



Shire of Ngaanyatjarra

ON A JOURNEY

ORDINARY MEETING OF COUNCIL

ATTACHMENTS

Tjulyuru Cultural and Civic Centre

Warburton Community

18 December 2019

at

1.00 pm



Shire of Ngaanyatjarra

ON A JOURNEY

ORDINARY MEETING OF COUNCIL

MINUTES

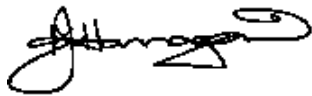
**Tjulyuru Cultural and Civic Centre
Warburton Community**

27 November 2019

**at
1.00 pm**

SHIRE OF NGAANYATJARRAKU
ORDINARY MEETING OF COUNCIL

The Chief Executive Officer recommends the endorsement of these minutes at the next Ordinary Meeting of Council.



Chief Executive Officer

Date: 27-11-2019

These minutes were confirmed by Council as a true and correct record of proceedings of the Meeting of Council held on the 27 November 2019.

Presiding Member: _____ **Date:**.....

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1. DECLARATION OF OPENING

The Presiding Member declared the meeting open at 1.00 pm.

2. ANNOUNCEMENT OF VISITORS

The Presiding Member welcomed members of the public to the gallery.

3. ATTENDANCE

3.1 PRESENT

Elected Members:	President Councillor Councillor Councillor Councillor	D McLean J Frazer A Jones L West J Porter
Staff:	CEO EYPC	K Hannagan A Shinkfield (from 1.02pm)
Guests:		
Members of Public:	There were two members of the public in attendance at the commencement of the meeting.	

3.2 APOLOGIES

Cr. P Thomas
Cr. D Frazer
Cr. A Bates

3.3 APPROVED LEAVE OF ABSENCE

- 3.3.1 Cr J Frazer has submitted a request for leave of absence for 18 December 2019 Ordinary Meeting of Council if need be (sick child in Alice Springs).

Council Resolution

Moved: Cr A Jones Seconded: Cr L West

That Council in accordance with Section 2.25 (1) of the Local Government Act 1995 grants leave of absence to Cr D Frazer for the 18 December 2019 Ordinary Meeting of Council if need be.

Carried: 5/0

4. PUBLIC QUESTION TIME

4.1 RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE

4.2 PUBLIC QUESTION TIME

5. APPLICATIONS FOR LEAVE OF ABSENCE

6. DECLARATION BY MEMBERS

6.1 DUE CONSIDERATION BY COUNCILLORS TO THE AGENDA

Councillors are requested to give due consideration to all matters contained in the Agenda presently before the meeting.

6.2 DECLARATIONS OF INTEREST

Councillors to Note

A member who has an Impartiality, Proximity or Financial Interest in any matter to be discussed at a Council or Committee Meeting, that will be attended by the member, must disclose the nature of the interest:

- (a) In a written notice given to the Chief Executive Officer before the Meeting or;
- (b) At the Meeting, immediately before the matter is discussed.

A member, who makes a disclosure in respect to an interest, must not:

- (a) Preside at the part of the Meeting, relating to the matter or;
- (b) Participate in or be present during any discussion or decision-making procedure relative to the matter, unless to the extent that the disclosing member is allowed to do so under *Section 5.68 or Section 5.69 of the Local Government Act 1995*.

NOTES ON DECLARING INTERESTS (FOR YOUR GUIDANCE)

The following notes are a basic guide for Councillors when they are considering whether they have an interest in a matter.

These notes are included in each agenda for the time being so that Councillors may refresh their memory.

1. A Financial Interest requiring disclosure occurs when a Council decision might advantageously or detrimentally affect the Councillor, or a person closely associated with the Councillor and is capable of being measure in money terms. There are exceptions in the *Local Government Act 1995*, but they should not be relied on without advice, unless the situation is very clear.
2. If a Councillor is a member of an Association (which is a Body Corporate) with not less than 10 members i.e. sporting, social, religious etc), and the Councillor is not a holder of office of profit or a guarantor, and has not leased land to or from the club, i.e., if the Councillor is an ordinary member of the Association, the Councillor has a common and not a financial interest in any matter to that Association.
3. If an interest is shared in common with a significant number of electors or ratepayers, then the obligation to disclose that interest does not arise. Each case needs to be considered.
4. If in doubt declare.
5. As stated in (b) above, if written notice disclosing the interest has not been given to the Chief Executive Officer before the meeting, then it **MUST** be given when the matter arises in the Agenda, and immediately before the matter is discussed.
6. Ordinarily the disclosing Councillor must leave the meeting room before discussion commences. The **only** exceptions are:
 - 6.1 Where the Councillor discloses the **extent** of the interest, and Council carries a motion under s.5.68(1)(b)(ii) or the *Local Government Act*, or

- 6.2** Where the Minister allows the Councillor to participate under s.5.69(3) of the *Local Government Act*, with or without conditions.

Declarations of Interest provided:

Item Number/ Name	Type of Interest	Nature/Extent of Interest

7. ANNOUNCEMENTS BY THE PRESIDING MEMBER WITHOUT DISCUSSION

8. PETITIONS, DEPUTATIONS, PRESENTATIONS

8.1 PETITIONS

8.2 DEPUTATIONS

8.3 PRESENTATIONS

9. CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS

9.1 MINUTES OF ORDINARY MEETING OF COUNCIL (ATT 9.1)

Officers Recommendation and Council Resolution

Moved: Cr A Jones Seconded: Cr J Frazer

That the Unconfirmed Minutes of the Ordinary Meeting of Council held on 23 October 2019 at the Council Chambers, Tjulyuru Cultural and Civic Centre, Warburton Community (ATTACHMENT 9.1) be confirmed as a true and accurate record.

Carried: 5/0

10. CEO REPORTS

10.1 PROGRESS ON THE IMPLEMENTATION OF COUNCIL RESOLUTIONS

FILE REFERENCE:	GV.05
AUTHOR'S NAME AND POSITION:	Kevin Hannagan Chief Executive Officer
DATE REPORT WRITTEN:	16 November 2019
DISCLOSURE OF INTERESTS:	The author has no financial, proximity or impartiality interest in the proposal.

Summary

The purpose of this agenda item is to report back to Council on the progress of the implementation of Council resolutions.

Background

The best practice in governance supports the regular review of Council decisions to ensure that they are actioned and implemented in a timely manner.

Comment

Wherever possible, Council decisions are implemented as soon as practicable after a Council meeting. However, there are projects or circumstances that mean some decisions take longer to action than others.

Ongoing monthly reports will show the status of Council Resolutions that have not been actioned.

Generally, all resolutions have been enacted. Some matters are of an on-going nature and will take several months to complete. Attached is a list of those items not yet completed.

Statutory Environment

Section 2.7 of the Local Government Act 1995 states:

“Role of council

(1) The council —

(a) governs the local government's affairs; and

(b) is responsible for the performance of the local government's functions.

(2) Without limiting subsection (1), the council is to —

(a) oversee the allocation of the local government's finances and resources; and

(b) determine the local government's policies.”

The above section of the Act notwithstanding, there is no specific legal requirement to present such a report to Council or for Council to receive or consider such a report. The decision to have the report in the Council's monthly agenda is entirely Council's prerogative. Staff acknowledge the critical and ongoing nature of the document, in that Council 'speaks by resolution'.

Financial Implications

There are no known financial implications for this matter.

Strategic Implications

Integrated Strategic Plan 2018 - 2028

Goal 3, Leadership

Outcome 3.2, Good Leadership

Risk Management

This item has been evaluated against the Shire of Ngaanyatjaraku Risk Management Framework, Risk Assessment Matrix. The perceived level of risk is “Low” risk and can be managed by routine procedures and is unlikely to need specific application of resources.

Policy Implications

There are no known policy implications for this matter.

Attachments

Attachment 10.1 - Council Resolutions - Status Report

Voting Requirement

Simple Majority

Officers Recommendation and Council Resolution

Moved: Cr J Frazer Seconded: Cr L West

That Council notes the attached Council Resolutions – Status as at October 2019 (Attachment 10.1) and this report.

Carried: 5/0

10.2 ATTENDANCE BY TELEPHONE CR THOMAS

FILE REFERENCE:	GV.00
AUTHOR'S NAME AND POSITION:	Kevin Hannagan Chief Executive Officer
DATE REPORT WRITTEN:	5 November 2019
DISCLOSURE OF INTERESTS:	The author has no financial, proximity or impartiality interests in the proposal.

Summary

For Council to consider a request from Cr Thomas to attend the next Ordinary meeting of Council by telephone.

Background

Cr P Thomas has advised that he may not be able to attend the next ordinary meeting of Council in person and has requested Council approval to attend by telephone if necessary.

Comment

In accordance with Regulation 14A (2) Cr Thomas has attended the July, August and September meetings by telephone for the 2019/20 financial year.

Statutory Environment

Local Government Act 1995

5.25. Regulations about council and committee meetings and committees

- (1) *Without limiting the generality of section 9.59, regulations may make provision in relation to —*
 - (a) *the matters to be dealt with at ordinary or at special meetings of councils; and*
 - (b) *the functions of committees or types of committee; and*
 - (ba) *the holding of council or committee meetings by telephone, video conference or other electronic means;*

Local Government (Administration) Regulations 1996

14A. Attendance by telephone etc. (Act s. 5.25 (1) (ba))

- (1) *A person who is not physically present at a meeting of a council or committee is to be taken to be present at the meeting if —*
 - (a) *the person is simultaneously in audio contact, by telephone or other means of instantaneous communication, with each other person present at the meeting; and*
 - (b) *the person is in a suitable place; and*
 - (c) *the council has approved* of the arrangement.*
- (2) *A council cannot give approval under sub-regulation (1)(c) if to do so would mean that at more than half of the meetings of the council, or committee, as the case may be, in that financial year, a person who was not physically present was taken to be present in accordance with this regulation.*

(3) *A person referred to in this regulation is no longer to be taken to be present at a meeting if the person ceases to be in instantaneous communication with each other person present at the meeting.*

(4) *In this regulation —*

suitable place means a place that the council has approved* as a suitable place for the purpose of this regulation and that is located —

(a) *in a townsite or other residential area; and*

(b) *150 km or further from the place at which the meeting is to be held under regulation 12, measured along the shortest road route ordinarily used for travelling;*

townsite has the same meaning given to that term in the Land Administration Act 1997 section 3(1).

** Absolute majority required.*

[Regulation 14A inserted in Gazette 31 Mar 2005 p. 1031.]

Financial Implications

There are no known financial implications.

Strategic Implications

Integrated Strategic Plan 2018 - 2028

Goal 3, Leadership

Outcome 3.2, Good Leadership

Risk Management

This item has been evaluated against the Shire of Ngaanyatjaraku Risk Management Framework, Risk Assessment Matrix. The perceived level of risk is “Low” risk and can be managed by routine procedures and is unlikely to need specific application of resources.

Policy Implications

There are no known policy implications for this matter.

Attachments

Not applicable

Voting Requirement

Absolute Majority Required

Officers Recommendation and Council Resolution

Moved: Cr A Jones

Seconded: Cr J Frazer

That Council approves Cr P Thomas request to attend the next Ordinary Meeting of Council by telephone if necessary.

Carried: 5/0

10.3 PROVISION OF EARLY YEARS SERVICE BY PLAY GROUP WA

FILE REFERENCE:	Cs.00
AUTHOR'S NAME AND POSITION:	Kevin Hannagan Chief Executive Officer
DATE REPORT WRITTEN:	14 November 2019
DISCLOSURE OF INTERESTS:	The author has no financial, proximity or impartiality interest in the proposal.

Summary

To update Council on provision of Early Years Child Services post 2019.

Background

The Shires funding agreement with Department of Prime Minister and Cabinet / Play Group WA (PGWA) expires on 31 December 2019 and will not be renewed.

Comment

The new National Indigenous Australians Agency (NIAA) commenced on 1 July 2019 and will be responsible for provision of funding for early years services across the lands. The NIAA are in the process of undertaking a consultation / engagement process across the Shire to determine the model for delivery of services into the future.

The NIAA have approached PGWA to undertake provision of interim services for Warburton during 2020 whilst they finalise their new service delivery model. It is believed that NIAA are also considering interim services for Blackstone and Jameson for 2020.

PGWA will directly employ an ex Shire employee (who finishes with the Shire at end of school term 4, 2019) for 2020. PGWA have requested to use the Shires early years facilities in Warburton during 2020 by lease / purchase arrangement:

- Lease of Early Years Building, 20 January 2020 to 20 December 2020 @ \$2,000 / week plus GST;
- Lease of Staff House, 20 December 2019 to 20 December 2020 @ \$566.50 / week plus GST, in accordance with the Shire's adopted Fees and Charges 2019/20; and Utilities / maintenance / Gardening, \$120 /week plus GST;
- Sale of 2013 Nissan Navara Ute, \$10,000 plus GST, which is above the Shire's written down book value of the vehicle.

Statutory Environment

Local Government Act 1995

3.58. *Disposing of property*

(1) *In this section —*

dispose includes to sell, lease, or otherwise dispose of, whether absolutely or not; property includes the whole or any part of the interest of a local government in property, but does not include money.

(2) *Except as stated in this section, a local government can only dispose of property to —*

(a) *the highest bidder at public auction; or*

(b) the person who at public tender called by the local government makes what is, in the opinion of the local government, the most acceptable tender, whether or not it is the highest tender.

(3) *A local government can dispose of property other than under subsection (2) if, before agreeing to dispose of the property —*

(a) *it gives local public notice of the proposed disposition —*

(i) *describing the property concerned; and*

- (ii) giving details of the proposed disposition; and
- (iii) inviting submissions to be made to the local government before a date to be specified in the notice, being a date not less than 2 weeks after the notice is first given;
- and
- (b) it considers any submissions made to it before the date specified in the notice and, if its decision is made by the council or a committee, the decision and the reasons for it are recorded in the minutes of the meeting at which the decision was made.
- (4) The details of a proposed disposition that are required by subsection (3)(a)(ii) include —
 - (a) the names of all other parties concerned; and
 - (b) the consideration to be received by the local government for the disposition; and
 - (c) the market value of the disposition —
- (i) as ascertained by a valuation carried out not more than 6 months before the proposed disposition; or
- (ii) as declared by a resolution of the local government on the basis of a valuation carried out more than 6 months before the proposed disposition that the local government believes to be a true indication of the value at the time of the proposed disposition.
- (5) This section does not apply to —
 - (a) a disposition of an interest in land under the Land Administration Act 1997 section 189 or 190; or
 - (b) a disposition of property in the course of carrying on a trading undertaking as defined in section 3.59; or
 - (c) anything that the local government provides to a particular person, for a fee or otherwise, in the performance of a function that it has under any written law; or
 - (d) any other disposition that is excluded by regulations from the application of this section.

WA Accounting Manual, Section 9

The carrying amount of a non-current asset is removed from the statement of financial position under the following conditions:

- It is disposed (e.g. on sale, trade or gifted or lost), or
- There is no further economic benefit expected from its use or disposal (e.g. technical obsolescence or exhaustion of capacity).

Removing the asset generates a profit or loss that is to be shown in the statement of comprehensive income. There may be an exception to this rule if the asset class is on the revaluation model (see the section on revaluation of assets).

Financial Implications

There will be a need to allow for the positive unbudgeted income of approximately \$140,000 in the Mid-Year budget review in 2020.

Strategic Implications

Integrated Strategic Plan 2018 - 2028

Goal 3, Leadership

Outcome 3.2, Good Leadership

Risk Management

This item has been evaluated against the Shire of Ngaanyatjaraku Risk Management Framework, Risk Assessment Matrix. The perceived level of risk is “Low” risk and can be managed by routine procedures and is unlikely to need specific application of resources.

Policy Implications

There are no known policy implications for this matter.

Attachments

Not Applicable

Voting Requirement

Simple Majority

Officers Recommendation and Council Resolution

Moved: Cr L West

Seconded: Cr J Frazer

That Council notes this report and authorises the following leases / disposal of equipment to Play Group WA:

- 1. Lease of Early Years Building, 20 January 2020 to 20 December 2020 @ \$2,000 / week plus GST;**
- 2. Lease of Staff House, 20 December 2019 to 20 December 2020 @ \$566.50 / week plus GST, in accordance with the Shire's adopted Fees and Charges 2019/20; and Utilities / maintenance / Gardening, \$120 /week plus GST;**
- 3. Sale of 2013 Nissan Navara Ute, 1EH1533, \$10,000 plus GST, which is above the Shire's written down book value of the vehicle.**

Carried: 5/0

10.4 MRWA HEAVY VEHICLE ACCESS APPLICATION

FILE REFERENCE: Rd.00

AUTHOR'S NAME AND POSITION: Kevin Hannagan
Chief Executive Officer

DATE REPORT WRITTEN: 16 November 2019

DISCLOSURE OF INTERESTS: The author has no financial, proximity or impartiality interest in the proposal.

Summary

For Council to consider an application to Main Roads WA, Heavy Vehicle Services for 60m Quad Road Train Performance Based Standard (PBS) Scheme Vehicle Access Approval, requesting AMMS Level 3 Mass 23.5t for tri axle groups use of the Great Central Road.

Background

The Commissioner of Main Roads (the Commissioner) has the authority under provisions in the Road Traffic (Vehicles) Act 2012 to approve Restricted Access Vehicles (RAV) access on a public road. The Commissioner has delegated this authority to Main Roads Heavy Vehicle Services (HVS).

HVS administers the route assessment and approval process in order to provide efficient road access for RAVs, without having an adverse impact on road safety, the road infrastructure and public amenity. All route assessments must be conducted in accordance with the Route Assessment Guidelines relevant to the particular vehicle configuration and mass limit being requested.

HVS decides whether a road will be approved for RAV access and may apply travel and road conditions to an approval when considered necessary for road safety, infrastructure protection or public amenity.

Local Governments are key partners in the shared responsibility of safe and efficient RAV access within Western Australia and manage approximately 88 percent of West Australian roads. It is fundamental that Main Roads and Local Governments continue to build strong partnerships to ensure the best possible outcomes. Main Roads WA ensures engagement with Local Government about RAV access on their roads.

Comment

When considering an application for RAV access approval, HVS must consider the following:

- Where the assessment identifies the road meets all of the relevant Route Assessment Guidelines, the road can be added to the relevant RAV Network;
- Where the assessment identifies the road does not meet all of the relevant Route Assessment Guidelines, however reasonable conditions can be applied to mitigate any associated risks, the road can be added to the relevant RAV Network;
- Where the assessment identifies the road does not meet all of the relevant Route Assessment Guidelines and applying reasonable conditions is not likely to mitigate any associated risk or is not likely to be complied with, the road should not be added to a RAV Network. However, access approval may still be granted under individual permit, following additional assessment based on the individual access requirement.
- Where the assessment identifies the road does not meet all of the relevant Route Assessment Guidelines, regard should be given to the historic performance of similar vehicles on the route, subject to relevant upgrades being made to the route within a reasonable time.

Generally, HVS would support access to the Great Central Road as they generally require roads

to be on the relevant base network prior to being approved for PBS access, this provides consistency and reduces confusion. However, if any of the above base networks are not supported i.e. Tri Drive 5 or Tri Drive 5.3, consideration should be given in supporting access for the proposed PBS 4B routes only.

The PBS scheme offers potential for heavy vehicle operators to achieve higher productivity and improved safety through innovative vehicle designs. There are many benefits in providing access for PBS vehicles. Some of these benefits include.

- Braking capability and vehicle stability is improved with a mandatory requirement in WA for Electronic Braking Systems (EBS) and Rollover Stability Systems (RSS), which is not a requirement on conventional road trains.
- PBS vehicles are often height restricted, which is determined by the PBS assessment which further reduces the rollover risk and improves overall stability.
- PBS vehicles are subject to stringent axle spacing requirements, reducing the impact on the road infrastructure
- PBS vehicles reduce the number of vehicle movements compared to conventional heavy vehicles which overall reduces congestion and the crash risk exposure.

Shire officers have given this application considerable analysis and have liaised with HVS and the transport firm who made the application and the freight generator they are working for. As such it is recommended to support the application with conditions.

The reasoning behind the conditions is that these roads were never initially 'designed' to any standard, they started as bulldozed tracks many years ago. Whilst realignment and pavement of sections have been taken over time it was never envisaged that such heavy traffic would be accessing the road today. The Shire as 'road manager' is responsible for the road and as such needs to act as a responsible manager and ensure the ongoing safe and orderly operation of the roads.

Statutory Environment

Section 2.7 of the Local Government Act 1995 states:

"Role of council

(3) The council —

(a) governs the local government's affairs; and

(b) is responsible for the performance of the local government's functions.

(4) Without limiting subsection (1), the council is to —

(a) oversee the allocation of the local government's finances and resources; and

(b) determine the local government's policies."

Financial Implications

There are no known financial implications for this matter.

Strategic Implications

Integrated Strategic Plan 2018 - 2028

Goal 3, Leadership

Outcome 3.2, Good Leadership

Risk Management

This item has been evaluated against the Shire of Ngaanyatjaraku Risk Management Framework, Risk Assessment Matrix. The perceived level of risk is "Low" risk and can be managed by routine procedures and is unlikely to need specific application of resources.

Policy Implications

Council Policy ES4.3 – Road Train Permits

Attachments

Not Applicable

Voting Requirement

Simple Majority

Council Resolution

Moved: Cr J Frazer

Seconded: Cr L West

That Council supports the application to Main Roads WA, Heavy Vehicle Services for 60m Quad Road Train Performance Based Standard (PBS) Scheme Vehicle Access Approval, requesting AMMS Level 3 Mass 23.5t for tri axle groups use of the Great Central Road with the following conditions:

- 1. That a Road Safety Assessments (RSA) be undertaken of the Great Central Road (from Laverton border to NT border as per application) and the Wanarn Jameson Road (Cutline) to the mine site road turnoff and funded by the ‘freight generator’;**
- 2. That Road Pavement Testing (RPT) be undertaken of the Great Central Road (from Laverton border to NT border as per application) and the Wanarn Jameson Road (Cutline) to the mine site road turnoff and be funded by the ‘freight generator’;**
- 3. Any recommended road improvements from the RSA or RPT to be funded by the ‘freight generator’;**
- 4. That access for the Wanarn Jameson Road be restricted to local operators (Restricted Local Access Permit) to monitor the volume of use; and**
- 5. That the freight generator enters into Road Maintenance Agreements (RMA) with the Shire for the Great Central Road (from Laverton border to NT border as per application) and the Wanarn Jameson Road.**

Carried: 5/0

Note: Officers Recommendation item 5 amended to include – ‘Great Central Road (from Laverton border to NT border as per application) and the’ which was omitted from the Officers Recommendation.

10.5 AMENDMENTS TO LOCAL EMERGENCY MANAGEMENT ARRANGEMENTS

FILE REFERENCE: ES.00

AUTHOR'S NAME AND POSITION: Kevin Hannagan
Chief Executive Officer

DATE REPORT WRITTEN: 15 November 2019

DISCLOSURE OF INTERESTS: The author has no financial, proximity or impartiality interests in the proposal.

Summary

For Council to consider minor amendments to its Local Emergency Management Arrangements (LEMA).

Background

Western Australia is subject to a variety of hazards that have the potential to cause loss of life and/or damage and destruction. These hazards result from events of both natural and man-made origin. The Emergency Management Act 2005 (the EM Act) formalises Western Australia's emergency management arrangements.

Under the EM Act, local governments are required to have local emergency management arrangements. Local governments are the closest level of government to their communities and have access to specialised knowledge about the local environment and demographic features of their communities. Effective local emergency management arrangements enhance the community's resilience and preparedness for emergencies through strategies that apply prevention/mitigation, preparedness, response and recovery measures.

Comment

Shire Officers have undertaken a review of 'contacts' and 'available equipment' and updated the LEMA. The amended LEMA was presented to the 24 October 2019 Local Emergency Management Committee meeting. The following extract Item 10 from the Minutes of that meeting are below:

10 - Local Emergency Management Arrangements (LEMA) and Recovery Plan Review

- *Draft - September 2019 Review (Appendix 4&7 changes) – to be tabled – Amendment to Contacts and Equipment lists as Trailer mounted firefighting units at Warburton and Warakurna stores inoperable and amended Shire Asset Register. – Amended LEMA to Nov Council and be re-issued and website updated.*

The LEMA is now presented to Council for adoption and forwarding to relevant local agencies and the District Emergency Management Committee.

Statutory Environment

Emergency Management Act 2005

Financial Implications

There are no known financial implications.

Strategic Implications

Integrated Strategic Plan 2018 - 2028

Goal 3, Leadership

Outcome 3.2, Good Leadership

Risk Management

This item has been evaluated against the Shire of Ngaanyatjaraku Risk Management

Framework, Risk Assessment Matrix. The perceived level of risk is “Low” risk and can be managed by routine procedures and is unlikely to need specific application of resources.

Policy Implications

Council Policy CP.04 - Committees.

Attachments

Amended LEMA to be tabled and website updated after resolution.

Voting Requirement

Simple Majority

Officers Recommendation and Council Resolution

Moved: Cr A Jones Seconded: Cr J Porter

That Council:

- 1 adopts the amended Local Emergency Management Arrangements 2016 - 2020 (as tabled);**
- 2 forwards a copy to the Goldfields Esperance District Emergency Management Committee, relevant local agencies; and**
- 3. updates the Shires Website.**

Carried: 5/0

10.6 WASTE SERVICES, WARAKURNA

FILE REFERENCE:	PL.00
AUTHORISING OFFICER AND POSITION:	Kevin Hannagan Chief Executive Officer
DATE REPORT WRITTEN:	20 November 2019
DISCLOSURE OF FINANCIAL INTEREST:	The author has no financial, proximity or impartiality interests in the proposal.

Summary

For Council to consider ceasing provision of waste services in Warakurna.

Background

At the July and August Council meeting Council considered reports regarding a review of waste services related to the Shire's Long-Term Financial Sustainability as services were costing the Shire \$3980,000 p.a.

The original proposal was to cease all service provision except Warburton as the Shire did have staff located there to try and manage the service. At other locations the Shire does not have staff to manage the service. It was resolved to cease services at Jameson, Blackstone and Wingellina with transfer of the rubbish trucks to the Community Councils to run the service going forward. Warakurna and Wanarn services were continued as it was hoped that perhaps Warburton staff may be able to visit these locations and manage the service remotely.

Comment

The service at Wanarn has generally been ok since the new staff member took over the role. However, Warakurna has proven difficult as staff have not responded to repeated visits to site and explanations of basic maintenance of the truck such as adding oil when fueling up.

The Shire has recently spent \$9,000 on repairs to the truck. Now staff have disregarded instructions to ensure oil levels are maintained and have driven the truck with no oil until it has seized. The staff members have been dismissed.

The Shire has no staff or 'spare' rubbish truck to provide services, the spare truck was recently sold to Blackstone Community as they had also seized the engine in their truck.

The Warakurna Community Board have been written to and advised the Shire will try and assess damages to the truck by bringing a mobile 'Isuzu' mechanical service from Kalgoorlie, this will be expensive. They have also been advised;

1. that it is with regret that the Shire advises this, but to comply with State Government Legislation and to work towards the longer-term sustainability of the Shire we can no longer run rubbish services without an income to fully cover the costs; and
2. of the Shire's intention to cease service provision to Warakurna by the Shire, and transfer the truck to the community to provide service, like other locations.

