



**Cultural
Heritage &
Environment**



Resilience



Leadership

**Business &
Community**

2018/2019

Shire of York Annual Report

Acknowledgement of Country

The Shire of York acknowledges the Traditional Owners of the land, the Balladong people of the Noongar nation and pays respects to Elders past, present and emerging.

We recognise the unique and valuable contribution the Balladong people have made and continue to make to our culture and in our community.

The land on which we live, meet and thrive as a community always was and always will be Noongar land.



This document is available in alternative formats upon request at the Shire Administration Office.



Shire of York

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Shire President Report

It is my pleasure as the new Shire President to introduce the Shire of York's Annual Report for 2018/19. Firstly, I would like to take this opportunity to thank Cr David Wallace, as the previous Shire President, for his leadership over the past four years.

There were some significant achievements during the 2018/19 year which are a testament to the work of Cr Wallace, my fellow Councillors, outgoing CEO, Mr Paul Martin and the Shire staff working with the community to achieve great outcomes for York.

Councillors and staff hosted a number of visiting Politicians during the year including the Hon. Premier, Mark McGowan MLA, who presented the Shire with a cheque for \$366,071 on behalf of the State Government and Lotterywest for the upgrade of Avon Park.

Following the State Administrative Tribunal's decision to approve an extension of time to commence the development of the Allawuna Landfill Site, Council met with Minister for the Environment, the Hon. Simon Dawson MLC, Hon. Martin Aldridge and Hon. Darren West MLC and continued to advocate for the views of the community.

Other visitors to York during the year included Minister for Local Government, Hon. David Templeman MLA, Minister for Regional Development, Hon. Alannah MacTiernan MLC, Hon. Mia Davies MLA and Hon. Laurie Graham MLC as well as Attorney-General, Hon. Christian Porter MP, Federal Member for Pearce.

A range of topics were discussed and resulted in some significant funding opportunities for York. The Shire was awarded \$350,000 by the Federal Government to build a skate park as part of the upgrade to Avon Park. This has long been on the wish-list for young people in York and we are delighted to be able to make this happen sooner rather than later.

The Shire continues to work with Main Roads WA, the Road Safety Commission and the Shires of Beverley, Quairading and Bruce

Rock to upgrade the York Chidlow Road. As a result, Main Roads has agreed to prepare a Development Strategy which will identify and cost, improvements required to increase overtaking opportunities and remove sharp bends.

A significant challenge for our town was the large fire at St Ronan's in January 2019. I'm proud to say that the entire community rallied together to contain, put out and monitor the fire until the danger to people and property had passed. I'd like to pay tribute to the many, many fire crews and volunteers from York and also from Northam, Beverley, Quairading and as far away as Midland who came to assist. We learned some valuable lessons from the process, and I'm delighted that the Shire subsequently applied for and received a \$250,000 grant from the Department of Fire and Emergency Services to undertake bushfire risk mitigation works along the Avon River. We'll be applying for funds to undertake further works in the new financial year.

While York continues to experience increased interest from external event organisers, the Shire was delighted to host the inaugural Living Well in the Avon Region - Seniors Expo in May. The day, held at the York Town Hall, provided residents and visitors with the opportunity to hear from relevant speakers and obtain information from service providers and volunteer organisations.

Finally, I'd like to take the opportunity to thank the Councillors, the CEO and the team for their continued efforts and support during the year.



Cr Denese Smythe
Shire President

Introduction by CEO

As the Acting CEO for a short time while a new CEO is recruited, I am delighted to present the following summary of Shire's operations for 2018/19.

The Shire continued to enjoy increased visitation with numbers through the Visitor Centre increasing by 25% with an extra 9,000 visitors recorded compared with 2017/18. This was in part due to the success of events such as the York Festival, York Agricultural Show, the Art & Craft Awards, Motorcycle Festival, various mountain biking events and the York Motor Show to name a few. The increased visitor numbers resulted in Council agreeing to extend opening hours at the Visitor Centre and engaging more staff. The York Visitor Centre is now able to better manage the increased visitation to the town and provide quality service to those visitors.

During the year, Council adopted a Trails Master Plan following community consultation. This plan will inform investment in and funding applications for trails development initially on Mount Brown and at a later stage, Mount Bakewell.

Revitalisation of the CBD precinct continued in 2018/19 with Council allocating funds to access improvements in Avon Terrace following an Access and Inclusion Audit, refurbishment of the heritage telephone box in the main street and the development of two additional al fresco dining areas. The York Town Hall also received some attention with external painting finalised, a maintenance platform being constructed behind the clock and the restoration of the WW1 Honour Boards by an expert conservator.

Catalyse was again engaged to undertake the Shire's biennial Community Survey. The results were very positive with the Shire's overall performance moving up 5 index points with the biggest improvements seen in events, economic development, character and identity and how the community is informed about what's going on.

Roads, footpaths and cycleways continue to be a community focus and the Works team have made considerable progress during the year, details of which are outlined later in this report.

Finally, the Shire's financial audit was undertaken by the Office of the Auditor-General this year and while financial sustainability will need to continue to be monitored, it is clear that the Shire is moving in the right direction and I commend everyone for their efforts in this area.

I'd like to thank the Councillors for their continued support and also extend my sincere thanks to the hard-working staff of the Shire of York for what was a positive year. I wish everyone all the best for the next chapter in York's journey with the commencement of a new CEO.



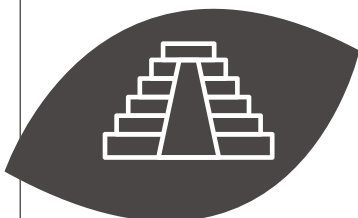
Allen Cooper
Acting Chief Executive
Officer

Vision and Objectives

Vision

“A vibrant and inviting agricultural, heritage and tourist town and Shire, and a community that is focused on and works collaboratively to improve and promote the town and the Shire of York as a destination and wonderful place to live”

Theme 1 The Place to Live



To be a place which is attractive and accessible for the young and elderly, and attracts people in the age groups in between to work and settle in the Shire.

Theme 2 A Leader in Cultural Heritage and Environment



To be a place which is renowned for its cultural heritage and the quality of its natural environment, and for the care taken by the community of both.

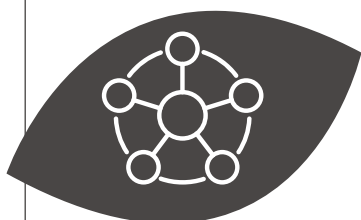
Theme 3 Driving the York Economy Forward



To have a vibrant, diverse and prosperous local economy which is sustainable in the long term, makes sustainable use of its natural and built heritage and community assets, and delivers benefit in the form of local jobs, business opportunities and a positive image for the Shire.



Theme 4 Built for Resilience



To have secured an infrastructure base which is affordable, is managed to a level of risk accepted by the community, supports a sustainable environment, increases rural and town resilience, and is responsive to community needs.

Theme 5 Strong Leadership and Governance



To be a community where there is effective and responsive leadership and governance, a sense of collective purpose and shared direction and a willingness and desire to work together for that future.

Council's Strategic Priorities

The Council's strategic priorities over the next ten years are:

- building a strong economic future
- infrastructure: investing to retain asset value and positioning the community to be able to maintain the value of existing assets in the long term and reduce exposure of assets and associated services to the risk of decline
- being development ready
- maintaining levels of service with some limited levels of service increases where these deliver against strong community aspirations and can be accommodated with minimal overall rates impact
- advancing selected community partnership based projects
- achieving change via strong community networks and action
- significant advocacy on key issues facing the Shire
- developing strong governance and leadership capability

Governance



Elected Members

Elected Members who served during 2018/19 were;

Cr David Wallace
Shire President



Cr Kevin Trent OAM; RFD;
Deputy Shire President



Cr Denese Smythe
Councillor



Cr Denis Warnick
Councillor



Cr Heather Saint
Councillor



Register of Complaints about Conduct of Members

The *Local Government Act 1995 s5.121* requires the complaints officer of the Local Government to maintain a register of complaints which records all complaints that result in an action under the *Local Government Act s5.110 (6)(b) or (c)*. This register is held on the Shire of York's website. There were no breaches recorded for the 2018/19 year.

Cr Pam Heaton
Councillor



Cr Jane Ferro
Councillor



Strategic and Governance Activities

Community Perceptions Survey 2018

The Shire's Corporate Business Plan requires a comprehensive survey of the York community every two years. In 2018, CATALYSE was engaged to undertake the survey with 404 residents completing a 2018 MARKYT Community Scorecard for the Shire of York.

The Shire of York's overall performance is improving:

Place to live

72 index points (5 points below WA Industry Standard)

Governing organisation

48 index points (8 points below WA Industry Standard)

Relative strengths:

Areas where performance is above average with other councils are:

- The Community Update in the local newspaper
- Safety and security
- Multiculturalism and racial harmony
- The area's character and identity

The biggest improvers were:

- Festivals, events, art and cultural activities (up 18% points)
- The area's character and identity
- How the community is informed about what's happening in the local area
- Economic development
- How York town centre is being developed

Community priorities

Moving forward the community would like the Shire to focus on **5 key priorities:**

1. Maintaining local roads
2. Footpaths and cycleways
3. Streetscapes
4. Economic development
5. Value for money from rates

The results of the survey have informed Council decision-making and budget considerations and will be reflected in the Major Strategic Review to be undertaken in 2019/20.

Policies and Delegations Review

A role of Council is to determine Local Government policies. The development and management of Council policy is an ongoing process. It is important that Council policies are kept up to date and are reviewed on a regular basis under the direction of the Chief Executive Officer. If any changes or amendments are required these are brought to Council for endorsement.

New policies introduced this year include:

- F1.8 Rates Exemptions for Charitable Purposes
- Temporary Alfresco Dining Areas

Amended Policies this year include:

- C1.5 Public Events in York
- G1.2 Councillors: Professional Development

Register of Delegated Authority

Sections 5.18 and 5.46(2) of the Local Government Act 1995 require that a Local Government keeps a register of delegations of authority made under the Act and that these are reviewed at least once every financial year. The Shire of York's Register of Delegated Authority was reviewed and adopted in December 2018.

Shire Property Management

Old St Patrick's Convent School and Old Tennis Court Site

Sites were put out for tender; however none were received. Council will further consider these properties during the Major Strategic Review in 2020.

Leases

The following leases were finalised during this period:

- York Croquet Club
- St John's Ambulance Carpark
- York Recreation & Convention Centre, restaurant and bar – continued negotiation



Human Resources



Senior Staff

During the year, the following senior staff were employed by the Shire of York.

Chief Executive Officer	Mr Paul Martin
Executive Manager Corporate and Community Services	Mrs Suzie Haslehurst
Executive Manager Infrastructure & Development Services	Mr Darren Wallace

Employee Remuneration 2018/19

In the 2018/19 financial year the Shire of York had three (3) positions where employees were entitled to an annual cash salary of \$100,000 or more in the following bands:

Bands	Employees
\$100,000 to \$109,999	
\$110,000 to \$119,999	
\$120,000 to \$129,999	
\$130,000 to \$139,999	
\$140,000 to \$149,999	2
\$150,000 to \$159,999	
\$160,000 to \$169,999	
\$170,000 to \$179,999	
\$180,000 to \$189,999	1

Outside Staff Enterprise Agreement

Negotiations for the Outside Staff Enterprise Agreement 2018 were finalised in October 2018 with approval by the Fair Work Commission on 3 November. This agreement will guide employment conditions for outside staff for the next four years. A new inside staff agreement will be negotiated during 2019/20.

Training & Development

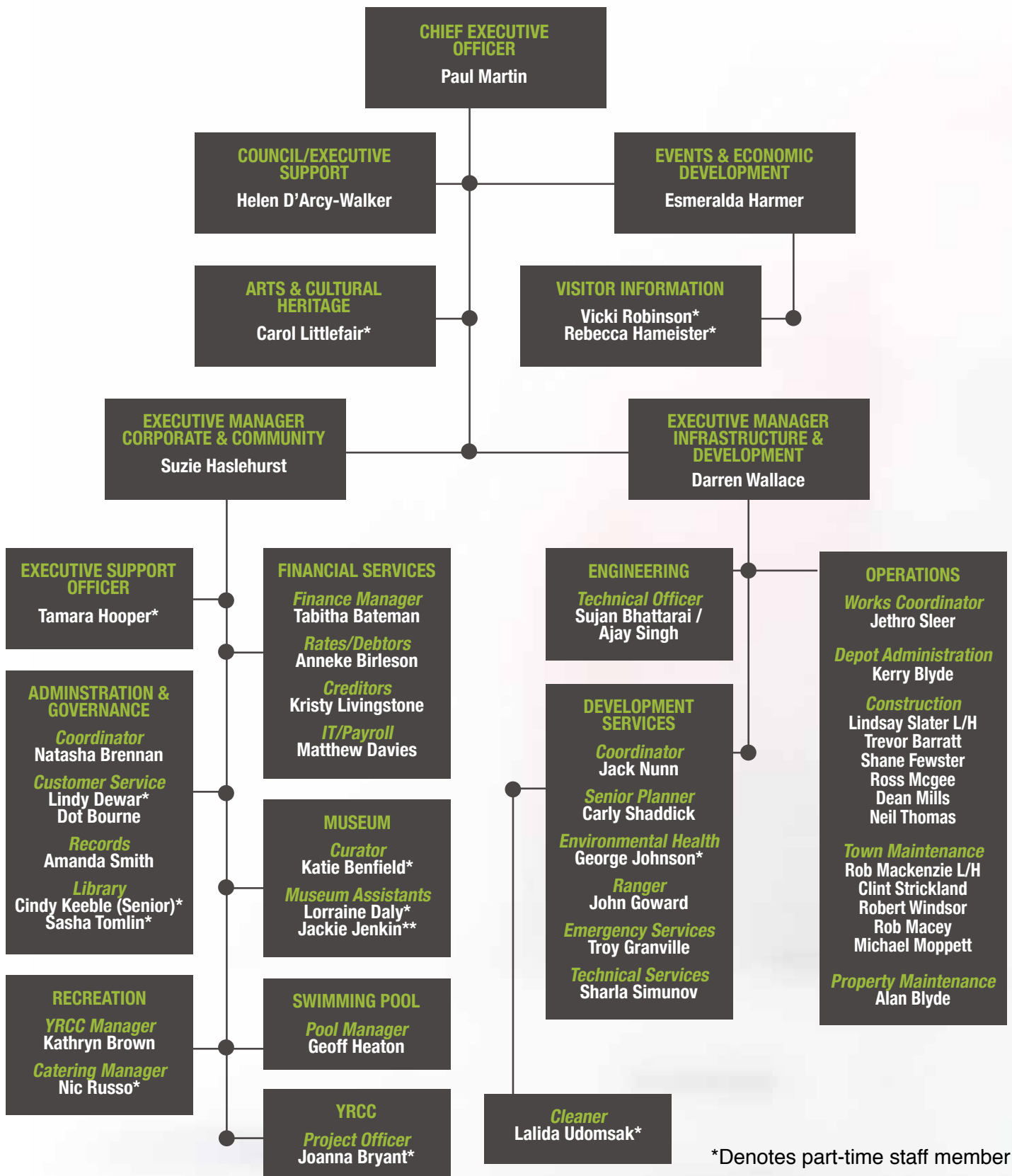
As part of the annual performance review process, officers and their supervisors identify areas where additional training is required or sought. In addition, cross-organisational training is provided to increase the capacity of the organisation. During 2018/19 this included:

- Records awareness training
- Report Writing
- Risk Management
- Project Management Fundamentals
- LGIS Safe Work Methods
- LGIS Take 5 Training
- LGIS Isolation and Tag-Out Training
- Procurement

In addition, the Shire is committed to the health and well-being of its staff and during the year provided:

- Flu Vaccinations
- Skin Cancer Screening
- Health Assessments
- Employee Counselling

Organisational Structure (as at February 2019)



*Denotes part-time staff member

The following staff left the employ of the Shire during the 2018/19 year:

- Peter Atkins – Construction Crew
- Andrew Crotty – Asset Management Officer
- Susan Johns – Records Officer
- Ricky Thompson – Construction Crew
- William Livingstone – Swimming Pool Manager

The Shire employs a number of casual and seasonal staff on an on-going basis. In addition, over 40 people volunteer their services to the York Visitor Centre, York Residency Museum and the York Public Library and the Shire is grateful for their on-going contribution.

Events and Economic Development



Vibrant festivals and events assist in the activation of the town’s centre and reinforce York as a tourism destination and profiling York as a revisitation hotspot to travellers journeying through.

Over \$130,000 was provided to the following festivals and events, in addition to in-kind support of \$40,000 throughout the 2018/19 financial year:

EVENT	ATTENDANCE
Festival of Cycling, ran over two weekends	3,000
Mountain Bike events over three weekends	3,000
York Motor Show	5,000
York Agricultural Show	5,000
York Festival, over four weekends	39,000
York Medieval Fayre	5,000
York Art & Craft Awards, ran over two weeks	3,000
All Ford Day	3,800
Jazz in the Park	650
Christmas Festival	800
Australia Day celebrations	800
Outdoor Movie at the Pool	450
Motorcycle Festival	7,500

The Community Funding and Sponsorship of Tourism Events program enables the Shire to support large-scale events designed to appeal to a wider market of visitors, community-based groups and other locally relevant activities.



