

**Our Vision:** Together we create the opportunity to grow



## **Our Goals:**

1. Focus upon our local economic drivers to retain and grow existing businesses, employment and to attract new industry
2. Internal and external relationships actively grow our Shire population and positive financial position
3. We contribute to a healthy community

# **ANNUAL REPORT 2018-2019**

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**SHIRE OF NAREMBEEN**



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## **Shire President and Chief Executive Officers** **Report 2018/19**

We are pleased to present the Shire of Narembreen's Annual Report for the year ended 30 June 2019.

As in previous years, this year has been a particularly busy year for the Shire and community of Narembreen, with a number of significant achievements happening throughout our district.

The Shire of Narembreen undertook a very successful rebranding exercise that included a community consultation process. This was an exciting step for the Shire and we are proud of our new brand which tells a story about who we are and will become a strong symbol of our growth across tourism, economic and community development.

The brand which will continue to be rolled out over a number of years, provides an identity which is made up of several fundamental elements that contribute to building our image as a professional organisation. Thank you to everyone for your participation in this exciting project.

Key elements of our new identity include:-



**The Hawk**

*Represents the winning community culture and vision of Narembreen as well as the proud history of the town*



**Wheat**

*Agriculture, farming, growth*



**Sunrise/setting over fields**

*Agriculture, beautiful sunrise/sunsets of the Wheatbelt region*

A Community Wellbeing Plan was developed over several months and identifies a number of priority areas and actions that will provide necessary direction moving forward towards building resilience, improving health and wellbeing and strengthening agency collaboration in Narembreen. It will be a great tool in quests for future funding applications and outlines various initiatives to reduce risks and increase the safety and wellbeing for all individuals within the Shire of Narembreen. The development of this plan was made possible through input received from various key stakeholders and agencies within Narembreen and surrounds, we thank them for their guidance towards the development of this plan and their valued contribution.

As always, the outside work crew has worked hard to keep our roads, sporting facilities and gardens in good condition throughout the heat of summer and wet of winter. There

is always pressure to do as much grading as possible in suitable weather to ensure our roads continue to be safe. Arthur Cousins and his team give much of their own time with help for community events such as Anzac Day, Australia Day and the Triathlon. Thank you to you all, we appreciate your work.

When the State Government announced possible cuts in funding for Community Resources Centers (CRC's), the Shire of Narembeen and the Narembeen CRC played a critical role in bringing together Wheatbelt CRC's to lobby the State Government as a collective. Thankfully the State Government has now confirmed its ongoing support for CRC's across the State. Thank you must also go to Caroline Robinson and the Wheatbelt Business Network for being part of this lobbying process.

The Medical Centre, Community Resource Centre and Fencepost finally relocated back into the refurbished Narembeen Community Precinct. We thank everyone involved in this project and every member of the community that may have been impacted by the temporary relocation. I am sure you would agree, the renovated complex has been worth the small amount of disruption.

A number of significant projects and purchases have taken place including:-

- Official opening of the Narembeen Volunteer Emergency Service Facility
- Works commenced on the Narembeen Lesser Hall Precinct and Interpretation project
- Works commenced on the Emu Hill Public Cemetery project
- Installation of CCTV in various locations around Narembeen
- Purchase of a new community bus
- The Shire also took delivery of a new grader, prime mover and side tipper and a new crew cab truck

The roadworks program continues with the following major roadworks undertaken in the 2018/19 financial year:-

- The Fricker Road bypass was completed
- Bruce Rock Narembeen Road second coat seal
- Reconstruction and widening of a section of the Cramphorne Road
- Reconstruction and widening of the Narembeen South Road
- WANDRRA works completed with total expenditure of \$8.7m

Congratulations to Citizen of the Year Caroline Robinson, Senior Citizen of the Year Eddie Dixon and Active Citizenship award recipient Dorcas Clothing. It is people such as Caroline, Eddie and Rosemary and her team that continue to make Narembeen a great place to live.

We acknowledge Scott Wildgoose who joined us during the year as our Executive Manager Corporate Services, replacing Bonnie Cole who has moved east. Thank you to Scott and the finance team for all the hard work required in putting together this Annual Report.

Thank you to the Deputy Shire President Kellie Mortimore and all of the Shire Councillors for your support and commitment to the Shire of Narembeen. Thank you



also to all the staff who work tirelessly for the community. We look forward to a positive future for Narembeen and "Together We Grow".



.....  
**Cr Rhonda Cole**  
**Shire President**  
30<sup>th</sup> October 2019



.....  
**Chris Jackson**  
**Chief Executive Officer**

## Planning For Our Future

The Shire's Strategic Community Plan together with other integrated planning documents, which include the Business Plan and Long Term Financial Plan, provides a guide for Council's operations towards the year 2027.

The Strategic Community Plan Vision: Together we create the opportunity to grow, is underpinned by three main goals:

**Goal 1:** Focus upon our local economic drivers to retain and grow existing businesses, employment and to attract new industry.

**Goal 2:** Internal and external relationships actively grow our Shire population and positive financial position.

**Goal 3:** We contribute to a healthy community.

The Shire is continuing along a positive trajectory towards achieving its goals and working towards the community's vision whilst maintaining financial functionality into the future.

We are very proud to have fully incorporated the Narembeen CRC within the Shire's operations and we hope this will lead to improved community activities and reduce the administrative burden on the CRC.

This annual report document shows capital project expenditure of \$5.4m and operational expenditure of \$10.3m.





## Highlights from 2018 - 2019

### Major Roadworks \$2.7m

- Cramphorne Road
- Bruce Rock-Narembeen Road
- Narembeen South Road
- Townsite initiatives and more

### Narembeen Community Precinct Extension \$1.3m

### Community Bus Replacment \$170k

### Town CCTV Installation \$70k



## Projects Underway



**Lesser Hall Precinct and Interpretation Project**



**Cemetery Upgrade**



**Road Board Building**

## Big Things Planned for 2019 - 2020

**Apex Park Toilet Block Upgrade**

**Airstrip Upgrade**

**Caravan Park Roadways Improvement**

**Townsite Footpath Network Improvements**

**Major Roadworks**  
- Townsite Intersection  
- Mt Walker Road  
- Cowan Road  
- Emu Hill East Road and more..

## **Governance and Statutory Reporting Standards**

Local Government is governed by a number of Acts and Regulations including the following Compliance and Statutory Reporting activities required for our annual reporting processes and accountability.

### **a) Freedom of Information (FOI) Statement (Freedom of Information Act 2003)**

Council regularly meets on a monthly basis with a eight (8) Councillor Membership, except for the month of January, to make decisions relating to Policy, Statutory and Planning directions of the Shire. All Meetings are open to the public and the dates, times and venues are advertised annually as Public Information for the Community. Council maintains a number of records and registers including but not exclusive of; Town Planning Schemes, Financial Interest Registers, Delegated Authority Register, Cemetery Register, Insurance Register, Rate Book, Tender Register, Electoral Roll, Asset Register etc.

Nominated documents can be inspected free of charge upon application to the Office of Council located at 1 Longhurst Street, Narembeen during normal business hours.

During the year of review, there were no requests for Freedom of Information and any application received is considered on the basis of not to contravene the privacy rights of the individuals and may be subjected to a small administrative charge for the enquiry.

**The Shire of Narembeen had no requests for Freedom of Information during the reporting period.**

### **b) Public Interest Disclosure**

The Public Interest Disclosure Act was established by the Commissioner for Public Sector Standards under section 20 of the Public Interest Disclosure Act 2003. Local Government has been legislated with some responsibility under the mentioned Act including any matters that relate to the Shire of Narembeen Staff or Council Members should be referred to the appointed officer. One of the principles of this new legislation is not just to provide protection to those who make decisions (and those who are the subject of disclosures) but also encourages a system of transparency and accountability in the way government (parliamentarians) or government officials (Public Servants) act and utilise public monies.

**The Shire of Narembeen had no Public Interest Disclosures during the reporting period.**

### **c) National Competition Policy (NCP)**

In 1995 the Council of Australian Government entered into a number of agreements known as the National Competition Policy. The policy is a whole of Government approach to bring about reform in the public sector to encourage Government to become more competitive.

Local Government will mainly be affected where it operates significant business activities that compete or could compete with private sector business. Local



Government will also be impacted where its local laws unnecessarily affect competition.

Local Government and more particularly the Shire of Narembeen is required to comply with certain policies within the National Competition Policy Statement and report on progress in connection with Competitive Neutrality Principles and review of Local Laws.

**The Shire of Narembeen will be reviewing its Local Laws and reporting to Council on the effectiveness and currency of its Local Laws.**

#### **d) Competitive Neutrality (CN)**

The principle of “Competitive Neutrality” is that government businesses should not enjoy a competitive advantage, or suffer a disadvantage, simply as a result of their public sector ownership. Measures should be introduced to effectively neutralise any net competitive advantage flowing from government ownership.

Competitive Neutrality should apply to all business activities that generate a user pays income of over \$200,000 per annum, unless it can be shown it is not in the Public Interest. A Public Benefit test is used to determine if competitive neutrality is in the public interest.

**The Shire of Narembeen does not control any business activity with a user pays income in excess of \$200,000.**

#### **e) Record Keeping Plan (RKP)**

The State Records Act 2000 is an Act to provide for the keeping of State Records and for related purposes. Section 19 of the Act requires that every government organisation must have a record keeping plan that has been approved by the State Records Commission. A government’s organisation including local governments, record keeping plan sets out matters about which records are to be created by the organisation and how it is to keep its record.

The record keeping plan comprises of a range of documents which, when assessed as a whole, provides an accurate reflection of the record keeping program within the organisation. More specifically, documentation regarding the organisation’s record keeping system/s, disposal arrangements, policies and practices and processes will be essential components of the record keeping plan held by a local government. The inclusion of such documentation will constitute evidence of compliance.

**The Shire’s Record Keeping Plan has been adopted by Council and approved by the State Records Commission.**

#### **f) Disability Access Inclusion Plan**

Local Government under Section 29 (2) of the Disability Services Act 1993 is required to provide a summary report on Councils approach to assisting people with disabilities in our community as part of its inclusiveness planning summarised hereunder;

- Existing functions, services and facilities are adopted to meet the needs of people with disabilities.

- **Council continues to consider the need of people with disabilities wherever possible.**
- Access to buildings and facilities are improved.
  - **Current Public Buildings have modifications undertaken for improved access to Public Buildings.**
- Information is provided in the appropriate communications format.
  - **Council remains mindful of communicating at the simplest and easy to read format for all its residents.**
- Staff awareness of the needs of people with disabilities in delivery of council service.
  - **Staff remain aware to offer the appropriate assistance and advice to its residents on all occasions.**
- Opportunities for people with disabilities to participate at public buildings owned by the Council.
  - **Access standards to all of Council's Public Buildings remain a priority for people with disabilities to access these public buildings.**

**The Shire of Narembeen continuously reviews its Disability Access Inclusion Plan, with the next major review scheduled for 2021.**

#### **g) Strategic Community Plan 2017-2027**

Council has adopted a "Strategic Community Plan" that outlines Council's continued progress towards the aims and objectives of the District to maintain the overall vision that "Together we create the opportunity to grow".

With Council Priorities:

1. Growing our community and visitor population
2. Creating and capturing positive economic opportunities
3. Our partnerships and networks return us tangible financial, economic, social and environmental benefits

#### **h) Corporate Business Plan**

Council adopted a Corporate Business Plan for the period 2018/19 to 2021/22. The Plan sets out a range of actions, measures and targets that reflect Council's Strategic Community Plan's goals:

- Goal 1: Focus upon local economic drivers to retain and grow existing businesses, employment and to attract new industry
- Goal 2: Internal and external relationships actively grow our Shire population and positive financial position
- Goal 3: We contribute to a healthy community

#### **i) Complaints**

No complaints were received as specified under S5.121 of the Local Government Act in 2018/2019.

#### **j) Employee Payments**

For the purpose of Regulations 19B of the Local Government (Administration) Regulations 1996 the following statement is required to be submitted in Council's Annual Report.

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

The Shire of Narembeen has the following number of employees entitled to an annual salary more than \$100,000:

Salary Range	2018	2019
\$100,000 - \$109,999	2	2
\$110,000 - \$119,999	0	0
\$120,000 - \$129,999	0	0
\$130,000 - \$139,999	1	1

**CHRIS JACKSON**  
Chief Executive Officer



## Narembeen Community Resource Centre

### ANNUAL REPORT

2018-2019

2/19 Churchill Street

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Department of  
**Primary Industries and  
Regional Development**



## Who we are

The Narembeen Community Resource Centre (Narembeen CRC) is an organisation that works to improve access to government services as well as economic, business and social development opportunities through the district of Narembeen.

The Narembeen CRC is funded by local and state government contracts, user pays services, membership fees and one-off grants for projects and events. The Narembeen CRC's varied funding sources enable the Centre to be open five days a week, servicing the needs of the Narembeen community as well as tourists, visitors and other Wheatbelt community members.