Statutory Environment

Local Government Act 1995

2.7. Role of council

- (1) *The council —*
 - (a) *governs the local government's affairs; and*

- (b) *is responsible for the performance of the local government's functions.*
 - (2) *Without limiting subsection (1), the council is to —*
 - (a) *oversee the allocation of the local government's finances and resources; and*
 - (b) *determine the local government's policies.*
- 6.12. *Power to defer, grant discounts, waive or write off debts*
- (1) *Subject to subsection (2) and any other written law, a local government may —*
 - (a) *when adopting the annual budget, grant* a discount or other incentive for the early payment of any amount of money; or*
 - (b) *wave or grant concessions in relation to any amount of money; or*
 - (c) *write off any amount of money,*
which is owed to the local government.
- * Absolute majority required.*
- 3.58. *Disposing of property*
- (1) *In this section —*
dispose includes to sell, lease, or otherwise dispose of, whether absolutely or not;
property includes the whole or any part of the interest of a local government in property, but does not include money.
 - (2) *Except as stated in this section, a local government can only dispose of property to —*
 - (a) *the highest bidder at public auction; or*
 - (b) *the person who at public tender called by the local government makes what is, in the opinion of the local government, the most acceptable tender, whether or not it is the highest tender.*
 - (3) *A local government can dispose of property other than under subsection (2) if, before agreeing to dispose of the property —*
 - (a) *it gives local public notice of the proposed disposition —*
 - (i) *describing the property concerned; and*
 - (ii) *giving details of the proposed disposition; and*
 - (iii) *inviting submissions to be made to the local government before a date to be specified in the notice, being a date not less than 2 weeks after the notice is first given;*
 - and*
 - (b) *it considers any submissions made to it before the date specified in the notice and, if its decision is made by the council or a committee, the decision and the reasons for it are recorded in the minutes of the meeting at which the decision was made.*
 - (4) *The details of a proposed disposition that are required by subsection (3)(a)(ii) include —*
 - (a) *the names of all other parties concerned; and*
 - (b) *the consideration to be received by the local government for the disposition; and*
 - (c) *the market value of the disposition —*
 - (i) *as ascertained by a valuation carried out not more than 6 months before the proposed disposition; or*
 - (ii) *as declared by a resolution of the local government on the basis of a valuation carried out more than 6 months before the proposed disposition that the local government believes to be a true indication of the value at the time of the proposed disposition.*
 - (5) *This section does not apply to —*
 - (a) *a disposition of an interest in land under the Land Administration Act 1997 section 189 or 190; or*
 - (b) *a disposition of property in the course of carrying on a trading undertaking as defined in section 3.59; or*
 - (c) *anything that the local government provides to a particular person, for a fee or otherwise, in the performance of a function that it has under any written law; or*
 - (d) *any other disposition that is excluded by regulations from the application of this section.*

Local Government (Functions and General) Regulations 1996

30. Dispositions of property excluded from Act s. 3.58

.....

- (3) *A disposition of property other than land is an exempt disposition if —*

- (a) its market value is less than \$20 000;

WA Accounting Manual, Section 9

The carrying amount of a non-current asset is removed from the statement of financial position under the following conditions:

- It is disposed (e.g. on sale, trade or gifted or lost), or
- There is no further economic benefit expected from its use or disposal (e.g. technical obsolescence or exhaustion of capacity).

Removing the asset generates a profit or loss that is to be shown in the statement of comprehensive income. There may be an exception to this rule if the asset class is on the revaluation model (see the section on revaluation of assets).

Financial Implications

Major increases in Income and reductions in Expenditure are required to ensure Long Term Financial Sustainability of the Shire.

The transfer / write off of trucks will generate a loss that is to be shown in the statement of comprehensive income. However, this will be a 'non-cash' item.

Strategic Implications

Integrated Strategic Plan 2018 - 2028

Goal 3, Leadership

Outcome 3.2, Good Leadership

Risk Management

This item has been evaluated against the Shire of Ngaanyatjaraku Risk Management Framework, Risk Assessment Matrix. The perceived level of risk is "High" risk and can be managed by review of services and close monitoring by executive management.

Policy Implications

Not Applicable.

Attachments

Not Applicable

Voting Requirement

Absolute Majority Required

Officers Recommendation and Council Resolution

Moved: Cr A Jones

Seconded: Cr J Frazer

That Council:

1. Commences the process in accordance with Section 3.58 of the Local Government Act 1995 to transfer ownership of the Isuzu Rubbish Truck 1DHR926 to the Warakurna Community Council for use in community rubbish collection services as outlined in this report; and
2. Authorise the Chief Executive Officer to issue Credit Notes for 8 months rubbish services (1 November to 30 June 2020) for unpaid invoices and issue 8/12 refunds for those that have fully paid.

Carried: 5/0

11 DEPUTY CEO REPORTS

11.1 PAYMENTS LISTING, OCTOBER 2019

FILE REFERENCE:	FM.07
AUTHOR'S NAME AND POSITION:	Kerry Fisher Deputy Chief Executive Officer
AUTHORISING OFFICER AND POSITION:	Kevin Hannagan Chief Executive Officer
DATE REPORT WRITTEN:	12 November 2019
DISCLOSURE OF INTERESTS:	Nil

Summary

For Council to confirm the payment of accounts listed in the attached Accounts for Payment.

Background

In accordance with the Local Government (Financial Management) Regulations 1996 the Chief Executive Officer is required to present a list of payments to the Council at the next ordinary meeting of the council after the list is prepared.

Comment

The payments made are consistent with previous months.

Statutory Environment

Local Government (Financial Management) Regulations 1996

S13. Payments from municipal fund or trust fund by CEO, CEO's duties as to etc.

(1) If the local government has delegated to the CEO the exercise of its power to make payments from the municipal fund or the trust fund, a list of accounts paid by the CEO is to be prepared each month showing for each account paid since the last such list was prepared —

- (a) the payee's name; and*
- (b) the amount of the payment; and*
- (c) the date of the payment; and*
- (d) sufficient information to identify the transaction.*
- (2) A list of accounts for approval to be paid is to be prepared each month showing-*
 - (a) for each account which requires council authorisation in that month —*
 - (i) the payee's name; and*
 - (ii) the amount of the payment; and*
 - (iii) sufficient information to identify the transaction;*
 - and*
 - (b) the date of the meeting of the council to which the list is to be presented.*
- (3) A list prepared under subregulation (1) or (2) is to be —*
 - (a) presented to the council at the next ordinary meeting of the council after the list is prepared;*
 - and*
 - (b) recorded in the minutes of that meeting.*

Financial Implications

The Shire makes annual budget allocations for payment of accounts.

Strategic Implications

Integrated Strategic Plan 2018 - 2028
Goal 3, Leadership
Outcome 3.2, Good Leadership

Risk Management

This item has been evaluated against the Shire of Ngaanyatjaraku's Risk Management Framework, Risk Assessment Matrix. The perceived level of risk is "Low" risk and can be managed by routine procedures and is unlikely to need specific application of resources.

Policy Implications

There are no known policy implications for this matter

Attachments

Attachment 11.1 – Payment Listings

Voting Requirement

Simple Majority Required.

Officers Recommendation and Council Resolution

Moved: Cr J Frazer Seconded: Cr A Jones

That Council receives the Payment Listing, October 2019 totalling payments of \$824,199.88 as per Attachment 11.1.

Carried: 5/0

11.2 COUNCIL INVESTMENTS

FILE REFERENCE:	FM.04
AUTHOR'S NAME AND POSITION:	Kerry Fisher Deputy Chief Executive Officer
AUTHORISING OFFICER AND POSITION:	Kevin Hannagan Chief Executive Officer
DATE REPORT WRITTEN:	12 November 2019
DISCLOSURE OF INTERESTS:	The author and the authorising officer have no financial, proximity or impartiality interests in the proposal.

Summary

For Council to be advised of the Shires Municipal Account and Investments as attached.

Background

To invest the Shire of Ngaanyatjaraku surplus funds with consideration of risk and at the most favourable rate of interest available to it at the time, for that investment type, whilst ensuring that liquidity requirements are being met.

Comment

Preservation of capital is to be the principal objective with consideration given to liquidity, cash flow requirements and return on investment.

Preservation of capital is the principal objective of the investment portfolio. Investments are to be performed in a manner that seeks to ensure security and safeguarding the investment portfolio. This includes managing credit and interest rate risk within identified thresholds and parameters.

The investment portfolio will ensure there is sufficient liquidity to meet all reasonably anticipated cash flow requirements, as and when they fall due, without incurring significant costs due to the unanticipated sale of an investment.

The investment is expected to achieve a predetermined market average rate of return that takes into account the Shire's risk tolerance. Any additional target set by the Shire will also consider the risk limitation and prudent investment principles.

Statutory Environment

Local Government Act 1995

Section 6.14 Power to Invest

- (1) *Money held in the municipal fund or the trust fund of a local government that is not, for the time being, required by the local government for any other purpose may be invested as trust funds may be invested under the Trustees Act 1962 Part III.*
- (2A) *A local government is to comply with the regulations when investing money referred to in subsection (1).*
- (2) *Regulations in relation to investments by local governments may—*
 - (a) *make provision in respect of the investment of money referred to in subsection (1); and*
 - [(b) deleted]*
 - (c) *prescribe circumstances in which a local government is required to invest money held by it; and*

- (d) *provide for the application of investment earnings; and*
- (e) *generally, provide for the management of those investments.*

Local Government (Financial Management) Regulations 1996

19. *Investments, control procedures for*
- (1) *A local government is to establish and document internal control procedures to be followed by employees to ensure control over investments.*
 - (2) *The control procedures are to enable the identification of —*
 - (a) *the nature and location of all investments; and*
 - (b) *the transactions related to each investment.*
- 19C. *Investment of money, restrictions on (Act s. 6.14(2)(a))*
- (1) *In this regulation —*
 - authorised institution means —*
 - (a) *an authorised deposit taking institution as defined in the Banking Act 1959 (Commonwealth) section 5; or*
 - (b) *the Western Australian Treasury Corporation established by the Western Australian Treasury Corporation Act 1986;*
 - foreign currency means a currency except the currency of Australia.*
 - (2) *When investing money under section 6.14(1), a local government may not do any of the following —*
 - (a) *deposit with an institution except an authorised institution;*
 - (b) *deposit for a fixed term of more than 3 years;*
 - (c) *invest in bonds that are not guaranteed by the Commonwealth Government, or a State or Territory government;*
 - (d) *invest in bonds with a term to maturity of more than 3 years;*
 - (e) *invest in a foreign currency.*

Financial Implications

Not applicable.

Strategic Implications

Integrated Strategic Plan 2018 - 2028

Goal 3, Leadership

Outcome 3.2, Good Leadership

Risk Management

This item has been evaluated against the Shire of Ngaanyatjaraku Risk Management Framework, Risk Assessment Matrix. The perceived level of risk is “Low” risk and can be managed by routine procedures and is unlikely to need specific application of resources.

Policy Implications

Corporate Policy CS2.7 Investments.

Attachments

Attachment 11.2 – Westpac screen prints of Municipal and Investment Accounts, NAB and CBA documents for Term Deposits

Voting Requirement

Simple Majority Required.

Officers Recommendation and Council Resolution

Moved: Cr J Porter

Seconded: Cr A Jones

That the report on Council Investments as at 12 November 2019 be received.

Carried: 5/0

11.3 MONTHLY STATEMENT OF FINANCIAL ACTIVITY FOR THE PERIOD ENDED OCTOBER 2019

FILE REFERENCE: FM.10

AUTHOR'S NAME AND POSITION: Kevin Hannagan
Chief Executive Officer

AUTHORISING OFFICER AND POSITION: Kevin Hannagan
Chief Executive Officer

DATE REPORT WRITTEN: 19 November 2019

DISCLOSURE OF INTERESTS: The author and the authorising officer have no financial, proximity or impartiality interests in the proposal.

Summary

For Council to receive the monthly financial report for October 2019.

Background

Council is to prepare monthly financial reports as required by the Local Government (Financial Management Regulations) 1996.

Council has resolved that details and explanations of the material variances reflected on the Statement of Financial Activity are provided as required by Local Government (Financial Management) Regulation 34(1) (d). The attached statements include details of variances between Year to Date (YTD) Budget and YTD Actual data as per the adopted materiality threshold of \$20,000 or 10.00% whichever is the greater (refer last page of statements). These materiality levels have been applied in the preparation of this report.

Comment

Comments in relation to budget to actual variances are included as notes (last page) in the Financial Reports attached. Comments related to 'Timing' refer to an estimate of when costs would occur at the time the budget was formulated versus actual costs being incurred. Depreciation is yet to be run for 2019-20, awaiting the finalisation of the audit of the 2018/19 Annual Financial Statements.

Statutory Environment

Local Government Act 1995

6.4. Financial report

- (1) A local government is to prepare an annual financial report for the preceding financial year and such other financial reports as are prescribed.
- (2) The financial report is to —
 - (a) be prepared and presented in the manner and form prescribed; and
 - (b) contain the prescribed information.

Local Government (Financial Management) Regulations 1996.

34. Financial activity statement required each month (Act s. 6.4)

- (1A) In this regulation —
committed assets means revenue unspent but set aside under the annual budget for a specific purpose.
- (1) A local government is to prepare each month a statement of financial activity reporting on the revenue and expenditure, as set out in the annual budget under regulation 22(1)(d), for that month in the following detail —
 - (a) annual budget estimates, taking into account any expenditure incurred for an additional purpose under section 6.8(1)(b) or (c); and

- (b) budget estimates to the end of the month to which the statement relates; and
- (c) actual amounts of expenditure, revenue and income to the end of the month to which the statement relates; and
- (d) material variances between the comparable amounts referred to in paragraphs (b) and (c); and
- (e) the net current assets at the end of the month to which the statement relates.
- (2) Each statement of financial activity is to be accompanied by documents containing
 - (a) an explanation of the composition of the net current assets of the month to which the statement relates, less committed assets and restricted assets; and
 - (b) an explanation of each of the material variances referred to in subregulation (1)(d); and
 - (c) such other supporting information as is considered relevant by the local government.
- (3) The information in a statement of financial activity may be shown —
 - (a) according to nature and type classification; or
 - (b) by program; or
 - (c) by business unit.
- (4) A statement of financial activity, and the accompanying documents referred to in subregulation (2), are to be —
 - (a) presented at an ordinary meeting of the council within 2 months after the end of the month to which the statement relates; and
 - (b) recorded in the minutes of the meeting at which it is presented.
- (5) Each financial year, a local government is to adopt a percentage or value, calculated in accordance with the AAS, to be used in statements of financial activity for reporting material variances.

Financial Implications

Monthly financial reporting is a primary financial management and control process. It provides the Council with the ability to oversee the Shire's financial performance against budgeted targets.

Strategic Implications

Integrated Strategic Plan 2018 - 2028

Goal 3, Leadership

Outcome 3.2, Good Leadership

Risk Management

This item has been evaluated against the Shire of Ngaanyatjaraku Risk Management Framework, Risk Assessment Matrix. The perceived level of risk is "Low" risk and can be managed by routine procedures and is unlikely to need specific application of resources.

Policy Implications

No policy implications apply in the preparation of the report.

Attachments

Attachment 11.3 - Monthly Financial Report October 2019.

Voting Requirement

Simple Majority Required.

Officers Recommendation and Council Resolution

Moved: Cr L West

Seconded: Cr J Frazer

That Council receives the monthly financial reports for October 2019.

Carried: 5/0

12. EHO & BUILDING SERVICES REPORTS

12.1 ACTION REPORT – ENVIRONMENTAL HEALTH & BUILDING SERVICES

FILE REFERENCE: EM.00

AUTHOR'S NAME AND POSITION: Phil Swain
Principal EHO & Building Officer

AUTHORISING OFFICER AND POSITION: Kevin Hannagan
Chief Executive Officer

DATE REPORT WRITTEN: 21 November 2019

DISCLOSURE OF INTERESTS: The author and the authorising officer have no financial, proximity or impartiality interests in the proposal.

Summary

To inform Council of Environmental Health program & Building Services activities and actions for the preceding month.

Background

Not applicable

Comment

See attachment.

Statutory Environment

Not applicable

Financial Implications

No known financial implications for this matter.

Strategic Implications

Integrated Strategic Plan 2018 - 2028

Goal 3, Leadership

Outcome 3.2, Good Leadership

Risk Management

This item has been evaluated against the Shire of Ngaanyatjaraku Risk Management Framework, Risk Assessment Matrix. The perceived level of risk is "Low" risk and can be managed by routine procedures and is unlikely to need specific application of resources.

Policy Implications

There are no known policy implications for this matter

Attachments

Attachment 12.1 – Action Report, EHO / Building Services

Voting Requirement

Simple Majority Required.

Officers Recommendation and Council Resolution

Moved: Cr L West

Seconded: Cr J Frazer

That Council receives the Action Report, EHO / Building Services for October and part November 2019.

Carried: 5/0

13. EARLY YEARS PROGRAM REPORTS

14. WORKS ENGINEERING REPORTS

14.1 ACTION REPORT – WORKS ENGINEER

FILE REFERENCE: RD.00

AUTHOR'S NAME AND POSITION: Peter Kerp
Works Engineer

AUTHORISING OFFICER AND POSITION: Kevin Hannagan
Chief Executive Officer

DATE REPORT WRITTEN: 13 November 2019

DISCLOSURE OF INTERESTS: The author and the authorising officer have no financial, proximity or impartiality interests in the proposal.

Summary

To inform Council of Works Engineering activities and actions for the preceding month.

Background

Not applicable

Comment

See attachment.

Statutory Environment

Not applicable

Financial Implications

No known financial implications for this matter.

Strategic Implications

Integrated Strategic Plan 2018 - 2028

Goal 1, Our Land

Outcome 1.2, Travel the Land

Strategy: 1.2.1, Good Roads

Risk Management

This item has been evaluated against the Shire of Ngaanyatjaraku Risk Management Framework, Risk Assessment Matrix. The perceived level of risk is "Low" risk and can be managed by routine procedures and is unlikely to need specific application of resources.

Policy Implications

There are no known policy implications for this matter

Attachments

Attachment 14.2 – Action Report, Works Engineering

Voting Requirement

Simple Majority Required.

No known financial implications for this matter.

Strategic Implications

Integrated Strategic Plan 2018 - 2028

Goal 3, Leadership

Outcome 3.2, Good Leadership

Risk Management

This item has been evaluated against the Shire of Ngaanyatjaraku Risk Management Framework, Risk Assessment Matrix. The perceived level of risk is "Low" risk and can be managed by routine procedures and is unlikely to need specific application of resources.

Policy Implications

There are no known policy implications for this matter

Attachments

Attachment 15.1 – Advice from Early Years Coordinator of support given.

Voting Requirement

Simple Majority Required.

Officers Recommendation and Council Resolution

Moved: Cr A Jones

Seconded: Cr L West

That Council:

- 1) formally acknowledges organisations / individuals who have gifted support to the Early Years Program; and**
- 2) requests the Chief Executive Officer to write to the organisations / individuals mentioned in this report expressing the Shire's appreciation and advise of future arrangements for management of the program from 2020.**

Carried: 5/0

16. CONFIDENTIAL MATTERS

17. NEXT MEETING

Scheduled for Wednesday, 18 December 2019 at the Tjulyuru Cultural and Civic Centre, Warburton Community commencing at 1:00 pm.

18. CLOSURE OF MEETING

There being no further business to discuss the Presiding Member closed the meeting at 1.40 pm.

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

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Principal place of business:
Address
Great Central Road
Warburton Aboriginal
Community Western Australia.

**SHIRE OF NGAANYATJARRAKU
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 Ngaanyatjarraku 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 Ngaanyatjarraku at 30th 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 and Australian Accounting Standards.

Signed as authorisation of issue on the 12th day of December 2019



Kevin Hannagan
Chief Executive Officer

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

	NOTE	2019 \$	2019 Budget \$	2018 \$
Revenue				
Rates	25(a)	256,220	255,759	239,238
Operating grants, subsidies and contributions	2(a)	5,459,889	3,185,891	6,371,628
Fees and charges	2(a)	368,094	316,840	325,368
Interest earnings	2(a)	37,987	6,497	16,927
Other revenue	2(a)	91,727	31,085	98,729
		<u>6,213,917</u>	<u>3,796,072</u>	<u>7,051,890</u>
Expenses				
Employee costs		(2,297,876)	(2,709,286)	(2,152,613)
Materials and contracts		(2,428,878)	(2,405,705)	(2,512,758)
Utility charges		(111,528)	(95,000)	(77,758)
Depreciation on non-current assets	11(b)	(1,420,559)	(1,366,389)	(1,449,056)
Insurance expenses		(150,951)	(123,000)	(116,021)
Other expenditure		(70,002)	(117,140)	(133,928)
		<u>(6,479,794)</u>	<u>(6,816,520)</u>	<u>(6,442,134)</u>
		(265,877)	(3,020,448)	609,756
Non-operating grants, subsidies and contributions	2(a)	4,488,897	8,687,675	562,047
Profit on asset disposals	11(a)	87,202	0	3,490
(Loss) on asset disposals	11(a)	(11,946)	0	(17,814)
(Loss) on asset written-off	9(a)	(260,888)	0	0
Fair value adjustments to financial assets at fair value through profit or loss	8	0	0	4,100
Net result		4,037,388	5,667,227	1,161,579
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	12	0	0	(4,468,830)
Total other comprehensive income		0	0	(4,468,830)
Total comprehensive income		4,037,388	5,667,227	(3,307,251)

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

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

	NOTE	2019 \$	2019 Budget \$	2018 \$
Revenue				
Governance		5,639	3,000	2,668
General purpose funding		3,511,267	1,759,096	3,375,997
Law, order, public safety		408	420	3,536
Health		110,108	105,200	108,779
Education and welfare		283,710	318,000	505,357
Housing		22,209	20,000	11,086
Community amenities		110,973	87,000	93,647
Recreation and culture		276,279	222,307	269,466
Transport		1,750,807	1,274,049	2,632,633
Economic services		14,275	7,000	7,766
Other property and services		128,242	0	40,955
		<u>6,213,917</u>	<u>3,796,072</u>	<u>7,051,890</u>
Expenses				
Governance		(75,028)	(139,103)	(30,004)
General purpose funding		(34,533)	(24,825)	(163,470)
Law, order, public safety		(60,426)	(91,031)	(84,998)
Health		(464,038)	(488,745)	(414,541)
Education and welfare		(733,404)	(1,093,417)	(1,011,754)
Housing		(305,636)	(336,166)	(311,605)
Community amenities		(443,769)	(610,465)	(458,691)
Recreation and culture		(834,993)	(872,682)	(891,956)
Transport		(3,234,955)	(2,983,962)	(2,899,529)
Economic services		(130,491)	(163,128)	(126,821)
Other property and services		(162,521)	(12,996)	(48,765)
		<u>(6,479,794)</u>	<u>(6,816,520)</u>	<u>(6,442,134)</u>
		(265,877)	(3,020,448)	609,756
Non-operating grants, subsidies and contributions	2(a)	4,488,897	8,687,675	562,047
Profit on asset disposals	11(a)	87,202	0	3,490
(Loss) on asset disposals	11(a)	(11,946)	0	(17,814)
(Loss) on asset written-off	9(a)	(260,888)		
Fair value adjustments to financial assets at fair value through profit or loss	8	0	0	4,100
Net result		<u>4,037,388</u>	<u>5,667,227</u>	<u>1,161,579</u>
Other comprehensive income		0		
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	12	0	0	(4,468,830)
Total other comprehensive income		<u>0</u>	<u>0</u>	<u>(4,468,830)</u>
Total comprehensive income		<u><u>4,037,388</u></u>	<u><u>5,667,227</u></u>	<u><u>(3,307,251)</u></u>

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

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

	NOTE	2019 \$	2018 \$
CURRENT ASSETS			
Cash and cash equivalents	3	4,936,977	3,169,847
Trade and other receivables	5	317,516	1,182,089
Inventories	6	71,223	72,199
Other current assets	7	27,535	282,796
Other financial assets	8	0	35,034
TOTAL CURRENT ASSETS		5,353,251	4,741,965
NON-CURRENT ASSETS			
Other financial assets	8	35,034	0
Property, plant and equipment	9(a)	7,832,952	8,547,956
Infrastructure	10(a)	102,035,164	98,337,950
TOTAL NON-CURRENT ASSETS		109,903,150	106,885,906
TOTAL ASSETS		115,256,401	111,627,871
CURRENT LIABILITIES			
Trade and other payables	13	201,390	453,939
Provisions	15	172,862	335,733
TOTAL CURRENT LIABILITIES		374,252	789,672
NON-CURRENT LIABILITIES			
Provisions	15	24,262	17,700
TOTAL NON-CURRENT LIABILITIES		24,262	17,700
TOTAL LIABILITIES		398,514	807,372
NET ASSETS		114,857,887	110,820,499
EQUITY			
Retained surplus		59,546,363	56,699,578
Reserves - cash backed	4	2,043,937	853,334
Revaluation surplus	12	53,267,587	53,267,587
TOTAL EQUITY		114,857,887	110,820,499

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

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

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2017		55,554,662	836,671	57,736,417	114,127,750
Comprehensive income					
Net result		1,161,579	0	0	1,161,579
Changes on revaluation of assets	12	0	0	(4,468,830)	(4,468,830)
Total comprehensive income		1,161,579	0	(4,468,830)	(3,307,251)
Transfers from/(to) reserves		(16,663)	16,663	0	0
Balance as at 30 June 2018		56,699,578	853,334	53,267,587	110,820,499
Comprehensive income					
Net result		4,037,388	0	0	4,037,388
Changes on revaluation of assets	12	0	0	0	0
Total comprehensive income		4,037,388	0	0	4,037,388
Transfers from/(to) reserves		(1,190,603)	1,190,603	0	0
Balance as at 30 June 2019		59,546,363	2,043,937	53,267,587	114,857,887

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

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

	NOTE	2019 Actual \$	2019 Budget \$	2018 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		293,545	255,759	440,577
Operating grants, subsidies and contributions		6,233,103	4,799,177	5,767,307
Fees and charges		623,355	316,840	114,123
Interest earnings		37,987	6,497	16,927
Goods and services tax		323,390	0	301,301
Other revenue		91,727	31,085	98,729
		<u>7,603,107</u>	<u>5,409,358</u>	<u>6,738,964</u>
Payments				
Employee costs		(2,481,269)	(2,709,286)	(2,211,533)
Materials and contracts		(2,653,367)	(2,405,705)	(2,504,957)
Utility charges		(111,528)	(95,000)	(77,758)
Insurance expenses		(150,951)	(123,000)	(116,021)
Goods and services tax		(269,356)	0	(263,299)
Other expenditure		(70,002)	(117,140)	(133,928)
		<u>(5,736,473)</u>	<u>(5,450,131)</u>	<u>(5,307,496)</u>
Net cash provided by (used in) operating activities	16	<u>1,866,634</u>	<u>(40,773)</u>	<u>1,431,468</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment		(137,130)	(328,000)	(353,384)
Payments for construction of infrastructure		(4,770,837)	(9,084,775)	(3,493,624)
Non-operating grants, subsidies and contributions		4,488,897	8,687,675	562,047
Proceeds from sale of fixed assets		319,566	0	22,727
Net cash provided by (used in) investment activities		<u>(99,504)</u>	<u>(725,100)</u>	<u>(3,262,234)</u>
Net increase (decrease) in cash held		1,767,130	(765,873)	(1,830,766)
Cash at beginning of year		3,169,847	3,270,636	5,000,613
Cash and cash equivalents at the end of the year	16	<u>4,936,977</u>	<u>2,504,763</u>	<u>3,169,847</u>

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

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

	NOTE	2019 Actual \$	2019 Budget \$	2018 Actual \$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)	26(b)	3,063,925	3,373,238	4,293,559
		<u>3,063,925</u>	<u>3,373,238</u>	<u>4,293,559</u>
Revenue from operating activities (excluding rates)				
Governance		5,639	3,000	2,668
General purpose funding		3,319,929	1,503,337	3,201,641
Law, order, public safety		408	420	3,536
Health		110,108	105,200	108,779
Education and welfare		300,195	318,000	505,357
Housing		22,209	20,000	11,086
Community amenities		121,446	87,000	93,647
Recreation and culture		276,279	222,307	269,466
Transport		1,800,336	1,274,049	2,636,123
Economic services		24,990	7,000	7,766
Other property and services		128,242	0	40,955
		<u>6,109,781</u>	<u>3,540,313</u>	<u>6,881,024</u>
Expenditure from operating activities				
Governance		(85,798)	(139,103)	(30,004)
General purpose funding		(34,533)	(24,825)	(163,470)
Law, order, public safety		(60,426)	(91,031)	(84,998)
Health		(464,767)	(488,745)	(414,541)
Education and welfare		(956,604)	(1,093,417)	(1,011,754)
Housing		(306,749)	(336,166)	(311,605)
Community amenities		(444,976)	(610,465)	(458,691)
Recreation and culture		(840,565)	(872,682)	(891,956)
Transport		(3,251,796)	(2,983,962)	(2,917,343)
Economic services		(130,491)	(163,128)	(126,821)
Other property and services		(175,923)	(12,996)	(48,765)
		<u>(6,752,628)</u>	<u>(6,816,520)</u>	<u>(6,459,948)</u>
Non-cash amounts excluded from operating activities	26(b)	1,612,753	1,366,389	1,453,831
Amount attributable to operating activities		<u>4,033,831</u>	<u>1,463,420</u>	<u>6,168,466</u>
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions		4,488,897	8,687,675	562,047
Proceeds from disposal of assets	11(a)	319,566	0	22,727
Purchase of property, plant and equipment	9(a)	(137,130)	(328,000)	(353,384)
Purchase and construction of infrastructure	10(a)	(4,770,837)	(9,084,775)	(3,493,624)
Amount attributable to investing activities		<u>(99,504)</u>	<u>(725,100)</u>	<u>(3,262,234)</u>
FINANCING ACTIVITIES				
Transfers to reserves (restricted assets)	4	(1,809,719)	(1,619,332)	(16,663)
Transfers from reserves (restricted assets)	4	619,116	625,253	0
Amount attributable to financing activities		<u>(1,190,603)</u>	<u>(994,079)</u>	<u>(16,663)</u>
Surplus/(deficit) before imposition of general rates		<u>2,743,724</u>	<u>(255,759)</u>	<u>2,889,569</u>
Total amount raised from general rates	25	<u>191,338</u>	<u>255,759</u>	<u>174,356</u>
Surplus/(deficit) after imposition of general rates	26(b)	<u>2,935,062</u>	<u>0</u>	<u>3,063,925</u>

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

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

1. BASIS OF PREPARATION

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

The Local Government (Financial Management Regulations 1996) takes 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, race course or any other sporting 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 requirement 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 28 to these financial statements.