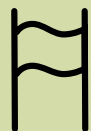
In addition to the funding support provided, the Shire delivered Jazz in the Park with partners Perth International Jazz Festival, an outdoor summer movie and Australia Day celebrations. These free community events encourage place activation and connect tourism events with the local community in a family friendly atmosphere.

Key Highlights:



11,116

September visitors through the Visitors Centre



11

Event banner bookings



127

uses of the Town Hall for events 3 new large-scale event enquiries received



342

visitor email enquiries

Tourism

With Asia's thriving middle class seeking unique international travel experiences, York's proximity to this growing Asian market has contributed significantly to the increase in visitor numbers experienced in the 2018/19 financial year.

Deliberate marketing campaigns including the town's wheat straw sculptures, canola for tourism and advocacy with coach companies has further supported the increased visitor numbers experienced.



To assist international travellers with safety messages regarding wildflowers and canola, the Visitor Centre produced bilingual tourism signage with Japanese, Korean and Mandarin translations. The corflute signs and visitor brochures were utilised by property owners, accommodation providers and within the centre, with three neighbouring Shire's intending to replicate the same model during their peak tourism seasons.



The Visitor Centre has been deliberate in its role to develop the town's tourism brand, build awareness and consideration of York as a tourism destination and increase the conversion of daytrip visitors to overnight stays.

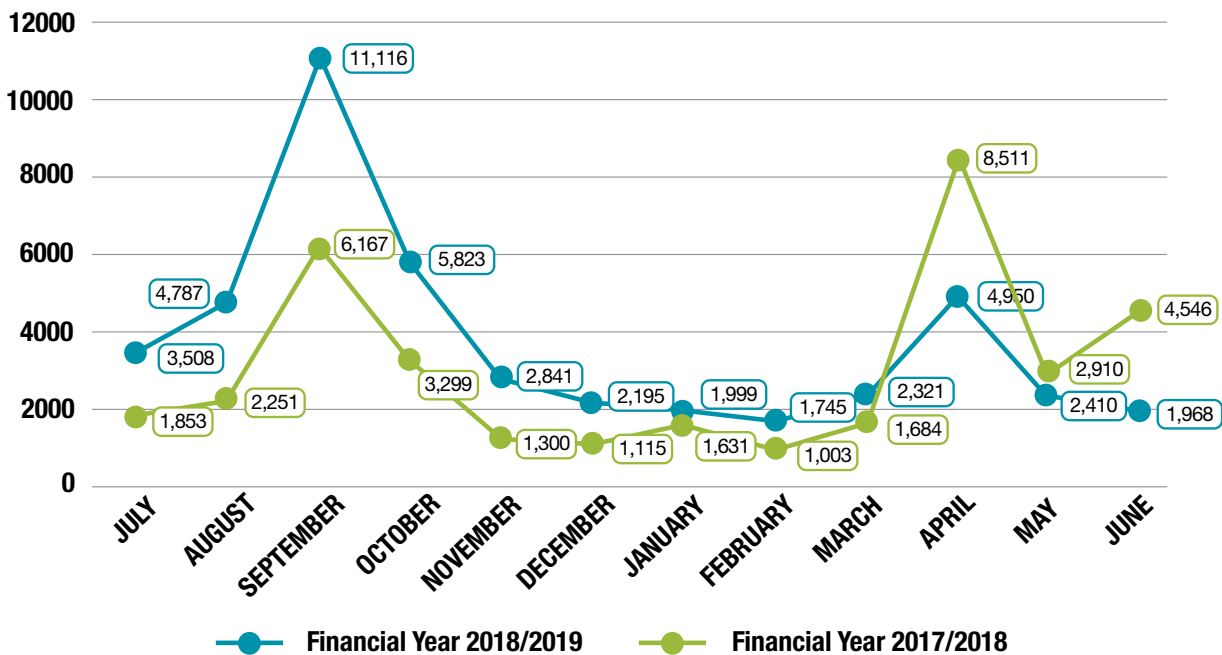
This has been achieved by advocating strongly with Destination Perth, Experience Perth and Tourism WA to provide greater visibility of York across domestic online platforms and resulting in more people visiting more often to experience York's natural and built attractions.

Key Highlights:

- 20,000 York brochures distributed to 74 visitor centres statewide
- 1 new centre uniform designed, and branding introduced
- 5 new staff members employed
- 750 volunteer hours contributed to centre operations

The higher exposure across destination marketing platforms along with the emerging demand from coach companies to offer regional based experiences is likely to continue to position York as a tourism destination to both domestic and international visitors.

Visitor Statistics York Visitor Centre



Key Highlights:

- 1 best tourism display awarded at 2019 WA Caravan & Camping Expo
- 43,152 visitor centre page views
- 677 postcards sold
- 54 customer satisfaction surveys received
- 9,393 more visitors than the 2017/18 financial year
- 1 Premier & 1 Consul-General visit
- 10 new tourism platforms added 118 York stories to their websites

Total Visitor Count	Financial Year 2018/19	Financial Year 2017/2018	Change to previous Fin. Year
July	3,508	1,853	89%
August	4,787	2,251	113%
September	11,116	6,167	80%
October	5,823	3,299	77%
November	2,841	1,300	119%
December	2,195	1,115	97%
January	1,999	1,631	23%
February	1,745	1,003	74%
March	2,321	1,684	38%
April	4,950	8,511	-42%
May	2,410	2,910	-17%
June	1,968	4,546	-57%
Total	45,663	36,270	26%

Community Services



The Shire through its partnerships with the York Community Resource Centre, York Police, York District High School, and the River Conservation Society has supported youth initiatives, community clean up days and programs facilitated by the Youth Advisory Council. These include NAIDOC day, National Youth Week and Hoops for Youth Programs.



Key Highlights:



12

school holiday and after school programs supported



5

community partnership projects delivered



33

groups receiving over \$34,300 in Community Funding



\$10,200

in equipment funding awarded

The following Committees of Council included community members being appointed to the Committee:

- Avon Park Working Group
- Christmas Decorations Working Group
- Access and Inclusion Committee
- Honours Reference Group

The committees, in turn, consulted with the community on relevant matters including access and inclusion priorities, nominations for the Australia Day citizen awards and final concept plans for the Avon Park redevelopment project.



Key Highlights:

- Introduction of the companion card program
- 46 Welcome to York bags distributed to new residents
- 404 Community Scorecard resident responses
- \$616,071 Avon Park grant funding received
- 14 nominations for 2019 Australia Day awards

Australia Day Awards

Australia Day Award winners were announced at the community breakfast and presentation ceremony at Avon Park. Celebrations continued at York Memorial Swimming Pool with free entry from 12pm including lawn games, activities and a free BBQ.

Congratulations to the following winners of the 2019 Australia Day Awards:

Citizen of the Year: **Rod Carter**

Youth Citizen of the Year: **Indy McMartin**

Senior Citizen of the Year: **John Fenn**

Junior Sports Star of the Year: **Sienna Cordingley**

Senior Sports Star of the Year: **Justin Smith**

Active Citizenship Group/Event: **York Christmas Festival**

Community Development



Age Friendly Community Plan

The Shire's Age Friendly Community Plan aims to optimise opportunities for health, participation and security in order to enhance the quality of life as people age. In May 2018, the Shire hosted the 'Living Well in the Avon Region: York Senior Residents Forum & Expo'. The event offered a combination of entertainment and information and gave residents and community groups the opportunity to connect and engage.

Disability Access and Inclusion Plan

Local governments are required to prepare a Disability Access and Inclusion Plan (most commonly known as a DAIP) to plan and implement improvements across seven outcome areas; services and events, buildings and facilities, information, quality of service, complaints, consultation processes and employment.

Activities undertaken during 2017/18 to address the Shire's DAIP include the following;

- Advocacy for funding for improvements to existing infrastructure to support disability, access and inclusion.
- Full review of event application forms and the event approval processes with a specific focus on inclusion.
- Increased shelving in the Library to accommodate more large print and audio items.
- All Shire buildings and Shire supported events now accept Companion cards.
- Partnership with Alzheimers WA to promote dementia-awareness and contribute to the redevelopment of toilets at Avon Park. York is acknowledged as a dementia-friendly town.
- Support of a monthly Forget-Me-Not Café for people living with dementia and their carers.
- Access and Inclusion Audit of Shire owned and operated buildings and the York CBD. This has informed the 2019/20 budget process and will inform future annual budgeting and the Shire's Long Term Financial Plan.
- Applications for Building Permits are assessed against the National Construction Codes (NCC) to determine compliance Access to Premises Standards (The Standards).
- Online Disability Awareness Training for Shire staff as part of Disability Awareness Week
- All staff training session including a presentation on the Shire's DAIP and information about how employees can implement the outcomes of the DAIP.



Raffle prize winner Bev Penny, with Cr Ferro and MC Famous Sharron

Library Services

The York Library received the highest community satisfaction rating in the 2018 Community Scorecard survey. In an increasing digital world, library services continued to innovate to become a socially connected space where individuals gather to explore, interact and imagine.

In 2018 the Library employed an additional staff member to facilitate early years & school holiday reading programs including Storytime, baby rhyme time.




Resource information sessions were also undertaken in conjunction with local community organisations. The sessions were designed to assist people to use and learn more about the Kanopy, Borrow Box, Overdrive and other State Library digital collections.

Key Highlights:



208
volunteer hours contributed by long term volunteer Cathie



1934
more adult fiction books issued than previous financial year



11.86
books issued per hour

New to Library Services is the Read Write Now program, designed to improve the literacy of adults who have inadequate literacy for everyday life demands. Help is available to improve reading, writing, maths, study or basic computer skills. The Library provides a safe and supportive space for program participants to access the program, resources and the technology required.

Although uptake of the program in the 2018/19 financial year has been low, the library is committed to supporting the program and its participants in the new financial year.

2018/19 Library Statistics

YORK LIBRARY STATISTICS		2018/19	2017/18
Items Issued	Adult Non Fiction	2383	2980
	Adult Fiction	15051	13117
	Junior Library	5730	6751
	Total	23,164	22,848
Membership	Adults	718	721
	Family	445	439
	Junior	51	47
	Total	1,214	1,207
General Statistics	Library was opened for (hours)	1952	1976
	Books issued per hour	11.86	11.56
	Items requested by other libraries	235	250
	Items requested from other libraries	433	833
Local Stock On Hand	Adult Non Fiction	3569	3507
	Adult Fiction	3749	3669
	Junior	2439	2555
	Total	9757	9731
State Library Stock	Adult Non Fiction	871	848
	Adult Fiction	3222	2502
	Junior	1220	1071
	Total	5313	4421

Residency Museum

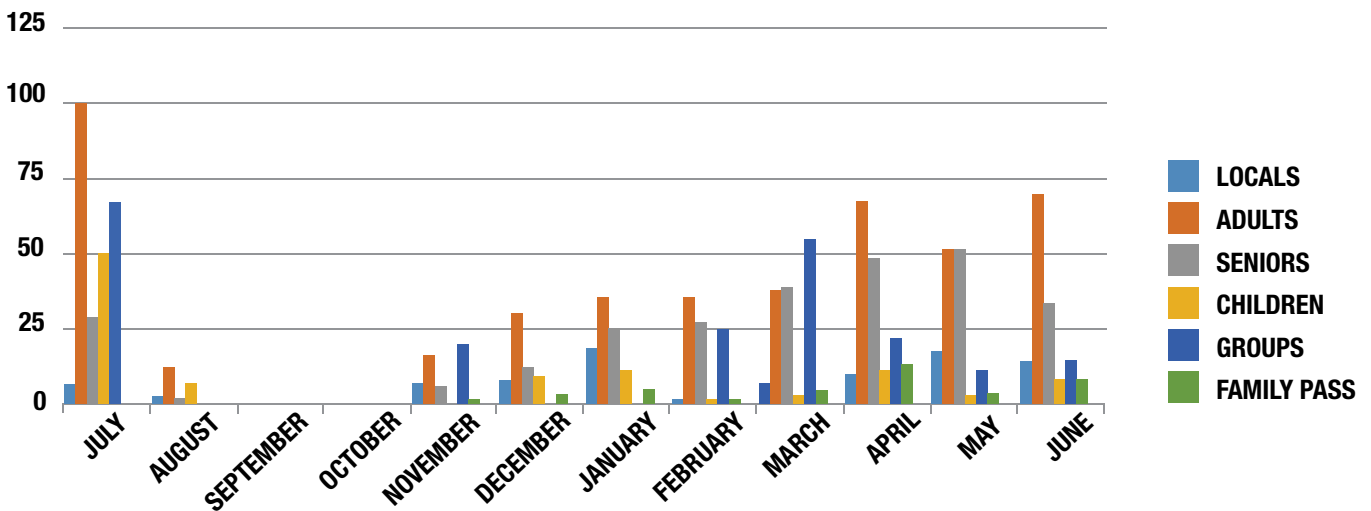
Donations/Acquisitions

The Museum accepted 69 objects in 2018/19 compared to 56 in 2017/18. Digital cataloguing has been introduced and 269 digital photos and documents were accepted into the collection.

Visitor figures

The 2018/2019 financial year saw 1,308 visitors to The Residency Museum, a decrease of 37.5% compared to the 2017/18 financial year. This decrease was the result of the museum being forced to close for essential repairs for a period of almost 3 months, over the museum’s most productive period. Donations increased by 92%, however there has been a decline in group bookings, general admissions and shop sales, as a result of a 3-month closure.

Paid admission fees for the Residency Museum



Volunteers

The Residency Museum relies on its dedicated volunteers to provide customer service and care for the collections. In 2018/19, our volunteers worked to ensure the collections were well cared for, gardens maintained, visitors attended to, public research question answered, displays maintained and new items on show equating to thousands of hours of work. In recognition, the Shire acknowledged this significant contribution by celebrating volunteers at a day trip to local history and heritage sites in Northam. Volunteers visited the new Indigenous Knowledge Centre and the Northam Historical Railway Museum.



York’s Convicts objects on display kindly on loan from Fremantle Prison

Exhibitions

In April 2019 the hugely successful exhibition 'An Irish Orphans Odyssey- Mary Ann Marwick of York' closed and was replaced by 'Broad Arrows, Buttons and Bones- York's Convicts'. This exhibition was made possible through the collaboration of local families, Fremantle Prison and The University of Western Australia's Archaeology Department.



Volunteers and staff at Bilya Koort Boodja Indigenous Knowledge Center Northam.jpg

Arts & Cultural Heritage

The Arts & Cultural Heritage Officer primarily concentrated on the following during 2018/19;

- Town Hall WW1 Honour Boards conservation project
- Trails Masterplan – community consultation and development with consultants
- Earthquake Building Mitigation project
- Greenhills Heritage Trail – grant application and liaison with community

Key Highlights:



\$11,500

funding awarded for conservation of the Honour Boards



\$56,237

Lotterywest grant awarded for Greenhills Heritage Trail



Pictured above: Original and replica crowns kindly made and donated by Mr John Dersch

Pictured left: Conservator Greg Manzie at work on part of the Honour Board

Projects

- **Town Hall WW1&2 Honour Boards conservation project**

A successful grant submission to Lotterywest for professional conservation of the Town Hall Honour Boards, provided \$11,500 of the total cost of \$14,800.

The WW1 board commemorates the service of over three hundred men from York and the only known woman, Ethel Monger who served as a nurse.

The conservation of the WW1 board was a mammoth task. Each nameplate was removed, cleaned by hand, the black lettering renewed, and the wooden framework cleaned of at least fifty years' of grease, grime and dust accumulations! The framework then had several applications of traditional shellac coating and the nameplates were reapplied.

John Dersch kindly donated the replica brass crowns required and Patricia Walters made a donation of monetary support for the conservation. Local residents and Residency Museum volunteers donated many hours to assist professional conservator Greg Manzie in the conservation process.

The newly conserved Honour Boards were unveiled on Remembrance Day 2018 by the Hon. Laurie Graham MLC.

- **Trails Masterplan – community consultation and development with consultants**

During 2018/19, trails consultants Common Ground was commissioned to create a Trails Masterplan.

The Shire has tested and proven demand for trails facilities, especially from the fast-growing Mountain Bike sector, by the running of cycling events on an ad hoc basis over the previous two years.

The Trails Masterplan is intended to provide a structure that will bring social and economic benefits to the community in equal measure. The plan has been developed with input from local community members, stakeholders and members of state-wide user groups and associations.