We offer a wide range of services including:

- Web and computer access points
- Government Access Points including the Department of Human Services Access Point and Australian Taxation Office Access Point
- Regular business support and secretarial services
- Social and community development activities, events and services
- Community training and upskilling workshops
- Access to meeting rooms and office spaces
- Library books and activities

The Narembeen CRC is committed to continuous improvement and is keen to develop its quality and range of services to best meet the needs of our community. We work proactively with key stakeholders and our local community to continue to grow and stay connected with community needs.

The Narembeen CRC works to develop opportunities for young people, women, families, businesses, community associations, sporting groups, seniors, and the large farming community, throughout the District of Narembeen.

The CRC also provides information to visitors and new community members whilst actively participating in the CRC and Wheatbelt Business Network, developing close relationships with surrounding CRCs and businesses. The Narembeen CRC is now fully managed by the Shire of Narembeen, which has led to business efficiencies and better governance measures being introduced.

The Narembeen CRC is a member of the Association of Western Australian Community Resource Centres (peak body for CRCs); it focuses on building partnerships and developing opportunities for members, to benefit regional and remote communities throughout WA.

The Narembeen CRC and Shire of Narembeen's shared vision and priorities are:



## Our Vision

Together we create the opportunity to grow.

## Priorities

1. Growing our community and visitor population
2. Creating and capturing positive economic opportunities
3. Our partnerships and networks return us tangible financial, economic, social and environmental benefits

This vision and set of priorities aligns well with the Narembeen CRC's overarching values which are:

- Relevance in the Community
- Good Communication
- Receptivity
- Openness
- Progressiveness
- Liveliness
- Enthusiasm

The Narembeen CRC is driven by community support and need, the quality of our staff, our can-do attitude, innovation, our desire to be sustainable and our drive to succeed well into the future.

This Annual Report summarises the structure, expectations and outcomes of the Narembeen CRC from 1 July 2018 to 30 June 2019. It addresses the Narembeen CRC's activities that incorporate key deliverables required from the State Government as the main funding source for the Centre.

## What we do

### Access to government services

- Access to local and state government information and services
- Video conferencing
- Department of Human Services Access Point
- Australian Taxation Office Access Point
- Information and support
- Free access to online Government Services including free wireless internet

### Economic and business development support

- Referral services to business development and employment support services
- Facilitate business development activities, seminars and initiatives
- Business information and support services
- Provide business networking opportunities
- Employment of a Trainee on an annual basis

### Social development support

- Referral services to social support services
- Facilitate social development activities, seminars and initiatives
- Information and support

### Services and products

- Providing access to services and products using a social enterprise approach based on local demand but it has been found that these products and services are not economically viable to deliver in a for-profit business model
- Strong, reliable point of contact for visitors and new community members to Narembeen - providing information packs and a local information point
- Facilitate the provision of the town's public library including the collection of catalogued books and other materials including online resources

### Building community connections

- Communication strategies including our local community newspaper, website and social media
- Community social events
- Engagement with community via feedback, surveys and community group meetings

## Chief Executive Officer's Report – Shire of Narembreen

The Narembreen CRC continues to live by its vision to provide a friendly, vibrant and viable Community Resource Centre that values the presence, ideas and contribution of the community and develops their ownership in Narembreen's future. CRC staff have been working hard on the provision of opportunities to enhance community interaction of education and personal opportunities for our community members that is clearly improving the wellbeing, capacity, lifestyle and resilience of our community.

With the efforts of the CRC staff to relocate their entire operation to the St John Ambulance Centre last year, in early 2019 they were rewarded with their relocation back to their new building in the Narembreen Community Precinct.

By far this would be one of the biggest achievements of the year. The new building is state of the art and offers a central hub in the main street of Narembreen. The upgrade/expansion includes space to increase additional service provision and most importantly collocates organisations such as the Narembreen Fencepost and the Narembreen Public Library. I acknowledge the hard working Narembreen CRC team and thank them for their input and patience during the construction period.

It is timely to acknowledge the effort of the State Government for their support of CRC's in regional WA and their commitment towards the long term future of CRC's. We were recently advised that the Government is offering extensions to CRC's current contracts until 30 June 2020. The dedication of the State Government towards CRC's across the state recognises the valuable services that CRC's provide, particularly in small regional communities.

During the next 12 months, CRC's across WA will undertake a review process which

seeks to bring more equity into the funding model and provide a more sustainable funding level over the long term. The Narembreen team look forward to working closely with the Department of Primary Industries and Regional Development during the review process.

Staff from the Shire of Narembreen and the Narembreen CRC attended a strategy day in Quairading in June 2019, these meetings are an important part of the CRC Network growing, particularly those within the Wheatbelt. It is a good chance to get everyone together to workshop opportunities beyond what is happening in their own towns. Workshops such as these prove that CRC's need to think big and develop opportunities for themselves to ensure they remain sustainable into the future.

This year saw the final amalgamation of the Narembreen CRC with the Shire of Narembreen. This included the full incorporation of the Narembreen CRC's finances into the Shire's financial system. I believe this is a positive step forward for the both parties as it provides opportunity for shared resources as well as strengthening the vision of both entities.

In 2019 a Community Wellbeing Plan was developed with input from key stakeholders and agencies from within Narembreen and surrounds. This

document will be a great driver for the Narembeen CRC to continue to build resilience, improve health and wellbeing and strengthen agency collaboration in our community. I acknowledge the dedication and work undertaken by the working group in addressing issues and developing strategies and priorities for the Narembeen community.

The Narembeen CRC continues to be proactive in delivering a variety of events and activities which align with the current contract funding requirements. Some of these great events include: John Curtin Weekend, Narembeen Triathlon, Narembeen Christmas Street Party, SOCK Week, Youth Week and the Narembeen Market Day.

Partnerships are at the forefront of any business and these continue to flourish with the Narembeen CRC working closely

with a variety of sectors of the community including the Wheatbelt Business Network, Narembeen District High School, Narembeen Men's Shed & Art Gallery, Roe Tourism Association, ensuring that the Narembeen CRC provides a multitude of social, business and economic development opportunities for the community.

The Narembeen CRC continues to be the heart and soul of the Narembeen community, being the main driver of events and activities that educate, stimulate and activate Narembeen. The Narembeen CRC has provided this service for over 25 years and as a Shire we look forward to "Growing Together" for many years to come.

**CHRIS JACKSON**  
**Chief Executive Officer**

## Narembeen Community Resource Centre – Co-ordinator's Report

The Narembeen CRC continues to work in response to community needs and wants, focusing on offering a wide range of services, events and activities to develop the social and economic outlook of the community and district.

In 2018/2019, the Narembeen CRC was pro-active in delivering a variety of events and activities that align with the current contract funding requirements. Some of these included the Community Market Day, the Christmas Street Party, the Narembeen Triathlon, a Youth Team Building Camp Out, Seniors Movie Days, School Holiday Activities and Save Our Country Kids Road Safety Awareness (S.O.C.K) Week.

With the upgrade of the Narembeen Community Precinct including the extension of the CRC building the Narembeen CRC faced some difficult obstacles in 2018/2019. Due to relocation to a makeshift facility at the end of town, the Narembeen CRC was left without a meeting room, no hireable spaces and no area to offer workshops and information sessions, nor school and seniors activities. The position of the temporary CRC building was not located on the main street of Narembeen, this meant we didn't receive the foot traffic we are used to and tourists or new community members in town couldn't find us easily. We continued to provide access to the government services but faced the same issues, community members and tourists struggled to adjust to the new location of our temporary building. This experience helped us develop and although the statistics prove that it wasn't a great year for us, we know the move wasn't avoidable and we managed to run the business as efficiently as we could to provide for our community.

In May 2019, the Narembeen CRC finally moved into its newly refurbished centre at the Narembeen Community Precinct. This facility is now much larger than before and houses the local newspaper, the Narembeen FencePost as well as the Narembeen Public Library. We now have access to more options to improve our services through this centre. We are delighted with our new building and we know we will be able to expand our services and activities in 2019/2020. We thank the Department of Primary Industries and Regional Department, the National Stronger Regions Fund, the FencePost and the Shire of Narembeen for their contributions that have allowed this upgrade to take place.

The Narembeen CRC continues to partner with the Wheatbelt Business Network to deliver business networking events and business development initiatives. The partnership enables the CRC and WBN to work closely with Narembeen businesses in order to create tailor-made activities to grow the economy within the shire.

As part of the Shire of Narembeen, the Narembeen CRC has delivered community development activities including: the John Curtin Weekend, the Narembeen Triathlon, the Narembeen Christmas Street Party and multiple seniors and youth activities.

The CRC continues to provide information to visitors to town. We provide tourists with a tourist pack and keep this updated along with any brochures throughout the year. The CRC



actively participates in the CRC Network and has a good relationship with surrounding CRC's; these relationships will continue to be nurtured.

S.O.C.K Week (Save Our Country Kids) returned for its third year. The community came together in a wonderful way to spread such an important message about road safety. The Narembeen Police, St John Ambulance and Fire Brigade came together to help spread the message with a thought provoking gun salute for all lives lost on the Wheatbelt roads over the last year. As we deliver this initiative in the coming years we will strive to change and adapt it, in order to keep the community listening.

This year Scott Wildgoose was appointed Executive Manager Corporate Services within the Shire and his assistance

managing the Narembeen CRC has been a big help, with him bringing fresh ideas and support.

Kristie has almost finished her Traineeship and Certificate III in Tourism. The Narembeen CRC is hoping to receive grant funding to take on a new trainee in the 2019/2020 financial year.

We have settled well into our new home and continue to deliver the great service the community expects. We are very lucky to have hardworking and dedicated staff as well as some amazing community volunteers and I would like to thank them all for their efforts and ongoing support.

**Vanessa Wittstock**  
**Co-ordinator**



## Year in Brief



## Government Services

With the Narembeen CRC located 70km from our nearest regional Centre and 286km from Perth, it can be a challenge for local residents needing to access government information and services. As part of our contract with the Department of Regional Development, Department of Human Services and the Australian Taxation Office we support our local community to have improved access to government information and services through providing free access to faxing, copying, computer and internet services as well as phone use where these are needed.

### Government Access Point

Our Government Access Point provides free access to online and print resources related to state government agencies, as well as a selection of relevant non-government organisations that offer community support services. This service enables clients without internet access to navigate government websites to gain information without having to travel. In 2018/19, we supported 108 clients with this service.

### Department of Human Services Access Point

Our private Centrelink Access Point area allows Centrelink, Medicare and Child Support clients to connect with this agency for support services. In 2018/19, we saw 80 users of this service.

### Videoconferencing Connections

Our videoconferencing facilities are modern and well appointed, allowing Narembeen residents and businesses to connect with service providers and clients across the globe. The Narembeen CRC employees regularly utilise the video conferencing services to connect with government departments and education providers thereby reducing travel costs and increasing staff productivity.



## Economic and Business Development Support

The Narembeen CRC through its contract with the Department of Primary Industries and Regional Development (DPIRD) continues to provide the community of Narembeen with business support and secretarial services tailored to our community needs.

We continue to partner with the Wheatbelt Business Network to deliver networking events. With the CRC's intimate knowledge of our local businesses and the Wheatbelt Business Network's regional business focus, the networking events continue to grow with many businesses offering to host and be involved in events.

The Narembeen Community Telephone Directory continues to be an important resource providing current local information to the community and businesses. The marketing component of this campaign is a substantial undertaking each year and contributes to the Centre's revenue. In 2018/2019 we sold more than 150 copies of the Narembeen Community Directory.

In 2018/19 we held eight training courses and information sessions with over 100 people attending. With new businesses opening within Narembeen we were able to assist them with advertising, as well as offering administrative support. We held a business women's networking event that saw a diverse range of expertise gather to share their stories and experiences.

The CRC through grant assistance from DPIRD continues to offer a traineeship to a local unemployed person which combines practical work with structured training to give a local person a nationally recognised qualification and practical work experience.

*The Narembeen CRC has been very helpful in the Be Connect Program by helping the Community Shed with the purchase of a new iPad as well as showing us how to set up a Facebook Business page and assisting us with any other social media issues.*

*Reports back from the public are that they enjoyed learning more things and setting up their Facebook pages and are now wanting more tuition.*

**Margaret Butler**  
**Treasurer**  
**Community Shed**  
**President**  
**Arts & Craft**



*Narembeen DHS is about to develop their fourth business plan and will once again be depending on the Narembeen CRC for a high class graphic design for our completed document. The finish they provide is outstanding and we consider ourselves lucky to have such skills within the community. Our Student Council leadership group continue to meet regularly with CRC staff to provide ideas and work with them to organise school holiday and youth week activities. For the second year we have a Wheatbelt Youth Council, consisting of four Year 9 students, our local police and staff from the CRC. This committee are also involved in creating opportunities for our youth. SOCK week continues to be a huge success and in 2019 our students were asked to write about the impact a car accident has had, or could have on them or the community. Some of these pieces were poignant, evoking the keen sense of loss that results from a road death. These essays and poems were shared on social media and printed in our local newspaper. Our whole school finished SOCK week by joining in the community fluoro day. Our partnership with the CRC is one we know adds to our school through both the provision of services for staff and students and opportunities for our youth to have access to activities and programs their isolation would see them miss. We value their professionalism and continued participation in our student's development.*

**Mrs Chris Arnold**  
**Principal**  
**Narembeen District High School**

## Social Development Support

The Narembeen CRC engages with the community and provides access to a wide variety of social development activities and events.