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

2. REVENUE AND EXPENSES

(a) Revenue

Grant Revenue

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

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
By Nature or Type:			
Operating grants, subsidies and contributions			
Governance	2,474	2,500	2,613
General purpose funding	3,216,647	1,495,340	3,119,832
Health	108,107	105,000	108,779
Education and welfare	281,339	309,000	494,469
Community amenities	7,500	0	7,500
Recreation and culture	550	0	0
Transport	1,747,174	1,274,051	2,632,633
Other property and services	96,098	0	5,802
	5,459,889	3,185,891	6,371,628
Non-operating grants, subsidies and contributions			
Transport	4,488,897	8,687,675	562,047
	4,488,897	8,687,675	562,047
Total grants, subsidies and contributions	9,948,786	11,873,566	6,933,675

SIGNIFICANT ACCOUNTING POLICIES

Grant, 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 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 24. 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 period.

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Other revenue			
Reimbursements and recoveries	35,248	0	35,246
Other	56,479	31,085	63,483
	91,727	31,085	98,729
Fees and Charges			
Governance	60	500	55
General purpose funding	413	1,500	0
Health	0	200	0
Education and welfare	500	7,000	9,124
Housing	22,209	20,000	11,086
Community amenities	103,473	87,000	86,147
Recreation and culture	227,164	195,640	211,283
Economic services	14,275	5,000	7,673
	368,094	316,840	325,368

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

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

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Interest earnings			
- Reserve funds	15,857	6,047	16,663
- Other funds	14,240	450	264
Other interest revenue (refer note 25(e))	7,890	0	0
	<u>37,987</u>	<u>6,497</u>	<u>16,927</u>

(b) Expenses

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Auditors remuneration			
- Audit of the Annual Financial Report	21,000	55,000	22,000
	<u>21,000</u>	<u>55,000</u>	<u>22,000</u>

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

3. CASH AND CASH EQUIVALENTS

	Note	2019 \$	2018 \$
Cash at bank and on hand		1,443,040	2,292,823
Term deposits		3,493,937	877,024
		<u>4,936,977</u>	<u>3,169,847</u>
Comprises:			
- Unrestricted cash and cash equivalent		2,636,466	2,292,823
- Restricted cash and cash equivalent		2,300,511	877,024
		<u>4,936,977</u>	<u>3,169,847</u>
The following restrictions have been imposed by regulations or other externally imposed requirements:			
Reserve accounts			
Employee Entitlement	4	304,650	0
Asset Replacement, Acquisition and Development	4	1,732,367	846,604
Cultural Centre	4	6,920	6,730
		<u>2,043,937</u>	<u>853,334</u>
Other restricted cash and cash equivalents			
Unspent grants	24	256,574	23,690
Total restricted cash and cash equivalents		<u>2,300,511</u>	<u>877,024</u>

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

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

4. RESERVES - CASH BACKED

	Actual 2019 Opening Balance	Actual 2019 Transfer to	Actual 2019 Transfer from	Actual 2019 Closing Balance	Budget 2019 Opening Balance	Budget 2019 Transfer to	Budget 2019 Transfer (from)	Budget 2019 Closing Balance	Actual 2018 Opening Balance	Actual 2018 Transfer to	Actual 2018 Transfer (from)	Actual 2018 Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Employee Entitlement	0	304,650	0	304,650	0	0	0	0	0	0	0	0
Asset Replacement, Acquisition and Development	846,604	1,504,879	(619,116)	1,732,367	846,603	1,619,285	(625,253)	1,840,635	830,071	16,533	0	846,604
Cultural Centre	6,730	190	0	6,920	70,230	47	0	70,277	6,600	130	0	6,730
	853,334	1,809,719	(619,116)	2,043,937	916,833	1,619,332	(625,253)	1,910,912	836,671	16,663	0	853,334

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
Employee Entitlement	Ongoing	Established to fund a portion of future commitments for employee entitlements incurred as a result of employing staff and workers in relation to leave entitlements.
Asset Replacement, Acquisition and Development	Ongoing	To provide and replace the necessary equipment, furniture, plant, buildings and infrastructure comprising of roads, drains, footpaths and recreational reserves.
Cultural Centre	Ongoing	To provide for the successful operation of the Cultural Centre as provided for in clause 8.2 of the management deed between the Shire of Ngaanyatjaraku, Warburton Community Incorporated and the Ngaanyatjarra Council (Aboriginal Corporation), transfers to the reserve represent surplus funds from the day to day operations of the Cultural Centre after deducting costs incurred by the Shire.

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

5. TRADE AND OTHER RECEIVABLES

	2019	2018
	\$	\$
Current		
Rates outstanding	0	37,325
Sundry debtors	269,354	1,042,568
GST receivable	48,162	102,196
	<u>317,516</u>	<u>1,182,089</u>

SIGNIFICANT ACCOUNTING POLICIES

Trade and Other Receivables

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

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

Impairment and risk exposure

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 27.

Previous accounting policy: Impairment of trade receivables

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

Classification and subsequent measurement

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

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

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

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

6. INVENTORIES

	2019	2018
	\$	\$
Current		
Fuel and Materials	71,223	72,199
	<u>71,223</u>	<u>72,199</u>

The following movements in inventories occurred during the year:

Carrying amount at 1 July	72,199	41,862
Inventories expensed during the year	(976)	0
Additions to inventory	0	30,337
Carrying amount at 30 June	<u>71,223</u>	<u>72,199</u>

SIGNIFICANT ACCOUNTING POLICIES

General

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

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

7. OTHER ASSETS

	2019	2018
	\$	\$
Other current assets		
Accrued Income	27,535	282,796
	<u>27,535</u>	<u>282,796</u>

SIGNIFICANT ACCOUNTING POLICIES

Other current assets

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

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

8. OTHER FINANCIAL ASSETS

	2019	2018
	\$	\$
Current assets		
Financial assets at fair value through profit and loss	0	35,034
	<u>0</u>	<u>35,034</u>
Financial assets at fair value through profit and loss		
- <i>Unlisted equity investments</i>		
- LG Housing Trust	0	35,034
	<u>0</u>	<u>35,034</u>
Non-current assets		
Financial assets at fair value through profit and loss	35,034	0
	<u>35,034</u>	<u>0</u>
Financial assets at fair value through profit and loss		
- <i>Unlisted equity investments</i>		
- LG Housing Trust	35,034	0
	<u>35,034</u>	<u>0</u>

Units in Local Government House were recognised at their fair value as at 30 June 2018. Changes in fair value of units in Local Government House recognised as non-current financial assets at fair value through profit and loss have not been recognised nor considered as they are unlikely to be material and unable to be reliably determined at the time of preparation of these statements.

SIGNIFICANT ACCOUNTING POLICIES

Financial assets at fair value through profit and loss

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

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

Impairment and risk

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

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.

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

9. PROPERTY, PLANT AND EQUIPMENT (Continued)

(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.

	Buildings	Furniture and equipment	Plant and equipment	Total property, plant and equipment
	\$	\$	\$	\$
Balance at 1 July 2017	7,545,564	39,420	978,673	8,563,657
Additions	195,551	28,876	128,957	353,384
(Disposal)	0	0	(37,051)	(37,051)
Depreciation (expense)	(150,911)	(9,855)	(171,268)	(332,034)
Carrying amount at 30 June 2018	7,590,204	58,441	899,311	8,547,956
Comprises:				
Gross carrying amount at 30 June 2018	8,977,288	216,487	2,566,362	11,760,137
Accumulated depreciation at 30 June 2018	(1,387,084)	(158,046)	(1,667,051)	(3,212,181)
Carrying amount at 30 June 2018	7,590,204	58,441	899,311	8,547,956
Additions	63,512	0	73,618	137,130
(Disposal)	0	0	(244,310)	(244,310)
(Assets written-off)	(215,242)	(14,801)	(30,845)	(260,888)
Depreciation (expense)	(154,822)	(15,642)	(176,472)	(346,936)
Carrying amount at 30 June 2019	7,283,652	27,998	521,302	7,832,952
Comprises:				
Gross carrying amount at 30 June 2019	8,816,589	189,749	2,268,015	11,274,353
Accumulated depreciation at 30 June 2019	(1,532,937)	(161,751)	(1,746,713)	(3,441,401)
Carrying amount at 30 June 2019	7,283,652	27,998	521,302	7,832,952

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

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
Buildings	Level 3	Cost Approach Using Depreciated Replacement Cost	Management Valuation	June 2017	Construction costs based on recent contract prices, current condition, residual values and remaining useful life assessments.
Furniture and equipment	Level 3	Cost Approach Using Depreciated Replacement Cost	Management Valuation	June 2016	Purchase costs of similar assets adjusted for condition and comparability, residual values and remaining useful life assessments.
Plant and equipment	Level 3	Cost Approach Using Depreciated Replacement Cost	Management Valuation	June 2016	Purchase costs of similar assets adjusted for condition and comparability, residual values and remaining useful life assessments.

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

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

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

10. INFRASTRUCTURE (Continued)

(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 & Footpaths	Infrastructure - Recreation Assets	Total Infrastructure
	\$	\$	\$
Balance at 1 July 2017	100,316,788	113,390	100,430,178
Additions	3,493,624	0	3,493,624
Revaluation increments/(decrements) transferred to revaluation surplus	(4,468,830)	0	(4,468,830)
Depreciation (expense)	(1,114,658)	(2,364)	(1,117,022)
Carrying amount at 30 June 2018	98,226,924	111,026	98,337,950
Comprises:			
Gross carrying amount at 30 June 2018	114,016,255	412,993	114,429,248
Accumulated depreciation at 30 June 2018	(15,789,331)	(301,967)	(16,091,298)
Carrying amount at 30 June 2018	98,226,924	111,026	98,337,950
Additions	4,770,837	0	4,770,837
Depreciation (expense)	(1,071,402)	(2,221)	(1,073,623)
Carrying amount at 30 June 2019	101,926,359	108,805	102,035,164
Comprises:			
Gross carrying amount at 30 June 2019	118,787,092	412,993	119,200,085
Accumulated depreciation at 30 June 2019	(16,860,733)	(304,188)	(17,164,921)
Carrying amount at 30 June 2019	101,926,359	108,805	102,035,164

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

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 & Footpaths	Level 3	Cost Approach Using Depreciated Replacement Cost	Management Valuation	June 2018	Construction costs based on recent contract prices, current condition, residual values and remaining useful life assessments.
Infrastructure - Recreation Assets	Level 3	Cost Approach Using Depreciated Replacement Cost	Management Valuation	June 2018	Construction costs based on recent contract prices, current condition, residual values and remaining useful life assessments.

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

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

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

11. FIXED ASSETS

SIGNIFICANT ACCOUNTING POLICIES

Fixed Assets

Each class of fixed assets within either property, 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 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 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 responsibility for managing which, is vested in the local government.

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

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

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

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

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

11. FIXED ASSETS (Continued)

(a) Disposal 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	244,310	319,566	87,202	(11,946)	0	0	0	0	37,051	22,727	3,490	(17,814)
	<u>244,310</u>	<u>319,566</u>	<u>87,202</u>	<u>(11,946)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>37,051</u>	<u>22,727</u>	<u>3,490</u>	<u>(17,814)</u>

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

11. FIXED ASSETS (Continued)

(a) Disposal of Assets (Continued)

The following assets were disposed during the year.

	2019	2019	2019	2019
	Actual	Actual	Actual	Actual
	Net Book	Sale	Profit	Loss
	Value	Proceeds	Profit	Loss
	\$	\$	\$	\$
Education & Welfare				
1GIQ350 2015 Toyota Fortuner	25,158	26,723	1,565	0
1EZX132 2015 Toyota Landcruiser	32,580	47,500	14,920	0
Community Amentities				
1DGQ100 2010 Isuzu NPR Truck	11,273	21,746	10,473	0
Transport				
1CJA439 Street Sweeper	29,333	61,376	32,043	0
1DGR098 2009 Isuzu NPR Truck	10,798	27,842	17,044	0
1EZJ460 Toyota Prado	32,572	33,014	442	0
Economic Services				
1DMW389 2010 Toyota Landcruiser	17,240	27,955	10,715	0
Other Property & Services				
2100mm HD Push Stick Rate SSL	2,048	0	0	(2,048)
1GDF014 2015 Ford Everest	41,119	39,773	0	(1,346)
1GGO069 2017 Toyota Fortuner	42,189	33,637	0	(8,552)
	<u>244,310</u>	<u>319,566</u>	<u>87,202</u>	<u>(11,946)</u>

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

11. FIXED ASSETS (Continued)

(b) Depreciation

	2019	2018
	\$	\$
Buildings	154,822	150,911
Furniture and equipment	15,642	9,855
Plant and equipment	176,472	171,268
Infrastructure - Roads & Footpaths	1,071,402	1,114,658
Infrastructure - Recreation Assets	2,221	2,364
	<u>1,420,559</u>	<u>1,449,056</u>

SIGNIFICANT ACCOUNTING POLICIES

Depreciation

The depreciable amount of all fixed assets including buildings but excluding freehold 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:

Buildings	2.00%
Furniture and equipment	25.00%
Plant and equipment	17.50%
Sealed roads and streets formation	
Infrastructure, Formation	0.00%
Infrastructure, Pavement	4.32%
Infrastructure, Seal	4.30%
Infrastructure, Kerb	4.94%
Infrastructure, Drainage	3.16%
Infrastructure, Recreation	2.00%

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

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

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

12. REVALUATION SURPLUS

	2019 Opening Balance	2019 Revaluation Increment	2019 Revaluation (Decrement)	2019 Total Movement on Revaluation	2019 Closing Balance	2018 Opening Balance	2018 Revaluation Increment	2018 Revaluation (Decrement)	2018 Total Movement on Revaluation	2018 Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Buildings	4,052,570	0	0	0	4,052,570	4,052,570	0	0	0	4,052,570
Plant and equipment	190,407	0	0	0	190,407	190,407	0	0	0	190,407
Infrastructure - Roads & Footpaths	49,024,610	0	0	0	49,024,610	53,493,440	0	(4,468,830)	(4,468,830)	49,024,610
	53,267,587	0	0	0	53,267,587	57,736,417	0	(4,468,830)	(4,468,830)	53,267,587

Movements on revaluation of fixed assets 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.

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

13. TRADE AND OTHER PAYABLES

	2019	2018
	\$	\$
Current		
Sundry creditors	134,788	285,121
Accrual of Salaries	59,882	16,138
ATO liabilities	0	70,828
Other payables	6,720	81,852
	<u>201,390</u>	<u>453,939</u>

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 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.

14. INFORMATION ON BORROWINGS

(a) Repayments - Debentures

Council had no borrowings at 30 June 2019.

(b) New Debentures - 2018/19

The Shire did not take up any new debentures during the year ended 30 June 2019.

(c) Unspent Debentures

The Shire did not have any unspent debentures as at 30 June 2019.

(d) Overdraft

No overdraft facilities exist with the local government's bank.

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.

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

15. PROVISIONS

	Provision for Annual Leave	Provision for Long Service Leave	Provision for Isolation Leave	Total
	\$	\$	\$	\$
Opening balance at 1 July 2018				
Current provisions	124,290	157,682	53,761	335,733
Non-current provisions	0	17,700	0	17,700
	<u>124,290</u>	<u>175,382</u>	<u>53,761</u>	<u>353,433</u>
Additional provision	59,863	38,403	27,811	126,077
Amounts used	(99,242)	(114,457)	(68,687)	(282,387)
Balance at 30 June 2019	<u>84,911</u>	<u>99,328</u>	<u>12,885</u>	<u>197,124</u>
Comprises				
Current	84,911	75,066	12,885	172,862
Non-current	0	24,262	0	24,262
	<u>84,911</u>	<u>99,328</u>	<u>12,885</u>	<u>197,124</u>

	2019	2018
	\$	\$
Amounts are expected to be settled on the following basis:		
Less than 12 months after the reporting date	106,439	173,769
More than 12 months from reporting date	101,928	179,664
Expected reimbursements from other WA local governments	(11,243)	0
	<u>197,124</u>	<u>353,433</u>

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.

Other long-term employee benefits

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. 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 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.

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

15. PROVISIONS (CONTINUED)

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Provisions

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

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

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

16. NOTES TO THE STATEMENT OF CASH FLOWS

Reconciliation of Cash

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

	2019	2019	2018
	\$	Budget	\$
Cash and cash equivalents	4,936,977	2,504,763	3,169,847

**Reconciliation of Net Cash Provided By
Operating Activities to Net Result**

Net result	4,037,388	5,667,227	1,161,579
Non-cash flows in Net result:			
Depreciation	1,420,559	1,366,389	1,449,056
(Profit)/Loss on sale of asset	(75,256)	0	14,324
Loss on asset written-off	260,888	0	0
Fair value adjustments to financial assets at fair value through profit or loss	0	0	(4,100)
Changes in assets and liabilities:			
(Increase)/Decrease in receivables	864,573	1,613,286	(576,225)
(Increase)/Decrease in inventories	976	0	(30,337)
(Increase)/Decrease in other assets	255,261	0	0
Increase/(Decrease) in payables	(252,549)	0	11,963
Increase/(Decrease) in provisions	(156,309)	0	(32,745)
Grants contributions for the development of assets	(4,488,897)	(8,687,675)	(562,047)
Net cash from operating activities	1,866,634	(40,773)	1,431,468

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

17. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2019	2018
	\$	\$
Governance	78,455	124,975
Law, order, public safety	6,763	8,584
Health	121,744	155,250
Education and welfare	1,247,508	1,553,076
Housing	4,663,984	4,725,156
Community amenities	148,702	203,450
Recreation and culture	1,514,725	1,629,883
Transport	101,959,578	98,367,085
Economic services	0	19,304
Other property and services	126,656	99,146
Unallocated	5,388,286	4,741,962
	<u>115,256,401</u>	<u>111,627,871</u>

18. CONTINGENT LIABILITIES

The Council did not have any contingent liabilities as at 30 June 2019.

19. CAPITAL AND LEASING COMMITMENTS

(a) Capital Expenditure Commitments

The Shire did not have any future capital expenditure commitments at the reporting date.

(b) Operating Lease Commitments

The Shire did not have any future operating lease commitments at the reporting date.

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

20. JOINT ARRANGEMENTS

The Shire together with the Shire of Coolgardie, Dundas, Esperance, Laverton, Leonora, Menzies, Ravensthorpe, Kalgoorlie-Boulder and Wiluna have a joint venture arrangement with regards to the provision of a Regional Records Service. The assets included in the joint venture are recorded as one-tenth share as follows:

	2019	2018
	\$	\$
Non-current assets		
Land and buildings (FV 2017)	72,500	72,500
Less: accumulated depreciation	(3,624)	(1,812)
	<u>68,876</u>	<u>70,688</u>
 Furniture & Equipment	 8,204	 8,204
Less: accumulated depreciation	(2,707)	(1,805)
	<u>5,497</u>	<u>6,399</u>
 Plant and equipment	 4,182	 4,182
Less: accumulated depreciation	(1,512)	(1,008)
	<u>2,670</u>	<u>3,174</u>
 Light vehicles	 3,200	 3,200
Less: accumulated depreciation	(1,440)	(960)
	<u>1,760</u>	<u>2,240</u>
 Total Assets	 <u>78,803</u>	 <u>82,501</u>

SIGNIFICANT ACCOUNTING POLICIES

Investment in Associates

An associate is an entity over which the Shire has significant influence. Significant influence is the power to participate in the financial operating policy decisions of that entity but is not control or joint control of those policies. Investments in associates are accounted for in the financial statements by applying the equity method of accounting, whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Shire's share of net assets of the associate. In addition, the Shire's share of the profit or loss of the associate is included in the Shire's profit or loss.

The carrying amount of the investment includes, where applicable, goodwill relating to the associate. Any discount on acquisition, whereby the Shire's share of the net fair value of the associate exceeds the cost of investment, is recognised in profit or loss in the period in which the investment is acquired.

Profits and losses resulting from transactions between the Shire and the associate are eliminated to the extent of the Shire's interest in the associate.

When the Shire's share of losses in an associate equals or exceeds its interest in the associate, the Shire discontinues recognising its share of further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate. When the associate subsequently makes profits, the Shire will resume recognising its share of those profits once its share of the profits equals the share of the losses not recognised.

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

20. JOINT VENTURE ARRANGEMENTS (Continued)

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interests in joint arrangements

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

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

Joint venture 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 statement.

21. RELATED PARTY TRANSACTIONS

ELECTED MEMBERS REMUNERATION

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
The following fees, expenses and allowances were paid to council members and/or the president.			
Meeting Fees	16,900	18,000	10,500
President's allowance	4,000	10,000	4,000
Deputy President's allowance	1,000	1,000	1,000
Travelling expenses	3,654	15,000	9,892
	<u>25,554</u>	<u>44,000</u>	<u>25,392</u>

Key Management Personnel (KMP) Compensation Disclosure

	2019	2018
	\$	\$
The total of remuneration paid to KMP of the Shire during the year are as follows:		
Short-term employee benefits	326,864	238,622
Post-employment benefits	32,148	34,415
Other long-term benefits	578	140
Termination benefits	152,743	0
	<u>512,333</u>	<u>273,177</u>

Short-term employee benefits

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

Post-employment benefits

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

Other long-term benefits

These amounts represent long service benefits accruing during the year.

Termination benefits

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

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

21. RELATED PARTY TRANSACTIONS (Continued)

Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. For the years ended 30 June 2019 and 2018, there were no transactions with related parties noted.

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. 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.

iii. Joint venture entities accounted for under the equity method

The Shire has one-tenth joint venture arrangement with regards to the provision of a Regional Records Services. The interest in the joint venture entity is accounted for in these financial statements using the equity method of accounting. For details of interests held in joint venture entities, refer to Note 20.

22. MAJOR LAND TRANSACTIONS

The Shire did not participate in any major land transactions during the 2018/2019 financial year.

23. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

The Shire did not participate in any trading undertakings or major trading undertakings during the 2018/2019 financial year.

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

24. CONDITIONS OVER GRANT/CONTRIBUTIONS

Grant/Contribution	Opening Balance ⁽¹⁾ 1/07/17 \$	Received ⁽²⁾ 2017/18 \$	Expended ⁽³⁾ 2017/18 \$	Closing Balance ⁽¹⁾ 30/06/18 \$	Received ⁽²⁾ 2018/19 \$	Expended ⁽³⁾ 2018/19 \$	Closing Balance 30/06/19 \$
Health							
Environmental Health Program	0	108,637	(108,637)	0	108,107	(108,107)	0
Education and welfare							
DCD/PGWA	0	493,853	(493,853)	0	281,339	(281,339)	0
LSP FaHCSIA	0	0	0	0	0	0	0
RLCIP Grant - Playgroup Early Years Centre Extens.	166,202	0	(166,202)	0	0	0	0
Community amenities							
FaHCSIA - NJCP	0	7,500	(7,500)	0	7,500	(7,500)	0
Transport							
Grants - Direct	0	84,397	(84,397)	0	141,205	(141,205)	0
Govt Grant - Outback Highway	433,254	1,374,732	(1,807,986)	0	70,663	(70,663)	0
Govt Grant - Special Purpose	0	236,000	(236,000)	0	868,241	(768,428)	99,813
Govt Grant - Special Projects	0	888,749	(888,749)	0	922,000	(765,239)	156,761
Govt Grant - Roads to Recovery	0	23,690	0	23,690	3,531,359	(3,555,049)	0
Total	599,456	3,217,558	(3,793,324)	23,690	5,930,414	(5,697,530)	256,574

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.

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

25. 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 \$
General rate												
Unimproved value valuations												
General Rate UV	0.2100	28	842,887	177,006	10,053	3,544	190,603	190,877	0	0	190,877	173,636
Sub-Total		28	842,887	177,006	10,053	3,544	190,603	190,877	0	0	190,877	173,636
Minimum payment	Minimum \$											
Unimproved value valuations												
General Rate UV	245	3	2,280	735	0	0	735	0	0	0	0	720
Sub-Total		3	2,280	735	0	0	735	0	0	0	0	720
		31	845,167	177,741	10,053	3,544	191,338	190,877	0	0	190,877	174,356
Total amount raised from general rate							191,338				190,877	174,356
Ex-gratia rates							64,882				64,882	64,882
Totals							<u>256,220</u>				<u>255,759</u>	<u>239,238</u>

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.

SHIRE OF NGAANYATJARRAKU
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25. RATING INFORMATION (Continued)

(b) Specified Area Rate

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

(c) Service Charges

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

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

The Council did not offer any discounts, incentives, concessions or waivers.