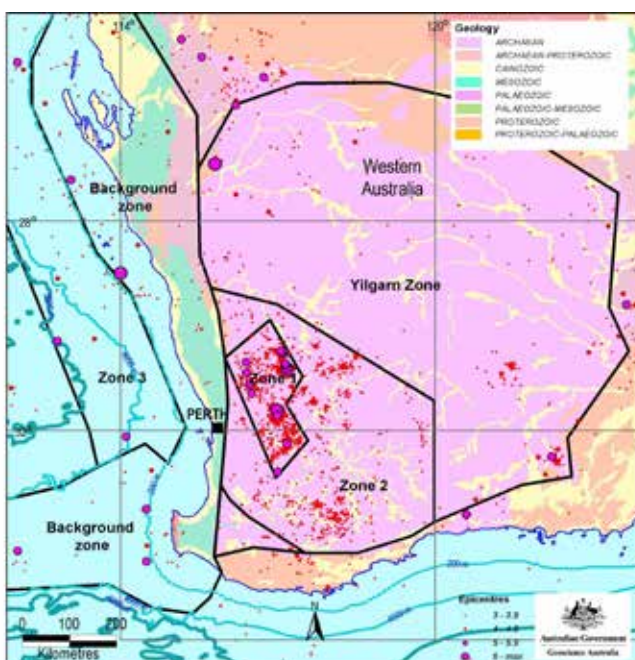
Trails and Arts Master Plans YCM (photo credit Tourism WA)

Extensive community and stakeholder consultation took place with the Department of Biodiversity, Conservation & Attractions and Department of Local Government Sport and Cultural Industries, Public Open Workshops and meetings with user groups including the Avon Valley Tracks and Trails Group.

The final Trails Masterplan was adopted at the July 2019 Council Meeting, with the Mt. Brown/ Wongborel trails network and the Off Road Trail Bike Park selected by Council as the High Priority projects.

- **Earthquake Building Mitigation project**

In 2017/18 the University of Adelaide and GeoScience Australia undertook a Bushfire and Natural Hazards CRC (BNHCRC) earthquake mitigation study with York selected as a case study area due to its high proportion of vulnerable heritage buildings.



The objective of this research was to develop strategies to mitigate damage, injury and business disruption associated with earthquakes. A full description of the project can be seen at: http://www.bnhcrc.com.au/sites/default/files/1706_projects_final1.pdf

The Shire of York as a project partner with GeoScience Australia, the University of Adelaide and the Department of Planning Lands and Heritage WA is taking this research forward into 2019/20 to examine the application of the outcomes of the Bushfire and Natural Hazards CRC (BNHCRC) York earthquake mitigation study to a number of York building types.

Pictured left: Earthquake source zones in SW Western Australia, credit Dhu, T., Sinadinovski, C., Edwards, M., Robinson, D., Jones, T., Jones, A.

- **Greenhills Heritage Trail – grant application and liaison with community**

The Shire of York successfully applied for a Lotterywest grant of \$56,237 in partnership with the Greenhills Progress Association, to create a Heritage Trail at Greenhills.

Greenhills was settled soon after York - WA's first inland town. The Greenhills district is unique in the fact that the first farm east of York was established by the Penny family in 1854 and the fledging township was gazetted in 1860. With the advent of the railway in 1898 the townsite flourished with the new ability to transport farm produce by train. It was also a service point for prospectors heading east for the Goldfields.

By developing the heritage trail this important history will be preserved and many visitors will gain a much richer experience when they come to Greenhills.

The grant was awarded in April 2019 and work has commenced on the interpretive signage in collaboration with the Greenhills Progress Association.

Other ongoing involvement by the Arts & Cultural Heritage Officer has included:

- Liaison with the Noongar community, including consultation with Elders and residents about the cultural sensitivity of sites in relation to the Trails Master Plan; Participation and a display by the Shire for the first NAIDOC Day run by the York CRC
- Co-ordination of all York events for National Trust Heritage Festival WA and creation of a mini-Anzac Exhibition and running a night-time Spooky Tour of York
- Liaison with UWA and facilitation of archaeology fieldschool focussing on the York Cemetery; PhD research on the Gerald Mission site
- Facilitation of loan of Anzac display to cruise ship MV ASTOR for Cruise of Remembrance January 2019
- Liaison with author William Duperouzel and launch of book about Janet Millett, 'Sunset over Mt. Douraking' at Holy Trinity Church



Greenhills Inn (photo credit Ronja Dirksen)



Greenhills Bakery (photo credit Ronja Dirksen)



Trails and Arts Master Plans YCM

York Recreation and Convention Centre

Statistics

The YRCC is home to the following users:

- York Football Club
- York Bowling Club
- York Hockey Club
- York Lawn Tennis Club
- York Basketball Club
- York Netball Club

- York Agricultural Society
- York Imperials Cricket Club
- York Junior Football Club
- York Junior Cricket Club
- York Junior Netball Club
- York Agricultural Society

 **59**
functions

 **268**
days

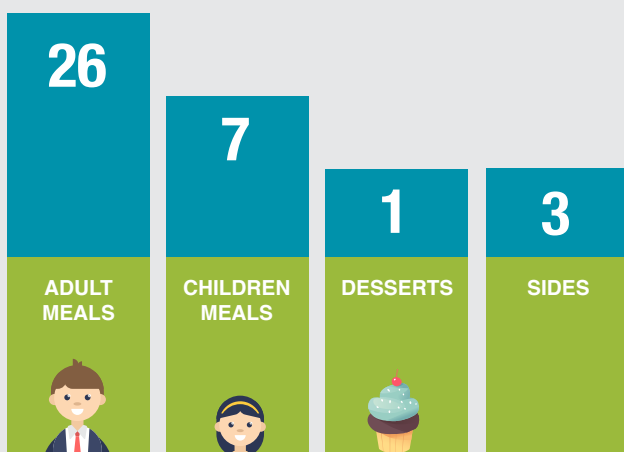
2017/18 Friday's



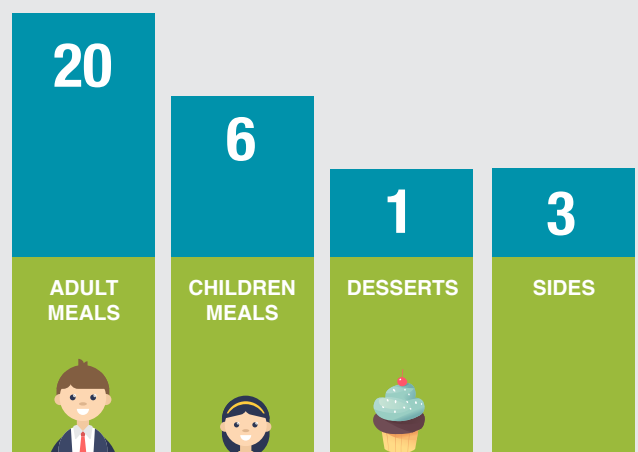
2018/19 Friday's



2017/18 Sunday's



2018/19 Sunday's



Transition to Community Management of the YRCC

At the end of 2017/18, Council appointed a Steering Group consisting of sporting, community and Shire representatives, to work towards the transition of management of the bar and kitchen facilities of the YRCC from Shire management to Community management. In recognition of the focus required to resolve the issues surrounding this objective, a part-time Project Officer was appointed in July 2018.

The Steering Group met on a monthly basis, working through issues which included:

- Extent of Shire support
- Operating Models
- Financial projections
- Maintenance responsibilities

In May 2019, Council settled on the commitments to be offered to an incorporated association to be established to manage the hospitality facilities at the YRCC and agreed to assist with the development of rules for the incorporated association and to prepare a formal lease for consideration.

In June 2019, the Steering Group was dis-banded and an Interim Committee formed in order to establish the Incorporated Association.



Development Services



Town Planning

The Town Planner responds to many enquiries ranging from rezoning and subdivision, restoration and development of heritage properties, to the keeping of sea containers, varying the provisions of the Residential Design Codes and conducting home businesses.

It is the aim of the planning section to provide an efficient and effective service to landowners, residents, developers and the community.

Local Planning Strategy and Local Planning Scheme Review

The Shire of York has prepared a new Local Planning Strategy and Local Planning Scheme which recently publicly advertised. Council is expected to consider submissions and determination on the documents prior to 2020.

These planning documents provide the long term vision, goals and objectives to guide and control future land use and development in the Shire. The local planning strategy and scheme will consider land use, housing types, density, and identify locations for community and physical infrastructure to support the responsible growth of the Shire.

The Shire's current planning scheme was first gazetted in 1996. Being over 20 years old, it required significant review to reflect changes in the planning system put in place by the state government.

The local planning strategy and scheme support Council's Strategic Community Plan. They will help Council and the community implement key community aspirations of the Strategic Community Plan through the planning and development framework. Extensive community engagement and consultation occurred to adequately capture the community's aspirations for future land use in the Shire of York.

Once adopted by Council, the documents will be sent to WAPC and Minister for Planning for approval.

Local Heritage Survey, Heritage List and Heritage Areas

The Shire has adopted for advertising an update to the Local Heritage Survey, Heritage List and Heritage Areas. This will update the Shire's previous MHI 2008 providing a more comprehensive and complete list of places of cultural heritage significance to the Shire.

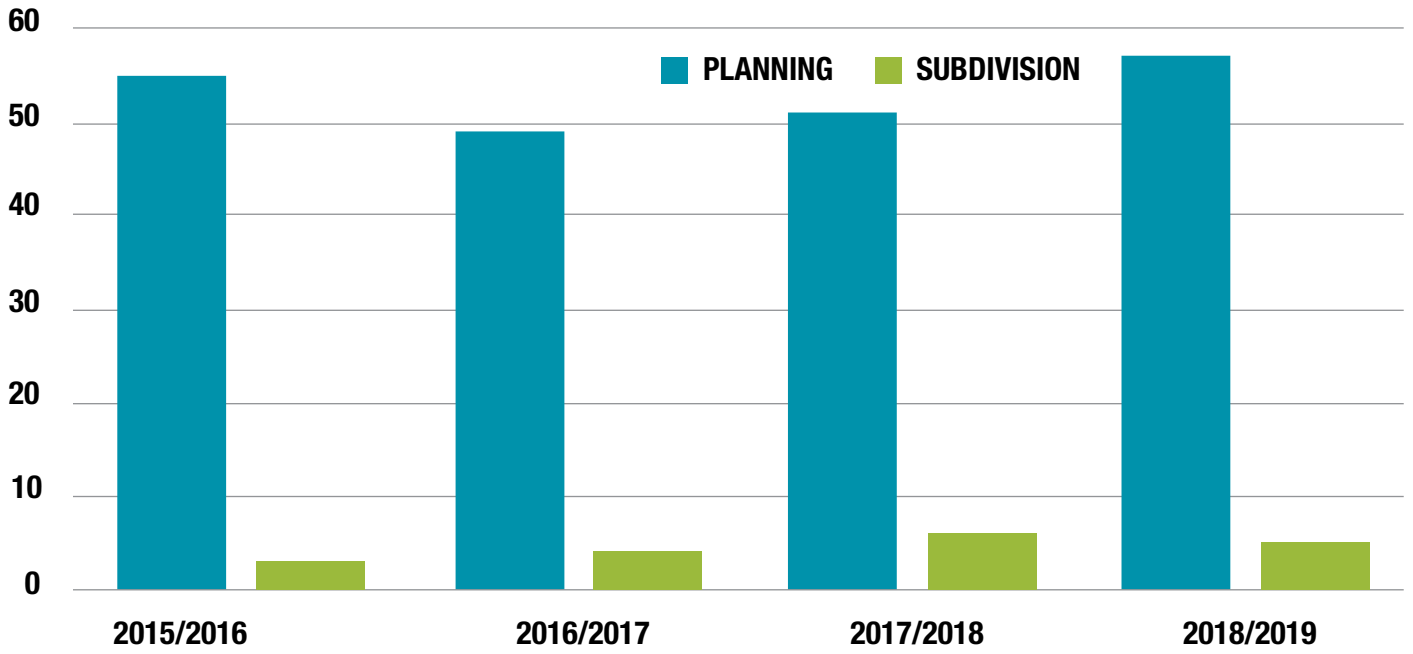
Planning Applications

In the 2018/2019 financial year, 57 planning applications were received, 6 more than in the previous period.

The number of subdivision applications received by the WAPC for the York Shire decreased and in this period 5 subdivision referrals were received by Council, compared to 6 in the previous period.

The following graph depicts the number of planning and subdivision applications for the York local government area:

PLANNING & SUBDIVISION



Health

Council's Environmental Health Officer is responsible for monitoring various aspects of public health within the Shire including;

- inspection of food premises, public buildings, lodging houses, caravan parks;
- mosquito monitoring;
- public swimming pools inspection and monitoring;
- septic/ATU installations;
- offensive trade monitoring;
- trading in public places approvals, stallholder permits; and
- approval of public events.

Council continued to monitor the structural and operational aspects of all premises during 2018/19 to ensure compliance with the requirements of relevant legislation.

Effluent Disposal Systems

Fifteen effluent disposal systems were approved for installation in 2018/2019. The progressive installation of reticulated sewer within the town site is required to overcome system failures and to facilitate the development of unit development and smaller residential blocks.

Registered and Licensed Premises

The following premises were operating in the Shire of York during 2018/19.



Additionally, there are eight Bed and Breakfast businesses that were not required to be registered under the Health Act 1911.

Food Safety

The Shire of York offered a free Online Food Safety Training course to assist food businesses to meet their food safety training requirements under the Food Act 2008. This training was developed by Environmental Health Australia and is being used extensively throughout Australia.

Swimming Pools

York War Memorial Public Swimming Pool

The York War Memorial Public Swimming Pool was inspected and sampled monthly over the swimming pool season for November to April. Samples of the swimming pool water was sent for analysis to a Perth laboratory to ensure they met the required microbiological and bacteria standards.

General entries increased during 2018/19 to 16,914 which can be attributed to:

1. Manning the entry point better and more consistently.
2. Pool was open all day every day during the season excluding Christmas day, Good Friday, and ANZAC Day.
3. Introduction of new programs and activities at the pool.



Private Swimming Pools

The Shire of York is required to inspect all private swimming pools within its district at least once in every four-year period. These inspections are due July 2020.

Waste Collection & Disposal

MUSTER Programs

The Council again participated in the “drum MUSTER” program. This nationwide program provides for the collection and disposal of used farm chemical containers. A total of 3202 drums were collected under the program in 2018/2019, 1065 more than the amount collected the previous year.

Council continued with its participation in the Mobile Muster program. This program was initiated to ensure that mobile phones and their accessories are recycled. Approximately 12kg of disused mobile phones were collected in 2018/19.

Waste Statistics

A total of 1303.97 tonnes of waste was transported to the Shire of Northam landfill site for the 2018/19 financial year. This is 485.93 tonnes more waste than the 2017/18 financial year. A total of 346.63 tonnes of recyclable material was received in 2018/19 which is 6.85 tonnes more material than 2017/18.

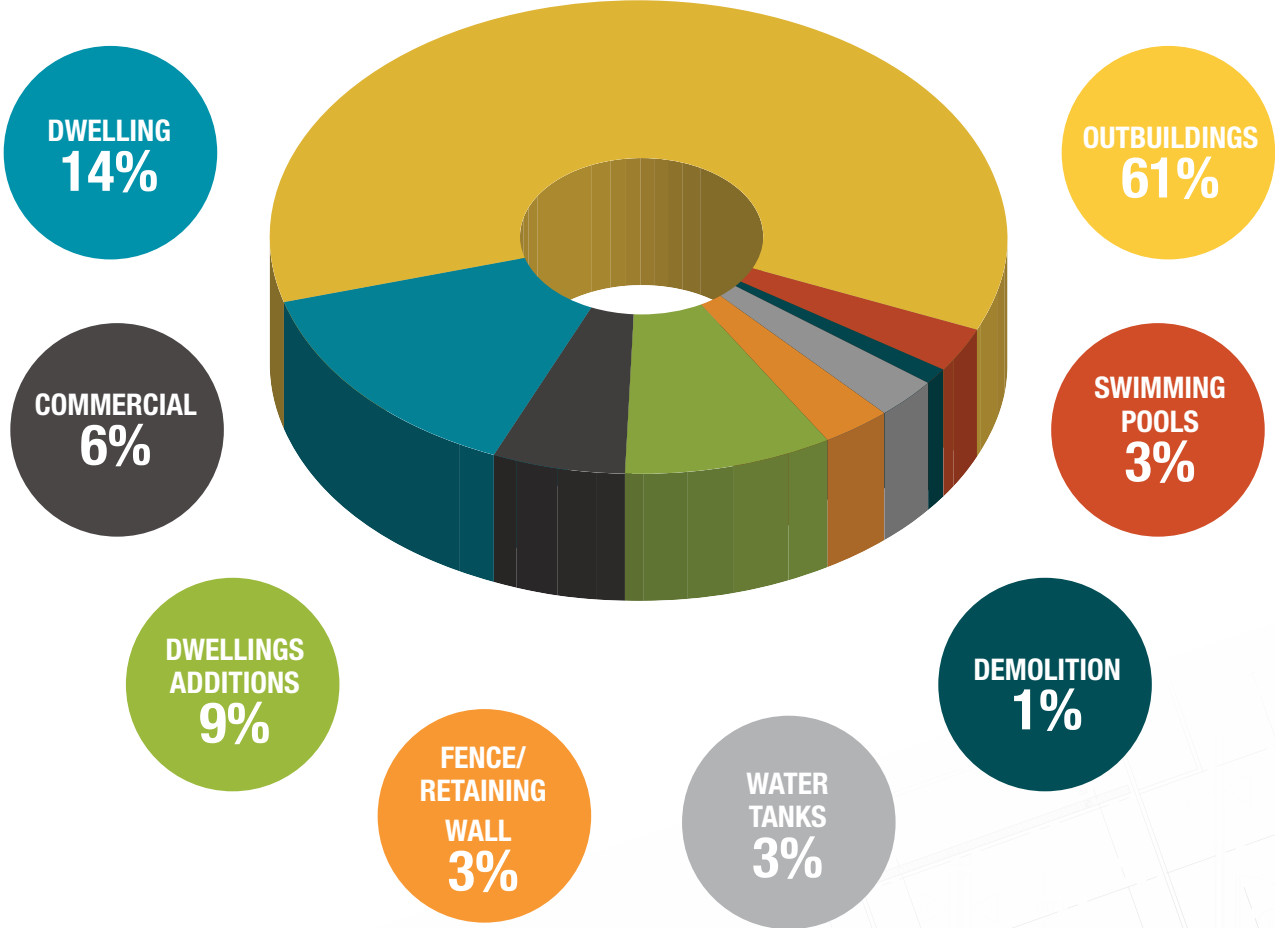
Building

Shire Officers audit building works to ensure compliance with the approved plans and to ensure that all work is carried out to the necessary standard.