Throughout 2018/2019 the Narembeen CRC continued to have a strong partnership with the Narembeen District High School, the CRC ensures that planned events and activities are scheduled regularly to engage local youth. Some of these events have included the Christmas Street Party, School Holiday Activities and the Youth Team Building Camp Out.

As well as the youth population, the Narembeen CRC is also very active in engaging the senior population of Narembeen, which represents a large portion of the Narembeen community.

The provision of services and opportunities for our seniors has expanded and now includes a monthly Seniors Club which organises movies, bus trips and other excursions, information sessions, Seniors Week activities and other opportunities that provide a social outlet.

The Narembeen CRC continues to manage the Narembeen Community Gymnasium, including management of memberships, marketing of the facility and service, bookings and enquiries. With 73 members of the Narembeen Community Gym, the gymnasium is an asset to the community's health and wellbeing.



The Narembeen CRC continues to keep the community and visitors informed. Our Welcome to Town Packs have become a sought after resource for new residents and visitors looking for insightful information on living in the community and the country. The weekly Narembeen Fencepost provides the community with a wealth of knowledge and information; the CRC continues to assist The Fencepost Committee with the production of this local community newspaper. This year, the Narembeen CRC has held 23 informative and engaging social development workshops/initiatives with a participation of 917 community members.

Some of the most exciting events held during 2018/2019 included - the Narembeen Triathlon and Twilight Bolt, S.O.C.K Week, the Community Market Day, the Christmas Street Party and the Youth Week Team Building Camp Out.

The Narembeen CRC continues to develop and maintain positive referral relationships with organisations who seek to support social development pathways - these include but are not limited to Department of Human Services, Central Regional TAFE and Central AgCare.

*When asked what benefits the considerable number of seniors in the District received from having a CRC in the town, I immediately thought of entertainment offered for us seniors. Principally the monthly film afternoons but also occasional excursions and other outlets, there were several things mentioned in this week's FencePost. Then there are the courses, lectures etc. offered to us seniors but mainly the help available with using the modern technology eg. iPads, mobile phones etc. – which can be very confusing to some.*

**Eleanor Brayshaw**  
**Senior**



## Services and Products

The Narembeen CRC provides business and community capacity building via a number of services but specifically:

- Education and training
- Access to information technology
- Printing and copy support
- Graphic design
- Secretarial services
- Visitor information
- Agricultural and cultural workshops
- Venue hire.

The Narembeen CRC also delivers services and information on behalf of the Department of Human Services (Centrelink, Medicare and Child Support Services) and the Australian Taxation Office.

The Narembeen CRC is continually identifying gaps within the community where additional or expanded service provision is required but may not be commercially viable for another business to pursue.

The Narembeen CRC's desire is to be sustainable into the future, to do this it is important that we look at our services and products regularly to identify gaps and increase service delivery.

*The Narembeen CRC designs, edits and prints our annual ram sale booklets. Their fine tuning in getting pages all aligned the same, shaded correctly and a freshening of our front cover - it looks awesome.*

*Bill has been to lots of Ram Sales and our booklet is the best around hands down. We really appreciate how easy it is to work with our local CRC and how quick they are.*

*Each year when we do the booklet dealing with the CRC it is a pure joy. We cannot thank them enough.*

**Diane and Bill Cowan**  
**Principals Crichton Vale**  
**Local Merino Ram Stud**

## Building Community Connections

The Narembeen CRC has a focused vision to grow the creation of a rich and vibrant community. We want to develop Narembeen as a strong community to reduce social and economic disadvantage.

Over the past 12 months, the Narembeen CRC has taken on a broader community development role to assist the Shire of Narembeen to find solutions to issues within our community such as those identified through the Community Wellbeing Plan, which the Narembeen CRC has taken a leading role in establishing for Narembeen. Communities are all different, so working together in partnership with residents and government organisations assists the Narembeen CRC in building what is already in the community.

The Narembeen CRC fits in, works with and tries to do the best for: our Shire, Go Narembeen, the School, the Hospital, the Fencepost, the Wheatbelt Business Network, our businesses, plus the sporting and local groups.

The Narembeen CRC plays an important role by advertising and holding events that keep residents of Narembeen informed with happenings and achievements in the local community.

Our local community newspaper, The Fencepost is collated by a group of volunteers and printed by the Narembeen CRC, we also provide technical assistance when needed. The publication is an important asset to the community and we would like to acknowledge the commitment of the volunteers who make this project possible and we will continue to provide assistance. They do a great job at updating the publication each week with fun and relevant information.

*Our local newspaper, The FencePost, is run by volunteers and gets published every week. We receive a large amount of help and support from our local CRC. The staff print the newspaper, besides this they are always there and willing to help the volunteers with any software and hardware issues, along with formatting and other matters that arise.*

*The partnership we have with the CRC is wonderful and we are very grateful and fortunate to have their support.*

**Gina DeLuis**  
**The FencePost**  
**President**

## Our Team

Our staff team is made up of a group of dedicated and talented individuals who aim to deliver a high quality, professional service. It is their passion and commitment to the CRC that assists in driving the CRC forward and into the future.

### Vanessa Wittstock - Co-ordinator

In July 2019, Vanessa Wittstock has returned to the CRC as the CRC Co-ordinator until Leanne returns from maternity leave in mid February. Although not involved with the CRC in 2018/2019 she has taken on a leadership role developing this year's annual report.

### Leanne Sands - Co-ordinator

Leanne Sands has been the CRC Coordinator since 2016 and managed the centre through 2018/2019, but is currently on maternity leave. Leanne is committed to driving the CRC forward to ensure financial stability for the years to come.

### Kristie Lee - Trainee Certificate III in Tourism

Kristie Lee joined the CRC in March 2018 as a business trainee in Tourism. She has developed into a great asset for the CRC throughout 2018/2019 and the CRC is keen to see whether longer term opportunities exist for her once she completes her traineeship.

### Julie Miller - Clerical Assistant

Julie Miller has good knowledge of the local community and has held various clerical roles as well as volunteer positions. Julie is the main customer service receptionist at the CRC greeting everyone that visits in a happy and welcoming manner.

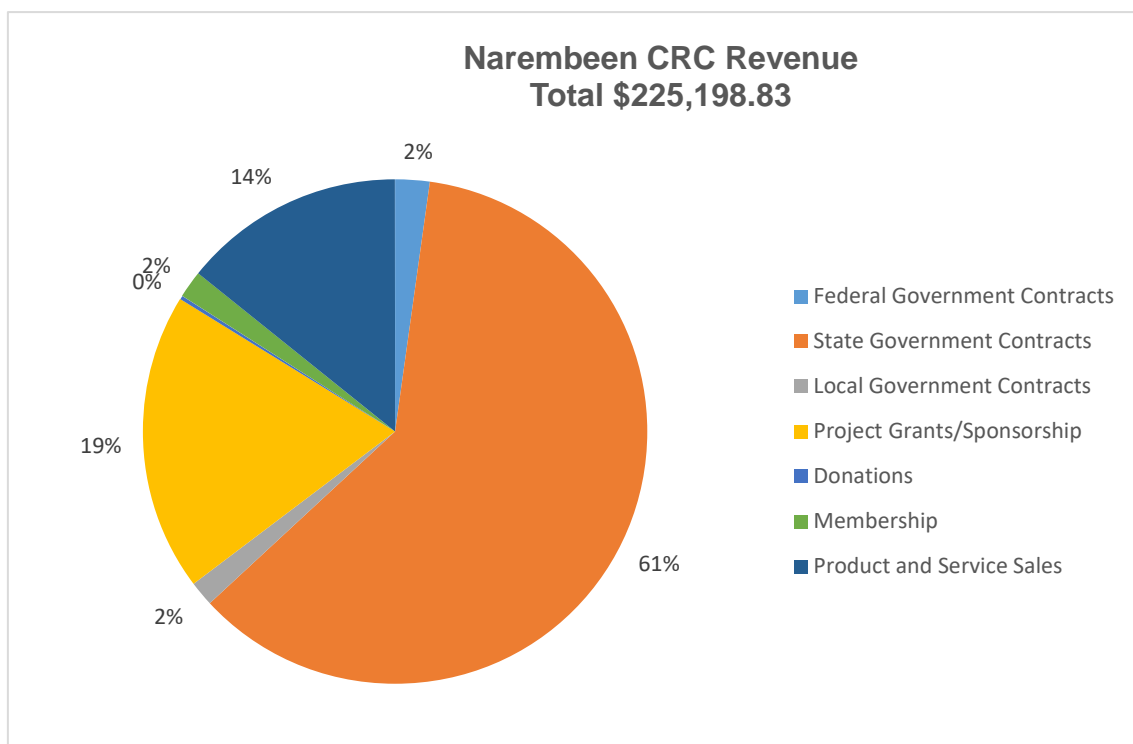
### Bronwen Hooper - Clerical Assistant

Bronwen Hooper joined our team in 2012 and her role has transitioned in 2018/2019 with her moving away from Narembeen. She now provides essential graphic design and technology support services using her flair and enthusiasm to deliver some very attractive outcomes.

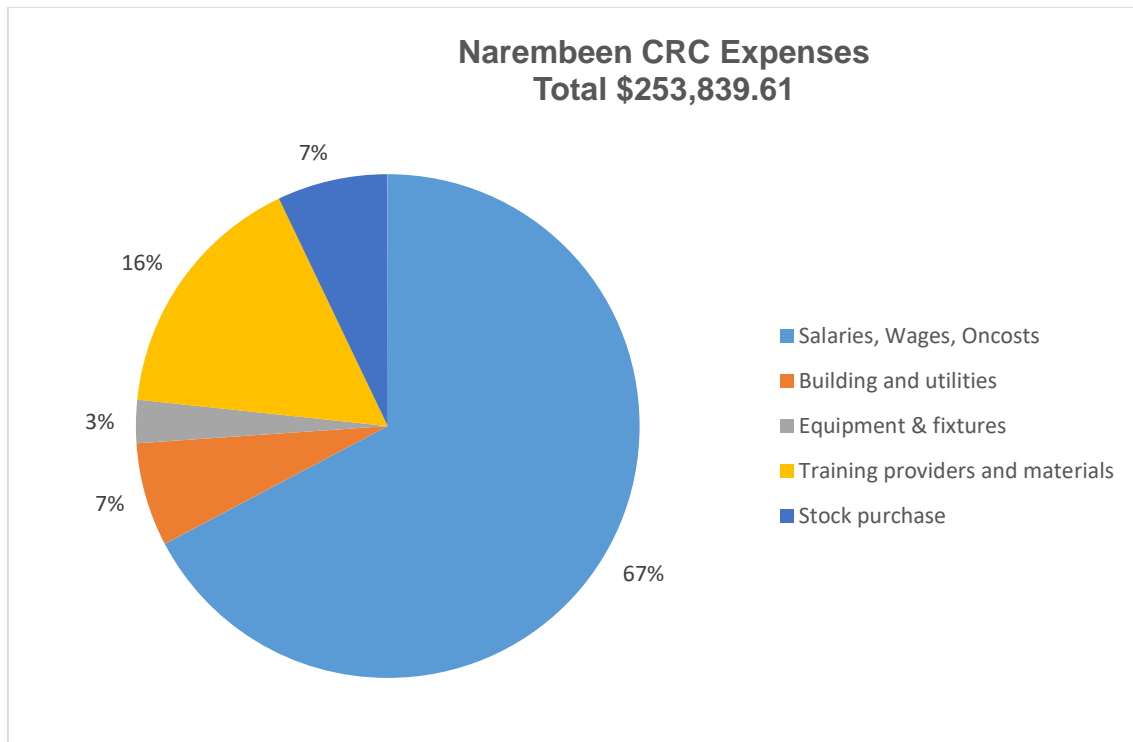
## Treasurer's Report

In 2018/2019 the Narembeen CRC had less revenue than anticipated due to the difficulty offering services from its temporary facility. In 2019/2020 the Narembeen CRC's financial management will move under the Shire of Narembeen and we will be able to expand our service delivery with their office staff taking care of this core administrative function.

The Narembeen CRC's income for 2018/2019 was just over \$225,000 and the major funding source was DPIRD Funding of \$137,124.



The Narembeen CRC's expenditure for 2018/2019 was just over \$250,000 and the major expense was Wages/Staff Expenses of \$170,475.