(e) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge	Instalment Plan Interest Rate	Unpaid Rates Interest Rate
		\$	%	%
Option One				
Single full payment	29/10/2018	0	0.00%	11.00%
Option Two				
First Instalment	29/10/2018	0	0.00%	11.00%
Second Instalment	4/03/2019	0	0.00%	11.00%
Option Three				
First Instalment	29/10/2018	0	0.00%	11.00%
Second Instalment	28/12/2018	0	0.00%	11.00%
Third Instalment	1/03/2019	0	0.00%	11.00%
Fourth Instalment	6/05/2019	0	0.00%	11.00%

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Interest on unpaid rates	7,890	0	0
Interest on instalment plan	0	0	0
Charges on instalment plan	0	0	0
	7,890	0	0

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26. RATE SETTING STATEMENT INFORMATION

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

(a) Non-cash amounts excluded from operating activities

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

Adjustments to operating activities

Less: Profit on asset disposals	11(a)	(87,202)	0	(3,490)
Movement in employee benefit provisions (non-current)		6,562	0	(9,549)
Add: Loss on disposal of assets	11(a)	11,946	0	17,814
Add: Loss on assets written-off		260,888	0	0
Add: Depreciation on assets	11(b)	1,420,559	1,366,389	1,449,056
Non cash amounts excluded from operating activities		1,612,753	1,366,389	1,453,831

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

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

Adjustments to net current assets

Less: Reserves - restricted cash	4	(2,043,937)	(1,910,912)	(853,334)
Less: Other financial assets		0	0	(35,034)
Total adjustments to net current assets		(2,043,937)	(1,910,912)	(888,368)

Net current assets used in the Rate Setting Statement

Total current assets		5,353,251	3,350,173	4,741,965
Less: Total current liabilities		(374,252)	(1,439,261)	(789,672)
Less: Total adjustments to net current assets		(2,043,937)	(1,910,912)	(888,368)
Net current assets used in the Rate Setting Statement		2,935,062	0	3,063,925

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27. 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 borrowing
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
	%	\$	\$	\$	\$
2019					
Cash and cash equivalents	1.43%	4,936,977	3,493,937	1,440,540	2,500
2018					
Cash and cash equivalents	0.73%	3,169,847	877,024	2,290,323	2,500

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27. FINANCIAL RISK MANAGEMENT (Continued)

Sensitivity

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

	2019	2018
	\$	\$
Impact of a 1% ⁽¹⁾ movement in interest rates on cash	49,370	31,698

Notes:

⁽¹⁾ Sensitivity percentages based on management's expectation of future possible market movements.

(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.

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27. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (Continued)

	Current	More than 1 year past due	More than 2 year past due	More than 3 year past due	Total
30 June 2019					
Rates receivable					
Expected credit loss	0%	0%	0%	0%	
Gross carrying amount	0	0	0	0	0
Loss allowance	0	0	0	0	0
01 July 2018					
Rates receivable					
Expected credit loss	0%	0%	0%	0%	
Gross carrying amount	37,325	0	0	0	37,325
Loss allowance	0	0	0	0	0

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

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
30 June 2019					
Sundry receivable					
Expected credit loss	0%	0%	0%	0%	
Gross carrying amount	244,103	10,016	0	15,235	269,354
Loss allowance	0	0	0	0	0
01 July 2018					
Sundry receivable					
Expected credit loss	0%	0%	0%	0%	
Gross carrying amount	440,000	0	56,571	545,997	1,042,568
Loss allowance	0	0	0	0	0

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27. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

Payables

Payables are 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.

The contractual undiscounted cash flows of the Shire's Payables are set out in the Liquidity Sensitivity Table below. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$
<u>2019</u>					
Payables	201,390	0	0	201,390	201,390
	<u>201,390</u>	<u>0</u>	<u>0</u>	<u>201,390</u>	<u>201,390</u>
<u>2018</u>					
Payables	453,939	0	0	453,939	453,939
	<u>453,939</u>	<u>0</u>	<u>0</u>	<u>453,939</u>	<u>453,939</u>

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28. TRUST FUNDS

Funds over which the Shire has no control and which are not included in the financial statements are as follows:

	1 July 2018 \$	Amounts Received \$	Amounts Paid (\$)	30 June 2019 \$
Licensing	0	31,580	(31,580)	0
	<u>0</u>			<u>0</u>
	<u>0</u>			<u>0</u>

29. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

The Council is not aware of any matter or circumstance that has arisen since 30 June 2019 that has significantly affected or may significantly affect the operation of the Shire in subsequent financial years,

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NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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30. 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:

	<u>Adjustments</u>	<u>01 July 2018</u>
		\$
Assets		
Trade receivables	(a),(b)	<u>0</u>
Total Assets		<u>0</u>
Total adjustments on Equity		
Accumulated surplus/(deficit)	(a),(b)	<u>0</u>
		<u>0</u>

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.

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30. 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	\$	\$	\$	\$
Loans and receivables				
Trade receivables	1,182,089	1,182,089		
	1,182,089	1,182,089	0	0

(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 additional impairment on the Shire's Trade receivables.

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

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

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

(a) Revenue from Contracts with Customers

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

		AASB 118		AASB 15
		carrying amount		carrying amount
	Note	30 June 2019	Reclassification	01 July 2019
		\$	\$	\$
Contract liabilities - current				
Unspent grants, contributions and reimbursements		0	256,574	256,574
Adjustment to retained surplus from adoption of AASB 15	31(d)	0	(256,574)	(256,574)

(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 did not have any leases which had previously been classified as an operating lease' applying AASB 117. Therefore the net impact on retained earnings on 1 July 2019 will be \$nil.

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31. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS FOR APPLICATION IN FUTURE YEARS (Continued)

(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		AASB 1058
	carrying amount		carrying amount
Note	30 June 2019	Reclassification	01 July 2019
	\$	\$	\$
Trade and other payables	201,390	0	201,390

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.

Volunteer Services in relation to Volunteer Fire Services will not be recognised in revenue and expenditure as the fair value of the services cannot be reliably estimated.

(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			59,546,363
Adjustment to retained surplus from adoption of AASB 15	31(a)	(256,574)	
Adjustment to retained surplus from adoption of AASB 16	31(b)	0	
Adjustment to retained surplus from adoption of AASB 1058	31(c)	0	(256,574)
Retained surplus - 01 July 2019			59,289,789

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32. 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 even if not expected to be realised in the next 12 months except for land held for sale where it is held as 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 statement, 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.

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32. OTHER SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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 an asset at its current service capacity.

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.

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32. OTHER SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Impairment of Assets

In accordance with Australian Accounting Standards the Shire's 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 assets 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 by using fair value at the end of reporting period.

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33. ACTIVITIES/PROGRAMS

Statement of Objective

In order to discharge its responsibilities to the community, the Shire has developed a set of operational and financial objectives. These objectives have been established both on an overall basis, reflected by the Shire's Community Vision, and for each of its broad activities/programs.

COMMUNITY VISION

The Shire of Ngaanyatjaraku is dedicated to providing high quality services to the community through the various service orientated programs which it has established.

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

PROGRAM NAME	OBJECTIVE	ACTIVITIES
GOVERNANCE	To provide a decision-making process for the efficient allocation of scarce resources.	Includes the activities of members of council and the administrative support available to the council for the provision of governance of the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific council services.
GENERAL PURPOSE FUNDING	To collect revenue to allow for the provision of services.	Rates, general purpose government grants and interest revenue.
LAW, ORDER, PUBLIC SAFETY	To provide services to help ensure a safer and environmentally conscious community.	Supervision and enforcement of various local laws relating to fire prevention and other aspects of public safety including emergency services.
HEALTH	To provide an operational framework for environmental and community health.	Inspection of food outlets and their control, provision of meat inspection services, noise control and a waste pick-up service.
EDUCATION AND WELFARE	To provide services to children and youth.	Maintenance of playgroup centre (early years learning) and operation of youth services.
HOUSING	To provide and maintain staff housing.	Provision and maintenance of staff housing.
COMMUNITY AMENITIES	To provide services required by the community.	Rubbish collection services, litter control, storm water maintenance and protection of the environment.
RECREATION AND CULTURE	To establish and effectively manage infrastructure and resources which will help the social well being of the community.	Maintenance of public halls, civic centre, aquatic centre, recreation centres and various sporting facilities. Provision and maintenance of parks and playgrounds. Operation of other cultural facilities.
TRANSPORT	To provide safe, effective and efficient transport services to the community.	Construction and maintenance of roads, streets, footpaths, depots and traffic control. Cleaning of streets and maintenance of street trees.
ECONOMIC SERVICES	To help promote the shire and it's economic wellbeing.	Tourism and area promotion, provision of rural services including weed and vermin control.
OTHER PROPERTY AND SERVICES	To monitor and control council's overheads operating accounts.	Private works operation, plant repair and operation costs and administrative costs.

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

34. FINANCIAL RATIOS

	2019	2018	2017
Current ratio	15.16	4.89	5.65
Asset sustainability ratio	2.39	1.60	1.07
Debt service cover ratio (Note 1)	N/A	N/A	N/A
Operating surplus ratio	(0.58)	0.97	0.81
Own source revenue coverage ratio	0.12	0.10	0.09
Asset consumption ratio	0.84	0.85	0.84
Asset renewal funding ratio	1.57	N/A	N/A

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 sustainability ratio	$\frac{\text{capital renewal and replacement expenditure}}{\text{Depreciation expenses}}$
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	$\frac{\text{own source operating revenue}}{\text{operating expenses}}$
Asset consumption ratio	$\frac{\text{depreciated replacement costs of assets}}{\text{current replacement cost of depreciable assets}}$
Asset renewal funding ratio	$\frac{\text{NPV of planning capital renewal over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$

Note 1:

The Shire does not have any borrowings, therefore this ratio is not calculated.

INDEPENDENT AUDITOR'S REPORT TO THE COUNCILLORS OF THE SHIRE OF NGAANYATJARRAKU

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REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the accompanying financial report of the Shire of Ngaanyatjarraku (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 Ngaanyatjarraku:

- 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 NGAANYATJARRAKU (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 NGAANYATJARRAKU (CONTINUED)**

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

- a) In our opinion, there is a significant adverse trend in the financial position of the Shire as the Own Source Revenue Coverage Ratio has been below the DLGSCI standard for the past 3 years.
- b) All required information and explanations were obtained by us.
- c) All audit procedures were satisfactorily completed in conducting our audit.
- d) 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 Ngaanyatjarraku 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



DAVID TOMASI
PARTNER

Date: 12 December 2019
Perth, WA

Annual Report for the year ended 30 June 2019



Shire of **Ngaanyatjaraku**
ON A JOURNEY



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Our Vision

The Shire of Ngaanyatjaraku – on a journey

The Shire's Integrated Strategic Plan (ISP) was adopted in November 2018 and will help shape the services that the Shire of Ngaanyatjaraku will deliver over the next ten years and has been developed with our community's aspirations and needs at its heart. These have been gathered through an in-depth process of consultation and engagement.

It is apparent from the results of the community engagement process that there is an expectation the Shire provides a wide range of social services when in fact the Shire doesn't and doesn't have the resources to do this. The majority of social services are provided by either the Ngaanyatjarra Council Aboriginal Corporation and / or State or Federal agencies.

Nonetheless, the Shire has a significant role to play in providing infrastructure and buildings to support delivery by other social services providers and the Shire does in fact provide limited social services to the community by way of Early Years Learning, Recreation, Environmental Health and Waste Collection services.

With no freehold land, the Shire has limited capacity to raise income and is therefore dependent upon State and Federal Grants to continue service delivery. Many of these grants are tied to specific purposes which limits the range of services the Shire can provide.

The ISP provides a valuable management tool to allow the Shire to maintain focus on its primary role as a provider and manager of infrastructure and where capacity allows, to provide a limited range of social services to compliment services provided by others.

Community engagement has led to the development of two key themes which communicate the role of the Shire and underpin the development of goals and strategies. The goals and strategies under each theme create the framework for the delivery of sustainable outcomes to achieve our vision. The two key themes formed from the community engagement process include:

(1) Our Land – Looking after Our Land

(2) Our People -Looking after Our People

Added to this, to ensure we can deliver services in line with these themes and address any concerns the State Government may have in relation to achieving satisfactory outcomes associated with statutory compliance, we have added a third theme.

(3) Our Leadership – Show the way for our community

In response to feedback received during the highly successful engagement process, the plan formalises our current approach to service delivery and helps us to build upon this in a sustainable way, providing future opportunities. An example is the sealing of the Great Central Road to provide more reliable and safer access to our communities and open up economic development opportunities around tourism and resources development. The provision of a safe and reliable road network interconnecting our communities is paramount. Through the consultation process the Shire is now aware of a number of social issues affecting some townships. The Shire will work with all stakeholders to try and facilitate resolution of these issues.



President's Foreword

The Shire of Ngaanyatjaraku has been working toward achieving the goals of the community as identified within our Integrated Strategic Plan. Provision of services and infrastructure and the creation of opportunities to realise these goals, continue to be the prime focus of our Council, and it is very positive for the Ngaanyatjarra Lands communities and residents to note our continued progress in these areas. As such, it gives me great pleasure to present the Annual Report for the Shire of Ngaanyatjaraku for the 2018-2019 financial year.

Whilst the Shire has made considerable achievements in line with its strategic goals and our key IPRF plans, there have been significant developments and challenges within the broader State and Commonwealth government policy landscape that have profound consequences for our communities and the residents. Of keynote in this area is the Commonwealth's remote work for the dole/income support Community Development Program or CDP, previously known as the Regional Jobs Creation Program, and prior to that the Community Development and Employment Program ('CDEP'). The old CDEP was the primary funding base for all of the very remote and isolated Ngaanyatjarra communities. This provided a payroll for all types of community work, from which a local deduction from all participants could be made to contribute to the functions of their own community in addition to their rents, essential services and other areas of income management. In addition, it allowed for a 14% management support and activity fee (paid to the provider) to provide for the community administration and delivery of administrative services to the local residents.

The redirection of Ngaanyatjarra people into RJCP and now CDP and the redirection of former CDEP funds to pay for the operations of an ineffectual and unproductive JobActive and 'Work for the Dole' system has starved the local community organisations of funding. Audit management letters for these entities always noted that they were 'going concerns' provided they continued to receive annual Commonwealth grant funding as per previous years' terms and conditions. The Commonwealth has attempted to divest itself of responsibility in this area by expecting the WA State to ultimately take its place in providing the monies for this; this has also resulted in the Shire losing over \$380,000 in funds to provide essential municipal services across the Lands. This has been compounded in a reduction in Mining Tenement Income of \$170,000 p.a.

It is seriously likely that the result will be a collapse of viability and the dissolution of the Ngaanyatjarra Communities and their regional organization. This is of extreme concern to the Shire. Presently such a scenario is being staved off very expensively by the use of community's own-source non grant income which has been reserved over a long period of time; unfortunately this is in no way sustainable and thus money that should be available for investment in community facilities and economic investment is being burned off in recurrent funding of community management and compliance with statutory

obligations, subsidizing underfunded State and Federal service programs and the maintenance of community assets. Unfortunately, the Shire is not in any way in a position to step in and meet all of these needs. Our position is a return to a community-based grant wage program with the wage pool available to community participants on the basis of a schedule of eligibility for income support. The Shire initiated a complaint to the Human Rights and Equal Opportunity Commission about the Commonwealth of Australia's introduction of the ineffectual and unproductive JobActive and 'Work for the Dole' system and the discriminatory effects on the local communities.

In June 2018 the Shire and Ngaanyatjarra Council Aboriginal Corporation (NCAC) attended a mediation meeting with the Commonwealth of Australia that has resulted in an unsuitable response from them. The Shire adopted its Long-Term Financial Plan in November 2018, and it identified major risks in that the Shire would exhaust its cash reserves in year 2021/2022. As such the Shire is no longer a party to the complaint and NCAC are now pursuing this matter in the High Court. The Shire is now focusing a lot of its energy on its long-term financial survival.

I would like to thank our Deputy Shire President Cr. Preston Thomas and my fellow Councilors for all their support and commitment over the last twelve months, and also all of the Shire staff members for their efforts and dedication to the Shire of Ngaanyatjaraku.

Cr. John Damian McLean
PRESIDENT



Message from Chief Executive Officer

As Chief Executive Officer I advise that the Shire is now compliant with the Local Government Act and various supporting Regulations. The Shire has also undertaken other key work to gain compliance with every other act and supporting regulation for local government operations. Kerry Fisher started in January 2019 as Deputy Chief Executive Officer and has been assisting in ensuring that Shire operations use contemporary management systems and processes for compliance and audit.

The Shire adopted all elements of the Integrated Planning and Reporting Framework (IPRF) in November 2018 and has invested significant resources to ensure that the plans and documents being produced are as accurate, meaningful and useful as possible.

Of major concern is that the Shire's Long-Term Financial Plan has identified major risks in that the Shire would exhaust its cash reserves in year 2021/2022 and face insolvency. In 2019 the Shire has conducted reviews of all its service provision and practices to ensure efficient operations. The review identified:

- A reduction in revenue from exploration mining tenements of \$170,000 p.a. for the last three years;
- Loss of Federal, National Job Creation Program funding of \$380,000 p.a. that was used to employ aboriginal municipal workers for rubbish collection and subsidise this service;
- Underfunded State / Federal grants for service programs that the Shire does not have a rate payer base to support; and
- Wastage of funds in some service provision programs.

The Shire has now resolved to exit underfunded programs or reduce services where underfunded:

- Exit State, Aboriginal Environmental Health program at 30 June 2019;
- Exit Federal, Early Years Services program at 31 December 2019;
- Exited Local rubbish collection services at Jameson, Blackstone and Wingellina with a further review of Wanarn and Warakurna in 2019/20; and
- Exited provision of Recreation Services at Jameson, Blackstone, Blackstone and Wanarn for which the Shire received no grant income.

These initiatives will assist the Shire to extend the date that it would exhaust its cash reserves to enable time to work with Government to address:

- A review of service provision across the Ngaanyatjarra Lands;
- A review of rubbish service funding; and
- A review of rating models for the Shire.

As mentioned on page 3, Vision, the provision of a safe and reliable road network interconnecting our communities is paramount. I am pleased to advise that the level of capital grants to renew the Shire's road network appears to be satisfactory, but more work must be done on collection of better data related to the Shire's large road network. Of concern, is the shortage of maintenance funding. Whilst the Shire receives grants towards this the Shire needs to generate its 'own source funds' to match these grants and maintain smaller remote community roads that don't qualify for funding.

I am pleased to report our participation at a national level through our membership of the Outback Highway Development Council (OHDC). Through the shire's membership and participation in the OHDC, significant State and Federal funds are now being allocated to sealing the Great Central Road. The Shire also acknowledges other road funding grant programs such as Roads to Recovery, Aboriginal Access Roads, Regional Road Group and Main Roads WA Direct Grants that contribute towards the Shire maintaining its road network connecting remote communities and support locations.

I would like to thank staff at the Shire for their hard work and support during a year of major change, and the Elected Members for their dedication to ensuring the Shire maintains financial sustainability.

Kevin Hannagan
Chief Executive Officer

Council member information

Councillors have a specific role in relation to developing the local government's vision and long-term goal setting with appropriate key performance indicators (KPIs). These are responsibilities that require specific skills and experience.

The Shire's eight Councillors facilitate the development and implementation of our community's aspirations and goals. The Councillors meet monthly to discuss issues and imperative areas arising in the community along with general council matters.

Mr (John) Damian McLean
PRESIDENT
Mr Andrew Jones
COUNCILLOR
Ms Lalla West
COUNCILLOR
Ms Debra Frazer
COUNCILLOR

Mr Preston Thomas
DEPUTY PRESIDENT
Ms Joylene Frazer
COUNCILLOR
Mr Alwyn Bates
COUNCILLOR
Vacant
COUNCILLOR

Shire snapshot

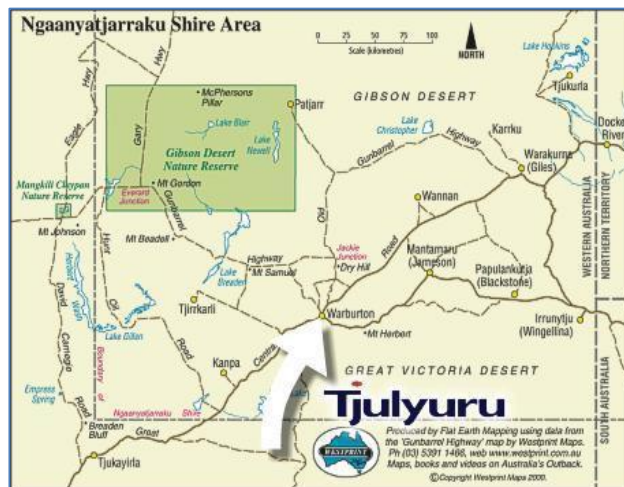
The Shire of Ngaanyatjaraku is responsible for the provision of "mainstream" local government and delivery of services to the ten communities and visitors within its boundaries.

The Shire encompasses an area of 159,948 square kilometres and is located approximately 1,542km from Perth. The region itself is diverse in natural beauty from the magnificent Rawlinson ranges to the red sandy plains of the Gibson Desert.

The Shire is a unique local government in that its community of interest is contained within the traditional lands of the Ngaanyatjarra people of the Central Desert of Western Australia. The 99 year leases held by the Ngaanyatjarra Land Council on behalf of the traditional owners also form the boundaries of the Shire of Ngaanyatjaraku.

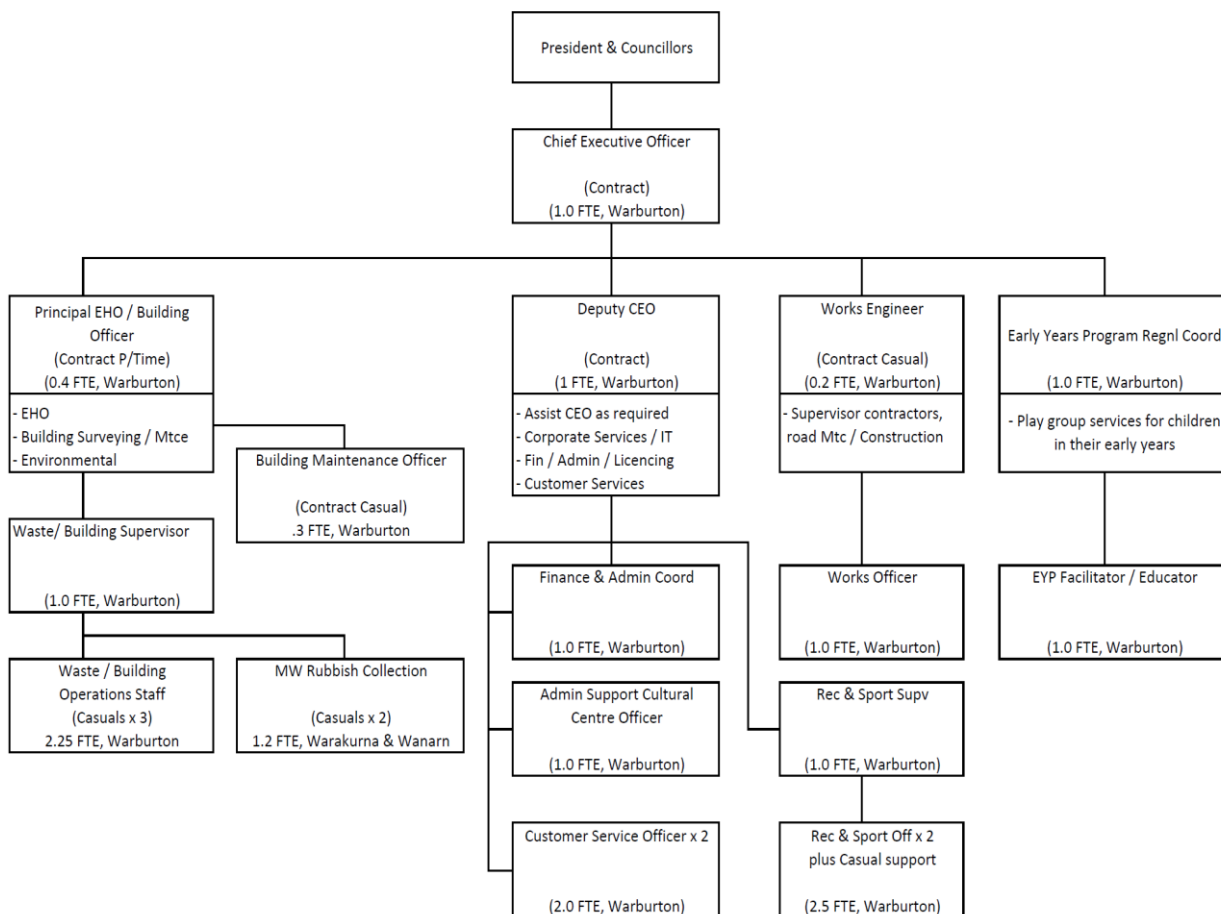
The Shire's main township is Warburton, which is also the largest of the 10 Indigenous communities within the Shire. Warburton is positioned 1,542kms north-east of Perth, 560kms of gravel road north-east of Laverton, 750kms north-east of Kalgoorlie and 1,050kms south-west of Alice Springs. Neighbouring shires include the Shire of Wiluna, Laverton, and East Pilbara. The Shire offices are located in the Tjulyuru Cultural and Civic Centre in Warburton.

In the 2011 local Census the Shire had an estimated residential population of 1,437 people, comprised of 49% male and 51% female residents and there are approximately 509 residential dwellings within the Shire. The Shire has a higher percentage of residents aged between 0-29 years and a lower proportion of residents aged 65+ years compared with the wider Australian population.



Organisation Structure 2018/19

Approved Organisational Structure, 1 July 2019



Planning & Reporting

In 2011, the Department of Local Government introduced the Integrated Planning and Reporting Framework to encourage a movement towards best practice strategic planning and reporting standards across the Western Australian local government industry.

The Shire of Ngaanyatjaraku is building on a successful history of community engagement to ensure that the community can grow and thrive as a vibrant and attractive place to live, work and visit.

Developing our aspirations and plans for the future will shape the delivery of services to the community and the direction of economic development. This integration of community aspiration and service delivery is called the Integrated Planning and Reporting Framework (IPR). This will ensure that the Shire of Ngaanyatjaraku's policies and services are aligned to the community's aspirations.

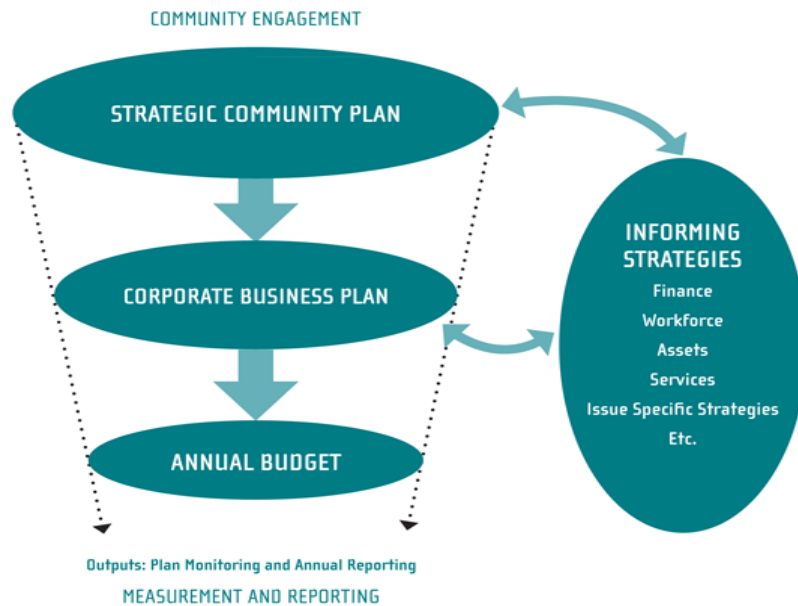
The process, driven by the 10-year Strategic Community Plan will create a 4-year Corporate Business Plan to ensure that we deliver the community's aspirations. This will:

- Strengthen our council's strategic focus; and
- Streamline our reporting processes.

This Strategic Community Plan, which represents the needs and aspirations of the community, has been developed by the Shire's Councillors and sets out the vision for the next 10 years.

The task of turning this vision into a reality rests with Shire's Administration function. They will set out how this will be achieved in a 4-year Corporate Business Plan ("CBP").