Statistics

In 2018/19 the Shire processed 118 building applications. These applications were split into the following categories:

BUILDING APPROVALS 2018/2019

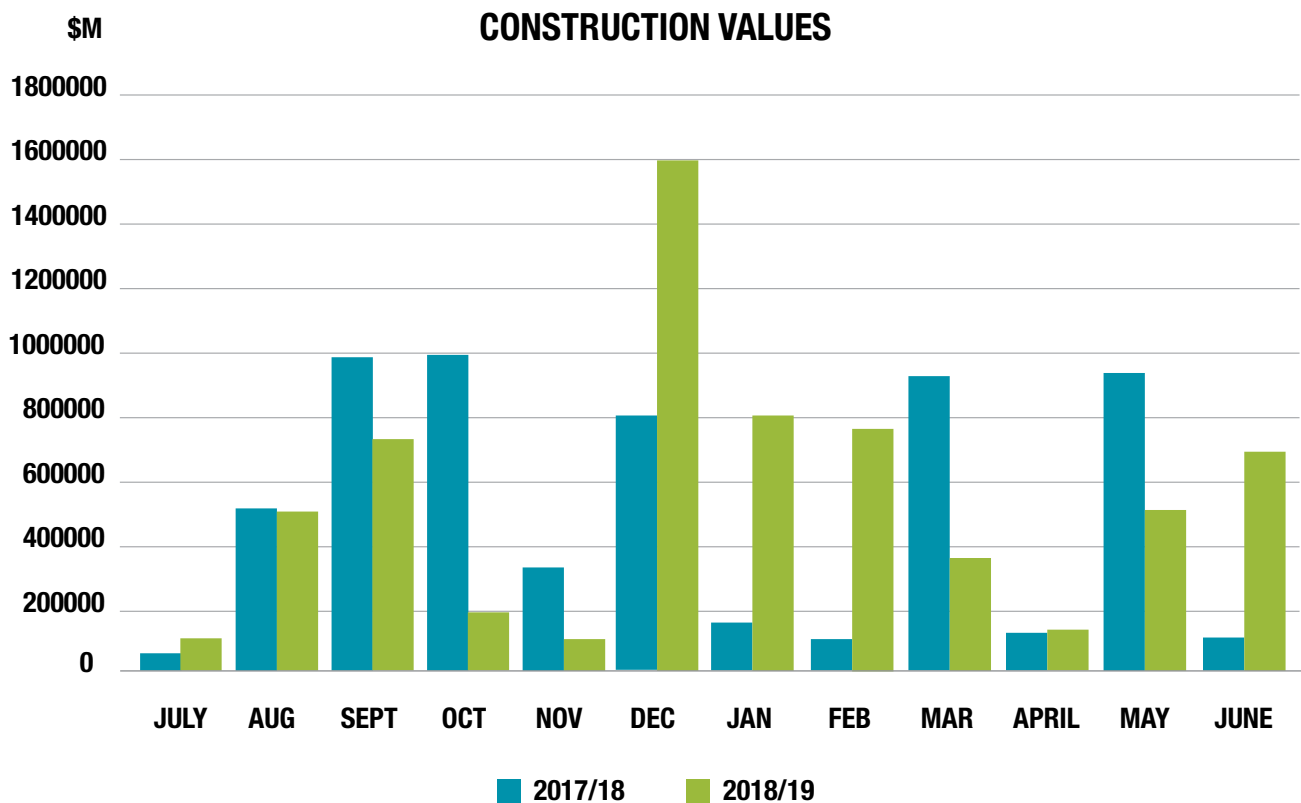


The percentage split is similar to previous years with a slight increase in outbuilding applications.

Comparison table for previous years are as follows:

	2018/19	2017/18	2016/17	2015/16	2014/15
Dwellings	17	14	18	20	23
Additions	11	8	5	7	10
Outbuildings	72	51	63	51	67
S/ Pools	3	2	4	5	7
Commercial	7	10	4	3	2
Demolition	1	2	2		
Water Tank	4	3	3		
Fence	3	2	4		
Earthworks	0	0			
Total	118	94	103	98	118

The number of Building Permits issued in 2018/19 slightly up on previous years.



The approximate value of building works in the Shire was \$6.35 million in 2018/19, an increase of 8%, from \$5.88 million in 2017/18 and an increase of 7% in value from \$5.9 million in 2016/17.

Ranger and Emergency Services

The York Shire Ranger conducts regular patrols related to responsible dog ownership, stock control, animal welfare, litter/illegal dumping control, illegal camping, illegal off-road usage, snake removal and fire control throughout the town site and rural areas.

In partnership with the Shire of Beverley, a Community Emergency Services Manager funded by the Department of Fire and Emergency Services is responsible for the Shire's legislative requirements in regards to bushfire and emergency preparedness, prevention, response and recovery activities. The CESM is responsible for coordinating the Local Emergency Management Committee and managing the Shire of York's four Bush Fire Brigades which are funded by an Emergency Services Levy (ESL) funding scheme.



Bush Fire Management

An advertising campaign was launched this year promoting the fire break and hazard reduction requirements and compliance dates. A zero tolerance in non-compliant fire breaks has resulted in a far greater compliance rate this year.

A new initiative was introduced allowing owner/occupiers of occupied properties within the town site which are landscaped to the extent that they do not present a fire hazard to apply for exemptions. 5 exemptions have been issued to date.



Animal Control

A reduced number of infringement notices relating to dog attacks were issued compared to last year and no dogs have been declared dangerous this year. Shire records indicate that 26 new cats and 135 new dogs have been registered with the Shire this year.

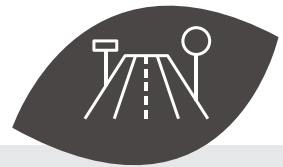


Parking

Illegal parking continues to be closely monitored by the Ranger with particular attention to the disabled parking bays on Avon Terrace and York District High School "children's drop off zone", vehicles parked within 6 meters of intersections, on footpaths and so as to face oncoming traffic.



Infrastructure Services



Infrastructure: investing to retain asset value and positioning the community to be able to maintain the value of existing assets in the long term and reduce exposure of assets and associated services to the risk of decline.

Maintaining levels of service with some limited levels of service increases where these deliver against strong community aspirations and can be accommodated with minimal overall rates.

Operational staff are based at the Shire's Depot and for the 2018/19 financial year included;

OPERATIONAL STAFF			
Jethro Sleur	Trevor Barratt	Ross Megee	Robert MacKenzie
Lindsay Slater	Michael Moppett	Alan Blyde	Geoff Spice
Neil Thomas	Kerry Blyde	Robert Macey	Dean Mills
Robert Windsor	Clint Strickland	Ricky Thompson *	Peter Atkins *

* Denotes the staff members left the employ of the Shire of York during the year

General Works

There are two main crews at the Depot, the Town and Parks and Gardens crew and the Construction crew.



Dog exercise area.

Town & Parks and Gardens

The Town and Parks and Gardens crew have a substantial scope of works including, traffic control duties, drain clearing, cleaning and tree pruning in town and rural, street sweeping, graffiti removal, weed spraying in town and rural, kerbside pickup, Drum Muster, maintaining parks, reserves and public open spaces through to installing Christmas decorations around town. There is never a dull moment for this crew.

Some of the accomplishments achieved this year by our Town and Parks crew are as follows.

TOWN AND PARKS ACCOMPLISHMENTS

250kl Irrigation tank installed at Forrest Oval

Verti-mowing and treatments completed at Forrest Oval and Hockey Fields

2 new dog exercise areas at Candice Bateman Park and Mongers Reserve

5 new park benches.

5 refurbished park benches.

Purchase of new spray unit resulting in greater efficiency.

Hazard reduction tree pruning

Bridge refurbishment

Installation of turf and retic at the new RV Park.

Re-commissioned SoY wood chipper to turn prunings into a valuable by-product for our parks.

Pressure cleaning footpaths in the CBD



Tree pruning

Other Projects

Installation of New Water Tank

A new 250KL Irrigation Water Tank was installed at Forrest oval after the old 2 concrete tanks had developed concrete cancer and were continuously leaking. This not only saved water, but time and money spent on maintaining the old tanks.



Pressure Cleaning

The Town Crew pressure clean paths along Avon Terrace twice each year.

The high-pressure washer is the most effective way to remove oil, grease, grime and most stains from the path. This requires a team of 4 people to pressure clean, sweep the dirty water away from the shop fronts and onto the street. Once dried, the street can then be cleaned using the street sweeper.



Coote Bridge Refurbishment

The Coote Bridge has been refurbished with new oiled planks being installed making it safer and aesthetically pleasing. The Shire hopes this will enhance the experience for people enjoying the Avon River Walk Trail.



Parks, Gardens and Reserves

After extensive soil testing the Shire have been trialling a new fertiliser on the Hockey Fields, Oval and Parks with positive results.

This fertiliser has essential macro and micro-nutrients which are needed for a health lawn. The bonus of this fertiliser is that it releases these nutrients in a controlled manner therefore we get lovely green grass without excessive growth which requires increased maintenance.

Weekly duties include cleaning BBQs and toilets in the parks. Mowing parks and reserves, reticulation repairs, fertilising and mulching.

Forrest Oval & Hockey Fields Renovations

The Shire has undertaken extensive turf renovation of the Forrest Oval and Hockey Fields. A Contractor was engaged to undertake the works on behalf of the Shire with specialist equipment.

The works include hollow tine verti-draining, sweeping up the cores, top dressing with fine sand and the addition of gypsum to help improve the turf's resilience to saline conditions as well as to help flocculate the clay particles in the soil to improve drainage and aeration. Fertilising has been carried out using a controlled release fertiliser.

The fertilising has been based on soil testing to ensure that the right balance of minerals and nutrients is made available to the turf.

These works will "open up" the soil profile allowing deeper penetration of the turf roots. This combined with the fertiliser will encourage stronger turf which ultimately requires less watering and is more tolerant to both wetter and dryer conditions.



Memorial Garden



Installation of Christmas Decorations

Each year the Operations staff brighten up York township installing Christmas Decorations including, Banners, Bin Surrounds, Giant Christmas Cards, Christmas Tree on Avon Terrace, Park decorations, Town Hall and Administration Building decorations.

Depot Security Upgrade

After it was identified that the Shire Depot required an accurate and effective means of monitoring and recording all activities at the front gate, an electronic gate was installed. This now provides added security of plant, machinery and safety for staff and visitors. It also reduces the number of unauthorised persons entering the Shire depot.



Construction

The Construction crew carries out road maintenance including maintenance grading and culvert cleaning. There is over 700kms of sealed and unsealed roads combined in the Shire of York.

The crew operates two graders and a road patrol truck which manage road maintenance across gravel roads, sealed roads and town streets within the Shire. This year we have been required to repair a number of faults that have presented themselves on our sealed roads some of these faults were on Qualen West Rd and Mokine Rd.

Members of the Constuction crew this year played a vital role in cutting containment lines and pushing over burning trees during the fire season.

Capital Works

Roads to Recovery

Specific road works undertaken through Roads to Recovery Funding in 2018/19 totalled approximately 12 SLKs (straight line kms) to sections of 7 roads.

ROADS TO RECOVERY	
Gwambygine Road	Gravel re-sheet/Culvert widen
Quellington Road	Re-construct shoulders/Debris removal/Tree pruning
Piccadilly Road	Gravel re-sheet/Culvert widen
Talbot Hall Road	Gravel re-sheet/Culvert widen
Tenth Road	Widen and drainage
Qualen West Road	Repair 3 areas of failed pavement
Wambyn Road	Gravel re-seal/Culvert widen/Tree pruning



Quellington Road



Qualen West Road Pavement Repair



Tenth Road



Wambyn Road

Municipal Funds

Further construction works were undertaken utilising Municipal funds, which were claimed under the Western Australia Natural Disaster Relief and Recovery Arrangements (WANDRRA) for roads listed below. Specific road works undertaken through WANDRRA fund 2018/19 totalling approximately 8.5 SLKs (straight line kms) on:

WANDRRA FUND 2018/19	
Flea Pool Road	Gravel Re-sheet section/Install drains
Duck Pool Road	Gravel Re-sheet section/Install drains
Warding Road	Gravel Re-sheet section/Install drains
Piccadilly Road	Gravel Re-sheet section/Install drains
Northbourne Road	Gravel Re-sheet section/Install drains
Gwambygine East Road	Gravel Re-sheet section/Install drains
Mills Road	Gravel Re-sheet section/Install drains
Quellington Road	Debris removal/re-construct shoulders
Lennard Road	Construct and re-seal floodway
Narraloggan Road	Gravel Re-sheet section /Culvert replacement & widen and install drains
Oakover Road	Gravel Re-sheet section & Install drains
Talbot Hall Road	Gravel Re-sheet section & Install drains
Helena Road	Gravel Re-sheet section & Install drains



Talbot Hall Road



Duckpool Road



Flea Pool finished

Sustainability

Drum Muster

The Shire has two drumMUSTERS per year, one in March and the other in September. This year 3,202 containers were processed.

The drumMUSTER service benefits the user, the environment, industry and the wider community by providing a reliable, cost effective and sustainable option for the recycling of eligible agvet chemical containers.



St Ronan's Fire

The Operations Crew attended six fires this year. St Ronan's fire was the biggest in what was a very challenging fire season.

The Graders were instrumental in creating fire breaks and control lines and the Loader was kept busy pushing over burning trees to halt flying embers.



A big thankyou goes out to the Operations Staff who attend these fires as well as multiple callouts we had this year. Without their willingness we would not be able to maintain a safe Shire after hours.

Operations staff also installed fire breaks on council owned land and reserves.

Kerbside Pick-up

The Shire has one kerbside pickup for general waste and green waste which takes place in May. The kerbside pickup is carried out by the Town crew who sort green waste from steel.

This annual pickup usually takes between 4-6 weeks to complete.



Kerbside Pickup General Waste



Kerbside Pickup Green Waste



Records

The Shire of York uses a hybrid records management system (combination of electronic and hard copy). All records created and received in the course of business are captured and stored according to the Shire's Record Keeping Plan. As required under the State Records Act 2000 the Shire of York Record Keeping Plan 2015 is due for revision and adoption by March 2021.

All records are disposed of in accordance with the General Disposal Authority for Local Government Records. The disposal authority defines the minimum periods of time that different classes of records must be kept (retention periods) and provides guidelines for destruction of records after they have met the retention requirements of the schedule. The Records Officer annually recommends disposal of records in accordance with the State Records Act guidelines which are then approved by the Administration Governance Officer, Executive Manager for Corporate and Community Services and the CEO.

Standard 2 Principle 6 requires the Shire to ensure that employees comply with the Record Keeping Plan. The following activities have been undertaken to ensure staff awareness and compliance:

1. Induction program was undertaken for 9 staff within 2 weeks of commencement.
The staff induction program ensures employees are made aware of their roles and responsibilities in regards to their compliance with the Shire's Record Keeping Plan.
2. Records information bulletin was established and 5 editions produced and circulated to staff to bring awareness of responsibilities, issues and changes.
3. One on one training and assistance has taken place on an as needs basis identified by staff/ manager request.

Key performance indicators are being established to identify the efficiency and effectiveness of in-house training programs and records management systems.

Freedom of Information

The Shire of York has a Freedom of Information Statement prepared in accordance with the Freedom of Information Act 1992. It outlines the Shire's functions, the kind of documents held and how the documents can be accessed.