The Narembeen CRC undertook an end of year review and the challenges foreseen for 2019/2020 were:

- Increased demand for services at the new Centre may require the addition of a new staff member
- The introduction of a new Coordinator will bring new challenges as well as opportunities
- The inclusion of the Narembeen Library brings new processes and demand for services that are yet to be fully known
- The larger size of the new Centre will bring increased cost through utilities
- Staff upskilling is needed and comes at a cost not budgeted for in previous years
- Volunteer interest is falling and if more volunteers can't be found this will impact upon the Narembeen CRC's ability to provide events and activities

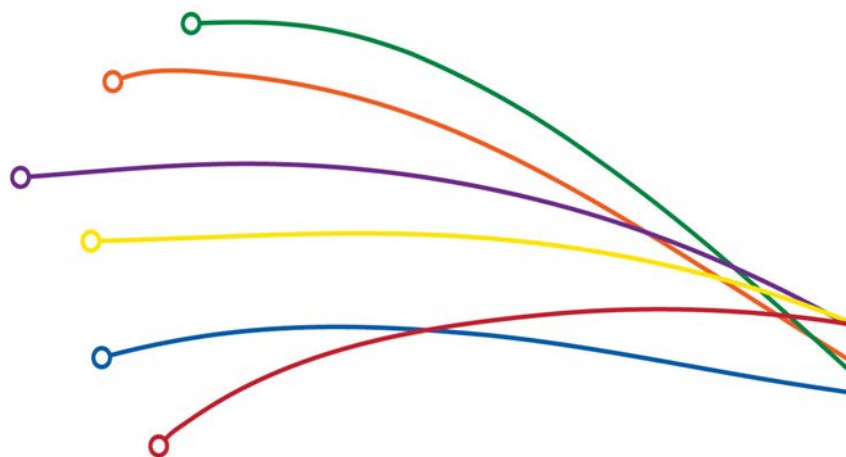
With these factors in mind, the Narembeen CRC will continue to focus on maximizing opportunities to improve our sustainability through income generation as well as cost minimisation.



With the full support from the Shire of Narembeen and skilled staff, we are confident that our organisation is well placed to continue to grow and offer a quality service to the Narembeen community.

Areas that we will be working towards in 2019/2020 include:-

- Improving and assisting with the management of the Narembeen Caravan Park
- Working closely with the Go Narembeen Progress Association to promote Narembeen to attract new residents to the Shire
- Expand the services and activities offered by the Narembeen Library to increase membership and visitation to the Narembeen CRC
- Work with social partners to implement the Narembeen Community Wellbeing Plan
- Undertake the administrative duties relating to the Narembeen Skeleton Weed Local Action Group funded through DPIRD
- Creating a partnership between the Narembeen CRC, especially its gym services, and the Narembeen Aquatic Centre
- Enhance our employee capabilities to offer greater services and efficiency to the community
- Increase the awareness of the CRC's capabilities and capacity as well as the engagement of services to the local community, Wheatbelt and other regions.
- Identify external income generation opportunities



## Our Supporters

The Narembeen CRC is very appreciative of the support of our members and other supporters. Working collaboratively with stakeholders is very important to us and we are keen to continue to grow our relationships with individuals and organisations within our community.

### Government

Narembeen CRC receives funding via contracts from Department of Primary Industries and Regional Development, Department of Human Services and the Australian Taxation Office. These contracts are our main source of income and allow us to provide a wide range of services to the community.

### Shire of Narembeen

The Narembeen CRC is grateful for the high level of support provided by the Shire of Narembeen. The Shire of Narembeen provides overarching management of the Centre through staff employment, premise provision and providing an overarching framework through which we can work towards community goals.

### Narembeen Police

Sergeant Richie Conkling and Senior Constable David Basham have become an important partnership for the CRC and I would like to thank them for their contribution to the community.

### Grant Funding Bodies

Narembeen CRC has been fortunate in securing grant funding from a number of organisations which assists in providing a great range of activities and support to the community.

Some of the key grant received are summarised below:

- Department of Local Government and Communities (Youth Week)
- WA Regional Achievement Award (S.O.C.K Week)

### Community Partners

- Go Narembeen Progress Association
- Narembeen Community Shed
- Narembeen District High School
- Narembeen Fencepost
- Narembeen Historical Society
- St John
- Wheatbelt Business Network
- The Men's Shed
- Narembeen Recreation Centre

### Special Thanks

Volunteers and advocates:-

- Russell Arnold
- Michael Lethlean
- Sarah Kuhne-Munroe
- Ian Mortimore
- Gary Sprigg
- Craig Gmeiner
- Amy & Andrew Hardham
- Luke & Jess Smoker
- Rhonda Cole
- Lucy Lines
- Graham & Tash Hills
- Morgan Cowan
- Arthur & Teresa Cousins
- Jake Cole
- James King
- Glen Sands
- Keith Miller

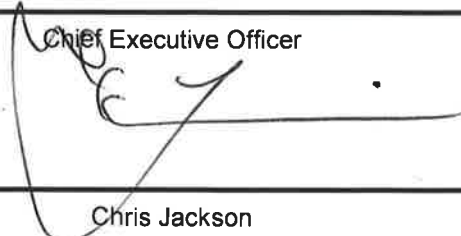
**SHIRE OF NAREMBEEN  
FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2019**

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

**STATEMENT BY CHIEF EXECUTIVE OFFICER**

The attached financial report of the Shire of Narembeen 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 Narembeen 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 29 day of OCTOBER 2019

\_\_\_\_\_  
Chief Executive Officer  
  
\_\_\_\_\_  
Chris Jackson

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

	NOTE	2019 Actual \$	2019 Budget \$	2018 Actual \$
<b>Revenue</b>				
Rates	22(a)	1,686,366	1,669,192	1,613,470
Operating grants, subsidies and contributions	2(a)	7,012,096	5,917,036	6,544,963
Fees and charges	2(a)	1,592,240	1,151,926	1,034,558
Interest earnings	2(a)	86,455	79,800	90,627
Other revenue	2(a)	50,610	-	6,732
		10,427,767	8,817,954	9,290,350
<b>Expenses</b>				
Employee costs		(2,066,170)	(1,929,582)	(1,853,548)
Materials and contracts		(4,775,662)	(5,310,774)	(6,258,622)
Utility charges		(226,096)	(253,550)	(232,812)
Depreciation on non-current assets	11(d)	(2,869,734)	(3,825,297)	(3,817,511)
Interest expenses	2(b)	(55,657)	(54,949)	(58,801)
Insurance expenses		(183,734)	(195,262)	(183,419)
Other expenditure		(4,521)	(29,500)	(39,510)
		(10,181,574)	(11,598,914)	(12,444,223)
		246,193	(2,780,960)	(3,153,873)
Non-operating grants, subsidies and contributions	2(a)	2,581,252	2,747,016	3,061,716
Profit on asset disposals	11(a)	139,456	46,743	48,616
(Loss) on asset disposals	11(a)	(16,455)	(10,045)	(52,107)
Fair value adjustments to financial assets at fair value through profit or loss	8	70,068	-	-
Assets Written Off	9, 10	(57,923)	-	-
		2,716,398	2,783,714	3,058,225
<b>Net result for the period</b>		<b>2,962,591</b>	<b>2,754</b>	<b>(95,648)</b>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	12	-	-	4,424,427
<b>Total other comprehensive income for the period</b>		<b>-</b>	<b>-</b>	<b>4,424,427</b>
<b>Total comprehensive income for the period</b>		<b>2,962,591</b>	<b>2,754</b>	<b>4,328,779</b>

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

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

	NOTE	2019 Actual \$	2019 Budget \$	2018 Actual \$
<b>Revenue</b>	2(a)			
Governance		68,602	44,000	57,707
General purpose funding		3,860,077	2,825,659	3,696,673
Law, order, public safety		80,268	71,166	69,782
Health		-	-	82,243
Housing		69,596	120,793	108,360
Community amenities		367,006	462,747	603,118
Recreation and culture		37,532	57,005	33,165
Transport		4,603,977	4,359,520	4,183,653
Economic services		238,202	256,800	283,472
Other property and services		1,102,507	620,264	172,177
		10,427,767	8,817,954	9,290,350
<b>Expenses</b>	2(b)			
Governance		(342,662)	(363,282)	(299,738)
General purpose funding		(91,319)	(117,860)	(113,935)
Law, order, public safety		(216,226)	(210,201)	(192,450)
Health		(144,458)	(171,933)	(143,856)
Housing		(139,869)	(196,193)	(254,179)
Community amenities		(643,838)	(814,547)	(907,392)
Recreation and culture		(1,096,153)	(1,140,335)	(1,078,058)
Transport		(6,657,657)	(7,582,040)	(8,887,821)
Economic services		(409,916)	(507,202)	(440,536)
Other property and services		(383,819)	(440,372)	(67,457)
		(10,125,917)	(11,543,965)	(12,385,422)
<b>Finance Costs</b>	2(b)			
Governance		(1,385)	(1,497)	(1,762)
Housing		(4,175)	(2,773)	(4,286)
Recreation and culture		(50,097)	(50,679)	(52,753)
		(55,657)	(54,949)	(58,801)
		246,193	(2,780,960)	(3,153,873)
Non-operating grants, subsidies and contributions	2(a)	2,581,252	2,747,016	3,061,716
Profit on disposal of assets	11(a)	139,456	46,743	48,616
(Loss) on disposal of assets	11(a)	(16,455)	(10,045)	(52,107)
Fair value adjustments to financial assets at fair value through profit or loss	8	70,068	-	-
Assets Written Off	9, 10	(57,923)	-	-
		2,716,398	2,783,714	3,058,225
<b>Net result for the period</b>		<b>2,962,591</b>	<b>2,754</b>	<b>(95,648)</b>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	12	-	-	4,424,427
<b>Total other comprehensive income for the period</b>		<b>-</b>	<b>-</b>	<b>4,424,427</b>
<b>Total comprehensive income for the period</b>		<b>2,962,591</b>	<b>2,754</b>	<b>4,328,779</b>

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

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

	NOTE	2019 \$	2018 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	3,635,358	4,354,852
Trade receivables	5	221,687	308,737
Other financial assets	8	70,314	71,275
Inventories	6	376,027	384,932
Other current assets	7	1,048,561	573,525
<b>TOTAL CURRENT ASSETS</b>		<b>5,351,947</b>	<b>5,693,321</b>
<b>NON-CURRENT ASSETS</b>			
Other financial assets	8(b)	99,798	60,880
Property, plant and equipment	9	24,357,170	22,834,194
Infrastructure	10	74,927,976	74,137,565
<b>TOTAL NON-CURRENT ASSETS</b>		<b>99,384,944</b>	<b>97,032,639</b>
<b>TOTAL ASSETS</b>		<b>104,736,891</b>	<b>102,725,960</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	13	132,530	1,022,988
Borrowings	14(b)	69,846	67,639
Employee related provisions	15	352,033	340,705
<b>TOTAL CURRENT LIABILITIES</b>		<b>554,409</b>	<b>1,431,332</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	14(b)	880,494	976,175
Employee related provisions	15	98,275	77,331
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>978,769</b>	<b>1,053,506</b>
<b>TOTAL LIABILITIES</b>		<b>1,533,178</b>	<b>2,484,838</b>
<b>NET ASSETS</b>		<b>103,203,713</b>	<b>100,241,122</b>
<b>EQUITY</b>			
Retained surplus		49,653,986	46,849,211
Reserves - cash backed	4	2,599,708	2,441,892
Revaluation surplus	12	50,950,019	50,950,019
<b>TOTAL EQUITY</b>		<b>103,203,713</b>	<b>100,241,122</b>

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



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

		RETAINED	RESERVES	REVALUATION	TOTAL
	NOTE	SURPLUS	CASH BACKED	SURPLUS	EQUITY
		\$	\$	\$	\$
<b>Balance as at 1 July 2017</b>		<b>47,339,491</b>	<b>2,047,260</b>	<b>46,525,592</b>	<b>95,912,343</b>
Comprehensive income					
Net result for the period		(95,648)	-	-	(95,648)
Other comprehensive income	12	-	-	4,424,427	4,424,427
Total comprehensive income		(95,648)	-	4,424,427	4,328,779
Transfers from/(to) reserves		(394,632)	394,632	-	-
<b>Balance as at 30 June 2018</b>		<b>46,849,211</b>	<b>2,441,892</b>	<b>50,950,019</b>	<b>100,241,122</b>
Comprehensive income					
Net result for the period		2,962,591	-	-	2,962,591
Other comprehensive income	12	-	-	-	-
Total comprehensive income		2,962,591	-	-	2,962,591
Transfers from/(to) reserves		(157,816)	157,816	-	-
<b>Balance as at 30 June 2019</b>		<b>49,653,986</b>	<b>2,599,708</b>	<b>50,950,019</b>	<b>103,203,713</b>

