The following transactions occurred with related parties:		
Purchase of goods and services - other related parties	431,890	148,780
<b>Amounts payable to related parties:</b>		
Trade and other payables - other related parties	35,755	16,618

**Related Parties**

**The Shire's main related parties are as follows:**

*i. Key management personnel*

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any elected member, are considered key management personnel. KMP are employed by the Shire under normal employment terms and conditions.

*ii. Other Related Parties*

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

*iii. Entities subject to significant influence by the Shire*

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

**SHIRE OF VICTORIA PLAINS**  
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**19. JOINT ARRANGEMENTS**

2019	2018
\$	\$

**(a) Joint Operation Housing - Aged Person Units**

The Shire together with Homeswest have a joint arrangement agreement with regards to the provision of two aged persons units in Bolgart and four aged persons units in Calingiri.

The terms of the joint arrangement agreements provided for Council to initially contribute equity of \$162,949.

These joint arrangements constitute a joint operation and Council's 18.98% and 18% interest in these developments is included in the Property, Plant & Equipment as follows:-

**Non-current assets**

Land and buildings

Less: accumulated depreciation

2019	2018
\$	\$
242,500	242,500
(12,947)	(4,300)
229,553	238,200

**Statement of comprehensive income**

Fees & charges - Housing revenue

Employee costs - Housing expenditure

Materials & contracts - Housing expenditure

Depreciation - Housing expenditure

Net result for the period

9,029	9,112
(198)	(50)
(38)	(173)
(8,647)	(17,200)
146	(8,311)

**SIGNIFICANT ACCOUNTING POLICIES**

**Interests in joint arrangements**

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

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

**Interests in joint arrangements (Continued)**

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

**SHIRE OF VICTORIA PLAINS  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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**20. MAJOR LAND TRANSACTIONS**

The Shire did not have any major land transactions at the reporting date

**21. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS**

The Shire did not have any trading undertakings or major trading undertakings at the reporting date



## 22. 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>Education and welfare</b>							
Dept of Health - Suicide Prevention Grant	0	20,000	0	20,000	0	(10,714)	9,286
Dept of Local Government & Communities - Well Being Matters Grant	0	6,100	(150)	5,950	0	(5,950)	0
<b>Total</b>	0	26,100	(150)	25,950	0	(16,664)	9,286

### 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 current reporting period
- (3) - Grants/contributions which had been recognised as revenues in a previous reporting period or received in the current reporting period and which had not yet been fully expended in the current reporting period



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RATE TYPE		2018/19		2018/19		2018/19		2018/19		2018/19		2018/19		2018/19		2017/18	
Rate in \$	Number of Properties	Actual Rateable Value	2018/19		2018/19		2018/19		2018/19		2018/19		2018/19		2017/18		
			Actual Rate	Actual Interim Rates	Actual Back Rates	Actual Total Revenue	Budget Rate	Budget Interim Rate	Budget Back Rate	Budget Total Revenue	Actual Total Revenue						
Differential general rate / general rate																	
Gross rental valuations																	
0.101086	160	1,776,674	179,597	(1,766)	(420)	177,411	179,597	0	0	179,597	171,087						
Unimproved valuations																	
0.006883	306	318,010,000	2,188,863	(2,963)	(51)	2,185,849	2,188,863	0	0	2,188,863	2,086,027						
Minimum \$	466	319,786,674	2,368,460	(4,729)	(471)	2,363,260	2,368,460	0	0	2,368,460	2,257,114						
Gross rental valuations																	
420	72	93,787	30,240	0	0	30,240	30,240	0	0	30,240	30,660						
550	42	1,299,241	23,100	0	0	23,100	23,100	0	0	23,100	29,700						
Sub-Total	114	1,393,028	53,340	0	0	53,340	53,340	0	0	53,340	60,360						
Total amount raised from general rate																	
Ex-gratia rates																	
Totals	580	321,179,702	2,421,800	(4,729)	(471)	2,416,600	2,421,800	0	0	2,421,800	2,317,474						
Ex-gratia rates																	
Totals	70,044																
2,387,518																	

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

SHIRE OF VICTORIA PLAINS  
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**23. RATING INFORMATION (Continued)**

**(b) Specified Area Rate**

No specified area rates were imposed by the Shire during the year ended 30 June 2019.