A total of three (3) new Freedom of Information Applications were received during this reporting period (compared to four (4) last year), and three (3) were carried over from the previous year (which was the same number as last year).

National Competition Policy and Public Interest Disclosure

The Shire of York has considered its obligations regarding the national competition policy and reviewed its policies to ensure anti-competitive practices are not adopted. No complaints were received regarding anti-competitive practice.

Disposal of Property

There were no disposals of property in accordance with Sections 3.58 and 3.59 of the Local Government Act 1995.

Customer Service

The Shire continues to provide services on behalf of the Department of Transport (DoT) to enable residents to register their vehicles and to renew their drivers licence and vehicle registration. Certain Shire officers are also authorised to issue permits on behalf of the Department and a DoT examiner visits the Shire fortnightly to conduct driving examinations.

Customer Service Officers are also responsible for general customer enquiries and payments as well as bookings for the Shire's facilities.

The Office hours are 8.30am – 4.30pm Monday to Friday except for public holidays and between Christmas and New Year.

Financial Services

Rates

Rates account for approximately 50% of the Shire of York's revenue and are determined after lengthy and careful consideration by Council and administration based on the expected expenditure. Examples of expenditures identified in the annual budget include, but are not limited to:

- **Infrastructure Services:** local roads, bridges, footpaths, drainage, waste collection and management.
- **Provision of Recreation Facilities:** parks, swimming pool, recreation centre, ovals and sporting facilities.
- **Health Services:** water and food inspection, toilet facilities, noise control and animal control.
- **Community Services:** aged care/accommodation, community group/event sponsorship.
- **Planning and Building Services**
- **Administration of Facilities:** cemeteries, public parking.
- **Cultural Facilities and Services:** library, Town Hall, tourist information service, Residency Museum.

Rates Incentive Prizes

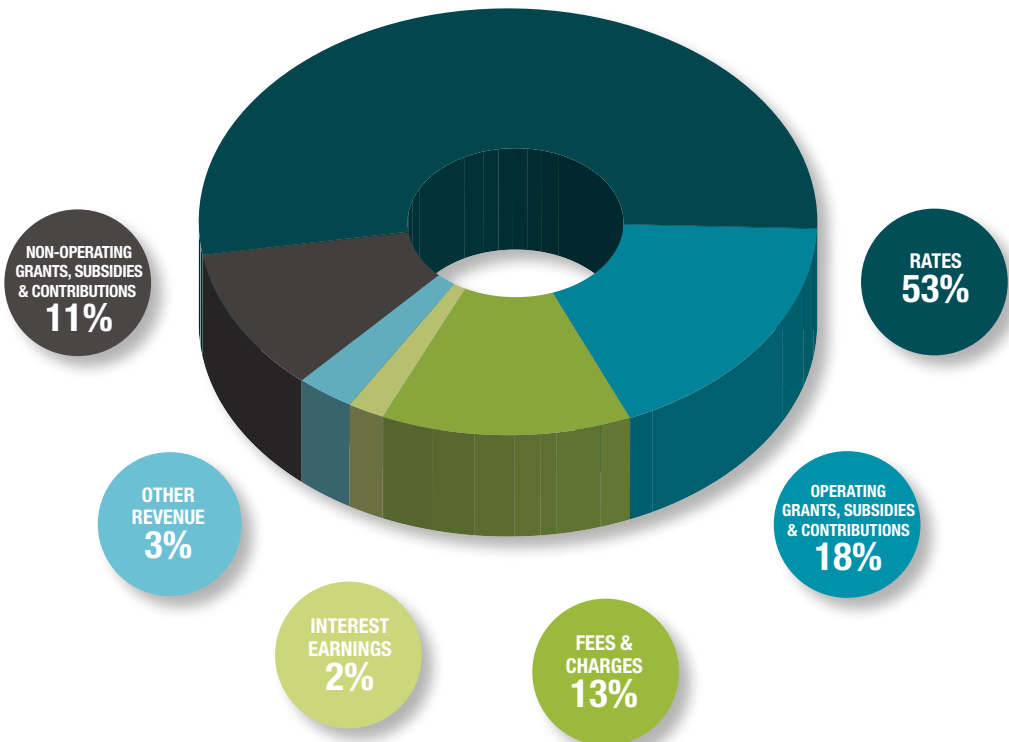
In partnership with our sponsors, the Shire provides the following incentive prizes to encourage ratepayers to pay their rates in full and on-time.

 First Prize	 Second Prize	 Third Prize	 Fourth Prize
<p>A \$1,000 bank account provided by the Shire of York in conjunction with the York & Districts Community Bank Branch of Bendigo Bank.</p> <p>Winner – Mr Malcolm Boladeros</p>	<p>A two night weekend stay at the Quality Hotel Ambassador Perth</p> <p>Winner – Property Adventures Pty Ltd</p>	<p>Four tickets to the West Australian Symphony Orchestra donated by WASO</p> <p>Winner – Mr Lachlan Reed</p>	<p>\$200 of Fuel donated by Fuel Distributions of Western Australia Pty Ltd</p> <p>Winner – Mr Renato Bellot</p>

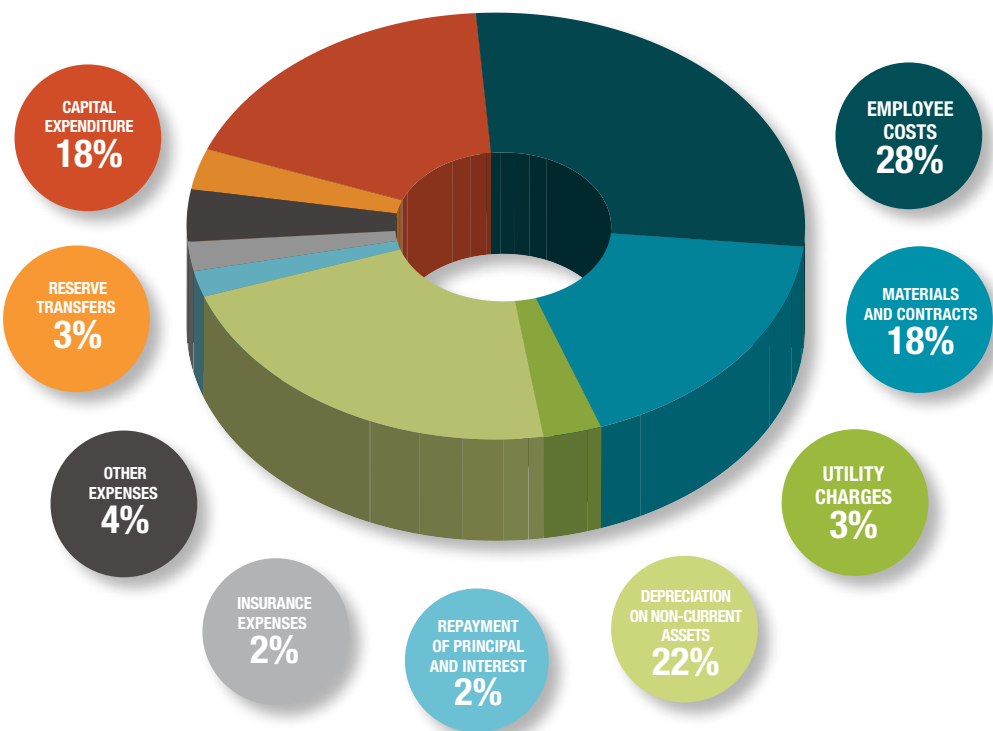
Revenue and Expenditure

Below is a breakdown of the Shire's Revenue and Expenditure.

REVENUE



EXPENSES





Appendix 1

Audited Financial Statements

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

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COMMUNITY VISION

A vibrant and inviting agricultural, heritage and tourist town and Shire, and a community that is focused on and works collaboratively to improve and promote the town and the Shire of York as a destination and wonderful place to live.

Principal place of business:
1 Joaquina Street
YORK WA 6302
Australia

**SHIRE OF YORK
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 York 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 York 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 FOURTH day of DECEMBER 2019



Acting Chief Executive Officer

Allen Cooper

Name of Acting Chief Executive Officer

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

	NOTE	2019 Actual \$	2019 Budget \$	2018 Actual \$
Revenue				
Rates	21(a)	5,742,900	5,733,179	5,556,554
Operating grants, subsidies and contributions	2(a)	1,998,666	1,200,999	1,838,329
Fees and charges	2(a)	1,396,447	1,438,904	1,464,462
Interest earnings	2(a)	270,901	198,000	250,243
Other revenue	2(a)	279,127	69,900	68,949
		<u>9,688,041</u>	<u>8,640,982</u>	<u>9,178,537</u>
Expenses				
Employee costs		(3,676,979)	(4,012,855)	(3,354,471)
Materials and contracts		(2,345,323)	(2,611,185)	(2,862,093)
Utility charges		(403,672)	(409,588)	(402,676)
Depreciation on non-current assets	10(c)	(2,874,158)	(2,441,786)	(2,808,301)
Interest expenses	2(b)	(112,957)	(115,058)	(122,759)
Insurance expenses		(252,218)	(189,397)	(248,904)
Other expenditure		(525,330)	(302,514)	(219,047)
		<u>(10,190,637)</u>	<u>(10,082,383)</u>	<u>(10,018,251)</u>
		(502,596)	(1,441,401)	(839,714)
Non-operating grants, subsidies and contributions	2(a)	1,163,960	1,631,324	1,041,860
Profit on asset disposals	10(a)	0	0	1,298
Loss on asset disposals	10(a)	(91,327)	(416,011)	(35,228)
Assets expensed	10(b)	(136,081)	0	0
Fair value adjustments to financial assets at fair value through profit or loss	7	70,068	0	0
		<u>1,006,620</u>	<u>1,215,313</u>	<u>1,007,930</u>
Net result for the period		504,024	(226,088)	168,216
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	11	0	0	1,655,325
Total other comprehensive income for the period		0	0	1,655,325
Total comprehensive income for the period		504,024	(226,088)	1,823,541

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



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

	NOTE	2019 Actual \$	2019 Budget \$	2018 Actual \$
Revenue				
	2(a)			
Governance		17,212	8,400	33,987
General purpose funding		7,581,582	6,707,509	7,326,858
Law, order, public safety		262,328	93,612	74,850
Health		22,535	17,800	18,554
Education and welfare		37,821	35,287	35,147
Community amenities		706,584	710,938	743,468
Recreation and culture		652,731	759,024	507,410
Transport		220,906	154,462	213,463
Economic services		127,195	129,050	139,573
Other property and services		59,147	24,900	85,227
		9,688,041	8,640,982	9,178,537
Expenses				
	2(b)			
Governance		(673,734)	(724,104)	(812,985)
General purpose funding		(382,067)	(318,766)	(229,590)
Law, order, public safety		(716,136)	(472,887)	(432,364)
Health		(205,617)	(243,087)	(200,005)
Education and welfare		(122,003)	(138,589)	(122,516)
Community amenities		(1,114,423)	(1,158,384)	(1,144,714)
Recreation and culture		(2,995,239)	(3,324,853)	(2,929,866)
Transport		(2,825,579)	(2,493,275)	(3,118,922)
Economic services		(817,574)	(974,239)	(797,680)
Other property and services		(225,308)	(119,141)	(106,850)
		(10,077,680)	(9,967,325)	(9,895,492)
Finance Costs				
	2(b)			
Recreation and culture		(107,795)	(109,672)	(116,228)
Transport		(5,162)	(5,386)	(6,531)
		(112,957)	(115,058)	(122,759)
		(502,596)	(1,441,401)	(839,714)
Non-operating grants, subsidies and contributions	2(a)	1,163,960	1,631,324	1,041,860
Profit on disposal of assets	10(a)	0	0	1,298
Loss on disposal of assets	10(a)	(91,327)	(416,011)	(35,228)
Assets expensed	10(b)	(136,081)	0	0
Fair value adjustments to financial assets	7	70,068	0	0
		1,006,620	1,215,313	1,007,930
Net result for the period		504,024	(226,088)	168,216
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	11	0	0	1,655,325
Total other comprehensive income for the period		0	0	1,655,325
Total comprehensive income for the period		504,024	(226,088)	1,823,541

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



**STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2019**

	NOTE	2019 \$	2018 \$
CURRENT ASSETS			
Cash and cash equivalents	3	5,262,305	4,261,327
Trade receivables	5	1,583,898	1,238,730
Inventories	6	33,513	40,923
TOTAL CURRENT ASSETS		6,879,716	5,540,980
NON-CURRENT ASSETS			
Trade receivables	5	116,089	100,134
Financial assets at fair value through profit and loss	7(a)	70,068	0
Property, plant and equipment	8	33,669,676	34,406,535
Infrastructure	9	103,160,488	103,298,389
TOTAL NON-CURRENT ASSETS		137,016,321	137,805,058
TOTAL ASSETS		143,896,037	143,346,038
CURRENT LIABILITIES			
Trade and other payables	12	1,021,535	843,372
Borrowings	13(a)	233,976	223,922
Employee related provisions	14	771,617	743,148
TOTAL CURRENT LIABILITIES		2,027,128	1,810,442
NON-CURRENT LIABILITIES			
Borrowings	13(a)	1,869,341	2,103,317
Employee related provisions	14	126,582	63,318
TOTAL NON-CURRENT LIABILITIES		1,995,923	2,166,635
TOTAL LIABILITIES		4,023,051	3,977,077
NET ASSETS		139,872,986	139,368,961
EQUITY			
Retained surplus		32,236,981	32,196,889
Reserves - cash backed	4	3,090,661	2,626,728
Revaluation surplus	11	104,545,344	104,545,344
TOTAL EQUITY		139,872,986	139,368,961

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

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

	NOTE	RETAINED SURPLUS	RESERVES CASH BACKED	REVALUATION SURPLUS	TOTAL EQUITY
		\$	\$	\$	\$
Balance as at 1 July 2017		32,548,249	2,107,152	102,890,019	137,545,420
Comprehensive income					
Net result for the period		168,216	0	0	168,216
Other comprehensive income	11	0	0	1,655,325	1,655,325
Total comprehensive income		168,216	0	1,655,325	1,823,541
Transfers from/(to) reserves		(519,576)	519,576	0	0
Balance as at 30 June 2018		32,196,889	2,626,728	104,545,344	139,368,961
Comprehensive income					
Net result for the period		504,024	0	0	504,024
Transfers from/(to) reserves		(463,933)	463,933	0	0
Balance as at 30 June 2019		32,236,981	3,090,661	104,545,344	139,872,986

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

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

	NOTE	2019 Actual \$	2019 Budget \$	2018 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		5,738,396	5,733,179	5,473,313
Operating grants, subsidies and contributions		1,642,047	1,200,999	2,224,532
Fees and charges		1,396,447	1,438,904	1,464,462
Interest received		270,901	198,000	250,243
Other revenue		279,127	69,900	86,421
		<u>9,326,918</u>	<u>8,640,982</u>	<u>9,498,971</u>
Payments				
Employee costs		(3,561,674)	(4,012,855)	(3,311,674)
Materials and contracts		(2,181,222)	(2,611,185)	(2,284,013)
Utility charges		(403,672)	(409,588)	(402,676)
Interest expenses		(115,057)	(115,058)	(124,642)
Insurance paid		(252,217)	(189,398)	(248,904)
Other expenditure		(525,330)	(302,514)	(219,047)
		<u>(7,039,172)</u>	<u>(7,640,598)</u>	<u>(6,590,956)</u>
Net cash provided by (used in) operating activities	16	<u>2,287,746</u>	<u>1,000,384</u>	<u>2,908,015</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment		(462,290)	(1,440,330)	(821,983)
Payments for construction of infrastructure		(1,888,853)	(2,862,901)	(1,868,206)
Payments for financial assets at fair value through profit and loss		0	0	
Non-operating grants, subsidies and contributions		1,163,960	1,631,324	1,041,860
Proceeds from sale of property, plant & equipment		124,336	1,065,000	174,043
Net cash provided by (used in) investment activities		<u>(1,062,847)</u>	<u>(1,606,907)</u>	<u>(1,474,286)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings		(223,922)	(873,922)	(214,337)
Net cash provided by (used in) financing activities		<u>(223,922)</u>	<u>(873,922)</u>	<u>(214,337)</u>
Net increase (decrease) in cash held		1,000,978	(1,480,445)	1,219,392
Cash at beginning of year		4,261,327	4,861,428	3,041,935
Cash and cash equivalents at the end of the year	16	<u>5,262,305</u>	<u>3,380,983</u>	<u>4,261,327</u>