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

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

	NOTE	2019 Actual \$	2019 Budget \$	2018 Actual \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Rates		1,696,849	1,669,192	1,618,268
Operating grants, subsidies and contributions		7,033,683	5,838,536	6,114,260
Fees and charges		1,592,240	1,151,926	1,034,558
Interest received		86,455	79,800	90,627
Goods and services tax received		1,085,147	375,288	61,949
Other revenue		50,610	-	6,732
		11,544,984	9,114,742	8,926,394
<b>Payments</b>				
Employee costs		(2,036,739)	(1,929,582)	(1,809,575)
Materials and contracts		(6,129,448)	(5,201,364)	(5,683,168)
Utility charges		(226,096)	(253,550)	(232,812)
Interest expenses		(55,619)	(54,949)	(59,467)
Insurance paid		(183,734)	(195,262)	(183,419)
Goods and services tax paid		(1,030,167)	(187,644)	(154,000)
Other expenditure		(4,521)	(29,500)	(39,511)
		(9,666,324)	(7,851,851)	(8,161,952)
<b>Net cash provided by (used in) operating activities</b>	16	1,878,660	1,262,891	764,442
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for purchase of property, plant & equipment	9 (a)	(2,676,393)	(2,978,622)	(1,673,147)
Payments for construction of infrastructure	10 (a)	(2,690,392)	(2,795,393)	(2,230,556)
Non-operating grants, subsidies and contributions	2 (a)	2,581,252	2,747,016	3,061,716
Proceeds from self supporting loans	14 (b)	32,111	6,275	26,492
Proceeds from sale of property, plant & equipment	11(a)	248,742	200,280	120,924
<b>Net cash provided by (used in) investment activities</b>		(2,504,680)	(2,820,444)	(694,571)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of borrowings	14(b)	(93,474)	(67,639)	(84,858)
<b>Net cash provided by (used in) financing activities</b>		(93,474)	(67,639)	(84,858)
<b>Net increase (decrease) in cash held</b>		(719,494)	(1,625,192)	(14,987)
Cash at beginning of year		4,354,852	4,463,159	4,369,839
<b>Cash and cash equivalents at the end of the year</b>	16	3,635,358	2,837,967	4,354,852

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

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

	NOTE	2019 Actual \$	2019 Budget \$	2018 Actual \$
<b>OPERATING ACTIVITIES</b>				
<b>Net current assets at start of financial year - surplus/(deficit)</b>	23 (b)	1,511,461	1,493,384	1,998,525
		1,511,461	1,493,384	1,998,525
<b>Revenue from operating activities (excluding rates)</b>				
Governance		68,602	44,000	57,707
General purpose funding		2,257,966	1,156,467	2,083,203
Law, order, public safety		80,268	71,166	69,782
Health		-	-	82,243
Housing		69,596	120,793	108,360
Community amenities		367,006	462,747	603,118
Recreation and culture		37,532	57,005	33,165
Transport		4,603,977	4,359,520	4,183,653
Economic services		238,202	256,800	327,432
Other property and services		1,241,963	667,007	176,833
		8,965,112	7,195,505	7,725,496
<b>Expenditure from operating activities</b>				
Governance		(344,047)	(364,779)	(301,500)
General purpose funding		(91,319)	(117,860)	(113,935)
Law, order, public safety		(216,226)	(210,201)	(221,754)
Health		(144,458)	(171,933)	(143,856)
Housing		(144,044)	(198,966)	(258,465)
Community amenities		(653,394)	(814,547)	(907,392)
Recreation and culture		(1,206,706)	(1,191,014)	(1,130,811)
Transport		(6,657,657)	(7,582,040)	(8,887,821)
Economic services		(409,916)	(507,202)	(440,536)
Other property and services		(388,185)	(450,417)	(90,261)
		(10,255,952)	(11,608,959)	(12,496,331)
Non-cash amounts excluded from operating activities	23(a)	2,755,532	3,788,599	3,844,362
<b>Amount attributable to operating activities</b>		2,976,153	868,529	1,072,052
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions	2(a)	2,581,252	2,747,016	3,061,716
Proceeds from disposal of assets	11(a)	248,742	200,280	120,924
Proceeds from self supporting loans	14(b)	32,111	6,275	26,492
Purchase of property, plant and equipment	9(a)	(2,676,393)	(2,978,622)	(1,673,147)
Purchase and construction of infrastructure	10(a)	(2,690,392)	(2,795,393)	(2,230,556)
<b>Amount attributable to investing activities</b>		(2,504,680)	(2,820,444)	(694,571)
<b>FINANCING ACTIVITIES</b>				
Repayment of borrowings	14(b)	(93,474)	(67,639)	(84,858)
Transfers to reserves (restricted assets)	4	(157,816)	(222,011)	(394,632)
Transfers from reserves (restricted assets)	4	-	572,373	-
<b>Amount attributable to financing activities</b>		(251,290)	282,723	(479,490)
<b>Surplus/(deficit) before imposition of general rates</b>		220,183	(1,669,192)	(102,009)
<b>Total amount raised from general rates</b>	22	1,672,179	1,669,192	1,613,470
<b>Surplus/(deficit) after imposition of general rates</b>	23(b)	<b>1,892,362</b>	<b>-</b>	<b>1,511,461</b>

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

## 1. BASIS OF PREPARATION

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

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

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

### CRITICAL ACCOUNTING ESTIMATES

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

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

### THE LOCAL GOVERNMENT REPORTING ENTITY

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

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 25 to these financial statements.

## 2. REVENUE AND EXPENSES (Continued)

### (a) Revenue

#### Grant Revenue

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

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
<b>Operating grants, subsidies and contributions</b>			
Governance	3,947	28,000	31,437
General purpose funding	2,082,175	1,064,668	1,983,501
Law, order, public safety	25,664	18,000	20,358
Health	-	-	82,243
Housing	-	6,273	7,384
Community amenities	157,098	298,575	48,821
Transport	4,603,212	4,359,520	4,183,653
Economic services	140,000	140,000	154,000
Other property and services	-	2,000	33,566
	7,012,096	5,917,036	6,544,963
<b>Non-operating grants, subsidies and contributions</b>			
Law, order, public safety	49,980	50,000	931,138
Health	477,235	477,200	-
Community amenities	331,570	324,298	315,827
Recreation and culture	-	100,000	6,091
Transport	1,722,467	1,795,518	1,808,660
	2,581,252	2,747,016	3,061,716
<b>Total grants, subsidies and contributions</b>	<b>9,593,348</b>	<b>8,664,052</b>	<b>9,606,679</b>

#### SIGNIFICANT ACCOUNTING POLICIES

##### Grants, donations and other contributions

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

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

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

a particular period, and those conditions were undischarged as at the reporting date, the nature of and amounts pertaining to those undischarged conditions are disclosed in Note 21.

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

(a) Revenue (Continued)	2019 Actual \$	2019 Budget \$	2018 Actual \$
<b>Significant revenue</b>			
WANDRRA Funding	3,373,063	4,225,333	3,503,753
GFN - Fricker Road	680,000	680,000	680,000
Department of Regional Development - Community Precinct/Medical Centre Extension	759,535	-	-
<b>Other revenue</b>			
Reimbursements and recoveries	49,524	-	6,732
Other	1,086	-	-
	50,610	-	6,732
<b>Fees and Charges</b>			
Governance	19,308	16,000	19,536
General purpose funding	8,420	12,000	9,077
Law, order, public safety	54,604	53,166	49,424
Housing	65,179	114,520	100,975
Community amenities	210,436	164,171	554,297
Recreation and culture	36,718	57,005	33,165
Economic services	98,202	116,800	129,472
Other property and services	1,099,373	618,264	138,612
	1,592,240	1,151,926	1,034,558
There were no changes during the year to the amount of the fees or charges detailed in the original budget.			
<b>Interest earnings</b>			
Loans receivable - clubs/institutions	3,375	-	-
Reserve accounts interest	36,729	25,000	31,482
Rates instalment and penalty interest (refer Note 21(c))	21,974	19,800	21,066
Other interest earnings	24,377	35,000	38,079
	86,455	79,800	90,627

### 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
Grant Acquittals
Other Services

#### Interest expenses (finance costs)

Borrowings (refer Note 14(b))

2019 Actual	2019 Budget	2018 Actual
\$	\$	\$
26,369	25,000	24,933
3,550	-	1,500
-	5,000	6,000
29,919	30,000	32,433
55,657	54,949	58,801
55,657	54,949	58,801

### 3. CASH AND CASH EQUIVALENTS

	NOTE	2019 \$	2018 \$
Cash at bank and on hand		3,635,358	4,354,852
Financial Asset at Amortilised Cost - Term Deposit	8(a)	65,000	65,000
		3,700,358	4,419,852
<b>Comprises:</b>			
- Unrestricted cash and cash equivalents		1,100,650	1,310,607
- Restricted cash and cash equivalents		2,599,708	3,109,245
		3,700,358	4,419,852
The following restrictions have been imposed by regulations or other externally imposed requirements:			
<b>Reserve accounts</b>			
Leave reserve	4	255,254	155,077
Plant Reserve	4	545,304	537,223
Infrastructure Reserve	4	1,326,812	1,307,151
Recreation Reserve	4	141,598	121,459
Housing Reserve	4	170,330	167,806
Land Reserve	4	21,119	20,807
Avoca Reserve	4	45,102	44,433
Heritage Reserve	4	10,081	5,075
Medical Reserve	4	84,108	82,861
Bendering Landfill Infrastructure	4	-	-
		2,599,708	2,441,892
<b>Other restricted cash and cash equivalents</b>			
Unspent grants/contributions	21	-	667,353
<b>Total restricted cash and cash equivalents</b>		2,599,708	3,109,245

#### 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.

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4. RESERVES - CASH BACKED	2019	2019	2019	2019	2019	2019	2019	2019	2018	2018	2018	2018
	Actual	Actual	Actual	Actual	Budget	Budget	Budget	Budget	Actual	Actual	Actual	Actual
	Opening	Transfer	Transfer	Closing	Opening	Transfer	Transfer	Closing	Opening	Transfer	Transfer	Closing
	Balance	to	(from)	Balance	Balance	to	(from)	Balance	Balance	to	(from)	Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Leave reserve	155,077	100,177	-	255,254	155,077	100,000	-	255,077	152,771	2,306	-	155,077
(b) Plant Reserve	537,223	8,081	-	545,304	537,223	62,011	(375,000)	224,234	430,722	106,501	-	537,223
(c) Infrastructure Reserve	1,307,151	19,661	-	1,326,812	1,307,151	25,000	(197,373)	1,134,778	1,139,945	167,206	-	1,307,151
(d) Recreation Reserve	121,459	20,139	-	141,598	121,459	20,000	-	141,459	89,241	32,218	-	121,459
(e) Housing Reserve	167,806	2,524	-	170,330	167,806	-	-	167,806	165,311	2,495	-	167,806
(f) Land Reserve	20,807	312	-	21,119	20,807	-	-	20,807	20,497	310	-	20,807
(g) Avoca Reserve	44,433	669	-	45,102	44,433	-	-	44,433	43,773	660	-	44,433
(h) Heritage Reserve	5,075	5,006	-	10,081	5,063	5,000	-	10,063	5,000	75	-	5,075
(i) Medical Reserve	82,861	1,247	-	84,108	82,861	-	-	82,861	-	82,861	-	82,861
(j) Bendering Landfill Infrastructure	-	-	-	-	-	10,000	-	10,000	-	-	-	-
	2,441,892	157,816	-	2,599,708	2,441,880	222,011	(572,373)	2,091,518	2,047,260	394,632	-	2,441,892

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

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

Name of Reserve	Anticipated date of use	Purpose of the reserve
(a) Leave reserve	Ongoing	To be used to fund annual and long service leave requirements
(b) Plant Reserve	Ongoing	To be used to fund capital expenditure from a prior period
(c) Infrastructure Reserve	Ongoing	To be used for the construction of new infrastructure
(d) Recreation Reserve	Ongoing	To be used to develop Avoca Farm
(e) Housing Reserve	Ongoing	To be used to provide new recreation facilities within the Shire
(f) Land Reserve	Ongoing	To be used for the construction of new Shire housing and refurbishment of existing houses
(g) Avoca Reserve	Ongoing	To be used to finance future development within the Shire
(h) Heritage Reserve	Ongoing	To be used to finance the maintenance of historical buildings within the Shire
(i) Medical Reserve	Ongoing	To be used to assist in the future attraction and retention of medical services
(j) Bendering Landfill Infrastructure	Ongoing	To be used to assist in the future upgrade of plant, machinery and other requirements at the Bendering Landfill Site

## 5. TRADE RECEIVABLES

### Current

Rates receivable	
GST receivable	
Allowance for impairment of receivables	
Sundry Debtors	

2019	2018
\$	\$
72,051	82,534
58,383	113,363
(3,596)	(4,070)
94,849	116,910
221,687	308,737

### 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 24.

#### Previous accounting policy: Impairment of trade receivables

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

#### Classification and subsequent measurement

Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

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

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

## 6. INVENTORIES

### Current

Fuel and materials  
Land held for resale - cost

	2019	2018
	\$	\$
Fuel and materials	6,027	14,932
Land held for resale - cost	370,000	370,000
	<b>376,027</b>	<b>384,932</b>
The following movements in inventories occurred during the year:		
Carrying amount at 1 July	384,932	385,513
Inventories expensed during the year	184,902	182,643
Additions to inventory	(193,807)	(183,224)
Carrying amount at 30 June	<b>376,027</b>	<b>384,932</b>

### 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.

#### Land held for resale

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

#### Land held for resale (Continued)

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

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

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



## 7. OTHER ASSETS

### Other current assets

Accrued income

2019	2018
\$	\$
1,048,561	573,525
1,048,561	573,525

### SIGNIFICANT ACCOUNTING POLICIES

#### Other current assets

Other non-financial assets include accrued income which represents expenditure that has been incurred for which the related revenue has not yet been receipted.