**(c) Service Charges**

No service charges were imposed by the Shire during the year ended 30 June 2019.

**(d) Discounts, Incentives, Concessions, & Write-offs**

**Rates Discounts**

No rates discount was offered Shire during the year ended 30 June 2019.

**Waivers or Concessions**

No waivers or concessions were offered Shire during the year ended 30 June 2019.

**SHIRE OF VICTORIA PLAINS**  
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**23. RATING INFORMATION (Continued)**

**(e) Interest Charges & Instalments**

<b>Instalment Options</b>	<b>Date Due</b>	<b>Instalment Plan Admin Charge</b>	<b>Instalment Plan Interest Rate</b>	<b>Unpaid Rates Interest Rate</b>
		<b>\$</b>	<b>%</b>	<b>%</b>
<b>Option One</b>				
Single Full Payment	25/09/2018			11.00%
<b>Option Two</b>				
First Instalment	25/09/2018			
Second Instalment	20/11/2018	4.50	5.50%	11.00%
Third Instalment	15/01/2019	4.50	5.50%	11.00%
Fourth Instalment	12/03/2019	4.50	5.50%	11.00%

	<b>2019 Actual</b>	<b>2019 Budget</b>	<b>2018 Actual</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Interest on unpaid rates	5,716	16,000	12,182
Interest on instalment plan	7,608	2,000	6,221
Interest on ESL penalty	176	50	0
Charges on instalment plan	1,876	2,000	1,719
	<b>15,376</b>	<b>20,050</b>	<b>20,122</b>



SHIRE OF VICTORIA PLAINS

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

24. 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	\$	\$	\$

(a) Non-cash amounts excluded from operating activities

The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with *Financial Management Regulation 32*.

Adjustments to operating activities

Less: Profit on asset disposals	11(a)	0	(1,914)	(16,508)
Less: Fair value adjustments to financial assets through profit or loss		(52,551)	0	0
Movement in pensioner deferred rates (non-current)		(3,099)	0	(3,058)
Movement in employee benefit provisions (non-current)		7,064	0	5,331
Add: Loss on disposal of assets	11(a)	218,192	48,600	27,124
Add: Loss on revaluation of fixed assets	10(a)	463,334	0	0
Add: Depreciation on assets	11(b)	3,965,343	1,869,194	1,896,036
<b>Non cash amounts excluded from operating activities</b>		<b>4,598,283</b>	<b>1,915,880</b>	<b>1,908,925</b>

(b) Surplus/(deficit) after imposition of general rates

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

Adjustments to net current assets

Less: Reserves - restricted cash	3	(470,117)	(418,889)	(624,847)
Less: - Financial assets at amortised cost - self supporting loans	8(a)	(17,678)	(638)	(16,815)
Add: Borrowings	14(a)	53,129	(53,483)	61,335
<b>Total adjustments to net current assets</b>		<b>(434,666)</b>	<b>(473,010)</b>	<b>(580,327)</b>

Net current assets used in the Rate Setting Statement

Total current assets		1,352,531	885,377	1,451,752
Less: Total current liabilities		(887,989)	(430,874)	(641,962)
Less: Total adjustments to net current assets		(434,666)	(473,010)	(580,327)
<b>Net current assets used in the Rate Setting Statement</b>		<b>29,876</b>	<b>(18,507)</b>	<b>229,463</b>



**SHIRE OF VICTORIA PLAINS**  
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**25. 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.

<b>Risk</b>	<b>Exposure arising from</b>	<b>Measurement</b>	<b>Management</b>
<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 other debt	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.