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

**RATE SETTING STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2019**

	NOTE	2019 Actual	2019 Budget	2018 Actual
		\$	\$	\$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)	22 (b)	1,750,159	2,094,197	1,975,514
		1,750,159	2,094,197	1,975,514
Revenue from operating activities (excluding rates)				
Governance		17,212	8,400	33,987
General purpose funding		1,851,330	974,330	1,779,463
Law, order, public safety		262,328	93,612	74,850
Health		22,535	17,800	18,554
Education and welfare		37,821	35,287	35,147
Community amenities		706,584	710,938	743,468
Recreation and culture		652,731	759,024	507,410
Transport		220,906	154,462	213,463
Economic services		127,195	129,050	139,573
Other property and services		129,215	24,900	86,525
		4,027,857	2,907,803	3,632,440
Expenditure from operating activities				
Governance		(719,257)	(742,583)	(817,763)
General purpose funding		(382,067)	(318,766)	(229,590)
Law, order, public safety		(724,190)	(476,487)	(432,364)
Health		(205,617)	(243,087)	(211,027)
Education and welfare		(122,003)	(138,589)	(122,516)
Community amenities		(1,114,423)	(1,158,384)	(1,144,714)
Recreation and culture		(3,169,456)	(3,434,525)	(3,046,094)
Transport		(2,931,194)	(2,535,911)	(3,140,486)
Economic services		(821,866)	(976,139)	(797,680)
Other property and services		(227,972)	(473,923)	(111,245)
		(10,418,045)	(10,498,394)	(10,053,479)
Non-cash amounts excluded from operating activities	22(a)	3,074,793	2,857,797	2,856,488
Amount attributable to operating activities		(1,565,236)	(2,638,597)	(1,589,037)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions		1,163,960	1,631,324	1,041,860
Proceeds from disposal of assets	10(a)	124,336	1,065,000	174,043
Purchase of property, plant and equipment	8(a)	(462,290)	(1,440,330)	(821,983)
Purchase and construction of infrastructure	9(a)	(1,888,853)	(2,862,901)	(1,868,206)
Amount attributable to investing activities		(1,062,847)	(1,606,907)	(1,474,286)
FINANCING ACTIVITIES				
Repayment of borrowings	13(b)	(223,922)	(873,922)	(214,337)
Transfers to reserves (restricted assets)	4	(505,709)	(638,752)	(544,576)
Transfers from reserves (restricted assets)	4	41,776	25,000	25,000
Amount attributable to financing activities		(687,855)	(1,487,674)	(733,913)
Surplus/(deficit) before imposition of general rates		(3,315,938)	(5,733,179)	(3,797,236)
Total amount raised from general rates	21	5,730,252	5,733,179	5,547,395
Surplus/(deficit) after imposition of general rates	22(b)	2,414,315	0	1,750,159

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

1. BASIS OF PREPARATION

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

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

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

CRITICAL ACCOUNTING ESTIMATES

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

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

THE LOCAL GOVERNMENT REPORTING ENTITY

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

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

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

2. REVENUE AND EXPENSES

(a) Revenue

Grant Revenue

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

	2019 Actual \$	2019 Budget \$	2018 Actual \$
Operating grants, subsidies and contributions			
Governance	17,003	8,000	32,938
General purpose funding	1,528,249	739,150	1,481,165
Law, order, public safety	237,143	71,301	49,873
Education and welfare	2,927	3,286	3,038
Community amenities	3,494	7,160	6,967
Recreation and culture	13,140	265,340	23,164
Transport	159,537	89,462	150,048
Economic services	2,493	300	31,006
Other property and services	34,681	17,000	60,129
	1,998,666	1,200,999	1,838,329
Non-operating grants, subsidies and contributions			
Law, order, public safety	63,153	0	0
Recreation and culture	103,136	360,000	15,672
Transport	997,671	1,271,324	1,026,188
	1,163,960	1,631,324	1,041,860
Total grants, subsidies and contributions	3,162,626	2,832,323	2,880,189

SIGNIFICANT ACCOUNTING POLICIES

Grants, donations and other contributions

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

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

Grants, donations and other contributions (Continued)

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

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Significant revenue			
General Purpose Funding	776,011	0	773,337

The 2019 significant revenue relates to the early payment of Financial Assistance Grants received 25 June 2019 comprising of general purpose funding of \$427,982 and road funding of \$348,029.

The 2018 significant revenue relates to the early payment of Financial Assistance Grants received 25 June 2018 comprising of general purpose funding of \$434,978 and road funding of \$338,539.

Other revenue

Other	279,127	69,900	68,949
	<u>279,127</u>	<u>69,900</u>	<u>68,949</u>

The significant variance between 2019 and 2018 reported as Other Revenue relates to an insurance claim made during the year for replacement of the damaged synthetic grass for the northern bowling green at the Forrest Oval Sports Precinct.

Fees and Charges

Governance	210	400	1,049
General purpose funding	39,532	37,180	38,895
Law, order, public safety	20,912	18,210	20,976
Health	22,535	17,800	18,554
Education and welfare	34,894	32,001	32,109
Community amenities	702,871	703,778	735,468
Recreation and culture	426,361	493,684	484,146
Transport	686	0	352
Economic services	123,980	127,950	107,815
Other property and services	24,465	7,900	25,098
	<u>1,396,447</u>	<u>1,438,903</u>	<u>1,464,462</u>

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

Interest earnings

Reserve accounts interest	65,978	40,000	52,050
Rates instalment and penalty interest (refer Note 20(c))	164,020	128,000	160,349
Other interest earnings	40,903	30,000	37,844
	<u>270,901</u>	<u>198,000</u>	<u>250,243</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

2. REVENUE AND EXPENSES (Continued)

(b) Expenses

Auditors remuneration

- Audit of the Annual Financial Report
- Other services

Interest expenses (finance costs)

Borrowings (refer Note 13(b))

Rental charges

- Operating leases

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
	40,300	40,300	16,668
	1,800	6,000	2,050
	<u>42,100</u>	<u>46,300</u>	<u>18,718</u>
	112,957	115,057	122,759
	<u>112,957</u>	<u>115,057</u>	<u>122,759</u>
	2,839	2,839	2,581
	<u>2,839</u>	<u>2,839</u>	<u>2,581</u>

3. CASH AND CASH EQUIVALENTS

	NOTE	2019 \$	2018 \$
Cash at bank and on hand		5,262,305	4,261,327
		5,262,305	4,261,327
Comprises:			
- Unrestricted cash and cash equivalents		1,667,170	1,110,689
- Restricted cash and cash equivalents		3,595,135	3,150,638
		5,262,305	4,261,327
The following restrictions have been imposed by regulations or other externally imposed requirements:			
Reserve accounts			
Leave Reserve - Cash-backed	4	490,181	481,548
Plant Reserve	4	684,393	672,341
Town Planning Reserve	4	7,275	7,147
Avon River Mitce Reserve	4	14,932	14,669
Industrial Land Reserve	4	129,710	127,426
Refuse Site Develop Reserve	4	186,381	183,100
Centennial Gardens Reserve	4	153,892	139,308
Public Open Space Cont Reserve	4	440	433
Community Bus	4	85,201	83,700
Pioneer Memorial Lodge Reserve	4	88,660	99,603
Residency Museum Reserve	4	0	6,041
Carparking Reserve	4	18,026	17,708
Building Reserve	4	367,933	354,540
Disaster Reserve	4	33,983	33,385
Archives Reserve	4	6,885	6,764
Water Supply Reserve	4	6,778	6,778
Unspent Grants Reserve	4,20d	227,144	124,008
Cemetery Reserve	4	5,109	5,019
R.S.L. Memorial Reserve	4	13,270	13,036
Greenhills Townsite Reserve	4	30,493	29,956
Roads Reserve	4	364,738	91,637
Land & Infrastructure Reserve	4	153,076	110,872
Forrest Oval Lights Reserve	4	4,341	3,726
Bowls Synthetic Surface Reserve	4	15,707	12,216
Tennis Synthetic Surface Reserve	4	2,113	1,767
		3,090,661	2,626,728
Other restricted cash and cash equivalents			
Unspent grants/contributions	20 e	119,409	523,910
Bonds and Deposits held	20 f	385,065	0
Total restricted cash and cash equivalents		3,595,135	3,150,638

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.

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

4. RESERVES - CASH BACKED

	2019		2019		2019		2019		2019		2018		2018	
	Actual Opening Balance	Actual Transfer to	Actual Transfer (from)	Actual Closing Balance	Budget Opening Balance	Budget Transfer to	Budget Transfer (from)	Budget Closing Balance	Actual Opening Balance	Actual Transfer to	Actual Transfer (from)	Actual Closing Balance	Actual Transfer (from)	Actual Closing Balance
(a) Leave Reserve - Cash-backed	\$ 481,548	\$ 8,633	\$ -	\$ 490,181	\$ 478,106	\$ 7,717	\$ -	\$ 485,823	\$ 450,029	\$ 31,519	\$ -	\$ 481,548	\$ -	\$ 481,548
(b) Plant Reserve	672,341	12,052	-	684,393	667,535	10,775	-	678,310	526,818	145,523	-	672,341	-	672,341
(c) Town Planning Reserve	7,147	128	-	7,275	7,096	115	-	7,211	6,971	176	-	7,147	-	7,147
(d) Avon River Mice Reserve	14,669	263	-	14,932	14,564	100,235	-	114,799	14,307	362	-	14,669	-	14,669
(e) Industrial Land Reserve	127,426	2,284	-	129,710	126,515	2,042	-	128,557	124,285	3,141	-	127,426	-	127,426
(f) Refuse Site Develop Reserve	183,100	3,281	-	186,381	181,790	2,934	-	184,724	178,586	4,514	-	183,100	-	183,100
(g) Centennial Gardens Reserve	139,308	14,584	-	153,892	138,313	6,735	-	145,048	135,874	3,434	-	139,308	-	139,308
(h) Public Open Space Cont Reserve	433	7	-	440	430	7	-	437	422	11	-	433	-	433
(i) Community Bus	83,700	1,501	-	85,201	83,101	1,341	-	84,442	81,637	2,063	-	83,700	-	83,700
(j) Pioneer Memorial Lodge Reserve	99,603	1,717	(12,660)	88,660	98,891	1,596	-	100,487	97,147	2,456	-	99,603	-	99,603
(k) Residency Museum Reserve	6,041	75	(6,116)	0	5,998	97	-	6,095	5,892	149	-	6,041	-	6,041
(l) Carparking Reserve	17,708	318	-	18,026	17,982	284	-	17,866	17,271	437	-	17,708	-	17,708
(m) Building Reserve	354,540	36,393	(23,000)	367,933	352,005	35,682	(25,000)	362,687	51,089	303,451	-	354,540	-	354,540
(n) Disaster Reserve	33,385	598	-	33,983	33,146	535	-	33,681	32,562	823	-	33,385	-	33,385
(o) Archives Reserve	6,764	121	-	6,885	6,715	108	-	6,823	6,597	167	-	6,764	-	6,764
(p) Water Supply Reserve	6,778	0	-	6,778	6,778	0	-	6,778	6,778	0	-	6,778	-	6,778
(q) Unspent Grants Reserve	124,008	103,136	-	227,144	124,008	0	-	124,008	124,008	0	-	124,008	-	124,008
(r) Cemetery Reserve	5,019	89	-	5,108	4,963	80	-	5,063	4,895	124	-	5,019	-	5,019
(s) R.S.L. Memorial Reserve	13,036	234	-	13,270	12,943	209	-	13,152	12,715	321	-	13,036	-	13,036
(t) Greenhills Townsite Reserve	29,956	537	-	30,493	29,742	480	-	30,222	29,217	739	-	29,956	-	29,956
(u) Roads Reserve	91,637	273,102	-	364,739	90,982	281,469	-	372,451	89,378	2,259	-	91,637	-	91,637
(v) Land & Infrastructure Reserve	110,872	42,204	-	153,076	110,080	41,777	-	151,857	93,403	42,469	(25,000)	110,872	-	110,872
(w) Forrest Oval Lights Reserve	3,726	615	-	4,341	3,700	1,060	-	4,760	3,634	92	-	3,726	-	3,726
(x) Bowls Synthetic Surface Reserve	12,216	3,491	-	15,707	12,129	3,696	-	15,825	11,915	301	-	12,216	-	12,216
(y) Tennis Synthetic Surface Reserve	1,767	345	-	2,112	1,754	778	-	2,532	1,722	45	-	1,767	-	1,767
(z) Main Street Reserve	0	505,709	(41,776)	3,090,661	2,608,866	638,752	(25,000)	3,222,638	2,107,152	544,576	(25,000)	2,626,728	-	2,626,728

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.

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

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

	Name of Reserve	Anticipated date of use	Purpose of the reserve
(a)	Leave Reserve - Cash-backed	Ongoing	To fund annual and long service leave requirements.
(b)	Plant Reserve	Ongoing	To be used to fund plant purchases or major capital repairs.
(c)	Town Planning Reserve	Ongoing	To develop and review the York Town Planning schemes and amendments.
(d)	Avon River Mice Reserve	Ongoing	To maintain and protect the Avon River and its environs.
(e)	Industrial Land Reserve	Ongoing	For the continued development and expansion of an industrial subdivision within the Shire.
(f)	Refuse Site Develop Reserve	Ongoing	To be used for ongoing maintenance and development of Council's waste management facilities.
(g)	Centennial Gardens Reserve	Ongoing	To be used for further expansion and capital repairs of the existing units.
(h)	Public Open Space Cont Reserve	Ongoing	For the expansion and development of passive recreation areas within the Shire.
(i)	Community Bus	Ongoing	To finance the takeover of the Community Bus (funded by the operational surplus of the Community Bus).
(j)	Pioneer Memorial Lodge Reserve	Ongoing	To finance capital improvements and extensions to the seniors village (funded by the operational surplus of the Lodge).
(k)	Residency Museum Reserve	Ongoing	To fund capital expenditure and maintenance of the historical museum.
(l)	Carparking Reserve	Ongoing	To fund the management and control of parking facilities in accordance with Council's Parking Plan.
(m)	Building Reserve	Ongoing	For the construction and major capital improvements to all Council buildings.
(n)	Disaster Reserve	Ongoing	A contingency reserve to help fund recovery from any natural disaster.
(o)	Archives Reserve	Ongoing	To provide a secure building for the safe storage of Council's Archival Records.
(p)	Water Supply Reserve	Ongoing	To hold funds raised through the water supply charge until the loan repayment is due.
(q)	Unspent Grants Reserve	Ongoing	To segregate grant funds provided for specific projects until those projects are carried out.
(r)	Cemetery Reserve	Ongoing	To provide for the ongoing development of the existing York Cemetery or the development of a new site at a location to be determined.
(s)	R.S.L. Memorial Reserve	Ongoing	To provide for the upgrading of the RSL Memorial.
(t)	Greenhills Townsite Reserve	Ongoing	To provide funds to enhance the amenity and economic potential of the Greenhills Townsite with such funds to be expended in consultation with the Greenhills Progress Association.
(u)	Roads Reserve	Ongoing	To provide for future road resealing requirements.
(v)	Land & Infrastructure Reserve	Ongoing	For the purpose of funding the purchase of land and or buildings or the construction of buildings.
(w)	Forrest Oval Lights Reserve	Ongoing	To provide for the replacement and upgrading of the Oval Lights.
(x)	Bowls Synthetic Surface Reserve	Ongoing	To provide for the future replacement of Bowls synthetic surface.
(y)	Tennis Synthetic Surface Reserve	Ongoing	To provide for the future replacement of Tennis synthetic surface.
(z)	Main Street Reserve	Ongoing	To provide funds to upgrade the Main Street and the development of a Town Precinct

5. TRADE RECEIVABLES

Current

Rates receivable	
Sundry receivables	
Allowance for impairment of receivables	
Accrued income	
LSL owed by other Local Governments	
ESL Debtors	

Non-current

Pensioner's rates and ESL deferred	
------------------------------------	--

	2019	2018
	\$	\$
	1,080,809	1,092,260
	232,735	416,519
	(165,640)	(352,541)
	368,504	24,211
	30,802	24,983
	36,688	33,298
	<u>1,583,898</u>	<u>1,238,730</u>
	116,089	100,134
	<u>116,089</u>	<u>100,134</u>

Movement in the allowance for impairment of trade receivables

	2019	2018
	\$	\$
Balance at start of the period	352,541	352,043
Remeasurement under AASB 9	0	0
	<u>352,541</u>	<u>352,043</u>
Opening balance	352,541	352,043
Doubtful Debt Expense	0	498
Additional Impairment	105,024	0
Expected Credit Loss	9,094	0
Amounts Written Off	(301,019)	0
Balance at end of the period	<u>165,640</u>	<u>352,541</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 23.

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

6. INVENTORIES

Current

Stock on hand - Works and Services
Stock on hand - York Recreation and Convention Centre

	2019	2018
	\$	\$
	6,973	11,490
	26,540	29,433
	33,513	40,923
	40,923	36,859
	(113,626)	(94,283)
	106,216	98,347
	33,513	40,923

The following movements in inventories occurred during the year:

Carrying amount at 1 July

Inventory expensed during the year

Additions to inventory

Carrying amount at 30 June

SIGNIFICANT ACCOUNTING POLICIES

General

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

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

7. OTHER FINANCIAL ASSETS

(a) Non-current assets

Financial assets at fair value through profit and loss

	2019 \$	2018 \$
	70,068	0
	70,068	0

Financial assets at fair value through profit and loss

- Unlisted equity investments

4 Units in Local Government House Trust

	70,068	
	70,068	0

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

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

	70,068	0
	70,068	0

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 23.