**SHIRE OF NAREMBEEN**  
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**8. OTHER FINANCIAL ASSETS**

	Note	2019 \$	2018 \$
<b>(a) Current assets</b>			
Other financial assets at amortised cost		70,314	65,000
Other loans and receivables		-	6,275
		70,314	71,275
<b>Other financial assets at amortised cost</b>			
- Financial assets at amortised cost - term deposits	3	65,000	65,000
- Financial assets at amortised cost - self supporting loans		5,314	-
		70,314	65,000
<b>Financial assets previously classified as loans and receivables</b>			
- Loans receivable - clubs/institutions		-	6,275
		-	6,275
<b>(b) Non-current assets</b>			
Other financial assets at amortised cost		29,730	-
Financial assets at fair value through profit and loss		70,068	-
Other loans and receivables		-	60,880
		99,798	60,880
<b>Other financial assets at amortised cost</b>			
- Financial assets at amortised cost - self supporting loans		29,730	-
		29,730	-
<b>Financial assets at fair value through profit and loss</b>			
Units in Local Government House Trust		70,068	-
		70,068	-
<b>Financial assets previously classified as loans and receivables</b>			
- Loans receivable - clubs/institutions		-	60,880
		-	60,880
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	-
		70,068	-

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

**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 24.

**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 26 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.

## 9. PROPERTY, PLANT AND EQUIPMENT

### (a) Movements in Carrying Amounts

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

	Land freehold \$	Land - vested in and under the control of Council \$	Total land \$	Buildings - Non Specialised \$	Buildings - Specialised \$	Total buildings \$	Total land and buildings \$	Furniture and Equipment \$	Plant and equipment \$	RoeROC Joint Venture \$	Works in Progress \$	Total property, plant and equipment \$
<b>Balance at 1 July 2017</b>	2,307,500	1,870,000	4,177,500	4,873,100	10,223,400	15,096,500	19,274,000	277,972	2,622,663	79,823	95,954	22,350,412
Additions	30,000	-	30,000	7,680	875,382	883,062	913,062	9,007	674,458	-	76,620	1,673,147
(Disposals)	-	-	-	-	-	-	-	-	(124,415)	-	-	(124,415)
Depreciation (expense)	-	-	-	(73,013)	(362,164)	(435,177)	(435,177)	(30,613)	(599,160)	-	-	(1,064,950)
Transfers	-	-	-	-	95,954	95,954	95,954	-	-	-	(95,954)	-
<b>Carrying amount at 30 June 2018</b>	2,337,500	1,870,000	4,207,500	4,807,767	10,832,572	15,640,339	19,847,839	256,366	2,573,546	79,823	76,620	22,834,194
<b>Comprises:</b>												
Gross carrying amount at 30 June 2018	2,337,500	1,870,000	4,207,500	4,880,780	11,194,736	16,075,516	20,283,016	305,655	3,655,041	79,823	76,620	24,400,155
Accumulated depreciation at 30 June 2018	-	-	-	(73,013)	(362,164)	(435,177)	(435,177)	(49,289)	(1,081,495)	-	-	(1,565,961)
<b>Carrying amount at 30 June 2018</b>	2,337,500	1,870,000	4,207,500	4,807,767	10,832,572	15,640,339	19,847,839	256,366	2,573,546	79,823	76,620	22,834,194
Additions	-	-	-	24,577	1,444,597	1,469,174	1,469,174	120,183	1,087,036	-	-	2,676,393
(Disposals)	-	-	-	-	-	-	-	-	(113,652)	-	-	(113,652)
Assets Written Off	(8,500)	-	(8,500)	-	(4,204)	(4,204)	(12,704)	-	-	-	-	(12,704)
Depreciation (expense)	-	-	-	(80,254)	(387,259)	(467,513)	(467,513)	(32,917)	(526,631)	-	-	(1,027,061)
Transfers	-	-	-	(2,072,492)	2,149,112	76,620	76,620	-	-	-	(76,620)	-
<b>Carrying amount at 30 June 2019</b>	2,329,000	1,870,000	4,199,000	2,679,598	14,034,818	16,714,416	20,913,416	343,632	3,020,299	79,823	-	24,357,170
<b>Comprises:</b>												
Gross carrying amount at 30 June 2019	2,329,000	1,870,000	4,199,000	2,759,138	14,857,472	17,616,610	21,815,610	425,838	4,383,562	79,823	-	26,704,833
Accumulated depreciation at 30 June 2019	-	-	-	(79,540)	(822,654)	(902,194)	(902,194)	(82,206)	(1,363,263)	-	-	(2,347,663)
<b>Carrying amount at 30 June 2019</b>	2,329,000	1,870,000	4,199,000	2,679,598	14,034,818	16,714,416	20,913,416	343,632	3,020,299	79,823	-	24,357,170

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

### (b) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
<b>Land and buildings</b>					
Land freehold	2/3	Market approach using recent or estimated observable market data for similar properties	Independent Registered Valuers/Management Valuation	June 2017	Observable or estimated open market values/price per hectare
Land - vested in and under the control of Council	3	Cost approach using depreciated replacement cost	Management Valuation	June 2017	Improvements to land using construction costs and current conditions (level 2), residual values and remaining useful life assessments (level 3) inputs
Buildings - Non Specialised	2/3	Market approach using recent or estimated observable market data for similar properties	Independent Registered Valuers	June 2017	Observable or estimated open market values/price per square metre
Buildings -Specialised	3	Cost approach using depreciated replacement cost	Independent Registered Valuers/Management Valuation	June 2017	Construction costs and current conditions (level 2), residual values and remaining useful life assessments (level 3) inputs
<b>Furniture and Equipment</b>	3	Cost approach using depreciated replacement cost	Independent Registered Valuers/Management Valuation	June 2016	Construction costs and current conditions (level 2), residual values and remaining useful life assessments (level 3) inputs
<b>Plant and equipment</b>	3	Cost approach using depreciated replacement cost	Independent Registered Valuers/Management Valuation	June 2016	Construction costs and current conditions (level 2), residual values and remaining useful life assessments (level 3) inputs

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

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

## 10. INFRASTRUCTURE

### (a) Movements in Carrying Amounts

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

	Infrastructure - Roads	Infrastructure - Footpaths	Infrastructure - Parks and Ovals	Infrastructure - Drainage	Total Infrastructure
	\$	\$	\$	\$	\$
<b>Balance at 1 July 2017</b>	64,371,787	667,031	4,478,568	717,755	70,235,141
Additions	2,210,629	-	19,927	-	2,230,556
Revaluation increments / (decrements) transferred to revaluation surplus	4,684,513	(213,745)	49,157	(95,496)	4,424,429
Depreciation (expense)	(2,436,442)	(18,925)	(278,152)	(19,042)	(2,752,561)
<b>Carrying amount at 30 June 2018</b>	68,830,487	434,361	4,269,500	603,217	74,137,565
<b>Comprises:</b>					
Gross carrying amount at 30 June 2018	68,830,487	434,361	4,269,500	603,217	74,137,565
<b>Carrying amount at 30 June 2018</b>	68,830,487	434,361	4,269,500	603,217	74,137,565
Additions	2,690,392	-	-	-	2,690,392
(Disposals)	-	-	(12,089)	-	(12,089)
Assets Written Off	-	-	(45,219)	-	(45,219)
Depreciation (expense)	(1,494,947)	(9,035)	(330,125)	(8,566)	(1,842,673)
<b>Carrying amount at 30 June 2019</b>	70,025,932	425,326	3,882,067	594,651	74,927,976
<b>Comprises:</b>					
Gross carrying amount at 30 June 2019	71,520,879	434,361	4,197,800	603,217	76,756,257
Accumulated depreciation at 30 June 2019	(1,494,947)	(9,035)	(315,733)	(8,566)	(1,828,281)
<b>Carrying amount at 30 June 2019</b>	70,025,932	425,326	3,882,067	594,651	74,927,976

## 10. INFRASTRUCTURE (Continued)

### (b) Fair Value Measurements

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

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

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



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

### SIGNIFICANT ACCOUNTING POLICIES

#### Fixed assets

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

#### Initial recognition and measurement between mandatory revaluation dates

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

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

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

#### Revaluation

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

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

### AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY

#### Land under control

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

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

#### Land under roads

In Western Australia, all land under roads is Crown Land, the responsibility for managing which, is vested in the local government.

Effective as at 1 July 2008, Council elected not to recognise any value for land under roads acquired on or before 30 June 2008. This accords with the treatment available in *Australian Accounting Standard AASB 1051 Land Under Roads* and the fact *Local Government (Financial Management) Regulation 16(a)(i)* prohibits local governments from recognising such land as an asset.

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

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

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

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

**(a) Disposals of Assets**

	2019 Actual Net Book Value	2019 Actual Sale Proceeds	2019 Actual Profit	2019 Actual Loss	2019 Budget Net Book Value	2019 Budget Sale Proceeds	2019 Budget Profit	2019 Budget Loss	2018 Actual Net Book Value	2018 Actual Sale Proceeds	2018 Actual Profit	2018 Actual Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Plant and equipment	113,652	248,742	139,456	(4,366)	163,582	200,280	46,743	(10,045)	124,415	120,924	48,616	(52,107)
Infrastructure - Parks and Ovals	12,089	-	-	(12,089)	-	-	-	-	-	-	-	-
	125,741	248,742	139,456	(16,455)	163,582	200,280	46,743	(10,045)	124,415	120,924	48,616	(52,107)

The following assets were disposed of during the year.

	2019 Actual Net Book Value	2019 Actual Sale Proceeds	2019 Actual Profit	2019 Actual Loss
	\$	\$	\$	\$
<b>Plant and Equipment</b>				
<b>Other property and services</b>				
John Deere 770D Grader	26,217	105,455	79,238	-
Mitsubishi Canter 2011	6,553	38,660	32,107	-
2017 Toyota Prado GXL - NB1 Works Manager	42,923	50,000	7,077	-
2016 Ford Ranger NB6761	18,993	14,627	-	(4,366)
DAF 3 AXLE PRIME MOVER	18,966	40,000	21,034	-
	113,652	248,742	139,456	(4,366)
<b>Infrastructure</b>				
<b>Recreation and Culture</b>				
Metal Mesh Fencing 1.8m Around Netball Courts	2,533	-	-	(2,533)
<b>Community Amenities</b>				
Ringlock Fence - Cemetery	1,792	-	-	(1,792)
Metal Mesh 1.2m Fencing Cemetery	4,300	-	-	(4,300)
Brick Niche Wall - Cemetery	3,464	-	-	(3,464)
	12,089	-	-	(12,089)
	125,741	248,742	139,456	(16,455)

**(b) Fully Depreciated Assets in Use**

The gross carrying value of assets held by the Shire which are currently in use yet fully depreciated are shown in the table below.

	2019	2018
	\$	\$
Plant and equipment	95,000	95,000
	95,000	95,000

**(c) Temporarily Idle Assets**

The carrying value of assets held by the Shire which are temporarily idle or retired from active use and not classified as held for sale are shown in the table below.

	2019	2018
	\$	\$
Plant and equipment	25,000	25,000
	25,000	25,000

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

(d) Depreciation	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Buildings - Non Specialised	80,254	435,575	73,013
Buildings -Specialised	387,259	-	362,164
Furniture and Equipment	32,917	30,616	30,613
Plant and equipment	526,631	604,240	599,160
Infrastructure - Roads	1,494,947	2,438,665	2,436,442
Infrastructure - Footpaths	9,035	18,942	18,925
Infrastructure - Parks and Ovals	330,125	278,201	278,152
Infrastructure - Drainage	8,566	19,059	19,042
	2,869,734	3,825,298	3,817,511

### 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
Major depreciation periods used for each class of depreciable asset are:	
Buildings	30 to 50 years
Furniture & Equipment	4 to 10 years
Plant & Equipment	5 to 15 years
Sealed Roads Formation	Not Depreciated
Sealed Road Pavement	50 years
Bituminous Seal	20 years
Asphalt Seal	25 years
Gravel Roads Formation	Not Depreciated
Gravel Roads Pavement	50 years
Gravel Sheet	12 years
Formed Roads Formation	Not Depreciated
Formed Roads Pavement	50 years
Footpaths - slab	20 years
Sewerage Piping	100 years
Water Supply piping & Drainage	75 years

#### Depreciation (Continued)

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

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

## 12. REVALUATION SURPLUS

	2019 Opening Balance	2019 Revaluation Increment	2019 Revaluation (Decrement)	Total Movement on Revaluation	2019 Closing Balance	2018 Opening Balance	2018 Revaluation Increment	2018 Revaluation (Decrement)	Total Movement on Revaluation	2018 Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land freehold	3,298,163	-	-	-	3,298,163	3,298,163	-	-	-	3,298,163
Revaluation surplus - Buildings - Non Specialised	5,339,026	-	-	-	5,339,026	5,339,026	-	-	-	5,339,026
Revaluation surplus - Plant and equipment	519,056	-	-	-	519,056	519,056	-	-	-	519,056
Revaluation surplus - Infrastructure - roads	39,478,393	-	-	-	39,478,393	34,793,880	4,684,513	-	4,684,513	39,478,393
Revaluation surplus - Infrastructure - Footpaths	345,070	-	-	-	345,070	558,815	-	(213,745)	(213,745)	345,070
Revaluation surplus - Infrastructure - Parks and Ovals	1,582,099	-	-	-	1,582,099	1,532,942	49,157	-	49,157	1,582,099
Revaluation surplus - Infrastructure - Drainage	388,212	-	-	-	388,212	483,708	-	(95,496)	(95,496)	388,212
	50,950,019	-	-	-	50,950,019	46,525,590	4,733,670	(309,241)	4,424,429	50,950,019