Alongside the CBP, the Shire has created a 10-year Long-Term Financial Plan and a 20-year Asset Management Plan and a Workforce Plan which will set out the resources needed to deliver the CBP. Copies of all plans are available on the Shires website and Strategic Goals, Outcomes, Strategies and Actions can be found starting on page 27 of the Integrated Strategic Plan.



IPR, Measuring and Reporting Framework

Statutory Reports

As a local government authority, the Shire is required to comply with a number of statutory regulations.

PAYMENT TO EMPLOYEES

In accordance with section 5.53 (2)(g) of the *Local Government Act 1995* and the *Local Government (Administration) Regulations 1996 reg. 19B*, the following information is provided in relation to annual salaries over \$100,000 paid to employees during the 2018-19 financial year:

Salary Range (\$)	No. of Employees
100,000 – 109,999	1
110,000 – 119,999	1
120,000 – 129,999	1
130,000 – 139,999	0
140,000 – 149,999	0
150,000 – 159,999	0
160,000 – 169,999	0
230,000 – 239,999	0
240,000 – 249,999	0
250,000 – 259,999	0
260,000 – 269,999	1

DISABILITY ACCESS AND INCLUSION PLAN

In accordance with Section 29 of the Disability Service Act 1993, Local Governments are required to report annually with regard to their Disability Access and Inclusion Plan and provide details addressing the plan's key outcomes within the Annual Report. For 2018-19 the Shire of Ngaanyatjaraku reports as follows:

Key Outcomes:

1. People with disability have the same opportunities as other people to access the services of, and any events organised by, the relevant public authority.
2. People with disability have the same opportunities as other people to access the buildings and other facilities of the relevant public authority.
3. People with disability receive information from the relevant public authority in a format that will enable them to access the information as readily as other people are able to access it.
4. People with disability receive the same level and quality of service from the staff of the relevant public authority.
5. People with disability have the same opportunities as other people to make complaints to the relevant public authority.
6. People with disability have the same opportunities as other people to participate in any public consultation by the relevant public authority.
7. People with disability have the same opportunities as other people to obtain and maintain employment with a public authority.

The Shire of Ngaanyatjaraku continues to ensure that the above key outcomes are addressed in order to meet the needs of people with disabilities.

The Shire of Ngaanyatjaraku Disability Access and Inclusion Plan 2019-2022 (DAIP) was reviewed by Council in 2019 and subsequently accepted by the Department of Communities.

COMPETITIVE NEUTRALITY

The Shire of Ngaanyatjaraku is classified as a Category 1 Local Government under the National Competition Policy. This principle deals with ensuring that government business operations have no advantage or disadvantage in comparison with the private sector.

The policy dictates that competitive neutrality should apply to all business activities which generate a user pays income of over \$200,000 unless it can be shown that it is not in the public interest. In this regard, no significant new business activities for the purposes of competitive neutrality were initiated or considered during the year and no noncompliance allegations were made.

FREEDOM OF INFORMATION

The Shire of Ngaanyatjaraku has a Freedom of Information (FOI) Statement prepared in accordance with the Freedom of Information Act 1992 which is available on the Shire website. It outlines the Shire's functions, the kind of documents held and how the documents can be accessed.

There were no Freedom of Information applications or requests received during the 2018-19 reporting year.

RECORD KEEPING PLAN

The Shire of Ngaanyatjaraku has prepared a record keeping plan as required by the State Records Act 2000, and the Shire is committed to ensuring its record keeping practices comply with legislation. This plan was submitted to the SRO in December 2015 and approved by the State Records Commission at its meeting held in March 2016 for a five-year period to 2020.

Under section 60 of the State Records Act, the State Records Commission monitors the operation of and compliance with the Act and it is a requirement for every local government to comply with the Commission's Standard 2, Principle 6 in an appropriate section within its Annual Report. Accordingly, the Shire reports as follows:

1. The Shire accesses an on-line record keeping training program that allows staff to familiarize themselves with and be aware of their record keeping responsibilities, and to ensure that the record keeping system is being operated in accordance with the revised Shire of Ngaanyatjaraku Record Keeping Plan. Given the very remote and isolated location of this Shire, online record keeping training provides on-site training and advice as well as utilizing the assistance and expertise of the staff at Goldfields Records Storage (a GVROC enterprise of which the Shire of Ngaanyatjaraku is a partner).
2. The efficiency and effectiveness of the record keeping training program will be reviewed on an

ongoing basis and subsequently actioned to ensure its currency and relevance.

3. The Shire's record keeping induction program is continually improving to ensure employee roles and responsibilities are promoted in accordance and compliance with the Shire of Ngaanyatjaraku Record Keeping Plan.

OFFICIAL CONDUCT – COMPLAINTS REGISTER

Pursuant to section 5.121 of the *Local Government Act* 1995, a complaints register has been maintained.

As at the 30th June 2019 no complaint had been received, and therefore accordingly there has been no action required to deal with complaints.



Jackie Kurltjunyinta Giles (Dec.) 2008 'Tjamu Tjamu'

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

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Principal place of business:
Address
Great Central Road
Warburton Aboriginal
Community Western Australia.

**SHIRE OF NGAANYATJARRAKU
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 Ngaanyatjarraku 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 Ngaanyatjarraku at 30th 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 and Australian Accounting Standards.

Signed as authorisation of issue on the 12th day of December 2019



Kevin Hannagan
Chief Executive Officer

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

	NOTE	2019 \$	2019 Budget \$	2018 \$
Revenue				
Rates	25(a)	256,220	255,759	239,238
Operating grants, subsidies and contributions	2(a)	5,459,889	3,185,891	6,371,628
Fees and charges	2(a)	368,094	316,840	325,368
Interest earnings	2(a)	37,987	6,497	16,927
Other revenue	2(a)	91,727	31,085	98,729
		<u>6,213,917</u>	<u>3,796,072</u>	<u>7,051,890</u>
Expenses				
Employee costs		(2,297,876)	(2,709,286)	(2,152,613)
Materials and contracts		(2,428,878)	(2,405,705)	(2,512,758)
Utility charges		(111,528)	(95,000)	(77,758)
Depreciation on non-current assets	11(b)	(1,420,559)	(1,366,389)	(1,449,056)
Insurance expenses		(150,951)	(123,000)	(116,021)
Other expenditure		(70,002)	(117,140)	(133,928)
		<u>(6,479,794)</u>	<u>(6,816,520)</u>	<u>(6,442,134)</u>
		(265,877)	(3,020,448)	609,756
Non-operating grants, subsidies and contributions	2(a)	4,488,897	8,687,675	562,047
Profit on asset disposals	11(a)	87,202	0	3,490
(Loss) on asset disposals	11(a)	(11,946)	0	(17,814)
(Loss) on asset written-off	9(a)	(260,888)	0	0
Fair value adjustments to financial assets at fair value through profit or loss	8	0	0	4,100
Net result		4,037,388	5,667,227	1,161,579
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	12	0	0	(4,468,830)
Total other comprehensive income		0	0	(4,468,830)
Total comprehensive income		4,037,388	5,667,227	(3,307,251)

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

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

	NOTE	2019 \$	2019 Budget \$	2018 \$
Revenue				
Governance		5,639	3,000	2,668
General purpose funding		3,511,267	1,759,096	3,375,997
Law, order, public safety		408	420	3,536
Health		110,108	105,200	108,779
Education and welfare		283,710	318,000	505,357
Housing		22,209	20,000	11,086
Community amenities		110,973	87,000	93,647
Recreation and culture		276,279	222,307	269,466
Transport		1,750,807	1,274,049	2,632,633
Economic services		14,275	7,000	7,766
Other property and services		128,242	0	40,955
		<u>6,213,917</u>	<u>3,796,072</u>	<u>7,051,890</u>
Expenses				
Governance		(75,028)	(139,103)	(30,004)
General purpose funding		(34,533)	(24,825)	(163,470)
Law, order, public safety		(60,426)	(91,031)	(84,998)
Health		(464,038)	(488,745)	(414,541)
Education and welfare		(733,404)	(1,093,417)	(1,011,754)
Housing		(305,636)	(336,166)	(311,605)
Community amenities		(443,769)	(610,465)	(458,691)
Recreation and culture		(834,993)	(872,682)	(891,956)
Transport		(3,234,955)	(2,983,962)	(2,899,529)
Economic services		(130,491)	(163,128)	(126,821)
Other property and services		(162,521)	(12,996)	(48,765)
		<u>(6,479,794)</u>	<u>(6,816,520)</u>	<u>(6,442,134)</u>
		(265,877)	(3,020,448)	609,756
Non-operating grants, subsidies and contributions	2(a)	4,488,897	8,687,675	562,047
Profit on asset disposals	11(a)	87,202	0	3,490
(Loss) on asset disposals	11(a)	(11,946)	0	(17,814)
(Loss) on asset written-off	9(a)	(260,888)		
Fair value adjustments to financial assets at fair value through profit or loss	8	0	0	4,100
Net result		<u>4,037,388</u>	<u>5,667,227</u>	<u>1,161,579</u>
Other comprehensive income		0		
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	12	0	0	(4,468,830)
Total other comprehensive income		<u>0</u>	<u>0</u>	<u>(4,468,830)</u>
Total comprehensive income		<u><u>4,037,388</u></u>	<u><u>5,667,227</u></u>	<u><u>(3,307,251)</u></u>

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

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

	NOTE	2019 \$	2018 \$
CURRENT ASSETS			
Cash and cash equivalents	3	4,936,977	3,169,847
Trade and other receivables	5	317,516	1,182,089
Inventories	6	71,223	72,199
Other current assets	7	27,535	282,796
Other financial assets	8	0	35,034
TOTAL CURRENT ASSETS		5,353,251	4,741,965
NON-CURRENT ASSETS			
Other financial assets	8	35,034	0
Property, plant and equipment	9(a)	7,832,952	8,547,956
Infrastructure	10(a)	102,035,164	98,337,950
TOTAL NON-CURRENT ASSETS		109,903,150	106,885,906
TOTAL ASSETS		115,256,401	111,627,871
CURRENT LIABILITIES			
Trade and other payables	13	201,390	453,939
Provisions	15	172,862	335,733
TOTAL CURRENT LIABILITIES		374,252	789,672
NON-CURRENT LIABILITIES			
Provisions	15	24,262	17,700
TOTAL NON-CURRENT LIABILITIES		24,262	17,700
TOTAL LIABILITIES		398,514	807,372
NET ASSETS		114,857,887	110,820,499
EQUITY			
Retained surplus		59,546,363	56,699,578
Reserves - cash backed	4	2,043,937	853,334
Revaluation surplus	12	53,267,587	53,267,587
TOTAL EQUITY		114,857,887	110,820,499

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

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

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2017		55,554,662	836,671	57,736,417	114,127,750
Comprehensive income					
Net result		1,161,579	0	0	1,161,579
Changes on revaluation of assets	12	0	0	(4,468,830)	(4,468,830)
Total comprehensive income		1,161,579	0	(4,468,830)	(3,307,251)
Transfers from/(to) reserves		(16,663)	16,663	0	0
Balance as at 30 June 2018		56,699,578	853,334	53,267,587	110,820,499
Comprehensive income					
Net result		4,037,388	0	0	4,037,388
Changes on revaluation of assets	12	0	0	0	0
Total comprehensive income		4,037,388	0	0	4,037,388
Transfers from/(to) reserves		(1,190,603)	1,190,603	0	0
Balance as at 30 June 2019		59,546,363	2,043,937	53,267,587	114,857,887

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

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

	NOTE	2019 Actual \$	2019 Budget \$	2018 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		293,545	255,759	440,577
Operating grants, subsidies and contributions		6,233,103	4,799,177	5,767,307
Fees and charges		623,355	316,840	114,123
Interest earnings		37,987	6,497	16,927
Goods and services tax		323,390	0	301,301
Other revenue		91,727	31,085	98,729
		<u>7,603,107</u>	<u>5,409,358</u>	<u>6,738,964</u>
Payments				
Employee costs		(2,481,269)	(2,709,286)	(2,211,533)
Materials and contracts		(2,653,367)	(2,405,705)	(2,504,957)
Utility charges		(111,528)	(95,000)	(77,758)
Insurance expenses		(150,951)	(123,000)	(116,021)
Goods and services tax		(269,356)	0	(263,299)
Other expenditure		(70,002)	(117,140)	(133,928)
		<u>(5,736,473)</u>	<u>(5,450,131)</u>	<u>(5,307,496)</u>
Net cash provided by (used in) operating activities	16	<u>1,866,634</u>	<u>(40,773)</u>	<u>1,431,468</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment		(137,130)	(328,000)	(353,384)
Payments for construction of infrastructure		(4,770,837)	(9,084,775)	(3,493,624)
Non-operating grants, subsidies and contributions		4,488,897	8,687,675	562,047
Proceeds from sale of fixed assets		319,566	0	22,727
Net cash provided by (used in) investment activities		<u>(99,504)</u>	<u>(725,100)</u>	<u>(3,262,234)</u>
Net increase (decrease) in cash held		1,767,130	(765,873)	(1,830,766)
Cash at beginning of year		3,169,847	3,270,636	5,000,613
Cash and cash equivalents at the end of the year	16	<u><u>4,936,977</u></u>	<u><u>2,504,763</u></u>	<u><u>3,169,847</u></u>

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

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

	NOTE	2019 Actual \$	2019 Budget \$	2018 Actual \$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)	26(b)	3,063,925	3,373,238	4,293,559
		<u>3,063,925</u>	<u>3,373,238</u>	<u>4,293,559</u>
Revenue from operating activities (excluding rates)				
Governance		5,639	3,000	2,668
General purpose funding		3,319,929	1,503,337	3,201,641
Law, order, public safety		408	420	3,536
Health		110,108	105,200	108,779
Education and welfare		300,195	318,000	505,357
Housing		22,209	20,000	11,086
Community amenities		121,446	87,000	93,647
Recreation and culture		276,279	222,307	269,466
Transport		1,800,336	1,274,049	2,636,123
Economic services		24,990	7,000	7,766
Other property and services		128,242	0	40,955
		<u>6,109,781</u>	<u>3,540,313</u>	<u>6,881,024</u>
Expenditure from operating activities				
Governance		(85,798)	(139,103)	(30,004)
General purpose funding		(34,533)	(24,825)	(163,470)
Law, order, public safety		(60,426)	(91,031)	(84,998)
Health		(464,767)	(488,745)	(414,541)
Education and welfare		(956,604)	(1,093,417)	(1,011,754)
Housing		(306,749)	(336,166)	(311,605)
Community amenities		(444,976)	(610,465)	(458,691)
Recreation and culture		(840,565)	(872,682)	(891,956)
Transport		(3,251,796)	(2,983,962)	(2,917,343)
Economic services		(130,491)	(163,128)	(126,821)
Other property and services		(175,923)	(12,996)	(48,765)
		<u>(6,752,628)</u>	<u>(6,816,520)</u>	<u>(6,459,948)</u>
Non-cash amounts excluded from operating activities	26(b)	1,612,753	1,366,389	1,453,831
Amount attributable to operating activities		<u>4,033,831</u>	<u>1,463,420</u>	<u>6,168,466</u>
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions		4,488,897	8,687,675	562,047
Proceeds from disposal of assets	11(a)	319,566	0	22,727
Purchase of property, plant and equipment	9(a)	(137,130)	(328,000)	(353,384)
Purchase and construction of infrastructure	10(a)	(4,770,837)	(9,084,775)	(3,493,624)
Amount attributable to investing activities		<u>(99,504)</u>	<u>(725,100)</u>	<u>(3,262,234)</u>
FINANCING ACTIVITIES				
Transfers to reserves (restricted assets)	4	(1,809,719)	(1,619,332)	(16,663)
Transfers from reserves (restricted assets)	4	619,116	625,253	0
Amount attributable to financing activities		<u>(1,190,603)</u>	<u>(994,079)</u>	<u>(16,663)</u>
Surplus/(deficit) before imposition of general rates		<u>2,743,724</u>	<u>(255,759)</u>	<u>2,889,569</u>
Total amount raised from general rates	25	<u>191,338</u>	<u>255,759</u>	<u>174,356</u>
Surplus/(deficit) after imposition of general rates	26(b)	<u>2,935,062</u>	<u>0</u>	<u>3,063,925</u>

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

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

1. BASIS OF PREPARATION

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

The Local Government (Financial Management Regulations 1996) takes 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, race course or any other sporting 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 requirement 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 28 to these financial statements.

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

2. REVENUE AND EXPENSES

(a) Revenue

Grant Revenue

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

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
By Nature or Type:			
Operating grants, subsidies and contributions			
Governance	2,474	2,500	2,613
General purpose funding	3,216,647	1,495,340	3,119,832
Health	108,107	105,000	108,779
Education and welfare	281,339	309,000	494,469
Community amenities	7,500	0	7,500
Recreation and culture	550	0	0
Transport	1,747,174	1,274,051	2,632,633
Other property and services	96,098	0	5,802
	5,459,889	3,185,891	6,371,628
Non-operating grants, subsidies and contributions			
Transport	4,488,897	8,687,675	562,047
	4,488,897	8,687,675	562,047
Total grants, subsidies and contributions	9,948,786	11,873,566	6,933,675

SIGNIFICANT ACCOUNTING POLICIES

Grant, 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 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 24. 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 period.

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Other revenue			
Reimbursements and recoveries	35,248	0	35,246
Other	56,479	31,085	63,483
	91,727	31,085	98,729
Fees and Charges			
Governance	60	500	55
General purpose funding	413	1,500	0
Health	0	200	0
Education and welfare	500	7,000	9,124
Housing	22,209	20,000	11,086
Community amenities	103,473	87,000	86,147
Recreation and culture	227,164	195,640	211,283
Economic services	14,275	5,000	7,673
	368,094	316,840	325,368

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

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

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Interest earnings			
- Reserve funds	15,857	6,047	16,663
- Other funds	14,240	450	264
Other interest revenue (refer note 25(e))	7,890	0	0
	<u>37,987</u>	<u>6,497</u>	<u>16,927</u>

(b) Expenses

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Auditors remuneration			
- Audit of the Annual Financial Report	21,000	55,000	22,000
	<u>21,000</u>	<u>55,000</u>	<u>22,000</u>

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

3. CASH AND CASH EQUIVALENTS

	Note	2019 \$	2018 \$
Cash at bank and on hand		1,443,040	2,292,823
Term deposits		3,493,937	877,024
		<u>4,936,977</u>	<u>3,169,847</u>
Comprises:			
- Unrestricted cash and cash equivalent		2,636,466	2,292,823
- Restricted cash and cash equivalent		2,300,511	877,024
		<u>4,936,977</u>	<u>3,169,847</u>
The following restrictions have been imposed by regulations or other externally imposed requirements:			
Reserve accounts			
Employee Entitlement	4	304,650	0
Asset Replacement, Acquisition and Development	4	1,732,367	846,604
Cultural Centre	4	6,920	6,730
		<u>2,043,937</u>	<u>853,334</u>
Other restricted cash and cash equivalents			
Unspent grants	24	256,574	23,690
Total restricted cash and cash equivalents		<u>2,300,511</u>	<u>877,024</u>

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

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

4. RESERVES - CASH BACKED

	Actual 2019 Opening Balance	Actual 2019 Transfer to	Actual 2019 Transfer from	Actual 2019 Closing Balance	Budget 2019 Opening Balance	Budget 2019 Transfer to	Budget 2019 Transfer (from)	Budget 2019 Closing Balance	Actual 2018 Opening Balance	Actual 2018 Transfer to	Actual 2018 Transfer (from)	Actual 2018 Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Employee Entitlement	0	304,650	0	304,650	0	0	0	0	0	0	0	0
Asset Replacement, Acquisition and Development	846,604	1,504,879	(619,116)	1,732,367	846,603	1,619,285	(625,253)	1,840,635	830,071	16,533	0	846,604
Cultural Centre	6,730	190	0	6,920	70,230	47	0	70,277	6,600	130	0	6,730
	853,334	1,809,719	(619,116)	2,043,937	916,833	1,619,332	(625,253)	1,910,912	836,671	16,663	0	853,334

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
Employee Entitlement	Ongoing	Established to fund a portion of future commitments for employee entitlements incurred as a result of employing staff and workers in relation to leave entitlements.
Asset Replacement, Acquisition and Development	Ongoing	To provide and replace the necessary equipment, furniture, plant, buildings and infrastructure comprising of roads, drains, footpaths and recreational reserves.
Cultural Centre	Ongoing	To provide for the successful operation of the Cultural Centre as provided for in clause 8.2 of the management deed between the Shire of Ngaanyatjaraku, Warburton Community Incorporated and the Ngaanyatjarra Council (Aboriginal Corporation), transfers to the reserve represent surplus funds from the day to day operations of the Cultural Centre after deducting costs incurred by the Shire.

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

5. TRADE AND OTHER RECEIVABLES

	2019	2018
	\$	\$
Current		
Rates outstanding	0	37,325
Sundry debtors	269,354	1,042,568
GST receivable	48,162	102,196
	<u>317,516</u>	<u>1,182,089</u>

SIGNIFICANT ACCOUNTING POLICIES

Trade and Other Receivables

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

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

Impairment and risk exposure

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 27.

Previous accounting policy: Impairment of trade receivables

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

Classification and subsequent measurement

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

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

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

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

6. INVENTORIES

	2019	2018
	\$	\$
Current		
Fuel and Materials	71,223	72,199
	<u>71,223</u>	<u>72,199</u>

The following movements in inventories occurred during the year:

Carrying amount at 1 July	72,199	41,862
Inventories expensed during the year	(976)	0
Additions to inventory	0	30,337
Carrying amount at 30 June	<u>71,223</u>	<u>72,199</u>

SIGNIFICANT ACCOUNTING POLICIES

General

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

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

7. OTHER ASSETS

	2019	2018
	\$	\$
Other current assets		
Accrued Income	27,535	282,796
	<u>27,535</u>	<u>282,796</u>

SIGNIFICANT ACCOUNTING POLICIES

Other current assets

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

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

8. OTHER FINANCIAL ASSETS

	2019	2018
	\$	\$
Current assets		
Financial assets at fair value through profit and loss	0	35,034
	<u>0</u>	<u>35,034</u>
Financial assets at fair value through profit and loss		
- <i>Unlisted equity investments</i>		
- LG Housing Trust	0	35,034
	<u>0</u>	<u>35,034</u>
Non-current assets		
Financial assets at fair value through profit and loss	35,034	0
	<u>35,034</u>	<u>0</u>
Financial assets at fair value through profit and loss		
- <i>Unlisted equity investments</i>		
- LG Housing Trust	35,034	0
	<u>35,034</u>	<u>0</u>

Units in Local Government House were recognised at their fair value as at 30 June 2018. Changes in fair value of units in Local Government House recognised as non-current financial assets at fair value through profit and loss have not been recognised nor considered as they are unlikely to be material and unable to be reliably determined at the time of preparation of these statements.

SIGNIFICANT ACCOUNTING POLICIES

Financial assets at fair value through profit and loss

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

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

Impairment and risk

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

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.

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

9. PROPERTY, PLANT AND EQUIPMENT (Continued)

(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.

	Buildings	Furniture and equipment	Plant and equipment	Total property, plant and equipment
	\$	\$	\$	\$
Balance at 1 July 2017	7,545,564	39,420	978,673	8,563,657
Additions	195,551	28,876	128,957	353,384
(Disposal)	0	0	(37,051)	(37,051)
Depreciation (expense)	(150,911)	(9,855)	(171,268)	(332,034)
Carrying amount at 30 June 2018	7,590,204	58,441	899,311	8,547,956
Comprises:				
Gross carrying amount at 30 June 2018	8,977,288	216,487	2,566,362	11,760,137
Accumulated depreciation at 30 June 2018	(1,387,084)	(158,046)	(1,667,051)	(3,212,181)
Carrying amount at 30 June 2018	7,590,204	58,441	899,311	8,547,956
Additions	63,512	0	73,618	137,130
(Disposal)	0	0	(244,310)	(244,310)
(Assets written-off)	(215,242)	(14,801)	(30,845)	(260,888)
Depreciation (expense)	(154,822)	(15,642)	(176,472)	(346,936)
Carrying amount at 30 June 2019	7,283,652	27,998	521,302	7,832,952
Comprises:				
Gross carrying amount at 30 June 2019	8,816,589	189,749	2,268,015	11,274,353
Accumulated depreciation at 30 June 2019	(1,532,937)	(161,751)	(1,746,713)	(3,441,401)
Carrying amount at 30 June 2019	7,283,652	27,998	521,302	7,832,952

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

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
Buildings	Level 3	Cost Approach Using Depreciated Replacement Cost	Management Valuation	June 2017	Construction costs based on recent contract prices, current condition, residual values and remaining useful life assessments.
Furniture and equipment	Level 3	Cost Approach Using Depreciated Replacement Cost	Management Valuation	June 2016	Purchase costs of similar assets adjusted for condition and comparability, residual values and remaining useful life assessments.
Plant and equipment	Level 3	Cost Approach Using Depreciated Replacement Cost	Management Valuation	June 2016	Purchase costs of similar assets adjusted for condition and comparability, residual values and remaining useful life assessments.

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

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

SHIRE OF NGAANYATJARRAKU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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10. INFRASTRUCTURE (Continued)

(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 & Footpaths	Infrastructure - Recreation Assets	Total Infrastructure
	\$	\$	\$
Balance at 1 July 2017	100,316,788	113,390	100,430,178
Additions	3,493,624	0	3,493,624
Revaluation increments/(decrements) transferred to revaluation surplus	(4,468,830)	0	(4,468,830)
Depreciation (expense)	(1,114,658)	(2,364)	(1,117,022)
Carrying amount at 30 June 2018	98,226,924	111,026	98,337,950
Comprises:			
Gross carrying amount at 30 June 2018	114,016,255	412,993	114,429,248
Accumulated depreciation at 30 June 2018	(15,789,331)	(301,967)	(16,091,298)
Carrying amount at 30 June 2018	98,226,924	111,026	98,337,950
Additions	4,770,837	0	4,770,837
Depreciation (expense)	(1,071,402)	(2,221)	(1,073,623)
Carrying amount at 30 June 2019	101,926,359	108,805	102,035,164
Comprises:			
Gross carrying amount at 30 June 2019	118,787,092	412,993	119,200,085
Accumulated depreciation at 30 June 2019	(16,860,733)	(304,188)	(17,164,921)
Carrying amount at 30 June 2019	101,926,359	108,805	102,035,164

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

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 & Footpaths	Level 3	Cost Approach Using Depreciated Replacement Cost	Management Valuation	June 2018	Construction costs based on recent contract prices, current condition, residual values and remaining useful life assessments.
Infrastructure - Recreation Assets	Level 3	Cost Approach Using Depreciated Replacement Cost	Management Valuation	June 2018	Construction costs based on recent contract prices, current condition, residual values and remaining useful life assessments.

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

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

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

11. FIXED ASSETS

SIGNIFICANT ACCOUNTING POLICIES

Fixed Assets

Each class of fixed assets within either property, 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 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 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 responsibility for managing which, is vested in the local government.

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

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

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

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

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

11. FIXED ASSETS (Continued)

(a) Disposal 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	244,310	319,566	87,202	(11,946)	0	0	0	0	37,051	22,727	3,490	(17,814)
	<u>244,310</u>	<u>319,566</u>	<u>87,202</u>	<u>(11,946)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>37,051</u>	<u>22,727</u>	<u>3,490</u>	<u>(17,814)</u>

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

11. FIXED ASSETS (Continued)

(a) Disposal of Assets (Continued)

The following assets were disposed during the year.