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

8. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Carrying Amounts

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

	Land - freehold land		Total land and buildings		Furniture and equipment		Total property, plant and equipment	
	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2017	5,560,450	24,932,372	30,492,822	332,975	2,450,145	33,275,942		
Additions	0	173,289	173,289	102,343	546,351	821,983		
(Disposals)	0	0	0	0	(207,973)	(207,973)		
Revaluation increments / (decrements) transferred to revaluation surplus	20,100	1,453,946	1,474,046	0	0	1,474,046		
Depreciation (expense)	0	(596,630)	(596,630)	(102,091)	(258,742)	(957,463)		
Carrying amount at 30 June 2018	5,580,550	25,962,977	31,543,527	333,227	2,529,781	34,406,535		
Comprises:								
Gross carrying amount at 30 June 2018	5,580,550	25,962,977	31,543,527	946,441	4,072,019	36,561,987		
Accumulated depreciation at 30 June 2018	0	0	0	(613,214)	(1,542,238)	(2,155,452)		
Carrying amount at 30 June 2018	5,580,550	25,962,977	31,543,527	333,227	2,529,781	34,406,535		
Additions	0	178,588	178,588	51,311	232,391	462,290		
(Disposals)	0	0	0	(4,955)	(144,286)	(149,241)		
(Write Offs)	0	0	0	(88,324)	(117,731)	(206,055)		
Depreciation (expense)	0	(591,625)	(591,625)	(95,884)	(260,057)	(947,566)		
Depreciation on write offs	0	0	0	52,696	17,278	69,974		
Transfers	0	0	0	33,740	0	33,740		
Carrying amount at 30 June 2019	5,580,550	25,549,940	31,130,490	281,811	2,257,376	33,669,677		
Comprises:								
Gross carrying amount at 30 June 2019	5,580,550	26,148,654	31,729,204	922,122	2,897,969	35,549,295		
Accumulated depreciation at 30 June 2019	0	(598,714)	(598,714)	(640,311)	(640,594)	(1,879,619)		
Carrying amount at 30 June 2019	5,580,550	25,549,940	31,130,490	281,811	2,257,375	33,669,676		

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Land and buildings					
Land - freehold land	2	Market approach using recent observable market data for similar assets	Independent	30 June 2018	Price per square metre
Buildings	3	Cost approach using depreciated replacement cost	Independent	30 June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Furniture and equipment	3	Cost approach using depreciated replacement cost	Management	30 June 2017	Purchase costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Plant and equipment					
- Independent valuation 2016	2	Market approach using recent observable market data for similar assets	Independent	30 June 2016	Market price based on make, size, year of manufacture and condition
- Management valuation 2016	3	Cost approach using depreciated replacement cost	Management	30 June 2016	Purchase costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs

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

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

9. INFRASTRUCTURE

(a) Movements in Carrying Amounts

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

	Infrastructure - Roads	Infrastructure - Drainage	Infrastructure - Bridges	Infrastructure - Footpaths	Infrastructure - Other Structures	Infrastructure - Parks and Reserves	Total Infrastructure
	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2017	68,286,681	17,215,613	10,880,962	1,369,190	2,482,095	2,865,201	103,099,742
Additions	1,462,689	155,498	62,270	110,224	75,472	2,053	1,868,206
Revaluation increments / (decrements) transferred to revaluation surplus	0	0	418,895	0	0	(237,616)	181,279
Depreciation (expense)	(990,114)	(383,320)	(139,527)	(33,739)	(228,800)	(75,338)	(1,850,838)
Carrying amount at 30 June 2018	68,759,256	16,987,791	11,222,600	1,445,675	2,328,767	2,554,300	103,298,389
Comprises:							
Gross carrying amount at 30 June 2018	100,483,785	37,930,132	11,222,600	1,662,658	3,364,926	2,554,300	157,218,401
Accumulated depreciation at 30 June 2018	(31,724,529)	(20,942,341)	0	(216,983)	(1,036,159)	0	(53,920,012)
Carrying amount at 30 June 2018	68,759,256	16,987,791	11,222,600	1,445,675	2,328,767	2,554,300	103,298,389
Additions	1,464,197	30,875	3,313	44,862	264,910	80,696	1,888,853
(Disposals)	0	0	0	0	(66,422)	0	(66,422)
Depreciation (expense)	(1,005,938)	(443,812)	(140,427)	(35,965)	(229,184)	(71,246)	(1,926,592)
Transfers	0	0	0	0	(33,740)	0	(33,740)
Carrying amount at 30 June 2019	69,217,515	16,574,854	11,085,486	1,454,552	2,264,331	2,563,750	103,160,488
Comprises:							
Gross carrying amount at 30 June 2019	101,947,982	37,961,007	11,225,913	1,707,519	3,374,691	2,634,996	158,852,108
Accumulated depreciation at 30 June 2019	(32,730,467)	(21,386,153)	(140,427)	(252,967)	(1,110,360)	(71,246)	(55,691,620)
Carrying amount at 30 June 2019	69,217,515	16,574,854	11,085,486	1,454,552	2,264,331	2,563,750	103,160,488

9. INFRASTRUCTURE (Continued)

(b) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Infrastructure - Roads	3	Cost approach using depreciated replacement cost	Management valuation	30 June 2017	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - Drainage	3	Cost approach using depreciated replacement cost	Management valuation	30 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 valuation	30 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	30 June 2017	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - Other Structures	3	Cost approach using depreciated replacement cost	Management valuation	30 June 2017	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - Parks and Reserves	3	Cost approach using depreciated replacement cost	Management valuation	30 June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs

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

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

9. PROPERTY, PLANT AND EQUIPMENT (INCLUDING INFRASTRUCTURE)

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

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

Initial recognition and measurement between mandatory revaluation dates

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

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

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

Revaluation

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

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

AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY

Land under control

In accordance with *Local Government (Financial Management) Regulation 16(a)(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.

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

(a) Disposals of Assets

	2019			2019			2019			2018			2018		
	Actual Net Book Value	Actual Sale Proceeds	2019 Actual Profit	Actual Net Book Value	Budget Sale Proceeds	2019 Budget Profit	Budget Net Book Value	Budget Sale Proceeds	2019 Budget Loss	Actual Net Book Value	Actual Sale Proceeds	2018 Actual Profit	Actual Net Book Value	Actual Sale Proceeds	2018 Actual Loss
Buildings	\$ 0	\$ 0	\$ 0	\$ 1,225,482	\$ 876,400	\$ 0	\$ 0	\$ 0	\$ (349,082)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Furniture and equipment	4,955	700	0	0	0	0	0	0	0	0	0	0	0	0	0
Plant and equipment	144,286	123,636	0	255,529	188,600	0	207,973	174,043	(66,929)	207,973	1,298	207,973	174,043	(35,228)	
Infrastructure - Other Structures	66,422	0	0	0	0	0	0	0	0	0	0	0	0	0	
	215,663	124,336	0	1,481,011	1,065,000	0	207,973	174,043	(416,011)	207,973	1,298	207,973	174,043	(35,228)	

(b) Assets Expensed

The total written down value of assets held by the Shire which have a fair value as at the date of acquisition of \$5,000 or less have been removed from the Shire's asset register. The totals are shown below.

	Actual		Actual		Loss on	
	Opening Value	Depreciation Value	1-Jul-18 Value	1-Jul-18 Value	Write Off Value	1-Jul-18 Value
Furniture and equipment	88,324	52,696	88,324	52,696	(35,628)	(35,628)
Plant and equipment	117,731	17,278	117,731	17,278	(100,453)	(100,453)
	206,055	69,974	206,055	69,974	(136,081)	(136,081)

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

(c) Depreciation

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Buildings	591,625	564,904	596,630
Furniture and equipment	95,884	87,186	102,091
Plant and equipment	260,057	186,626	258,742
Infrastructure - Roads	1,005,938	832,360	990,114
Infrastructure - Drainage	443,812	432,705	383,320
Infrastructure - Bridges	140,427	117,296	139,527
Infrastructure - Footpaths	35,985	28,364	33,739
Infrastructure - Other Structures	229,184	192,345	228,800
Infrastructure - Parks and Reserves	71,246	0	75,338
	2,874,158	2,441,786	2,808,301

SIGNIFICANT ACCOUNTING POLICIES

Depreciation

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

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

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

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

Depreciation rates

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

Asset Class	Useful life
Buildings	40 to 100 years
Furniture and equipment	8 to 10 years
Plant and equipment	5 to 15 years
Infrastructure - Roads	
formation	not depreciated
pavement	70 to 110 years
seal	20 years
Infrastructure - Footpaths	25 to 50 years
Infrastructure - Drainage	70 to 100 years
Infrastructure - Other	8 to 100 years
Infrastructure - Bridges	40 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:

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

11. REVALUATION SURPLUS

	2019	2019	2018	2018	2018	2018	2018	2018	2018
	Opening	Closing	Opening	Revaluation	Revaluation	Revaluation	Revaluation	Total	2018
	Balance	Balance	Balance	Increment	(Decrement)	Movement on	Revaluation		Closing
	\$	\$	\$	\$	\$	Revaluation	Balance	\$	Balance
Revaluation surplus - Land - freehold land	4,001,800	4,001,800	3,981,700	20,100	0	0	4,001,800	20,100	4,001,800
Revaluation surplus - Buildings	17,808,574	17,808,574	16,354,628	1,453,946	0	0	17,808,574	1,453,946	17,808,574
Revaluation surplus - Furniture and equipment	61,757	61,757	61,757	0	0	0	61,757	0	61,757
Revaluation surplus - Plant and equipment	804,963	804,963	804,963	0	0	0	804,963	0	804,963
Revaluation surplus - Infrastructure - Roads	51,881,661	51,881,661	51,881,661	0	0	0	51,881,661	0	51,881,661
Revaluation surplus - Infrastructure - Drainage	16,700,778	16,700,778	16,700,778	0	0	0	16,700,778	0	16,700,778
Revaluation surplus - Infrastructure - Bridges	9,305,554	9,305,554	8,886,659	418,895	0	0	9,305,554	418,895	9,305,554
Revaluation surplus - Infrastructure - Footpaths	863,267	863,267	863,267	0	0	0	863,267	0	863,267
Revaluation surplus - Infrastructure - Other Structures	533,633	533,633	533,633	0	0	0	533,633	0	533,633
Revaluation surplus - Infrastructure - Parks and Reserves	2,583,357	2,583,357	2,820,973	0	(237,616)	(237,616)	2,583,357	(237,616)	2,583,357
	104,545,344	104,545,344	102,890,019	1,892,941	(237,616)	1,655,325	104,545,344	1,655,325	104,545,344

Movements on revaluation of property, plant and equipment (including infrastructure) are not able to be reliably attributed to a program as the assets were revalued by class as provided for by AASB 116 Aus 40.1.

12. TRADE AND OTHER PAYABLES

Current

Sundry creditors
Accrued salaries and wages
Accrued interest on long term borrowings
Bonds and Deposits held

2019	2018
\$	\$
515,404	744,324
103,979	79,861
17,087	19,187
385,065	0
1,021,535	843,372

SIGNIFICANT ACCOUNTING POLICIES

Trade and other payables

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

Trade and other payables (Continued)

of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are normally paid within 30 days of recognition. Bonds and deposits held at balance date previously recorded as trust monies are recognised as a current liability.

13. INFORMATION ON BORROWINGS (Continued)

	2019	2018
	\$	\$
(c) Undrawn Borrowing Facilities		
Credit Standby Arrangements		
Bank overdraft limit	200,000	200,000
Credit card limit	10,000	10,000
Credit card balance at balance date	(1,500)	(284)
Total amount of credit unused	208,500	209,716
Loan facilities		
Loan facilities - current	233,976	223,922
Loan facilities - non-current	1,869,341	2,103,317
Total facilities in use at balance date	2,103,317	2,327,239

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 23.

14. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions

Opening balance at 1 July 2018

Current provisions

Non-current provisions

Additional provision/(amount used)

Balance at 30 June 2019

Comprises

Current

Non-current

	Provision for Annual Leave	Provision for Sick Leave	Provision for Long Service Leave	Total
	\$		\$	\$
Opening balance at 1 July 2018				
Current provisions	415,329	75,782	252,037	743,148
Non-current provisions	0	0	63,318	63,318
	415,329	75,782	315,355	806,466
Additional provision/(amount used)	38,528	39,903	13,302	91,733
Balance at 30 June 2019	453,857	115,685	328,657	898,199
Comprises				
Current	453,857	76,328	241,432	771,617
Non-current	0	39,357	87,225	126,582
	453,857	115,685	328,657	898,199

Amounts are expected to be settled on the following basis:

Less than 12 months after the reporting date

More than 12 months from reporting date

Expected reimbursements from other WA local governments

	2019	2018
	\$	\$
Less than 12 months after the reporting date	328,616	496,807
More than 12 months from reporting date	538,781	284,676
Expected reimbursements from other WA local governments	30,802	24,983
	898,199	806,466

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.

15. CONTINGENT ASSETS AND LIABILITIES

Contingent assets and contingent liabilities are not recognised in the statement of financial position but are disclosed and if quantifiable, are measured at the best estimate.

Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

Contingent Liabilities

Litigation in progress

The Shire is not involved in any litigation proceedings.

Contaminated Sites

Under the Contaminated Sites Act 2003, the Shire is required to report known and suspected contaminated sites to the Department of Water and Environmental Regulation (DWER). In accordance with the Act, DWER classifies these sites on the basis of the risk to human health, the environment and environmental values. Where sites are classified as contaminated – remediation required or possibly contaminated – investigation required, the Shire may have a liability in respect of investigation or remediation expenses.

During the year the Shire reported no contaminated sites to (DWER).

16. NOTES TO THE STATEMENT OF CASH FLOWS

Reconciliation of Cash

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

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Cash and cash equivalents	5,262,305	3,380,983	4,261,327
Reconciliation of Net Cash Provided By Operating Activities to Net Result			
Net result	504,024	(226,089)	168,216
Non-cash flows in Net result:			
Adjustments to fair value of financial assets	(70,068)		
Depreciation	2,874,158	2,441,786	2,808,301
(Profit)/loss on sale of asset	91,327	416,011	33,930
(Profit)/loss on write off of asset	136,081	0	0
Changes in assets and liabilities:			
(Increase)/decrease in receivables	(361,123)	0	344,186
(Increase)/decrease in inventories	7,410	0	(4,064)
Increase/(decrease) in payables	178,163	0	552,606
Increase/(decrease) in provisions	91,733	0	46,700
Grants contributions for the development of assets	(1,163,960)	(1,631,324)	(1,041,860)
Net cash from operating activities	2,287,745	1,000,384	2,908,015

17. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2019	2018
	\$	\$
Governance	2,941,104	2,940,040
General purpose funding	1,285,000	1,285,000
Law, order, public safety	815,577	886,371
Health	0	90,244
Education and welfare	2,436,841	2,486,500
Community amenities	585,180	540,611
Recreation and culture	25,804,287	26,182,443
Transport	98,751,801	98,799,585
Economic services	79,191	93,717
Other property and services	2,670,734	2,939,963
Unallocated	8,526,323	7,101,564
	<u>143,896,038</u>	<u>143,346,038</u>

18. CAPITAL AND LEASING COMMITMENTS

(a) Capital Expenditure Commitments

At the Ordinary Council Meeting held 24 June 2019, Council awarded tender RFT 05-18/19 to Dowsing Group to undertake road widening works on Knotts Road. The value of this project was \$374,214. It has not been recognised as a liability in the Statement of Financial Position but is disclosed as a capital commitment as at 30 June 2019 pending execution of the contract documents.

(b) Operating Lease Commitments

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

Payable:
- not later than one year
- later than one year but not later than five years

	2019	2018
	\$	\$
	2,163	2,839
	1,120	3,283
	3,283	6,123

SIGNIFICANT ACCOUNTING POLICIES

Leases

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

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

Leases (Continued)

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

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

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

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	101,346	101,346	101,273
President's allowance	16,749	16,749	16,749
Deputy President's allowance	4,187	4,187	4,187
Travelling expenses	362	1,500	734
Telecommunications allowance	14,000	14,000	14,326
	<u>136,644</u>	<u>137,782</u>	<u>137,269</u>

Other Key Management Personnel (KMP) Compensation Disclosure

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

	2019 Actual	2018 Actual
	\$	\$
Short-term employee benefits	807,765	870,006
Post-employment benefits	104,965	106,258
Other long-term benefits	95,101	19,895
	<u>1,007,831</u>	<u>996,159</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 long service benefits accruing during the year.