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

### 13. TRADE AND OTHER PAYABLES

#### Current

Sundry creditors
Accrued Interest on long term borrowings
Accrued salaries and wages
ATO liabilities
Prepaid Grants Received
Accrued Expenses

2019	2018
\$	\$
63,118	339,747
12,119	12,081
12,422	11,803
32,392	35,852
-	49,980
12,479	573,525
132,530	1,022,988

#### SIGNIFICANT ACCOUNTING POLICIES

##### Trade and other payables

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

##### Trade and other payables (Continued)

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

**SHIRE OF NAREMBEEN**  
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**14. INFORMATION ON BORROWINGS**

**(a) Borrowings**

	2019	2018
	\$	\$
Current	69,846	67,639
Non-current	880,494	976,175
	950,340	1,043,814

**(b) Repayments - Borrowings**

Particulars	Loan Number	Institution	Interest Rate	30 June 2019					30 June 2019					30 June 2018				
				Actual Principal 1 July 2018	Actual New Loans	Actual Principal repayments	Actual Interest repayments	Actual Principal outstanding	Budget Principal 1 July 2018	Budget New Loans	Budget Principal repayments	Budget Interest repayments	Budget Principal outstanding	Actual Principal 1 July 2017	Actual New Loans	Actual Principal repayments	Actual Interest repayments	Actual Principal outstanding
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Governance</b>																		
Loan 129 Solar Panels	129	WATC*	2.69%	59,170	-	14,205	1,385	44,965	59,170	-	14,204	1,497	44,966	73,000	-	13,830	1,762	59,170
<b>Recreation and culture</b>																		
Loan 125 Swimming Pool	125	WATC*	6.68%	218,522	-	18,402	14,089	200,120	218,521	-	18,402	14,295	200,119	235,754	-	17,232	15,271	218,522
Loan 128 Recreation Centre	128	WATC*	5.26%	698,967	-	28,756	36,008	670,211	698,802	-	28,758	36,384	670,044	726,271	-	27,304	37,482	698,967
				976,659	-	61,363	51,482	915,296	976,493	-	61,364	52,176	915,129	1,035,025	-	58,366	54,515	976,659
<b>Self Supporting Loans</b>																		
<b>Housing</b>																		
Loan 127 Homes for the Aged	127	WATC*	4.23	67,155	-	32,111	4,175	35,044	67,155	-	6,275	2,773	60,881	93,647	-	26,492	4,286	67,155
				67,155	-	32,111	4,175	35,044	67,155	-	6,275	2,773	60,881	93,647	-	26,492	4,286	67,155
				1,043,814	-	93,474	55,657	950,340	1,043,648	-	67,639	54,949	976,010	1,128,672	-	84,858	58,801	1,043,814

\* WA Treasury Corporation

Self supporting loans are financed by payments from third parties. These are shown in Note 8 as other financial assets at amortised cost.

All other loan repayments were financed by general purpose revenue.



**SHIRE OF NAREMBEEN**  
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**14. INFORMATION ON BORROWINGS (Continued)**

	2019	2018
	\$	\$
<b>(c) Undrawn Borrowing Facilities</b>		
<b>Credit Standby Arrangements</b>		
Bank overdraft limit	200,000	200,000
Bank overdraft at balance date	-	-
Credit card limit	25,000	25,000
Credit card balance at balance date	(822)	(2,876)
<b>Total amount of credit unused</b>	<b>224,178</b>	<b>222,124</b>
<b>Loan facilities</b>		
Loan facilities - current	69,846	67,639
Loan facilities - non-current	880,494	976,175
<b>Total facilities in use at balance date</b>	<b>950,340</b>	<b>1,043,814</b>
<b>Unused loan facilities at balance date</b>	<b>NIL</b>	<b>NIL</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**Financial liabilities**

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

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

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

**Borrowing costs**

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

**Risk**

Information regarding exposure to risk can be found at Note 24.

## 15. EMPLOYEE RELATED PROVISIONS

### Employee Related Provisions

	Provision for Annual Leave	Provision for Long Service Leave	Total
	\$	\$	\$
<b>Opening balance at 1 July 2018</b>			
Current provisions	158,393	182,312	340,705
Non-current provisions	-	77,331	77,331
	158,393	259,643	418,036
Additional provision	249,658	49,902	299,560
Amounts used	(267,288)	-	(267,288)
<b>Balance at 30 June 2019</b>	140,763	309,545	450,308

### Comprises

Current	140,763	211,270	352,033
Non-current	-	98,275	98,275
	140,763	309,545	450,308

	2019	2018
	\$	\$
<b>Amounts are expected to be settled on the following basis:</b>		
Less than 12 months after the reporting date	70,000	70,000
More than 12 months from reporting date	393,844	348,036
Expected reimbursements from other WA local governments	(13,536)	-
	450,308	418,036

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

### SIGNIFICANT ACCOUNTING POLICIES

#### Employee benefits

##### Short-term employee benefits

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

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

##### Other long-term employee benefits

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

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

##### Other long-term employee benefits (Continued)

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

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

##### Provisions

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

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

## 16. NOTES TO THE STATEMENT OF CASH FLOWS

### Reconciliation of Cash

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

	2019 Actual \$	2019 Budget \$	2018 Actual \$
Cash and cash equivalents	3,635,358	2,837,967	4,354,852
<b>Reconciliation of Net Cash Provided By Operating Activities to Net Result</b>			
Net result	2,962,591	2,754	(95,648)
Non-cash flows in Net result:			
Adjustments to fair value of financial assets	(70,068)	-	-
Depreciation	2,869,734	3,825,297	3,817,511
(Profit)/loss on sale of asset	(123,001)	(36,698)	3,491
Assets Written Off	57,923	-	-
Changes in assets and liabilities:			
(Increase)/decrease in receivables	87,050	109,144	(517,957)
(Increase)/decrease in other assets	(475,036)	-	-
(Increase)/decrease in inventories	8,905	-	581
Increase/(decrease) in payables	(890,458)	109,410	557,004
Increase/(decrease) in provisions	32,272	-	61,176
Grants contributions for the development of assets	(2,581,252)	(2,747,016)	(3,061,716)
Net cash from operating activities	1,878,660	1,262,891	764,442

## 17. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2019	2018
	\$	\$
Governance	1,348,972	1,343,774
General purpose funding	4,403,183	4,502,386
Law, order, public safety	1,106,594	1,179,067
Health	110,948	114,974
Housing	3,033,442	3,192,992
Community amenities	2,207,306	1,267,749
Recreation and culture	13,712,657	14,228,736
Transport	73,207,306	71,076,727
Economic services	1,302,694	1,338,633
Other property and services	4,303,789	4,480,922
	104,736,891	102,725,960

## 18. CAPITAL COMMITMENTS

### (a) Capital Expenditure Commitments

Contracted for:

- capital expenditure projects
- plant & equipment purchases

Payable:

- not later than one year

2019	2018
\$	\$
297,803	1,170,000
26,500	167,803
324,303	1,337,803
324,303	1,337,803

The capital expenditure projects outstanding at the end of the current reporting period represents the renovation of the Roads Board Building, Upgrade of the Cemetary, Development of the Lesser Hall Interpretation Centre and the purchase of a new Dolly (the prior year commitment was for the extension to the Community Precinct and the purchase of a new community bus)

## 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	15,840	18,820	15,859
President's allowance	7,019	7,000	1,896
Deputy President's allowance	1,750	1,750	7,000
Travelling expenses	5,868	4,000	5,428
	30,477	31,570	30,183

### 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	432,020	514,055
Post-employment benefits	51,817	53,224
Other long-term benefits	13,957	2,161
Termination benefits	15,266	-
	513,060	569,440

#### *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.

	2019 Actual	2018 Actual
The following transactions occurred with related parties:	\$	\$
Sale of goods and services	-	145,322
Purchase of goods and services	124,520	290,077
<b>Amounts outstanding from related parties:</b>		
Trade and other receivables	-	34,372
<b>Amounts payable to related parties:</b>		
Trade and other payables	-	59,738

### 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. JOINT ARRANGEMENTS

- (i) The Shire together with the Department of Housing have a joint venture arrangement with regard to the provision of 9 housing units in Currall Street and Doreen Street, Narembeen. The Shire's share of the housing units is included in the Property, Plant & Equipment.

	2019	2018
	\$	\$
<b>Non-current assets</b>		
Buildings - Non Specialised	1,133,700	1,133,700
Less: accumulated depreciation	(42,375)	(21,188)
	1,091,325	1,112,512

- (ii) The Shire together with the Shires of Corrigin, Kondinin and Kulin (RoeROC) have a joint venture arrangement with regard to the provision of a Waste Facility on the Kondinin Narembeen Road. Council's share of this facility is included as RoeROC Joint Venture Assets.

	2019	2018
	\$	\$
<b>Non-current assets</b>		
Freehold Land	79,823	79,823
Other Infrastructure	18,600	18,600
Less: accumulated depreciation	(3,101)	-
	95,322	98,423

### SIGNIFICANT ACCOUNTING POLICIES

#### Interests in joint arrangements

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

#### Interests in joint arrangements (Continued)

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

## 21. CONDITIONS OVER GRANTS/CONTRIBUTIONS

Grant/Contribution	Opening	Received <sup>(2)</sup>	Expended <sup>(3)</sup>	Closing	Received <sup>(2)</sup>	Expended <sup>(3)</sup>	Closing
	Balance <sup>(1)</sup>			Balance <sup>(1)</sup>			Balance
	1/07/17	2017/18	2017/18	30/06/18	2018/19	2018/19	30/06/19
	\$	\$	\$	\$	\$	\$	\$
<b>Law, order, public safety</b>							
DRD - ESF	25,621	188,000	(213,621)	-	-	-	-
<b>Health</b>							
DRD - Health Centre Extension	-	-	-	-	477,235	(477,235)	-
<b>Community amenities</b>							
DRD - CRC Extension	-	-	-	-	282,300	(282,300)	-
<b>Recreation and culture</b>							
Kidsport	3,014	-	(3,014)	-	-	-	-
<b>Transport</b>							
Grain Freight Network	592,417	-	(592,417)	-	-	-	-
R2R Kondinin Road	151,685	-	(151,685)	-	-	-	-
State Initiative	-	680,000	(12,647)	667,353	680,000	(1,347,353)	-
RRG Bruce Rock Narembreen Road	-	-	-	-	69,099	(69,099)	-
RRG Cramphorne Road	-	-	-	-	269,850	(269,850)	-
R2R Narembreen South Road	-	-	-	-	363,518	(363,518)	-
<b>Total</b>	<b>772,737</b>	<b>868,000</b>	<b>(973,384)</b>	<b>667,353</b>	<b>2,142,002</b>	<b>(2,809,355)</b>	<b>-</b>

**Notes:**

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

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

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

## 22. RATING INFORMATION

### (a) Rates

RATE TYPE	Rate in \$	Number of Properties	2018/19 Actual Rateable Value \$	2018/19 Actual Rate Revenue \$	2018/19 Actual Interim Rates \$	2018/19 Actual Back Rates \$	2018/19 Actual Total Revenue \$	2018/19 Budget Rate Revenue \$	2018/19 Budget Interim Rate \$	2018/19 Budget Back Rate \$	2018/19 Budget Total Revenue \$	2017/18 Actual Total Revenue \$
Differential general rate / general rate												
<b>Gross rental valuations</b>												
Town	0.122352	221	1,735,612	212,356	(1,455)	-	210,901	212,356	-	-	212,356	205,350
<b>Unimproved valuations</b>												
Rural	0.014474	330	101,722,500	1,472,331	1,230	-	1,473,561	1,472,331	-	-	1,472,331	1,420,012
Mining	0.014474	5	89,423	1,294	660	-	1,954	639	-	-	639	622
<b>Sub-Total</b>		556	103,547,535	1,685,981	435	-	1,686,416	1,685,326	-	-	1,685,326	1,625,984
<b>Minimum payment</b>												
<b>Gross rental valuations</b>												
Town	455	17	18,241	7,735	-	-	7,735	7,735	-	-	7,735	8,455
<b>Unimproved valuations</b>												
Rural	455	43	101,900	19,565	-	-	19,565	19,565	-	-	19,565	19,135
Mining	455	21	229,182	9,555	-	-	9,555	8,190	-	-	8,190	6,675
<b>Sub-Total</b>		81	349,323	36,855	-	-	36,855	35,490	-	-	35,490	34,265
		637	103,896,858	1,722,836	435	-	1,723,271	1,720,816	-	-	1,720,816	1,660,249
Discounts/concessions (refer Note 22(b))							(51,092)				(51,624)	(46,779)
<b>Total amount raised from general rate</b>							1,672,179				1,669,192	1,613,470
Ex-gratia rates							14,187				-	-
<b>Totals</b>							1,686,366				1,669,192	1,613,470