	<b>Weighted Average Interest Rate</b>	<b>Carrying Amounts</b>	<b>Fixed Interest Rate</b>	<b>Variable Interest Rate</b>	<b>Non Interest Bearing</b>
	<b>%</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>2019</b>					
Cash and cash equivalents	0.59%	837,958	108,007	365,698	364,253
<b>2018</b>					
Cash and cash equivalents	0.69%	1,090,475	108,007	519,651	462,817

**Sensitivity**

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

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Impact of a 1% movement in interest rates on profit and loss and equity*	3,657	5,197

\* Holding all other variables constant

**Borrowings**

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



**SHIRE OF VICTORIA PLAINS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**25. FINANCIAL RISK MANAGEMENT (Continued)**

**(b) Credit risk**

**Trade Receivables**

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

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

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

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

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

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

	Current	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total
<b>30 June 2019</b>					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	19,454	6,124	2,080	7,399	35,057
Loss allowance	0	0	0	0	0
<b>01 July 2018</b>					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	1,106	(4,416)	12,240	28,177	37,107
Loss allowance	0	0	0	0	0

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

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
<b>30 June 2019</b>					
Sundry Receivables					
Expected credit loss	15.05%	5.14%	0.00%	57.82%	
Gross carrying amount	140,152	21,869	528	17,266	179,815
Loss allowance	21,088	1,123	0	9,984	32,195
<b>01 July 2018</b>					
Sundry Receivables					
Expected credit loss	0.00%	0.00%	0.00%	36.55%	
Gross carrying amount	220,848	623	1,189	3,423	226,083
Loss allowance	0	0	0	1,251	1,251

**SHIRE OF VICTORIA PLAINS**  
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## 25. FINANCIAL RISK MANAGEMENT (Continued)

### (c) Liquidity risk

#### Payables and borrowings

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The Shire manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required and disclosed in Note 14(c).

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

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
<b>2019</b>					
Payables	474,268	0	0	474,268	474,268
Borrowings	70,051	237,458	193,696	501,205	416,410
	544,319	237,458	193,696	975,473	890,678
<b>2018</b>					
Payables	373,504	0	0	373,504	373,504
Borrowings	80,853	258,832	242,374	582,059	478,033
	454,357	258,832	242,374	955,563	851,537

**SHIRE OF VICTORIA PLAINS**

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**

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**26. TRUST FUNDS**

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

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

	1 July 2018	Amounts Received	Amounts Paid	Reclassified to Restricted Cash	30 June 2019
	\$	\$	\$	\$	\$
BCITF	2,252	5,221	(7,313)	(160)	0
BSL	3,318	4,612	(5,774)	(2,156)	0
Gillingara Sports & Recreation Association	0	5,000	0	(5,000)	0
Gym Key Bonds	862	241	(20)	(1,083)	0
Hall Bonds	740	1,249	(797)	(1,192)	0
Tip Key Bonds	1,538	40	0	(1,578)	0
Transport Licencing	2,098	250,525	(252,162)	(461)	0
Other	1,538	2,055	(100)	(3,493)	0
	12,346	268,943	(266,166)	(15,123)	0



**SHIRE OF VICTORIA PLAINS  
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**27. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD**

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Shire.

**SHIRE OF VICTORIA PLAINS  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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## **28. INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS**

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

Whilst many reflected consequential changes associated with the amendment of existing standards, the only new standard with material application is AASB 9 *Financial Instruments*.

### **AASB 9 Financial instruments**

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

The Shire applied AASB 9 prospectively, with an initial application date of 1 July 2018. The adoption of AASB 9 has resulted in changes in accounting policies.

The effect of adopting AASB9 as at 1 July 2018 was assessed as not material, therefore no adjustment to be recognised directly in retained surplus.

The nature of these adjustments are described below.

**SHIRE OF VICTORIA PLAINS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**28. INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS (Continued)**

**(a) Classification and measurement**

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

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

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

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

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

Financial asset category	AASB 9 category			
	AASB 139 value	Financial assets at amortised cost	Fair value through OCI	Fair value through P/L
	\$	\$	\$	\$
<b>Loans and receivables</b>				
Trade receivables*	261,939	261,939	0	0
Loans and advances	239,177	239,177	0	0
	501,116	501,116	0	0
<b>Other financial assets at fair value</b>				
Available-for-sale financial assets	52,551	0	0	52,551

\* The change in carrying amount is a result of additional impairment allowance. See the discussion on impairment below.

**(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 Shire did not recognise any additional impairment on the Shire's Trade receivables.