19. RELATED PARTY TRANSACTIONS (Continued)

Transactions with related parties

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

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

The following transactions occurred with related parties:	2019	2018
	Actual	Actual
	\$	\$
Purchase of goods and services	2,280	135,973

Related Parties

The Shire's main related parties are as follows:

i. Key management personnel

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

ii. Other Related Parties

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

iii. Entities subject to significant influence by the Shire

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

20. CONDITIONS OVER GRANTS/CONTRIBUTIONS

Grant/Contribution	Opening Balance (a) 1/07/17	Received (b) 2017/18	Expended (c) 2017/18	Closing Balance (a) 30/06/18	Received (b) 2018/19	Expended (c) 2018/19	Closing Balance (a) 30/06/19
Governance							
Connecting Local Governments Funding (SEAVROC)	(d) 44,054	0	0	44,054	0	0	44,054
Workforce Plan Funding (SEAVROC)	(d) 18,186	0	0	18,186	0	0	18,186
Business Case Grant Funds (SEAVROC)	(d) 13,118	0	0	13,118	0	0	13,118
You're Welcome/ Disability Awareness Funds (SEAVROC)	(d) 22,976	0	0	22,976	0	0	22,976
Zero Waste Plan Grant (SEAVROC)	(d) 6,119	0	0	6,119	0	0	6,119
Directions Leadership Programme	(d) 1,500	0	0	1,500	0	0	1,500
DLGSC Age Friendly Communities	(d) 10,000	0	(10,000)	0	0	0	0
Recreation and culture							
ANZAC Centenary Grant - Walk With Us	18,554	0	(18,554)	0	0	0	0
CANWA - Remembering Them - Walk With Us	5,325	0	(5,325)	0	0	0	0
Town Hall Upgrades	103,170	0	(103,170)	0	0	0	0
Town Hall Honour Board Refurbishment	0	16,925	(5,000)	11,925	0	(11,925)	0
Avon Park Amenity Upgrades	0	15,672	0	15,672	0	(4,400)	11,272
Town Hall Upgrades - Stage 2	0	0	0	0	103,136	0	103,136
Transport							
Special Purpose Financial Assistance Grants - Bridges	18,057	0	0	18,057	0	0	18,057
Roads to Recovery	0	566,404	(70,091)	496,313	264,111	(760,424)	0
Main Roads WA - RRG Knotts Road	0	0	0	0	90,415	0	90,415
Main Roads WA - BS Talbot West/Luelf Intersection	0	0	0	0	17,720	0	17,720
Economic services							
Regional Visitor Centre Sustainability Grant Program	3,696	0	(3,696)	0	0	0	0
DLGSC Nature Play Festival	5,000	0	(5,000)	0	0	0	0
Other property and services							
Bonds and Deposits held (see note 24)	0	0	0	0	385,065	0	385,065
Total	269,755	599,001	(220,836)	647,920	860,447	(776,749)	731,618

Notes:

- (a) Grants/contributions recognised as revenue in a previous reporting period which were not expended at the close of the previous reporting period
- (b) New grants/contributions which were recognised as revenues during the reporting period and which had not yet been fully expended in the manner specified by the contributor.
- (c) Grants/contributions which had been recognised as revenues in a previous reporting period or received in the current reporting period and which were expended in the current reporting period in the manner specified by the contributor.
- (d) Grants/contributions received as revenue in a previous reporting period which were not expended and have been transferred to Reserve 40 - Unspent Grants Reserve balance as at 30/06/19 \$227,144 (see Note 4(q)).
- (e) Recognised as unspent grants/contributions under other restricted cash in Note 3 totalling \$119,409.
- (f) Funds received as revenue relating to works, building and hire bonds during the reporting period which were not refunded as at 30 June 2019. These funds were previously held in Trust and have been transferred to the Statement of Financial Position (Note 3) with a corresponding liability (see Note 12 and Note 24).

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

21. RATING INFORMATION

(a) Rates

RATE TYPE	Differential general rate / general rate	Rate in \$	Number of Properties	2018/19 Actual		2018/19 Interim		2018/19 Actual		2018/19 Budget		2018/19 Budget		2017/18 Actual	
				Rateable Value	Rate Revenue	Actual Rates	Actual Rates	Actual Rates	Back Rates	Rate Revenue	Back Rate	Total Revenue	Total Revenue	Total Revenue	
Gross rental valuations															
General		0.12086	1,442	22,471,182	2,715,867	7,504	388	2,723,759	2,717,187	10,000	100	2,727,287	2,628,243		
Unimproved valuations															
General		0.009186	371	220,732,963	2,027,653	0	0	2,027,653	2,027,782	0	0	2,027,782	1,860,052		
Sub-Total			1,813	243,204,145	4,743,520	7,504	388	4,751,412	4,744,969	10,000	100	4,755,069	4,488,295		
Minimum payment		\$													
Gross rental valuations															
General		1.080	525	2,962,221	567,000	0	0	567,000	564,840	0	0	564,840	592,920		
Unimproved valuations															
General		1.430	288	29,689,990	411,840	0	0	411,840	413,270	0	0	413,270	466,180		
Sub-Total			813	32,352,211	978,840	0	0	978,840	978,110	0	0	978,110	1,059,100		
Total amount raised from general rate			2,626	275,556,356	5,722,360	7,504	388	5,730,252	5,723,079	10,000	100	5,733,179	5,547,395		
Rates paid in advance - movement from prior period								5,730,252				5,733,179	5,547,395		
Totals								12,648				0	9,159		
								5,742,900				5,733,179	5,556,554		
Ex-gratia rates								17,329				13,260	13,129		

SIGNIFICANT ACCOUNTING POLICIES

Rates

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

21 RATING INFORMATION (Continued)

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

Waivers or Concessions

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

	Type	Discount %	Discount \$	2019 Actual \$	2019 Budget \$	2018 Actual \$
Rates Write Offs				23,981	30,000	0
Penalty Interest Written off				38,369	0	27
Legal Fees Written Off				19,200	0	335
				81,550	30,000	362

21. RATING INFORMATION (Continued)

(c) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan	Instalment Plan	Unpaid Rates
		Admin Charge	Interest Rate	Interest Rate
		\$	%	%
Payment in full	10 Sep 2018			11.00%
First Instalment	10 Sep 2018	0.00	5.50%	11.00%
Second Instalment	12 Nov 2018	10.00	5.50%	11.00%
Third Instalment	14 Jan 2019	10.00	5.50%	11.00%
Fourth Instalment	18 Mar 2019	10.00	5.50%	11.00%

		2019	2019	2018
		Actual	Budget	Actual
		\$	\$	\$
Interest on unpaid rates	Note 2(a)	140,354	104,000	135,579
Interest on instalment plan	Note 2(a)	23,666	24,000	24,770
Charges on instalment plan		19,200	19,500	19,540
		<u>183,220</u>	<u>147,500</u>	<u>179,889</u>

22. RATE SETTING STATEMENT INFORMATION

	2018/19 (30 June 2019)	2018/19 (1 July 2018)
Note	Carried Forward)	Brought Forward)
	\$	\$
(a) Non-cash amounts excluded from operating activities		
<p>The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i>.</p>		
Adjustments to operating activities		
Less: Profit on asset disposals	10(a) 0	(1,298)
Less: Fair value adjustments to investment property	(70,068)	0
Less: Movement in liabilities associated with restricted cash	8,634	0
Movement in pensioner deferred rates (non-current)	(15,955)	(18,747)
Movement in rates paid in advance	(12,647)	(9,160)
Movement in employee benefit provisions (non-current)	63,264	42,164
Add: Loss on disposal of assets	10(a) 91,327	35,228
Add: Assets expensed	10(b) 136,081	0
Add: Depreciation on assets	10(c) 2,874,158	2,808,301
Non cash amounts excluded from operating activities	3,074,793	2,856,488
(b) Surplus/(deficit) after imposition of general rates		
<p>The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.</p>		
Adjustments to net current assets		
Less: Reserves - restricted cash	3 (3,090,661)	(2,626,728)
Add: Borrowings	13(a) 233,976	223,922
Add: Leave Reserve	490,180	481,548
Less: Rates Received in Advance	(71,768)	(59,121)
Total adjustments to net current assets	(2,438,273)	(1,980,379)
Net current assets used in the Rate Setting Statement		
Total current assets	6,879,716	5,540,980
Less: Total current liabilities	(2,027,128)	(1,810,442)
Less: Total adjustments to net current assets	(2,438,273)	(1,980,379)
Net current assets used in the Rate Setting Statement	2,414,315	1,750,159

23. FINANCIAL RISK MANAGEMENT

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

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

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

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

(a) Interest rate risk

Cash and cash equivalents

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

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

	Weighted Average Interest Rate	Carrying Amounts	Fixed Interest Rate	Variable Interest Rate	Non Interest Bearing
	%	\$	\$	\$	\$
2019					
Cash and cash equivalents	2.64%	5,262,305	2,484,533	2,777,772	0
2018					
Cash and cash equivalents	2.68%	4,261,327	2,464,438	1,796,889	0

Sensitivity

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

	2019	2018
	\$	\$
Impact of a 1% movement in interest rates on profit and loss and equity*	52,623	42,613

* 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 13(b).

23. 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.

No expected credit loss was forecast for rates receivable as penalty interest applies to unpaid rates and properties associated with unpaid rates may be disposed of to recover unpaid rates.

The loss allowance as at 30 June 2019 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
30 June 2019					
Sundry Receivables					
Expected credit loss	1.61%	15.87%	16.82%	23.58%	3.88%
Gross carrying amount	209,106	270	3,090	21,916	234,382
Loss allowance	3,363	43	520	5,168	9,094

23. 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 13(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
	\$	\$	\$	\$	\$
2019					
Payables (Note12)	1,021,535	0	0	1,021,535	1,021,535
Borrowings (Note 13(a))	338,979	1,487,417	882,273	2,708,669	2,103,317
	<u>1,360,514</u>	<u>1,487,417</u>	<u>882,273</u>	<u>3,730,204</u>	<u>3,124,852</u>
2018					
Payables (Note12)	843,372	0	0	843,372	843,372
Borrowings (Note 13(a))	338,979	1,283,748	1,424,921	3,047,648	2,327,239
	<u>1,182,351</u>	<u>1,283,748</u>	<u>1,424,921</u>	<u>3,891,020</u>	<u>3,170,611</u>

24. TRUST FUNDS

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

	1 July 2018	Amounts Received	Amounts Paid	30 June 2019
	\$	\$	\$	\$
PALMBROOK PUBLIC OPEN SPACE	58,422	0	0	58,422
	58,422	0	0	58,422

In previous years, bonds and deposits were held as trust monies. They are now included in Restricted Cash at Note 3 and recorded as a current liability at Note 12.

BCITF PAYMENT	825	8,249	7,242	1,831
BONDS - CAT TRAP	267	1,157	1,157	267
BONDS - EXTRACTIVE INDUSTRIES	4,500	0	0	4,500
BONDS - FOOTPATH & KERB	17,000	3,500	1,500	19,000
BONDS - HALL	6,230	6,400	5,850	6,780
BONDS - KEYS	2,300	1,190	610	2,880
BONDS - PARKS/COUNCIL PROPS	500	7,500	5,000	3,000
BONDS - RENTAL PROPERTIES	1,435	8,034	400	9,069
BUILDER REGIST BOARD LEVY	1,372	13,740	11,969	3,143
BUILDING BONDS	1,600	0	0	1,600
CASH RECEIPTS - OTHER	9,398	1,150	550	9,998
COMMUNITY BUS BONDS	1,500	850	1,100	1,250
CROSSOVER BOND - AVON VALLEY	5,940	0	0	5,940
CROSSOVER BOND - BLISS	1,650	0	0	1,650
CROSSOVER BOND - SMORENBURG	1,650	0	0	1,650
FUNDRAISING ACCOUNT	487	416	567	336
FUNDS HELD FOR LOCAL GROUPS	13,992	0	0	13,992
GREENHILLS BUSHFIRE BRIGADE	114	0	0	114
LEEWIN CONTRIBUTIONS	800	0	0	800
MOTO CROSS TRACK	5,865	0	0	5,865
PALMBROOK - CROSSOVERS	58,520	2,840	0	61,360
PALMBROOK - FOOTPATHS	14,281	0	0	14,281
PALMBROOK - INTERSECTIONS	29,876	1,369	0	31,244
PALMBROOK - RURAL NUMBERS	1,820	0	0	1,820
PLANNING BONDS	5,900	10,506	5,760	10,646
POLICE LICENSING	0	1,403,473	1,403,473	0
PROPERTY SALE NON PAYMENT RATES	69,065	0	0	69,065
SETTLERS HOUSE BONDS	13,357	0	0	13,357
SPORTING PRECINCT	4,610	1,350	650	5,310
SUBDIVISION BOND - BAWDEN	3,300	0	0	3,300
SUBDIVISION BOND - PREISIG	31,845	1,459	0	33,304
SUBDIVISION BONDS	47,713	0	0	47,713
	357,712	1,473,182	1,445,829	385,065

25. 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 resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. In accordance with AASB 9.7.2.15, the Shire has not restated the comparative information which continues to be reported under AASB 139.

An assessment was performed to measure expected credit losses taking into account past events, current conditions and forecasts of future economic conditions. Any adjustments arising from adoption were deemed immaterial and have not been recognised directly in accumulated surplus/(deficit).

26. CHANGE IN ACCOUNTING POLICY

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

The Shire of York made a retrospective assessment in respect of the change in its accounting policy to comply with the regulation to exclude assets with a fair value of under \$5,000 at the time of acquisition from the assets of the Shire.

Based on the assessment performed, the Shire expensed \$136,081 in the Statement of Comprehensive Income for the current year given that the amount was considered immaterial to restate the retained surplus as at 1 July 2018.

The impacts of the changes in the accounting policy are disclosed at Note 8 and Note 10(b).

27. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS FOR APPLICATION IN FUTURE YEARS

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

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

(a) Revenue from Contracts with Customers

The Shire will adopt AASB 15 *Revenue from Contracts with Customers* (issued December 2014) on 1 July 2019 resulting in changes in accounting policies. In accordance with the transition provisions AASB 15, the Shire will adopt the new rules retrospectively with the cumulative effect of initially applying these rules recognised on 1 July 2019. In summary the following adjustments are expected to be made to the amounts recognised in the Statement of Financial Position at the date of initial application (1 July 2019):

	AASB 118 carrying amount		AASB 15 carrying amount
Note	30 June 2019	Reclassification	01 July 2019
	\$	\$	\$
Contract liabilities - current			
Unspent grants, contributions and reimbursements	0	119,409	119,409
Contract liabilities non-current			
Adjustment to retained surplus from adoption of AASB 15	27(d)	0	(119,409)

(b) Leases

The Shire adopted AASB 16 retrospectively from 1 July 2019 which resulted in changes in accounting policies.

On adoption of AASB 16 *Leases* (issued February 2016), for leases which had previously been classified as an 'operating lease' when applying AASB 117, the Shire is not required to make any adjustments on transition for leases for which the underlying asset is of low value.

	Note	2019
		\$
Operating lease commitments disclosed as at 30 June 2019	18(a)	3,283
Low-value leases recognised on a straight-line basis as an expense		3,283

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

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

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

(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.

(d) Impact of changes to Retained Surplus

The impact on the Shire of the changes as at 1 July 2019 is as follows:

	Note	Adjustments	2019
			\$
Retained surplus - 30 June 2019			32,236,981
Adjustment to retained surplus from adoption of AASB 15	27(a)	(119,409)	
Adjustment to retained surplus from adoption of AASB 1058	27(c)	0	(119,409)
Retained surplus - 01 July 2019			32,117,572

28. 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.

29. SUBSEQUENT EVENTS

There have been no significant events after the reporting period that are required to be disclosed in the notes to the 2018/19 Annual Financial Report.

30. MAJOR LAND TRANSACTIONS

The Shire did not participate in any major land transactions during the 2018/19 financial year.

31. FINANCIAL RATIOS

	2019 Actual	2018 Actual	2017 Actual
Current ratio	2.14	1.80	3.19
Asset consumption ratio	0.70	0.71	0.73
Asset renewal funding ratio	1.03	1.74	0.97
Asset sustainability ratio	0.71	0.83	1.22
Debt service cover ratio	6.91	6.10	8.25
Operating surplus ratio	(0.09)	(0.12)	0.04
Own source revenue coverage ratio	0.75	0.72	0.74

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



Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Councillors of the Shire of York

Report on the Audit of the Financial Report

Opinion

I have audited the annual financial report of the Shire of York 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 York:

- (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 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) All required information and explanations were obtained by me.
- (ii) All audit procedures were satisfactorily completed.
- (iii) In my opinion, the Asset Consumption Ratio and the Asset Renewal Funding Ratio included in the annual financial report were supported by verifiable information and reasonable assumptions.

Other Matter

The financial ratios for 2017 in Note 31 of the annual financial report were audited by another auditor when performing their audit of the Shire for the year ending 30 June 2017. The auditor expressed an unmodified opinion on the annual financial report for that year.

Matters Relating to the Electronic Publication of the Audited Financial Report

This auditor's report relates to the annual financial report of the Shire of York 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.



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



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