	2019	2019	2019	2019
	Actual	Actual	Actual	Actual
	Net Book	Sale	Profit	Loss
	Value	Proceeds	Profit	Loss
	\$	\$	\$	\$
Education & Welfare				
1GIQ350 2015 Toyota Fortuner	25,158	26,723	1,565	0
1EZX132 2015 Toyota Landcruiser	32,580	47,500	14,920	0
Community Amentities				
1DGG100 2010 Isuzu NPR Truck	11,273	21,746	10,473	0
Transport				
1CJA439 Street Sweeper	29,333	61,376	32,043	0
1DGR098 2009 Isuzu NPR Truck	10,798	27,842	17,044	0
1EZJ460 Toyota Prado	32,572	33,014	442	0
Economic Services				
1DMW389 2010 Toyota Landcruiser	17,240	27,955	10,715	0
Other Property & Services				
2100mm HD Push Stick Rate SSL	2,048	0	0	(2,048)
1GDF014 2015 Ford Everest	41,119	39,773	0	(1,346)
1GGO069 2017 Toyota Fortuner	42,189	33,637	0	(8,552)
	<u>244,310</u>	<u>319,566</u>	<u>87,202</u>	<u>(11,946)</u>

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

11. FIXED ASSETS (Continued)

(b) Depreciation

	2019	2018
	\$	\$
Buildings	154,822	150,911
Furniture and equipment	15,642	9,855
Plant and equipment	176,472	171,268
Infrastructure - Roads & Footpaths	1,071,402	1,114,658
Infrastructure - Recreation Assets	2,221	2,364
	<u>1,420,559</u>	<u>1,449,056</u>

SIGNIFICANT ACCOUNTING POLICIES

Depreciation

The depreciable amount of all fixed assets including buildings but excluding freehold 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:

Buildings	2.00%
Furniture and equipment	25.00%
Plant and equipment	17.50%
Sealed roads and streets formation	
Infrastructure, Formation	0.00%
Infrastructure, Pavement	4.32%
Infrastructure, Seal	4.30%
Infrastructure, Kerb	4.94%
Infrastructure, Drainage	3.16%
Infrastructure, Recreation	2.00%

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

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

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

12. REVALUATION SURPLUS

	2019 Opening Balance	2019 Revaluation Increment	2019 Revaluation (Decrement)	2019 Total Movement on Revaluation	2019 Closing Balance	2018 Opening Balance	2018 Revaluation Increment	2018 Revaluation (Decrement)	2018 Total Movement on Revaluation	2018 Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Buildings	4,052,570	0	0	0	4,052,570	4,052,570	0	0	0	4,052,570
Plant and equipment	190,407	0	0	0	190,407	190,407	0	0	0	190,407
Infrastructure - Roads & Footpaths	49,024,610	0	0	0	49,024,610	53,493,440	0	(4,468,830)	(4,468,830)	49,024,610
	53,267,587	0	0	0	53,267,587	57,736,417	0	(4,468,830)	(4,468,830)	53,267,587

Movements on revaluation of fixed assets 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.

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

13. TRADE AND OTHER PAYABLES

	2019	2018
	\$	\$
Current		
Sundry creditors	134,788	285,121
Accrual of Salaries	59,882	16,138
ATO liabilities	0	70,828
Other payables	6,720	81,852
	<u>201,390</u>	<u>453,939</u>

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 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.

14. INFORMATION ON BORROWINGS

(a) Repayments - Debentures

Council had no borrowings at 30 June 2019.

(b) New Debentures - 2018/19

The Shire did not take up any new debentures during the year ended 30 June 2019.

(c) Unspent Debentures

The Shire did not have any unspent debentures as at 30 June 2019.

(d) Overdraft

No overdraft facilities exist with the local government's bank.

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.

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

15. PROVISIONS

	Provision for Annual Leave	Provision for Long Service Leave	Provision for Isolation Leave	Total
	\$	\$	\$	\$
Opening balance at 1 July 2018				
Current provisions	124,290	157,682	53,761	335,733
Non-current provisions	0	17,700	0	17,700
	<u>124,290</u>	<u>175,382</u>	<u>53,761</u>	<u>353,433</u>
Additional provision	59,863	38,403	27,811	126,077
Amounts used	(99,242)	(114,457)	(68,687)	(282,387)
Balance at 30 June 2019	<u>84,911</u>	<u>99,328</u>	<u>12,885</u>	<u>197,124</u>
Comprises				
Current	84,911	75,066	12,885	172,862
Non-current	0	24,262	0	24,262
	<u>84,911</u>	<u>99,328</u>	<u>12,885</u>	<u>197,124</u>
			2019	2018
			\$	\$
Amounts are expected to be settled on the following basis:				
Less than 12 months after the reporting date			106,439	173,769
More than 12 months from reporting date			101,928	179,664
Expected reimbursements from other WA local governments			(11,243)	0
			<u>197,124</u>	<u>353,433</u>

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.

Other long-term employee benefits

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. 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 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.

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

15. PROVISIONS (CONTINUED)

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Provisions

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

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

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

16. NOTES TO THE STATEMENT OF CASH FLOWS

Reconciliation of Cash

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

	2019	2019	2018
	\$	Budget	\$
Cash and cash equivalents	4,936,977	2,504,763	3,169,847

**Reconciliation of Net Cash Provided By
Operating Activities to Net Result**

Net result	4,037,388	5,667,227	1,161,579
Non-cash flows in Net result:			
Depreciation	1,420,559	1,366,389	1,449,056
(Profit)/Loss on sale of asset	(75,256)	0	14,324
Loss on asset written-off	260,888	0	0
Fair value adjustments to financial assets at fair value through profit or loss	0	0	(4,100)
Changes in assets and liabilities:			
(Increase)/Decrease in receivables	864,573	1,613,286	(576,225)
(Increase)/Decrease in inventories	976	0	(30,337)
(Increase)/Decrease in other assets	255,261	0	0
Increase/(Decrease) in payables	(252,549)	0	11,963
Increase/(Decrease) in provisions	(156,309)	0	(32,745)
Grants contributions for the development of assets	(4,488,897)	(8,687,675)	(562,047)
Net cash from operating activities	1,866,634	(40,773)	1,431,468

SHIRE OF NGAANYATJARRAKU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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17. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2019	2018
	\$	\$
Governance	78,455	124,975
Law, order, public safety	6,763	8,584
Health	121,744	155,250
Education and welfare	1,247,508	1,553,076
Housing	4,663,984	4,725,156
Community amenities	148,702	203,450
Recreation and culture	1,514,725	1,629,883
Transport	101,959,578	98,367,085
Economic services	0	19,304
Other property and services	126,656	99,146
Unallocated	5,388,286	4,741,962
	<u>115,256,401</u>	<u>111,627,871</u>

18. CONTINGENT LIABILITIES

The Council did not have any contingent liabilities as at 30 June 2019.

19. CAPITAL AND LEASING COMMITMENTS

(a) Capital Expenditure Commitments

The Shire did not have any future capital expenditure commitments at the reporting date.

(b) Operating Lease Commitments

The Shire did not have any future operating lease commitments at the reporting date.

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

20. JOINT ARRANGEMENTS

The Shire together with the Shire of Coolgardie, Dundas, Esperance, Laverton, Leonora, Menzies, Ravensthorpe, Kalgoorlie-Boulder and Wiluna have a joint venture arrangement with regards to the provision of a Regional Records Service. The assets included in the joint venture are recorded as one-tenth share as follows:

	2019	2018
	\$	\$
Non-current assets		
Land and buildings (FV 2017)	72,500	72,500
Less: accumulated depreciation	(3,624)	(1,812)
	<u>68,876</u>	<u>70,688</u>
 Furniture & Equipment	 8,204	 8,204
Less: accumulated depreciation	(2,707)	(1,805)
	<u>5,497</u>	<u>6,399</u>
 Plant and equipment	 4,182	 4,182
Less: accumulated depreciation	(1,512)	(1,008)
	<u>2,670</u>	<u>3,174</u>
 Light vehicles	 3,200	 3,200
Less: accumulated depreciation	(1,440)	(960)
	<u>1,760</u>	<u>2,240</u>
 Total Assets	 <u>78,803</u>	 <u>82,501</u>

SIGNIFICANT ACCOUNTING POLICIES

Investment in Associates

An associate is an entity over which the Shire has significant influence. Significant influence is the power to participate in the financial operating policy decisions of that entity but is not control or joint control of those policies. Investments in associates are accounted for in the financial statements by applying the equity method of accounting, whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Shire's share of net assets of the associate. In addition, the Shire's share of the profit or loss of the associate is included in the Shire's profit or loss.

The carrying amount of the investment includes, where applicable, goodwill relating to the associate. Any discount on acquisition, whereby the Shire's share of the net fair value of the associate exceeds the cost of investment, is recognised in profit or loss in the period in which the investment is acquired.

Profits and losses resulting from transactions between the Shire and the associate are eliminated to the extent of the Shire's interest in the associate.

When the Shire's share of losses in an associate equals or exceeds its interest in the associate, the Shire discontinues recognising its share of further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate. When the associate subsequently makes profits, the Shire will resume recognising its share of those profits once its share of the profits equals the share of the losses not recognised.

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

20. JOINT VENTURE ARRANGEMENTS (Continued)

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interests in joint arrangements

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

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

Joint venture 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 statement.

21. 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	16,900	18,000	10,500
President's allowance	4,000	10,000	4,000
Deputy President's allowance	1,000	1,000	1,000
Travelling expenses	3,654	15,000	9,892
	<u>25,554</u>	<u>44,000</u>	<u>25,392</u>

Key Management Personnel (KMP) Compensation Disclosure

	2019	2018
	\$	\$
The total of remuneration paid to KMP of the Shire during the year are as follows:		
Short-term employee benefits	326,864	238,622
Post-employment benefits	32,148	34,415
Other long-term benefits	578	140
Termination benefits	152,743	0
	<u>512,333</u>	<u>273,177</u>

Short-term employee benefits

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

Post-employment benefits

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

Other long-term benefits

These amounts represent long service benefits accruing during the year.

Termination benefits

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

SHIRE OF NGAANYATJARRAKU
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FOR THE YEAR ENDED 30TH JUNE 2019

21. RELATED PARTY TRANSACTIONS (Continued)

Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. For the years ended 30 June 2019 and 2018, there were no transactions with related parties noted.

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. 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.

iii. Joint venture entities accounted for under the equity method

The Shire has one-tenth joint venture arrangement with regards to the provision of a Regional Records Services. The interest in the joint venture entity is accounted for in these financial statements using the equity method of accounting. For details of interests held in joint venture entities, refer to Note 20.

22. MAJOR LAND TRANSACTIONS

The Shire did not participate in any major land transactions during the 2018/2019 financial year.

23. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

The Shire did not participate in any trading undertakings or major trading undertakings during the 2018/2019 financial year.

SHIRE OF NGAANYATJARRAKU
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24. CONDITIONS OVER GRANT/CONTRIBUTIONS

Grant/Contribution	Opening Balance ⁽¹⁾ 1/07/17 \$	Received ⁽²⁾ 2017/18 \$	Expended ⁽³⁾ 2017/18 \$	Closing Balance ⁽¹⁾ 30/06/18 \$	Received ⁽²⁾ 2018/19 \$	Expended ⁽³⁾ 2018/19 \$	Closing Balance 30/06/19 \$
Health							
Environmental Health Program	0	108,637	(108,637)	0	108,107	(108,107)	0
Education and welfare							
DCD/PGWA	0	493,853	(493,853)	0	281,339	(281,339)	0
LSP FaHCSIA	0	0	0	0	0	0	0
RLCIP Grant - Playgroup Early Years Centre Extens.	166,202	0	(166,202)	0	0	0	0
Community amenities							
FaHCSIA - NJCP	0	7,500	(7,500)	0	7,500	(7,500)	0
Transport							
Grants - Direct	0	84,397	(84,397)	0	141,205	(141,205)	0
Govt Grant - Outback Highway	433,254	1,374,732	(1,807,986)	0	70,663	(70,663)	0
Govt Grant - Special Purpose	0	236,000	(236,000)	0	868,241	(768,428)	99,813
Govt Grant - Special Projects	0	888,749	(888,749)	0	922,000	(765,239)	156,761
Govt Grant - Roads to Recovery	0	23,690	0	23,690	3,531,359	(3,555,049)	0
Total	599,456	3,217,558	(3,793,324)	23,690	5,930,414	(5,697,530)	256,574

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.

SHIRE OF NGAANYATJARRAKU
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FOR THE YEAR ENDED 30TH JUNE 2019

25. 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 \$
General rate												
Unimproved value valuations												
General Rate UV	0.2100	28	842,887	177,006	10,053	3,544	190,603	190,877	0	0	190,877	173,636
Sub-Total		28	842,887	177,006	10,053	3,544	190,603	190,877	0	0	190,877	173,636
Minimum payment	Minimum \$											
Unimproved value valuations												
General Rate UV	245	3	2,280	735	0	0	735	0	0	0	0	720
Sub-Total		3	2,280	735	0	0	735	0	0	0	0	720
		31	845,167	177,741	10,053	3,544	191,338	190,877	0	0	190,877	174,356
Total amount raised from general rate							191,338				190,877	174,356
Ex-gratia rates							64,882				64,882	64,882
Totals							<u>256,220</u>				<u>255,759</u>	<u>239,238</u>

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.

SHIRE OF NGAANYATJARRAKU
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25. RATING INFORMATION (Continued)

(b) Specified Area Rate

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

(c) Service Charges

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

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

The Council did not offer any discounts, incentives, concessions or waivers.

(e) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge	Instalment Plan Interest Rate	Unpaid Rates Interest Rate
		\$	%	%
Option One				
Single full payment	29/10/2018	0	0.00%	11.00%
Option Two				
First Instalment	29/10/2018	0	0.00%	11.00%
Second Instalment	4/03/2019	0	0.00%	11.00%
Option Three				
First Instalment	29/10/2018	0	0.00%	11.00%
Second Instalment	28/12/2018	0	0.00%	11.00%
Third Instalment	1/03/2019	0	0.00%	11.00%
Fourth Instalment	6/05/2019	0	0.00%	11.00%

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Interest on unpaid rates	7,890	0	0
Interest on instalment plan	0	0	0
Charges on instalment plan	0	0	0
	7,890	0	0

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26. RATE SETTING STATEMENT INFORMATION

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

(a) Non-cash amounts excluded from operating activities

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

Adjustments to operating activities

Less: Profit on asset disposals	11(a)	(87,202)	0	(3,490)
Movement in employee benefit provisions (non-current)		6,562	0	(9,549)
Add: Loss on disposal of assets	11(a)	11,946	0	17,814
Add: Loss on assets written-off		260,888	0	0
Add: Depreciation on assets	11(b)	1,420,559	1,366,389	1,449,056
Non cash amounts excluded from operating activities		1,612,753	1,366,389	1,453,831

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

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

Adjustments to net current assets

Less: Reserves - restricted cash	4	(2,043,937)	(1,910,912)	(853,334)
Less: Other financial assets		0	0	(35,034)
Total adjustments to net current assets		(2,043,937)	(1,910,912)	(888,368)

Net current assets used in the Rate Setting Statement

Total current assets		5,353,251	3,350,173	4,741,965
Less: Total current liabilities		(374,252)	(1,439,261)	(789,672)
Less: Total adjustments to net current assets		(2,043,937)	(1,910,912)	(888,368)
Net current assets used in the Rate Setting Statement		2,935,062	0	3,063,925

SHIRE OF NGAANYATJARRAKU
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27. 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 borrowing
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
	%	\$	\$	\$	\$
2019					
Cash and cash equivalents	1.43%	4,936,977	3,493,937	1,440,540	2,500
2018					
Cash and cash equivalents	0.73%	3,169,847	877,024	2,290,323	2,500

SHIRE OF NGAANYATJARRAKU
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27. FINANCIAL RISK MANAGEMENT (Continued)

Sensitivity

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

	2019	2018
	\$	\$
Impact of a 1% ⁽¹⁾ movement in interest rates on cash	49,370	31,698

Notes:

⁽¹⁾ Sensitivity percentages based on management's expectation of future possible market movements.

(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.

SHIRE OF NGAANYATJARRAKU
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27. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (Continued)

	Current	More than 1 year past due	More than 2 year past due	More than 3 year past due	Total
30 June 2019					
Rates receivable					
Expected credit loss	0%	0%	0%	0%	
Gross carrying amount	0	0	0	0	0
Loss allowance	0	0	0	0	0
01 July 2018					
Rates receivable					
Expected credit loss	0%	0%	0%	0%	
Gross carrying amount	37,325	0	0	0	37,325
Loss allowance	0	0	0	0	0

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

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
30 June 2019					
Sundry receivable					
Expected credit loss	0%	0%	0%	0%	
Gross carrying amount	244,103	10,016	0	15,235	269,354
Loss allowance	0	0	0	0	0
01 July 2018					
Sundry receivable					
Expected credit loss	0%	0%	0%	0%	
Gross carrying amount	440,000	0	56,571	545,997	1,042,568
Loss allowance	0	0	0	0	0

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27. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

Payables

Payables are 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.

The contractual undiscounted cash flows of the Shire's Payables are set out in the Liquidity Sensitivity Table below. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$
<u>2019</u>					
Payables	201,390	0	0	201,390	201,390
	<u>201,390</u>	<u>0</u>	<u>0</u>	<u>201,390</u>	<u>201,390</u>
<u>2018</u>					
Payables	453,939	0	0	453,939	453,939
	<u>453,939</u>	<u>0</u>	<u>0</u>	<u>453,939</u>	<u>453,939</u>

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28. TRUST FUNDS

Funds over which the Shire has no control and which are not included in the financial statements are as follows:

	1 July 2018 \$	Amounts Received \$	Amounts Paid (\$)	30 June 2019 \$
Licensing	0	31,580	(31,580)	0
	<u>0</u>			<u>0</u>
	<u>0</u>			<u>0</u>

29. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

The Council is not aware of any matter or circumstance that has arisen since 30 June 2019 that has significantly affected or may significantly affect the operation of the Shire in subsequent financial years,

SHIRE OF NGAANYATJARRAKU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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30. 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:

	<u>Adjustments</u>	<u>01 July 2018</u>
		\$
Assets		
Trade receivables	(a),(b)	<u>0</u>
Total Assets		<u>0</u>
Total adjustments on Equity		
Accumulated surplus/(deficit)	(a),(b)	<u>0</u>
		<u>0</u>

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.

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30. 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	\$	\$	\$	\$
Loans and receivables				
Trade receivables	1,182,089	1,182,089		
	1,182,089	1,182,089	0	0

(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 additional impairment on the Shire's Trade receivables.

SHIRE OF NGAANYATJARRAKU
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31. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS FOR APPLICATION IN FUTURE YEARS

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

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

(a) Revenue from Contracts with Customers

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

		AASB 118 carrying amount		AASB 15 carrying amount
	Note	30 June 2019	Reclassification	01 July 2019
		\$	\$	\$
Contract liabilities - current				
Unspent grants, contributions and reimbursements		0	256,574	256,574
Adjustment to retained surplus from adoption of AASB 15	31(d)	0	(256,574)	(256,574)

(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 did not have any leases which had previously been classified as an operating lease' applying AASB 117. Therefore the net impact on retained earnings on 1 July 2019 will be \$nil.

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31. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS FOR APPLICATION IN FUTURE YEARS (Continued)

(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		AASB 1058
	carrying amount		carrying amount
Note	30 June 2019	Reclassification	01 July 2019
	\$	\$	\$
Trade and other payables	201,390	0	201,390

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.

Volunteer Services in relation to Volunteer Fire Services will not be recognised in revenue and expenditure as the fair value of the services cannot be reliably estimated.

(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			59,546,363
Adjustment to retained surplus from adoption of AASB 15	31(a)	(256,574)	
Adjustment to retained surplus from adoption of AASB 16	31(b)	0	
Adjustment to retained surplus from adoption of AASB 1058	31(c)	0	(256,574)
Retained surplus - 01 July 2019			59,289,789

SHIRE OF NGAANYATJARRAKU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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32. 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 even if not expected to be realised in the next 12 months except for land held for sale where it is held as 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 statement, 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.

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32. OTHER SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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 an asset at its current service capacity.

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.

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

32. OTHER SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Impairment of Assets

In accordance with Australian Accounting Standards the Shire's 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 assets 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 by using fair value at the end of reporting period.

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

33. ACTIVITIES/PROGRAMS

Statement of Objective

In order to discharge its responsibilities to the community, the Shire has developed a set of operational and financial objectives. These objectives have been established both on an overall basis, reflected by the Shire's Community Vision, and for each of its broad activities/programs.

COMMUNITY VISION

The Shire of Ngaanyatjaraku is dedicated to providing high quality services to the community through the various service orientated programs which it has established.

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

PROGRAM NAME	OBJECTIVE	ACTIVITIES
GOVERNANCE	To provide a decision-making process for the efficient allocation of scarce resources.	Includes the activities of members of council and the administrative support available to the council for the provision of governance of the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific council services.
GENERAL PURPOSE FUNDING	To collect revenue to allow for the provision of services.	Rates, general purpose government grants and interest revenue.
LAW, ORDER, PUBLIC SAFETY	To provide services to help ensure a safer and environmentally conscious community.	Supervision and enforcement of various local laws relating to fire prevention and other aspects of public safety including emergency services.
HEALTH	To provide an operational framework for environmental and community health.	Inspection of food outlets and their control, provision of meat inspection services, noise control and a waste pick-up service.
EDUCATION AND WELFARE	To provide services to children and youth.	Maintenance of playgroup centre (early years learning) and operation of youth services.
HOUSING	To provide and maintain staff housing.	Provision and maintenance of staff housing.
COMMUNITY AMENITIES	To provide services required by the community.	Rubbish collection services, litter control, storm water maintenance and protection of the environment.
RECREATION AND CULTURE	To establish and effectively manage infrastructure and resources which will help the social well being of the community.	Maintenance of public halls, civic centre, aquatic centre, recreation centres and various sporting facilities. Provision and maintenance of parks and playgrounds. Operation of other cultural facilities.
TRANSPORT	To provide safe, effective and efficient transport services to the community.	Construction and maintenance of roads, streets, footpaths, depots and traffic control. Cleaning of streets and maintenance of street trees.
ECONOMIC SERVICES	To help promote the shire and it's economic wellbeing.	Tourism and area promotion, provision of rural services including weed and vermin control.
OTHER PROPERTY AND SERVICES	To monitor and control council's overheads operating accounts.	Private works operation, plant repair and operation costs and administrative costs.

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

34. FINANCIAL RATIOS

	2019	2018	2017
Current ratio	15.16	4.89	5.65
Asset sustainability ratio	2.39	1.60	1.07
Debt service cover ratio (Note 1)	N/A	N/A	N/A
Operating surplus ratio	(0.58)	0.97	0.81
Own source revenue coverage ratio	0.12	0.10	0.09
Asset consumption ratio	0.84	0.85	0.84
Asset renewal funding ratio	1.57	N/A	N/A

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 sustainability ratio	$\frac{\text{capital renewal and replacement expenditure}}{\text{Depreciation expenses}}$
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	$\frac{\text{own source operating revenue}}{\text{operating expenses}}$
Asset consumption ratio	$\frac{\text{depreciated replacement costs of assets}}{\text{current replacement cost of depreciable assets}}$
Asset renewal funding ratio	$\frac{\text{NPV of planning capital renewal over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$

Note 1:

The Shire does not have any borrowings, therefore this ratio is not calculated.

INDEPENDENT AUDITOR'S REPORT TO THE COUNCILLORS OF THE SHIRE OF NGAANYATJARRAKU

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REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the accompanying financial report of the Shire of Ngaanyatjarraku (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 Ngaanyatjarraku:

- 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 NGAANYATJARRAKU (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 NGAANYATJARRAKU (CONTINUED)**

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

- a) In our opinion, there is a significant adverse trend in the financial position of the Shire as the Own Source Revenue Coverage Ratio has been below the DLGSCI standard for the past 3 years.
- b) All required information and explanations were obtained by us.
- c) All audit procedures were satisfactorily completed in conducting our audit.
- d) 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 Ngaanyatjarraku 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



DAVID TOMASI
PARTNER

Date: 12 December 2019
Perth, WA

Council Resolutions – Status

Note: report commenced 14 June 2018 and only resolutions not actioned are reported on.