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

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

This note explains management's assessment of the new and amended pronouncements that are relevant to the Shire, the impact of the adoption of AASB 15 *Revenue from Contracts with Customers*, AASB 16 *Leases* and AASB 1058 *Income for Not-for-Profit Entities*. These standards are applicable to future reporting periods and have not yet been adopted.

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

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

In accordance with the transition provisions AASB 15 and AASB 1058, the Shire will adopt the new rules retrospectively with the cumulative effect of initially applying these rules recognised on 1 July 2019.

AASB 15 and AASB 1058 introduces a five step process for revenue recognition with the core principle of the new Standard being for entities to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is payment) to which the entity expects to be entitled in exchange for those goods or services as performance obligations have been met as specified in the contracts with customers. The impact of the standards may cause the Shire to defer some revenue until all performance obligations have been met.

**(b) Leases**

The Shire will adopt AASB 16 retrospectively from 1 July 2019 resulting in changes in accounting policies.

In accordance with the transition provisions of AASB 16, the Shire will apply this Standard to its leases retrospectively, with the cumulative effect of initially applying AASB 16 recognised on 1 July 2019.

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

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

As the Shire has no operating leases, this standard will have no impact.

**(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.

AASB 1058 introduces a five step process for revenue recognition with the core principle of the new Standard being for entities to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is payment) to which the entity expects to be entitled in exchange for those goods or services as performance obligations have been met as specified in the contracts with customers.

The impact of the standard may cause the Shire to defer some revenue until all performance obligations have been met.



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**30. CHANGE IN ACCOUNTING POLICY**

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

The adoption of the regulation constitutes a change in accounting policy.

Due to the effect on the financial statements not being material, the Shire did not retrospectively apply the changes in accounting policy arising from the new regulations and has not restated comparative figures.

During the year assets with a fair value at the date of acquisition of under \$5,000 and purchased prior to 1 July 2018 have been excluded from the assets of the Shire and written off in the Statement of Comprehensive Income.

The impact of the write off of \$53,624 was immaterial and therefore no restatement is required.

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**31. 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.



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**32. ACTIVITIES/PROGRAMS**

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

**PROGRAM NAME AND OBJECTIVES**

**ACTIVITIES**

**GOVERNANCE**

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

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

**GENERAL PURPOSE FUNDING**

To collect revenue to allow for the provision of services.

Rates, general purpose government grants and interest revenue.

**LAW, ORDER, PUBLIC SAFETY**

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

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

**HEALTH**

To provide an operational framework for environmental and community health.

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

**EDUCATION AND WELFARE**

To provide and maintain housing.

Provision and maintenance of elderly residents housing.

**HOUSING**

To provide services required by the community.

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

**COMMUNITY AMENITIES**

To establish and effectively manage infrastructure and resource which will help the social wellbeing of the community.

Maintenance of public halls, civic centres, aquatic centre, beaches, recreation centres and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of library, museum and other cultural facilities.

**RECREATION AND CULTURE**

To establish and effectively manage infrastructure and resource which will help the social wellbeing of the community.

Maintenance of public halls, civic centres, aquatic centre, beaches, recreation centres and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of library, museum and other cultural facilities.

**TRANSPORT**

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

Construction and maintenance of roads, streets, footpaths, depots, cycle ways, parking facilities and traffic control. Cleaning of streets and maintenance of street trees, street lighting etc.

**ECONOMIC SERVICES**

To help promote the Shire and its economic wellbeing.

Tourism and area promotion including the maintenance and operation of a caravan park. Provision of rural services including weed control, vermin control and standpipes. Building Control.

**OTHER PROPERTY AND SERVICES**

To monitor and control the Shire's overhead operating accounts.

Private works operation, plant repair and operation costs and engineering operation costs.

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### 33. FINANCIAL RATIOS

	2019 Actual	2018 Actual	2017 Actual
Current ratio	0.99	1.26	1.67
Asset consumption ratio	0.72	0.68	0.97
Asset renewal funding ratio	1.12	0.84	0.94
Asset sustainability ratio	0.86	0.71	1.25
Debt service cover ratio	(8.54)	2.90	13.92
Operating surplus ratio	(1.60)	(0.60)	(0.32)
Own source revenue coverage ratio	0.34	0.50	0.51

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