### 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.

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22 RATING INFORMATION (Continued)

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

Rates Discounts

Rate or Fee			2019	2019	2018	
Discount Granted	Discount	Discount	Actual	Budget	Actual	Circumstances in which Discount is Granted
	%	\$	\$	\$	\$	
Early Payment	4	-	51,092	51,624	46,779	Ratepayers are provided a discount for early payment.
			51,092	51,624	46,779	

## 22 RATING INFORMATION (Continued)

### (c) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge	Instalment Plan Interest Rate	Unpaid Rates Interest Rate
		\$	%	%
<b>Option One</b>				
	31/08/2018	0.00	0.00%	11.00%
<b>Option Two</b>				
	31/08/2018	0.00	5.50%	11.00%
	2/11/2018	10.00	5.50%	11.00%
	18/01/2019	10.00	5.50%	11.00%
	22/03/2019	10.00	5.50%	11.00%

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Interest on unpaid rates	17,260	15,800	17,186
Interest on instalment plan	4,714	4,000	3,880
Charges on instalment plan	3,160	2,500	2,430
	25,134	22,300	23,496

## 23. RATE SETTING STATEMENT INFORMATION

		2018/19 Budget	2018/19
	2018/19 (30 June 2019 Carried Forward)	(30 June 2019 Carried Forward)	(1 July 2018 Brought Forward)
Note	\$	\$	\$
<b>(a) Non-cash amounts excluded from operating activities</b>			
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .			
<b>Adjustments to operating activities</b>			
Less: Profit on asset disposals	11(a)	(139,456)	(46,743)
Less: Fair value adjustments to financial assets	8(a)	(70,068)	-
Movement in employee benefit provisions (non-current)		20,944	-
Add: Loss on disposal of assets	11(a)	16,455	10,045
Add: Assets Written Off	9, 10	57,923	-
Add: Depreciation on assets	11(d)	2,869,734	3,817,511
<b>Non cash amounts excluded from operating activities</b>		<b>2,755,532</b>	<b>3,844,362</b>
<b>(b) Surplus/(deficit) after imposition of general rates</b>			
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.			
<b>Adjustments to net current assets</b>			
Less: Restricted cash	3	(2,599,708)	(2,441,892)
Less: - Financial assets at amortised cost - self supporting loans	8(a)	(5,314)	(6,275)
Less: Land held for resale	6	(370,000)	(370,000)
Add: Borrowings	14(a)	69,846	-
<b>Total adjustments to net current assets</b>		<b>(2,905,176)</b>	<b>(2,750,528)</b>
<b>Net current assets used in the Rate Setting Statement</b>			
Total current assets		5,351,947	5,693,321
Less: Total current liabilities		(554,409)	(1,431,332)
Less: Total adjustments to net current assets		(2,905,176)	(2,750,528)
<b>Net current assets used in the Rate Setting Statement</b>		<b>1,892,362</b>	<b>1,511,461</b>



## 24. 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 debt investments	Aging analysis Credit analysis	Diversification of bank deposits, credit limits. Investment policy
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

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

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

### (a) Interest rate risk

#### Cash and cash equivalents

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

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

	Weighted Average Interest Rate	Carrying Amounts	Fixed Interest Rate	Variable Interest Rate	Non Interest Bearing
	%	\$	\$	\$	\$
<b>2019</b>					
Cash and cash equivalents	1.25%	3,635,358	-	3,635,358	-
Financial assets at amortised cost - term deposits	2.50%	65,000	65,000	-	-
<b>2018</b>					
Cash and cash equivalents	1.50%	4,354,852	-	4,354,852	-
Financial assets at amortised cost - term deposits	2.50%	65,000	65,000	-	-

#### Sensitivity

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

Impact of a 1% movement in interest rates on profit and loss and equity\*

\* Holding all other variables constant

	2019	2018
	\$	\$
	36,354	43,549

#### Borrowings

Borrowings are subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs.

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

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

**(b) Credit risk**

**Trade Receivables**

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

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

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

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

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

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

	Current	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total
<b>30 June 2019</b>					
Rates receivable					
Expected credit loss	0%	0%	0%	0%	
Gross carrying amount	27,259	24,683	20,109	-	72,051
Loss allowance	-	-	-	-	-

**01 July 2018**

Rates receivable					
Expected credit loss	0%	0%	0%	0%	
Gross carrying amount	26,258	15,753	13,088	27,435	82,534
Loss allowance	-	-	-	-	-

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

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
<b>30 June 2019</b>					
Sundry Receivables					
Expected credit loss	0.00%	0.00%	0.00%	42.00%	
Gross carrying amount	85,149	581	524	8,595	94,849
Loss allowance	-	-	-	3,596	3,596

**01 July 2018**

Sundry Receivables					
Expected credit loss	0.00%	0.00%	0.00%	54.00%	
Gross carrying amount	107,517	1,312	483	7,598	116,910
Loss allowance	-	-	-	4,070	4,070

## 24. FINANCIAL RISK MANAGEMENT (Continued)

### (c) Liquidity risk

#### Payables and borrowings

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

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

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
<b>2019</b>	\$	\$	\$	\$	\$
Payables	132,530	-	-	132,530	132,530
Borrowings	120,967	545,353	661,735	1,328,055	950,340
	253,497	545,353	661,735	1,460,585	1,082,870
<b>2018</b>					
Payables	1,022,988	-	-	1,022,988	1,022,988
Borrowings	122,590	478,822	908,809	1,510,221	1,043,814
	1,145,578	478,822	908,809	2,533,209	2,066,802

## 25. 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
	\$	\$	\$	\$
Joint Venture Bonds	2,350	1,867	(2,567)	1,650
Building Services Levy	-	2,615	(2,615)	-
Other Deposits	1,800	1,575	(900)	2,475
Wheatbelt Railway Retention Alliance	8,981	-	-	8,981
Transport Licensing	23,808	442,269	(443,117)	22,960
Gym Cards	6,538	2,300	(1,100)	7,738
	43,477	450,626	(450,299)	43,804

## 26. INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS

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

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

### AASB 9 Financial instruments

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

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

The effect of adopting AASB 9 as at 1 July 2018 was, as follows:

	Adjustments	01 July 2018
		\$
<b>Assets</b>		
Trade receivables	(a),(b)	-
Loans and advances	(a)	-
<b>Total Assets</b>		-
<b>Total adjustments on Equity</b>		
Accumulated surplus/(deficit)	(a),(b)	-
		-

The nature of these adjustments are described below:

#### (a) Classification and measurement

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

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

## 26. INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS (Continued)

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

- Trade receivables and Loans and advances (i.e. Other debtors) classified as Loans and receivables as at 30 June 2018 are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are classified and measured as Financial assets at amortised cost beginning 1 July 2018.
- The Shire did not designate any financial assets as at fair value through profit and loss.

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

	AASB 139 value	AASB 9 category amortised cost	Fair value through OCI	Fair value through P/L
AASB 139 category	\$	\$	\$	\$
<b>Loans and receivables</b>				
Trade receivables	308,737	308,737	-	-
Loans and advances	67,155	67,155	-	-
	375,892	375,892	-	-

### (b) Impairment

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

## 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. As at 30 June 2019, the Shire does not have any revenue from contracts with customers and therefore the impact of this standard will be nil.

### (b) Leases

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

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

As at 30 June 2019, the Shire does not have any operating leases and therefore the impact of this standard will be nil.

## (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.

In applying AASB 1058 retrospectively with the cumulative effect of initially applying the Standard on 1 July 2019 changes will occur to the following financial statement line items by application of AASB 1058 as compared to AASB 1004 Contributions before the change:

		AASB 1004 carrying amount		AASB 1058 carrying amount
	Note	30 June 2019	Reclassification	01 July 2019
		\$	\$	\$
Trade and other payables		132,530	-	132,530
Adjustment to retained surplus from adoption of AASB 1058	27(d)		-	

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

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

## (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			49,653,986
Adjustment to retained surplus from adoption of AASB 15	27(a)	-	-
Adjustment to retained surplus from adoption of AASB 16	27(b)	-	-
Adjustment to retained surplus from adoption of AASB 1058	27(c)	-	-
Retained surplus - 01 July 2019			49,653,986



## **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 regularity to ensure the carrying value does not differ materially from that which would be determined using fair value at the end of the reporting period.

## 29. ACTIVITIES/PROGRAMS

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

<u>PROGRAM NAME</u>	<u>ACTIVITIES</u>
<b>GOVERNANCE</b>	Administration and operation of facilities and dedicated to providing high quality services to members of Council, other costs that services to the community through relate to the tasks of assisting elected members the various service orientated and ratepayers on matters which do not programs which it has established. cover specific Council Services.
<b>LAW, ORDER, PUBLIC SAFETY</b>	Supervision of various by-laws, fire prevention, emergency services and animal control
<b>HEALTH</b>	Food quality and pest control, operation of child health clinic, dental surgery and medical centre.
<b>HOUSING</b>	Maintenance of staff and rental housing.
<b>COMMUNITY AMENITIES</b>	Rubbish collection services, operation of tip, noise control, administration of town planning scheme, maintenance of cemetery, conveniences, storm water drainage, protection of the environment and Community Resource Centre operations.
<b>RECREATION AND CULTURE</b>	Maintenance of halls, the aquatic centre, recreation centre and various reserves, operation of the library and maintenance of museums
<b>TRANSPORT</b>	Construction and maintenance of streets, roads, bridges, cleaning and lighting of streets, depot maintenance and airfield maintenance
<b>ECONOMIC SERVICES</b>	The regulation and provision of tourism, area promotion, building control, saleyards, noxious weeds, vermin control, plant nursery and standpipes
<b>OTHER PROPERTY AND SERVICES</b>	Private Works operations, plant repairs and operation costs. Maintenance of commercial buildings

### 30. FINANCIAL RATIOS

	2019 Actual	2018 Actual	2017 Actual
Current ratio	9.20	2.03	3.48
Asset consumption ratio	0.96	0.98	0.94
Asset renewal funding ratio	0.88	0.99	0.27
Asset sustainability ratio	1.68	0.72	0.91
Debt service cover ratio	22.17	5.01	20.95
Operating surplus ratio	0.11	(1.13)	(0.38)
Own source revenue coverage ratio	0.35	0.23	0.33

The above ratios are calculated as follows:

Current ratio	$\frac{\text{current assets minus restricted assets}}{\text{current liabilities minus liabilities associated with restricted assets}}$
Asset consumption ratio	$\frac{\text{depreciated replacement costs of depreciable assets}}{\text{current replacement cost of depreciable assets}}$
Asset renewal funding ratio	$\frac{\text{NPV of planned capital renewal over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$
Asset sustainability ratio	$\frac{\text{capital renewal and replacement expenditure}}{\text{depreciation}}$
Debt service cover ratio	$\frac{\text{annual operating surplus before interest and depreciation}}{\text{principal and interest}}$
Operating surplus ratio	$\frac{\text{operating revenue minus operating expenses}}{\text{own source operating revenue}}$
Own source revenue coverage ratio	$\frac{\text{own source operating revenue}}{\text{operating expense}}$

## INDEPENDENT AUDITOR'S REPORT TO THE COUNCILLORS OF THE SHIRE OF NAREMBEEN

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## REPORT ON THE AUDIT OF THE FINANCIAL REPORT

### Opinion

We have audited the accompanying financial report of the Shire of Narembreen (the Shire), which comprises the Statement of Financial Position as at 30 June 2019, Statement of Comprehensive Income by Nature or Type, Statement of Comprehensive Income by Program, Statement of Changes in Equity, Statement of Cash Flows and the Rate Setting Statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the Statement by Chief Executive Officer.

In our opinion, the financial report of the Shire of Narembreen:

- a) is based on proper accounts and reports; and
- b) 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

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Shire in accordance with the 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 our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of Matter – Basis of Preparation

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

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

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

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

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

**INDEPENDENT AUDITOR'S REPORT  
TO THE COUNCILLORS OF  
THE SHIRE OF NAREMBEEN (CONTINUED)**

**REPORT ON THE AUDIT OF THE FINANCIAL REPORT (CONTINUED)**

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

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We 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 our 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, misrepresentation, 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 we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report, as we cannot predict future events or conditions that may have an impact.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We 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 we identify during our audit.

**INDEPENDENT AUDITOR'S REPORT  
TO THE COUNCILLORS OF  
THE SHIRE OF NAREMBEEN (CONTINUED)**

**REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

In accordance with the Local Government (Audit) Regulations 1996, we also report that:

- a) All required information and explanations were obtained by us.
- b) All audit procedures were satisfactorily completed in conducting our audit.
- c) In our opinion, the asset consumption ratio and the asset renewal ratio included in the annual financial report were supported by verifiable information and reasonable assumptions.

**MATTERS RELATING TO THE ELECTRONIC PUBLICATION OF THE AUDITED FINANCIAL REPORT**

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

MOORE STEPHENS  
CHARTERED ACCOUNTANTS



WEN-SHIEN CHAI  
PARTNER

Date: 29 October 2019  
Perth, WA