Meeting Date	Meeting Type	Report Number	Report Title	
28 August 2019	OCM	14.1	ROAD NAME CHANGE PROCESS	
Resolution			Status Update	% Complete
<p>That Council:</p> <ol style="list-style-type: none"> 1. Receives this Road Name Change Process Report regarding the steps the Shire of Ngaanyatjaraku must follow to be compliant with Landgate's Policy and Standards for Geographic Naming in Western Australia 2017; and 2. Recommends that Shire Officers start the process to consider changing the name of the following roads: <ul style="list-style-type: none"> • Giles Mulga Park Road • Wanarn Jameson Road • Warburton Blackstone Road 3. Shire Officers report back quarterly to Council on progress of item 2 above. 			<ol style="list-style-type: none"> 1. Initial comment sought from MRWA on proposed new road names. 2. Informal advice from NCAC sought. 	20%

Meeting Date	Meeting Type	Report Number	Report Title	
27 November 2019	OCM	10.3	PROVISION OF EARLY YEARS SERVICE BY PLAY GROUP WA	
Resolution			Status Update	% Complete
<p>That Council notes this report and authorises the following leases / disposal of equipment to Play Group WA:</p> <ol style="list-style-type: none"> 1. Lease of Early Years Building, 20 January 2020 to 20 December 2020 @ \$2,000 / week plus GST; 2. Lease of Staff House, 20 December 2019 to 20 December 2020 @ \$566.50 / week plus GST, in accordance with the Shire's adopted Fees and Charges 2019/20; and Utilities / maintenance / Gardening, \$120 /week plus GST; 			<ol style="list-style-type: none"> 1. Lease sent, awaiting return. 2. Lease sent, awaiting return. 3. Awaiting response from PGWA. 	70%

3. Sale of 2013 Nissan Navara Ute, 1EH1533, \$10,000 plus GST, which is above the Shire's written down book value of the vehicle.		
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Payment listing November (19/20)				
Chq/EFT	Date	Name	Description	Amount
EFT2724	08/11/2019	Jason Signmakers	Signs for Jameson Road	856.02
EFT2725	08/11/2019	IRRUNYTJU STORE	Fuel for EHO Landcruiser KBC591L	234.46
EFT2726	08/11/2019	NATS	DTA 2400mm tile straight edge for road condition work	100.52
EFT2727	08/11/2019	NGAANYATJARRA SERVICES (ABORIGINAL CORPORATION)	Service and suspension replacement 1EPU755	2,447.50
EFT2728	08/11/2019	WARAKURNA ROADHOUSE	Diesel for shire rubbish truck	50.00
EFT2729	08/11/2019	WARBURTON COMMUNITY INC	Purchase of artefacts for resale in Warta Shop.	550.00
EFT2730	08/11/2019	WARBURTON ROADHOUSE	Warburton Roadhouse invoices October 2019	6,322.04
EFT2731	08/11/2019	MILLY (WARBURTON) STORE	Mily Store invoices for October 2019	1,337.70
EFT2732	08/11/2019	BLACKSTONE ENTERPRISES (STORE)	Diesel for Works Supervisor Landcruiser 1EPI385	272.64
EFT2733	08/11/2019	MCLEODS	Legal fees - Review of proposed ILUA	649.85
EFT2734	08/11/2019	AUSTRALIA POST	Postage fee for October 2019	39.65
EFT2735	08/11/2019	KEY FACTORS PTY LTD (BREAKAWAY)	Hire of plant and equipment for road construction on the Mulga Park Road	108,186.10
EFT2736	08/11/2019	DESERT INN HOTEL	Accommodation and meal for Works Engineer	248.00
EFT2737	08/11/2019	STAPLES AUSTRALIA (WINC)	Back order from Shire office stationary order October 2019	25.30
EFT2738	08/11/2019	PERFECT COMPUTER SOLUTIONS PTY LTD	2 Lenovo Notebook computers for Shire admin	3,027.50
EFT2739	08/11/2019	NGAANYATJARRA COUNCIL REGIONAL HOUSING PROGRAM - Repairs & Maintenance	Repair wall at CRC between units 9 and 10	2,947.60
EFT2740	08/11/2019	NGAANYATJARRA CONSTRUCTION & MANAGEMENT SERVICES	Installation of Softball Field shade structure	28,600.00
EFT2741	08/11/2019	NATIONAL SAFETY SOLUTIONS P/L	PPE for municipal staff	1,069.20
EFT2742	08/11/2019	MOORE STEPHENS (WA) Pty Ltd	Compilation of statement of financial activity for September 2019	2,612.50
EFT2743	08/11/2019	LAVERTON SUPPLIES MOTORS	Diesel for EHO Landcruiser KBC591L	242.58
EFT2761	25/11/2019	Papas Waste Machinery International	Supply one 44 Gallon drum bin lifter kit plus freight to Alice Springs	6,248.00
EFT2762	27/11/2019	DAMIAN MCLEAN	Ordinary Council meeting fees for Shire Council meeting held 27 November 2019	400.00
EFT2763	27/11/2019	Julie Porter	Ordinary Council meeting fees for Shire Council meeting held 27 November 2019	200.00
EFT2764	27/11/2019	LALLA WEST	Ordinary Council meeting fees for Shire Council meeting held 27 November 2019	200.00
EFT2765	27/11/2019	JOYLENE FRAZER	Ordinary Council meeting fees for Shire Council meeting held 27 November 2019	200.00
EFT2766	27/11/2019	ANDREW JONES	Ordinary Council meeting fees for Shire Council meeting held 27 November 2019	200.00
EFT2767	29/11/2019	Andre Peter Frederick Kerp	Taxi fares for W/E Peter Kerp	408.88

EFT2768	29/11/2019	NATS	Steel supplies to cage offices 1 - 8 at the CRC	2,973.52
EFT2769	29/11/2019	NGAANYATJARRA SERVICES (ABORIGINAL CORPORATION)	Diagnose and repair if possible - leaf blowers	165.00
EFT2770	29/11/2019	BLACKSTONE ENTERPRISES (STORE)	Supplies for the Early Years program at Blackstone	38.60
EFT2771	29/11/2019	KEY FACTORS PTY LTD (BREAKAWAY)	Hire of plant and equipment for road construction on the Mulga Park Road,	116,072.00
EFT2772	29/11/2019	DEPT FOR PLANNING & INFRASTRUCTURE (DPI)	DoT Agency transactions 135832 - 135837	1,496.95
EFT2773	29/11/2019	PERFECT COMPUTER SOLUTIONS PTY LTD	IT support for November 2019	127.50
EFT2774	29/11/2019	IBIS STYLES HOTEL KALGOORLIE	Accommodation for Environmental Health Officer	149.00
EFT2775	29/11/2019	Mrs A L SHINKFIELD	Supplies for Early Years program	114.76
DD1335.1	01/11/2019	TELSTRA CORPORATION LTD	Telstra account for October 2019	850.50
DD1339.1	01/11/2019	PIVOTEL SATELLITE PTY LTD	Sat phone charges	180.00
DD1343.1	01/11/2019	WESTPAC BANK	Transaction fee for October 2019	37.00
DD1345.1	04/11/2019	COMMONWEALTH BANK OF AUSTRALIA	Merchant fees for CBA eftpos facility October 2019	71.91
DD1346.1	04/11/2019	FAC Westpac Credit Card	FAC visa payment October 2019	1,708.77
DD1346.2	04/11/2019	CEO Westpac Credit Card	CEO visa payment for October 2019	1,474.89
PAY	13/11/2019	Payroll Direct Debit Of Net Pays	Payroll Direct Debit Of Net Pays	46,227.72
DD1350.1	13/11/2019	WA SUPER	Payroll deductions	3,633.46
DD1350.2	13/11/2019	HOST PLUS	Superannuation contributions	4.10
DD1350.3	13/11/2019	VISION SUPER	Superannuation contributions	801.48
DD1350.4	13/11/2019	HESTA	Superannuation contributions	231.24
DD1350.5	13/11/2019	AUSTRALIAN SUPER	Superannuation contributions	142.86
DD1350.6	13/11/2019	BT SUPER	Superannuation contributions	31.98
DD1350.7	13/11/2019	Ther Trustee For Care Super	Superannuation contributions	186.05
PAY	27/11/2019	Payroll Direct Debit Of Net Pays	Payroll Direct Debit Of Net Pays	41,597.61
DD1363.1	27/11/2019	WA SUPER	Payroll deductions	4,227.05
DD1363.2	27/11/2019	HOST PLUS	Superannuation contributions	194.30
DD1363.3	27/11/2019	VISION SUPER	Superannuation contributions	801.48
DD1363.4	27/11/2019	HESTA	Superannuation contributions	231.24
DD1363.5	27/11/2019	AUSTRALIAN SUPER	Superannuation contributions	135.18
DD1363.6	27/11/2019	BT SUPER	Superannuation contributions	106.61
DD1363.7	27/11/2019	Ther Trustee For Care Super	Superannuation contributions	186.05
DD1373.3	12/11/2019	DCEO Westpac credit card	Card fee	10.00
DD1375.3	30/11/2019	NGAANYATJARRA COUNCIL REGIONAL HOUSING PROGRAM - Repairs & Maintenance	Electrical works completed at the Shire office in Warburton (part payment no.1)	27,500.00
			Total	419,384.85



Account list

9 December 2019 14:47 AEDT

Office: SHIRE OF NGAANYATJARRAKU

Group: All accounts

Group details as at: 6 December 2019

Account description	Account number	CCY	Closing balance	Current balance	Available balance
			at 6 December 2019	at 9 December 2019	at 9 December 2019
Business One Flexi	036016 831911	AUD	932,241.51+	932,770.06+	932,770.06+
Business One Low	036016 831946	AUD	0.00	0.00	0.00
WESTPAC NOTICE SAVER 31 D	036125 520231	AUD	2,059,784.91+	2,059,784.91+	0.00
WESTPAC NOTICE SAVER 90 D	036125 521074	AUD	1,556,554.19+	1,556,554.19+	0.00

*** END OF LIST ***

Westpac Banking Corporation, ABN 33 007 457 141.

SHIRE OF NGAANYATJARRAKU

MONTHLY FINANCIAL REPORT
(Containing the Statement of Financial Activity)
For the period ending 30 November 2019

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

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PREPARATION TIMING AND REVIEW

Date prepared: All known transactions up to 11 December 2019

BASIS OF PREPARATION

REPORT PURPOSE

This report is prepared to meet the requirements of *Local Government (Financial Management) Regulations 1996 , Regulation 34* . Note: The statements and accompanying notes are prepared based on all transactions recorded at the time of preparation and may vary due to transactions being processed for the reporting period after the date of preparation.

BASIS OF ACCOUNTING

This statement comprises a special purpose financial report which has been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities and to the extent they are not in-consistent with the *Local Government Act 1995* and accompanying regulations), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the *Local Government Act 1995* and accompanying regulations. 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.

THE LOCAL GOVERNMENT REPORTING ENTITY

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

SIGNIFICANT ACCOUNTING POLICES

GOODS AND SERVICES TAX

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.

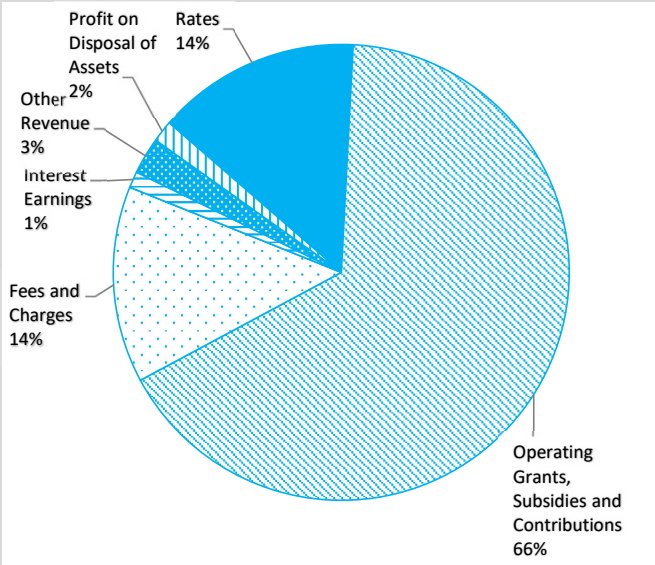
CRITICAL ACCOUNTING ESTIMATES

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.

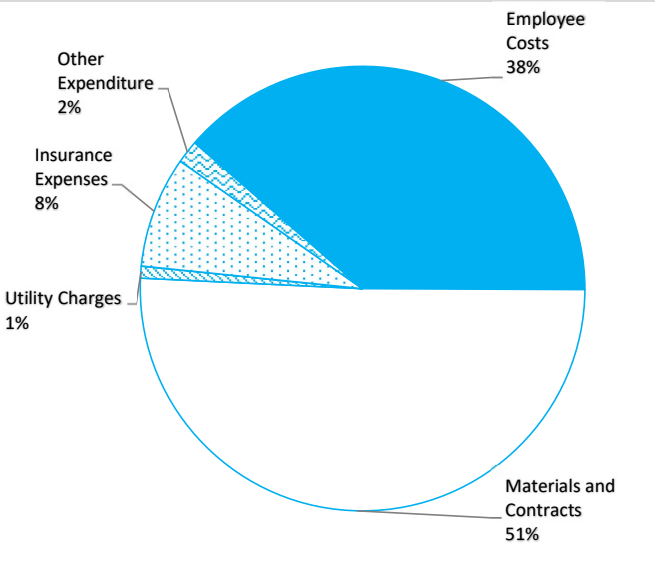
ROUNDING OFF FIGURES

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

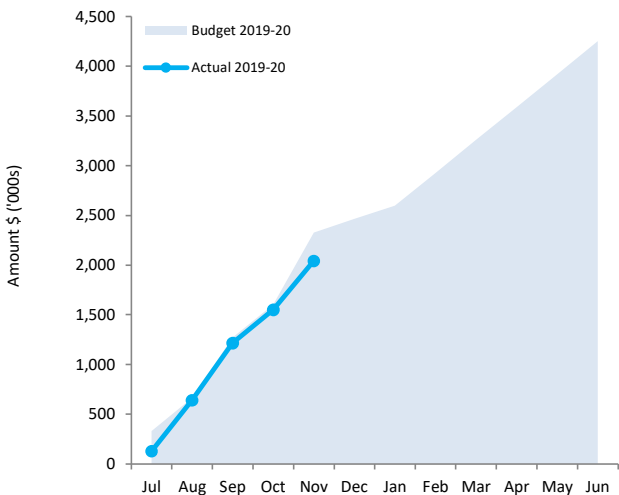
OPERATING REVENUE



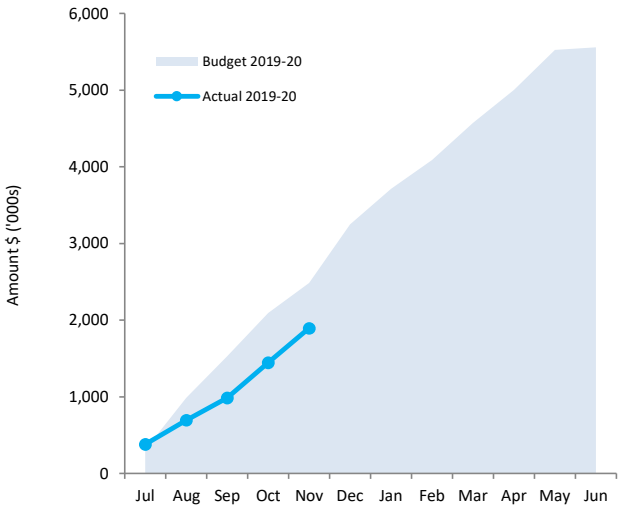
OPERATING EXPENSES



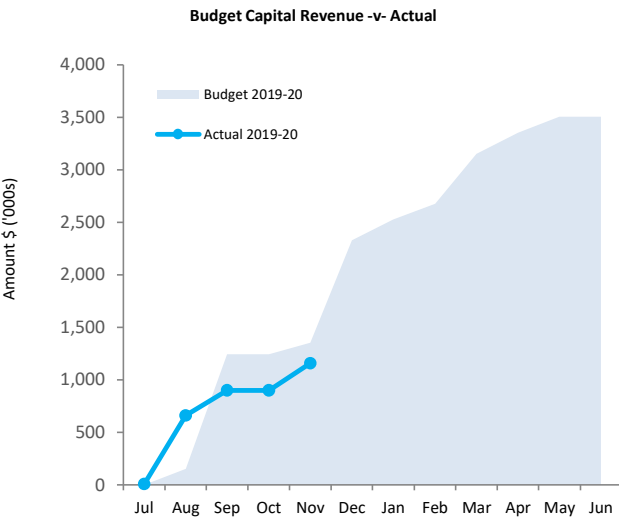
Budget Operating Revenues -v- Actual



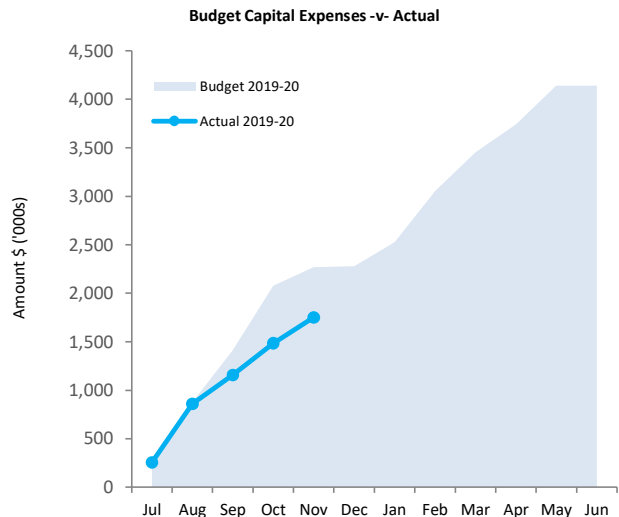
Budget Operating Expenses -v- YTD Actual



CAPITAL REVENUE



CAPITAL EXPENSES



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

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

GOVERNANCE	ACTIVITIES
To provide a decision making process for the efficient allocation of scarce resources.	Includes the activities of members of council and the administrative support available to the council for the provision of governance of the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific council services.
GENERAL PURPOSE FUNDING	
To collect revenue to allow for the provision of services.	Rates, general purpose government grants and interest revenue.
LAW, ORDER, PUBLIC SAFETY	
To provide services to help ensure safer and environmentally conscious community.	Supervision and enforcement of various laws relating to aspects of public safety including emergency services.
HEALTH	
To provide an operational framework for environmental and community health.	Inspection of food outlets and their control, provision of meat inspection services, noise control and a waste pick-up service Warburton, Warakurna and Wanarn.
EDUCATION AND WELFARE	
To provide services to children and youth.	Maintenance of playgroup centres (early years learning) Warburton, Blackstone, Jameson.
HOUSING	
To provide and maintain staff housing.	Provision and maintenance of staff housing.
COMMUNITY AMENITIES	
To provide services required by the community.	Rubbish collection services, litter control, Warburton, Warakurna and Wanarn.
RECREATION AND CULTURE	
To establish and effectively manage infrastructure and resources which will help the social well-being of the community.	Maintenance of public halls, civic centres, Warburton recreation centre and operation of recreation services in Warburton. Provision and maintenance of parks and playgrounds. Operation of other cultural facilities.
TRANSPORT	
To provide safe, effective and efficient transport services to the community.	Construction and maintenance of roads, streets, footpaths, depot and traffic control. Cleaning of streets and maintenance of street trees.
ECONOMIC SERVICES	
To help promote the shire and its economic well-being.	Tourism and area promotion and building control.
OTHER PROPERTY AND SERVICES	
To monitor and control council's overheads operating accounts.	Private works operation, plant repairs, operation costs and administrative costs.

**STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 30 NOVEMBER 2019**

STATUTORY REPORTING PROGRAMS

	Ref Note	Adopted Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)	Var. % (b)-(a)/(a)	Var.
		\$	\$	\$	\$	%	
Opening funding surplus / (deficit)	1(c)	2,593,533	2,593,533	3,107,924	514,391	19.83%	
Revenue from operating activities							
Governance		27,500	26,042	22,301	(3,741)	(14.37%)	
General purpose funding - general rates	6	277,174	277,174	294,944	17,770	6.41%	
General purpose funding - other		1,678,059	834,862	787,476	(47,386)	(5.68%)	
Law, order and public safety		416	416	416	0	0.00%	
Health		400	400	200	(200)	(50.00%)	
Education and welfare		155,000	129,250	65,930	(63,320)	(48.99%)	▼
Housing		135,000	56,250	64,392	8,142	14.47%	
Community amenities		105,736	44,640	106,870	62,230	139.40%	▲
Recreation and culture		280,000	140,000	142,639	2,639	1.89%	
Transport		1,558,401	813,794	556,508	(257,286)	(31.62%)	▼
Economic services		34,000	4,000	710	(3,290)	(82.25%)	
		4,251,686	2,326,828	2,042,386	(284,442)		▼
Expenditure from operating activities							
Governance		(204,255)	(216,166)	(136,112)	80,054	37.03%	▲
General purpose funding		0	0	(187)	(187)	0.00%	
Law, order and public safety		(7,547)	(3,561)	(2,673)	888	24.94%	
Health		(365,805)	(153,844)	(167,093)	(13,249)	(8.61%)	
Education and welfare		(439,302)	(269,594)	(165,067)	104,527	38.77%	▲
Housing		(420,585)	(182,408)	(104,193)	78,215	42.88%	▲
Community amenities		(879,116)	(372,764)	(262,696)	110,068	29.53%	▲
Recreation and culture		(839,685)	(324,823)	(244,342)	80,481	24.78%	▲
Transport		(2,717,655)	(905,794)	(825,084)	80,710	8.91%	
Economic services		(163,098)	(41,107)	(33,700)	7,407	18.02%	
Other property and services		0	(15,614)	46,924	62,538	400.53%	▲
		(6,037,048)	(2,485,675)	(1,894,223)	591,452		▲
Non-cash amounts excluded from operating activities	1(a)	971,450	380,504	(31,518)	(412,022)	(108.28%)	▼
Amount attributable to operating activities		(813,912)	221,657	116,645	(105,012)		▼
Investing Activities							
Proceeds from non-operating grants, subsidies and contributions	12	3,368,563	1,326,119	1,125,926	(200,193)	(15.10%)	▼
Proceeds from disposal of assets	7	52,100	25,600	31,518	5,918	23.12%	
Purchase of property, plant and equipment	8	(4,139,943)	(2,267,336)	(1,748,900)	518,436	22.87%	▲
Amount attributable to investing activities		(719,280)	(915,617)	(591,456)	324,161		▲
Financing Activities							
Transfer to reserves	9	(1,060,341)	(13,585)	(13,585)	0	0.00%	
Amount attributable to financing activities		(1,060,341)	(13,585)	(13,585)	0		
Closing funding surplus / (deficit)	1(c)	0	1,885,988	2,619,528			

KEY INFORMATION

▲ ▼ Indicates a variance between Year to Date (YTD) Actual and YTD Actual data as per the adopted materiality threshold. Refer to threshold. Refer to Note 13 for an explanation of the reasons for the variance.

The material variance adopted by Council for the 2019-20 year is \$20,000 or 10.00% whichever is the greater.

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

KEY TERMS AND DESCRIPTIONS
FOR THE PERIOD ENDED 30 NOVEMBER 2019

NATURE OR TYPE DESCRIPTIONS

REVENUE

RATES

All rates levied under the *Local Government Act 1995*. Includes general, differential, specific area rates, minimum rates, interim rates, back rates, ex-gratia rates, less discounts offered. Exclude administration fees, interest on instalments, interest on arrears and service charges.

OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

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

NON-OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

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

GRANT REVENUE

Revenue from contracts with customers is recognised when the local government satisfies its performance obligations under the contract.

Assets that were acquired for consideration that was 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 signification less than fair value. Such assets are not required to be remeasured at fair value.

Volunteer Services in relation have not been recognised in revenue and expenditure as the fair value of the services cannot be reliably estimated and the services would not have been purchased if they had not been donated.

FEES AND CHARGES

Revenues (other than service charges) from the use of facilities and charges made for local government services, sewerage rates, rentals, hire charges, fee for service, photocopying charges, licences, sale of goods or information, fines, penalties and administration fees. Local governments may wish to disclose more detail such as rubbish collection fees, rental of property, fines and penalties, other fees and charges.

SERVICE CHARGES

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

EXPENSES

INTEREST EARNINGS

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

OTHER REVENUE / INCOME

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

PROFIT ON ASSET DISPOSAL

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

EMPLOYEE COSTS

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

MATERIALS AND CONTRACTS

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

UTILITIES (GAS, ELECTRICITY, WATER, ETC.)

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

INSURANCE

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

LOSS ON ASSET DISPOSAL

Loss on the disposal of fixed assets.

DEPRECIATION ON NON-CURRENT ASSETS

Depreciation expense raised on all classes of assets.

INTEREST EXPENSES

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

OTHER EXPENDITURE

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

STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 30 NOVEMBER 2019

BY NATURE OR TYPE

	Ref Note	Adopted Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)	Var. % (b)-(a)/(a)	Var.
		\$	\$	\$	\$	%	
Opening funding surplus / (deficit)	1(c)	2,593,533	2,593,533	3,107,924	514,391	19.83%	▲
Revenue from operating activities							
Rates	6	277,174	277,174	294,944	17,770	6.41%	
Operating grants, subsidies and contributions	11	3,373,461	1,757,615	1,354,722	(402,893)	(22.92%)	▼
Fees and charges		485,136	225,290	284,797	59,507	26.41%	▲
Interest earnings		50,000	20,833	23,423	2,590	12.43%	
Other revenue		65,915	45,916	52,982	7,066	15.39%	
Profit on disposal of assets	7	0	0	31,518	31,518	0.00%	▲
		4,251,686	2,326,828	2,042,386	(284,442)		▼
Expenditure from operating activities							
Employee costs		(1,999,022)	(911,176)	(732,568)	178,608	19.60%	▲
Materials and contracts		(2,723,545)	(936,495)	(960,175)	(23,680)	(2.53%)	
Utility charges		(103,560)	(45,996)	(16,528)	29,468	64.07%	▲
Depreciation on non-current assets		(905,050)	(377,104)	0	377,104	100.00%	▲
Interest expenses		(1,500)	(625)	0	625	100.00%	
Insurance expenses		(148,993)	(148,993)	(153,118)	(4,125)	(2.77%)	
Other expenditure		(88,978)	(61,886)	(31,834)	30,052	48.56%	▲
Loss on disposal of assets	7	(66,400)	(3,400)	0	3,400	100.00%	
		(6,037,048)	(2,485,675)	(1,894,223)	591,452		▲
Non-cash amounts excluded from operating activities	1(a)	971,450	380,504	(31,518)	(412,022)	(108.28%)	▼
Amount attributable to operating activities		(813,912)	221,657	116,645	(105,012)		▼
Investing activities							
Proceeds from non-operating grants, subsidies and contributions	12	3,368,563	1,326,119	1,125,926	(200,193)	(15.10%)	▼
Proceeds from disposal of assets	7	52,100	25,600	31,518	5,918	23.12%	
Payments for property, plant and equipment	8	(4,139,943)	(2,267,336)	(1,748,900)	518,436	(22.87%)	▲
Amount attributable to investing activities		(719,280)	(915,617)	(591,456)	324,161		▲
Financing Activities							
Transfer to reserves	9	(1,060,341)	(13,585)	(13,585)	0	0.00%	
Amount attributable to financing activities		(1,060,341)	(13,585)	(13,585)	0		
Closing funding surplus / (deficit)	1(c)	0	1,885,988	2,619,528			

KEY INFORMATION

▲ ▼ Indicates a variance between Year to Date (YTD) Actual and YTD Actual data as per the adopted materiality threshold.

Refer to Note 13 for an explanation of the reasons for the variance.

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

(a) Non-cash items excluded from operating activities

The following non-cash revenue and expenditure has been excluded from operating activities within the Statement of Financial Activity in accordance with Financial Management Regulation 32.

	Notes	Adopted Budget	YTD Budget (a)	YTD Actual (b)
Non-cash items excluded from operating activities		\$	\$	\$
Adjustments to operating activities				
Less: Profit on asset disposals	7	0	0	(31,518)
Add: Loss on asset disposals	7	66,400	3,400	0
Add: Depreciation on assets		905,050	377,104	0
Total non-cash items excluded from operating activities		971,450	380,504	(31,518)

(b) Adjustments to net current assets in the Statement of Financial Activity

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

		Last Year Closing 30 June 2019	This Time Last Year 30 November 2018	Year to Date 30 November 2019
Adjustments to net current assets				
Less: Reserves - restricted cash	9	(2,043,937)	(540,446)	(2,057,522)
Add: Provisions - employee	10	172,862	0	172,862
Total adjustments to net current assets		(1,871,075)	(540,446)	(1,884,660)

(c) Net current assets used in the Statement of Financial Activity

Current assets				
Cash and cash equivalents	2	4,937,932	4,175,060	4,798,630
Rates receivables	3	2	190,269	61,837
Receivables	3	317,514	391,729	185,948
Other current assets	4	71,223	72,199	71,223
Less: Current liabilities				
Payables	5	(174,810)	(241,371)	(71,578)
Contract liabilities	10	0	0	(369,010)
Provisions	10	(172,862)	(257,823)	(172,862)
Less: Total adjustments to net current assets	1(b)	(1,871,075)	(540,446)	(1,884,660)
Closing funding surplus / (deficit)		3,107,924	3,789,617	2,619,528

CURRENT AND NON-CURRENT CLASSIFICATION

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. Unless otherwise stated assets or liabilities are classified as current if expected to be settled within the next 12 months, being the Council's operational cycle.

Description	Classification	Unrestricted \$	Restricted \$	Total Cash \$	Trust \$	Institution	Interest Rate	Maturity Date
Cash on hand								
Cash Advance	Cash and cash equivalents	2,500	0	2,500	0	N/A	N/A	N/A
Cash at Bank - Municipal	Cash and cash equivalents	2,487,790	0	2,487,790	0	NAB	Variable	Nil
Term Deposit 1304	Cash and cash equivalents	250,818	0	250,818	0	CBA	1.60%	Dec-19
Term Deposit 2943	Cash and cash equivalents	0	500,968	500,968	0	Westpac	1.81%	Dec-19
Cash at Bank - Reserve 0231	Cash and cash equivalents	0	1,556,554	1,556,554	0	Westpac	Variable	Nil
Total		2,741,108	2,057,522	4,798,630	0			
Comprising								
Cash and cash equivalents		2,741,108	2,057,522	4,798,630	0			
		2,741,108	2,057,522	4,798,630	0			

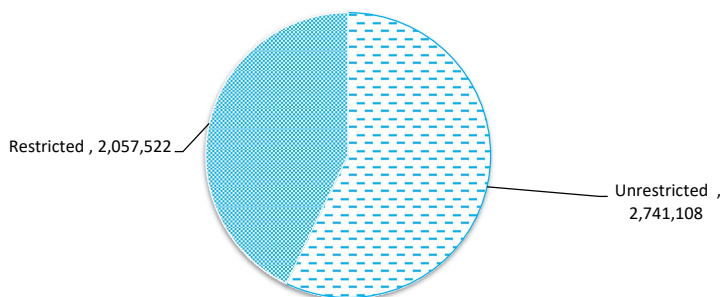
KEY INFORMATION

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

The local government 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 amortised cost held with registered financial institutions are listed in this note other financial assets at amortised cost are provided in Note 4 - Other assets.



Total Cash	Unrestricted
\$4.8 M	\$2.74 M

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 30 NOVEMBER 2019

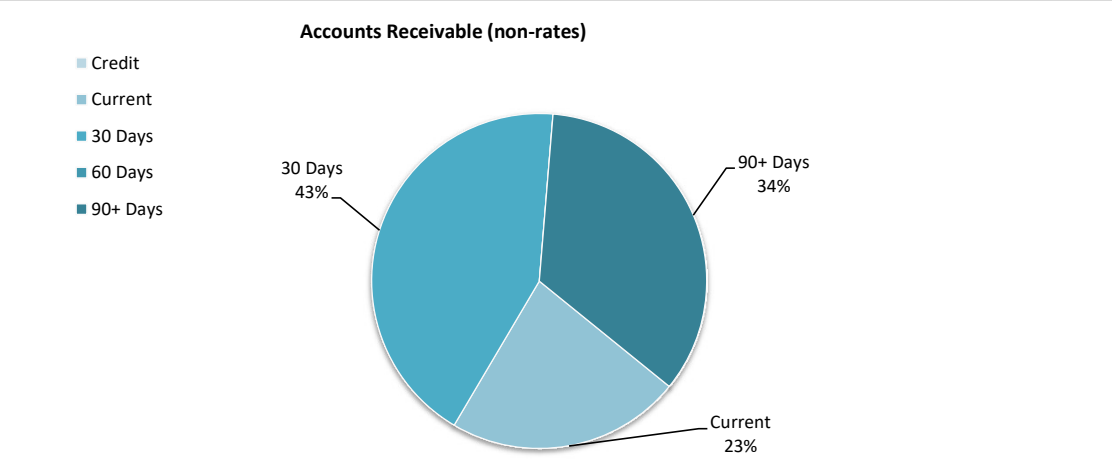
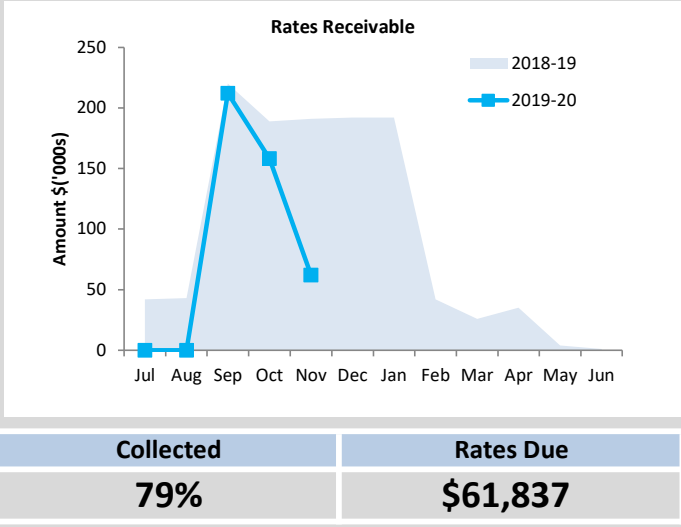
OPERATING ACTIVITIES
NOTE 3
RECEIVABLES

Rates receivable	30 Jun 2019	30 Nov 19
	\$	\$
Opening arrears previous years	41,494	2
Levied this year	264,110	294,944
Less - collections to date	(305,602)	(233,109)
Equals current outstanding	2	61,837
Net rates collectable	2	61,837
% Collected	100%	79%

Receivables - general	Credit	Current	30 Days	60 Days	90+ Days	Total
	\$	\$	\$	\$	\$	\$
Receivables - general	0	42,139	79,597	0	64,212	185,948
Percentage	0.0%	22.7%	42.8%	0%	34.5%	
Balance per trial balance						
Sundry receivable						185,948
Total receivables general outstanding						185,948
Amounts shown above include GST (where applicable)						

KEY INFORMATION

Trade and other receivables include amounts due from ratepayers for unpaid rates and service charges and other amounts due from third parties for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets. Collectability of trade and other receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that they will not be collectible.



Debtors Due
\$185,948
Over 30 Days
77%
Over 90 Days
34.5%

	Opening Balance 1 July 2019	Asset Increase	Asset Reduction	Closing Balance 30 November 2019
Other current assets	\$	\$	\$	\$
Inventory				
Fuel, oil and materials on hand	71,223	0	0	71,223
Total other current assets	71,223			71,223
Amounts shown above include GST (where applicable)				

KEY INFORMATION

Inventory

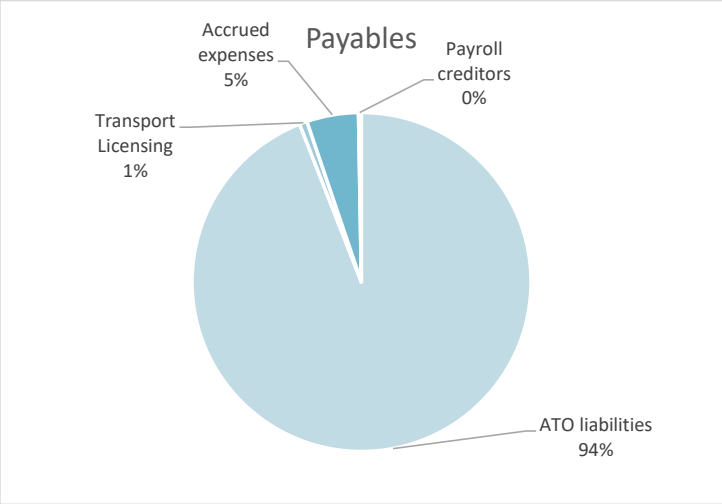
Inventories are measured at the lower of cost and net realisable value.

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.

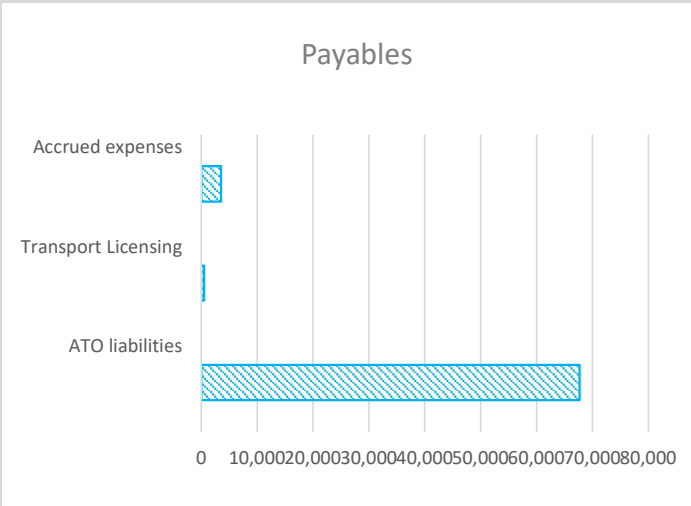
Payables - general	Credit	Current	30 Days	60 Days	90+ Days	Total
	\$	\$	\$	\$	\$	\$
Payables - general	0	0	0	0	0	0
Percentage	0%	0%	0%	0%	0%	
Balance per trial balance						
ATO liabilities						67,723
Transport Licensing						531
Accrued expenses						3,534
Payroll creditors						(210)
Total payables general outstanding						71,578
Amounts shown above include GST (where applicable)						

KEY INFORMATION

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



Creditors Due
\$71,578
Over 30 Days
0%
Over 90 Days
0%



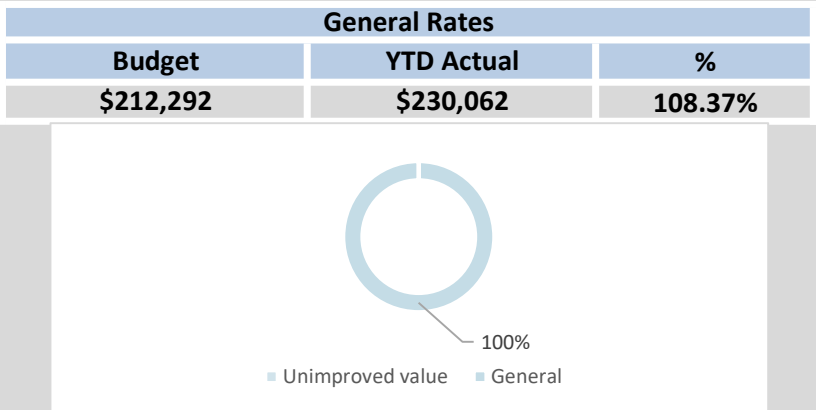
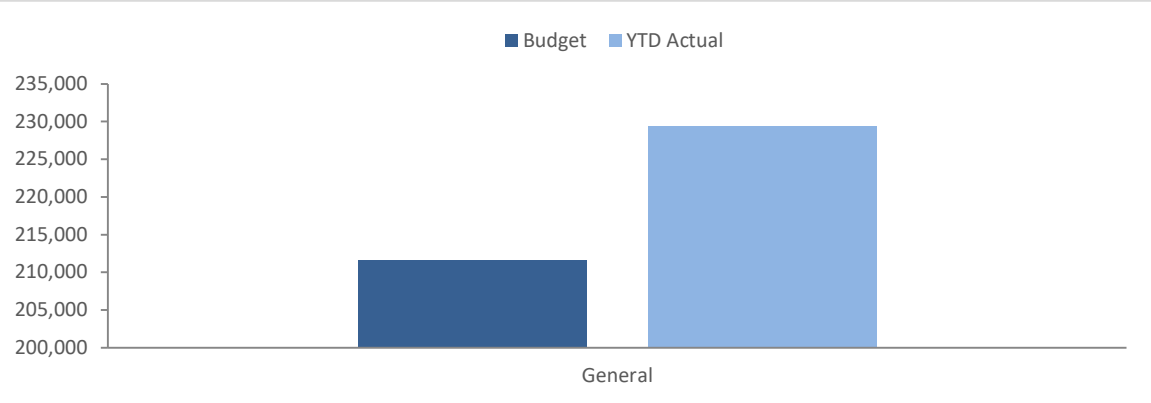
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 30 NOVEMBER 2019

OPERATING ACTIVITIES
NOTE 6
RATE REVENUE

General rate revenue				Budget				YTD Actual			
	Rate in \$ (cents)	Number of Properties	Rateable Value	Rate Revenue	Interim Rate	Back Rate	Total Revenue	Rate Revenue	Interim Rates	Back Rates	Total Revenue
RATE TYPE				\$	\$	\$	\$	\$	\$	\$	\$
Unimproved value											
General	0.210000	43	1,007,412	211,557	0	0	211,557	211,557	17,770	0	229,327
Sub-Total		43	1,007,412	211,557	0	0	211,557	211,557	17,770	0	229,327
Minimum payment	Minimum \$										
Unimproved value											
General	245	3	2,384	735	0	0	735	735	0	0	735
Sub-total		3	2,384	735	0	0	735	735	0	0	735
Amount from general rates							212,292				230,062
Ex-gratia rates							64,882				64,882
Total general rates							277,174				294,944

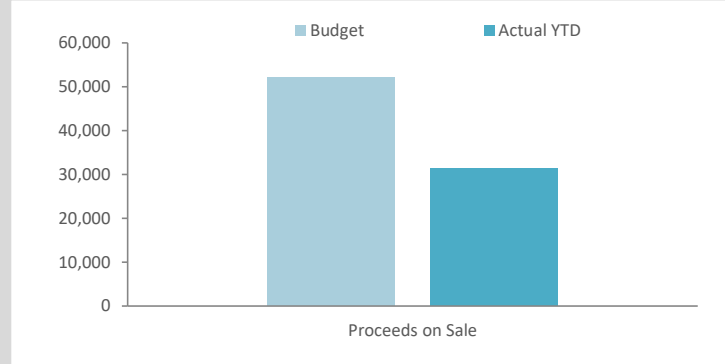
KEY INFORMATION

Prepaid rates are, until the taxable event for the rates has occurred, refundable at the request of the ratepayer. Rates received in advance give rise to a financial liability. On 1 July 2019 the prepaid rates were recognised as a financial asset and a related amount was recognised as a financial liability and no income was recognised. When the taxable event occurs the financial liability is extinguished and income recognised for the prepaid rates that have not been refunded.



Asset Ref.	Asset description	Budget				YTD Actual			
		Net Book		Proceeds	Profit (Loss)	Net Book		Profit (Loss)	
		Value	Value			Value	Value		
		\$	\$	\$	\$	\$	\$	\$	\$
Plant and equipment									
Transport									
1BGA152	MITSUBISHI TRITON UTE	500	500	0	0	0	0	0	0
1EBO496	2013 Toyota Prado GX wagon	18,000	17,000	0	(1,000)	0	22,954	22,954	0
1EKC611	2014 Toyota Landcruiser 200	29,000	26,000	0	(3,000)	0	0	0	0
1EHI532	2014 Nissan Navara D22 ST-R	9,000	6,600	0	(2,400)	0	6,314	6,314	0
1BDI822	Mitsubishi Canter Truck	2,000	2,000	0	0	0	2,250	2,250	0
1DHR911	2009 Isuzu NPR300	15,000	0	0	(15,000)	0	0	0	0
1DIK691	2010 Isuzu NPR300	15,000	0	0	(15,000)	0	0	0	0
1ELK198	2013 Isuzu NPR300	30,000	0	0	(30,000)	0	0	0	0
		118,500	52,100	0	(66,400)	0	31,518	31,518	0

KEY INFORMATION



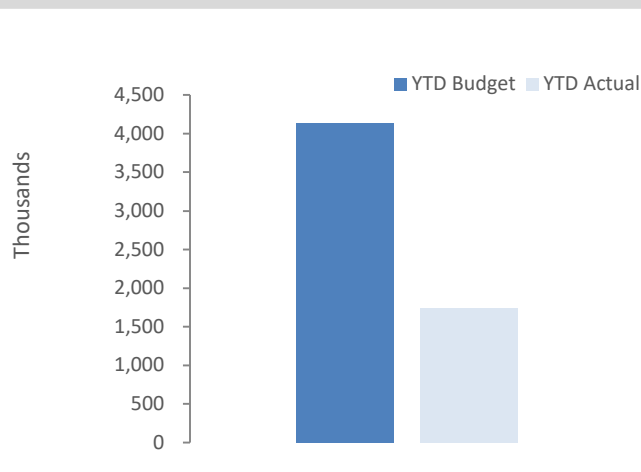
Proceeds on sale		
Annual Budget	YTD Actual	%
\$52,100	\$31,518	60%

Capital acquisitions	Adopted		YTD Actual	YTD Actual Variance
	Budget	YTD Budget		
	\$	\$	\$	\$
Land & Buildings	47,000	32,000	6,841	(25,159)
Plant & Equipment	127,000	127,000	34,049	(92,951)
Infrastructure - Roads	3,905,943	2,083,336	1,681,363	(401,973)
Infrastructure - Recreation	25,000	25,000	26,056	1,056
Infrastructure - Other	35,000	0	591	591
Capital Expenditure Totals	4,139,943	2,267,336	1,748,900	(518,436)
Capital Acquisitions Funded By:				
	\$	\$	\$	\$
Capital grants and contributions	3,368,563	1,326,119	1,125,926	(200,193)
Other (disposals & C/Fwd)	52,100	25,600	31,518	5,918
Contribution - operations	719,280	915,617	591,456	(324,161)
Capital funding total	4,139,943	2,267,336	1,748,900	(518,436)

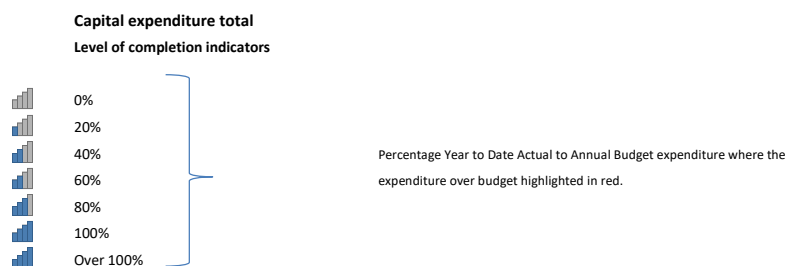
SIGNIFICANT ACCOUNTING POLICIES

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




















KEY INFORMATION



Acquisitions	Annual Budget	YTD Actual	% Spent
	\$4.14 M	\$1.75 M	42%
Capital Grant	Annual Budget	YTD Actual	% Received
	\$3.37 M	\$1.13 M	33%



Level of completion indicator, please see table at the end of this note for further detail.

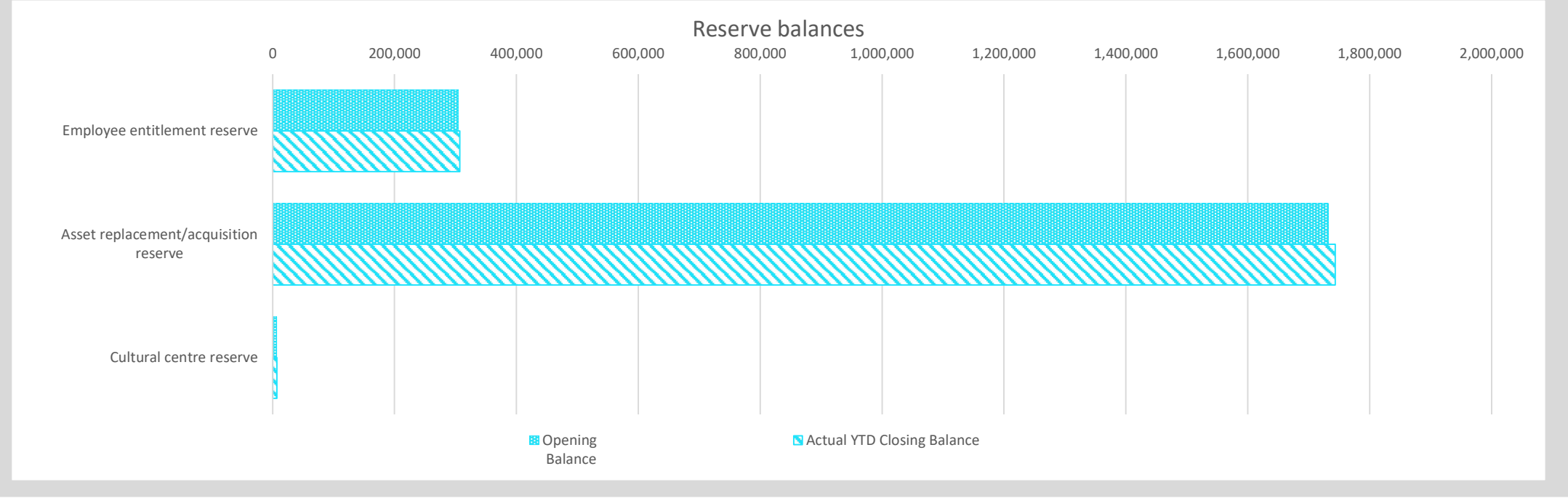
Level of completion indicator, please see table at the end of this note for further detail.			Adopted			
Account Description			Current Budget	Year to Date Budget	Year to Date Actual	Variance (Under)/Over
Capital Expenditure						
Land & Buildings						
	042600	Staff houses	12,000	12,000	0	(12,000)
	111100	Buildings (Upgrade)	35,000	20,000	6,841	(13,159)
	Land & Buildings Total		47,000	32,000	6,841	(25,159)
Plant & Equipment						
	102100	Plant & Equipment (New)	127,000	127,000	34,049	(92,951)
	Plant & Equipment Total		127,000	127,000	34,049	(92,951)
Infrastructure - Roads						
	147602	Jameson - Southern Bypass	585,000	0	0	0
	147611	Jameson Wanarn	574,778	574,778	622,930	48,152
	147612	Warburton Blackstone (RRG)	407,607	200,000	379,057	179,057
	147616	Patjarr Community Access	0	0	8,404	8,404
	147623	Great Central Road - R2R AAR	930,000	0	0	0
	147624	MRWA, Outback Hiway	300,000	300,000	272,181	(27,819)
	147625	Giles Mulga Park (RRG)	728,558	728,558	0	(728,558)
	147629	Giles Mulga Park (R2R/AAR)	380,000	280,000	398,792	118,792
	Infrastructure - Roads Total		3,905,943	2,083,336	1,681,363	(401,973)
Infrastructure - Recreation						
	147564	Warbon Oval Shade Structure	25,000	25,000	26,056	1,056
	Infrastructure - Recreation Total		25,000	25,000	26,056	1,056
Infrastructure - Other						
	121200	Infrastructure (new)	35,000	0	591	591
	Infrastructure - Other Total		35,000	0	591	591
	Grand Total		4,139,943	2,267,336	1,748,900	(518,436)

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 30 NOVEMBER 2019

Cash backed reserve

Reserve name	Opening Balance	Budget Interest Earned	Actual Interest Earned	Budget Transfers In (+)	Actual Transfers In (+)	Budget Transfers Out (-)	Actual Transfers Out (-)	Budget Closing Balance	Actual YTD Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Employee entitlement reserve	304,650	0	2,401	0	0	0	0	304,650	307,051
Asset replacement/acquisition reserve	1,732,367	0	11,129	1,060,341	0	0	0	2,792,708	1,743,496
Cultural centre reserve	6,920	0	55	0	0	0	0	6,920	6,975
	2,043,937	0	13,585	1,060,341	0	0	0	3,104,278	2,057,522

KEY INFORMATION



Other current liabilities	Note	Opening Balance 1 July 2019	Liability Increase	Liability Reduction	Closing Balance 30 November 2019
		\$	\$	\$	\$
Contract liabilities					
Unspent grants, contributions and reimbursements					
- operating	11	0	154,500	(64,375)	90,125
- non-operating	12	0	562,844	(283,959)	278,885
Total unspent grants, contributions and reimbursements		0	717,344	(348,334)	369,010
Provisions					
Annual leave		97,796	0	0	97,796
Long service leave		75,066	0	0	75,066
Total Provisions		172,862	0	0	172,862
Total other current assets		172,862			541,872

Amounts shown above include GST (where applicable)

A breakdown of contract liabilities and associated movements is provided on the following pages at Note 11 and 12

KEY INFORMATION

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.

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 calculation of net current assets.

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 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.

Contract liabilities

An entity's obligation to transfer goods or services to a customer for which the entity has received consideration (or the amount is due) from the customer. Grants to acquire or construct recognisable non-financial assets to be controlled by the Shire are recognised as a liability until such time as the Shire satisfies its obligations under the agreement.

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 30 NOVEMBER 2019**

NOTE 11

OPERATING GRANTS AND CONTRIBUTIONS

Provider	Unspent operating grant, subsidies and contributions liability					Operating grants, subsidies and contributions revenue		
	Liability 1 Jul 2019	Increase in Liability	Liability Reduction (As revenue)	Liability 30 Nov 2019	Current Liability 30 Nov 2019	Adopted Budget Revenue	YTD Budget	YTD Revenue Actual
	\$	\$	\$	\$	\$	\$	\$	\$
Operating grants and subsidies								
General purpose funding								
General Grants (Untied)	0	0	0	0	0	1,628,059	814,030	764,053
Education and welfare								
Grant - DCD	0	154,500	(64,375)	90,125	90,125	154,500	128,750	64,375
Transport								
Grants - Direct	0	0	0	0	0	140,000	140,000	158,355
Govt Grant - RA, Ab Access (State)	0	0	0	0	0	424,880	177,033	57,000
Govt Grant - RA, Ab Access (Fed)	0	0	0	0	0	609,333	304,666	153,667
Fed, Roads Grant (untied)	0	0	0	0	0	384,189	192,094	155,970
Economic services								
Tourism Strategy Grant	0	0	0	0	0	30,000	0	0
	0	154,500	(64,375)	90,125	90,125	3,370,961	1,756,573	1,353,420
Operating contributions								
Governance								
Licensing Commission	0	0	0	0	0	2,500	1,042	814
Education and welfare								
Income - Other	0	0	0	0	0	0	0	120
Recreation and culture								
Contributions and Reimbursements Other	0	0	0	0	0	0	0	368
	0	0	0	0	0	2,500	1,042	1,302
TOTALS	0	154,500	(64,375)	90,125	90,125	3,373,461	1,757,615	1,354,722

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 30 NOVEMBER 2019**

NOTE 12

NON-OPERATING GRANTS AND CONTRIBUTIONS

Provider	Unspent non operating grants, subsidies and contributions liability				
	Liability 1 Jul 2019	Increase in Liability	Liability Reduction (As revenue)	Liability 30 Nov 2019	Current Liability 30 Nov 2019
	\$	\$	\$	\$	\$
Non-operating grants and subsidies					
Transport					
Grant - Special Projects	0	562,844	(283,959)	278,885	278,885
Grant-Roads to Recovery	0	0	0	0	0
Govt Grant - RA, Ab Access (Fed)	0	0	0	0	0
MRWA, Outback Highway	0	0	0	0	0
	0	562,844	(283,959)	278,885	278,885

Non operating grants, subsidies and contributions revenue		
Adopted Budget Revenue	YTD Budget	YTD Revenue Actual (b)
\$	\$	\$
757,444	610,000	283,959
416,119	416,119	416,119
1,895,000	0	153,667
300,000	300,000	272,181
3,368,563	1,326,119	1,125,926

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 30 NOVEMBER 2019**

**NOTE 13
EXPLANATION OF MATERIAL VARIANCES**

The material variance thresholds are adopted annually by Council as an indicator of whether the actual expenditure or revenue varies from the year to date Actual materially.

The material variance adopted by Council for the 2019-20 year is \$20,000 or 10.00% whichever is the greater.

Reporting Program	Var. \$	Var. %	Timing/ Permanent	Explanation of Variance
	\$	%		
Revenue from operating activities				
Education and welfare	(63,320)	(48.99%)	▼ Timing	See Note 11a Income from rubbish removal is budgeted evenly but invoicing occurred in October.
Community amenities	62,230	139.40%	▲ Timing	
Transport	(257,286)	(31.62%)	▼ Timing	See Note 11a
Expenditure from operating activities				
Governance	80,054	37.03%	▲ Timing	Allocations will be adjusted at budget review if necessary to correct this variance. Salaries and depreciation are causing this variance but should correct by December.
Education and welfare	104,527	38.77%	▲ Timing	Maintenance and utility expenses are currently under budget. Depreciation will be run after the audit is finalised.
Housing	78,215	42.88%	▲ Timing	Wages are the main cause of this variance. Depreciation is yet to be run until after audit finalisation.
Community amenities	110,068	29.53%	▲ Timing	Salaries make up the majority of this variance. Expenditure on maintenance at the Cultural Centre and Community Resource Centre is also currently under budget.
Recreation and culture	80,481	24.78%	▲ Timing	Allocations will be adjusted at budget review if necessary to correct this variance.
Other property and services	62,538	400.53%	▲ Timing	
Investing activities				
Non-operating grants, subsidies and contributions	(200,193)	(15.10%)	▼ Timing	Timing of Main Roads funding for road works is causing this variance.
Capital acquisitions	518,436	22.87%	▲ Timing	The purchase of the new rubbish truck and capital work road projects are causing this timing variance.

ACTION SHEET

Health & Building Officer – Philip Swain

Dates on Site:**13th-21st November 2019****29th November 2019 – 6th December 2019****Next site visit:****7th – 14th February 2020**

Date	Subject	Action Taken
22 nd November 2019	Wanarn Aged Care – Food Business Operation	<p>I have visited the aged care facility in Wanarn and consulted the new Manager, subsequent to all the previous staff resigning and deserting the facility, including the Food Safety Coordinator. I had arranged for the annual food safety audit to be conducted on 5th December but due to the staffing problems I have liaised with Ng Health staff and have rescheduled the Audit for February. Ng Health have agreed to pay any additional costs associated with the reschedule.</p> <p>Action: PS to liaise with Auditor to arrange February Audit</p>
27 th November 2019	Wingellina Community Cultural Centre Additions – Application Received	<p>I have received an application for additions to the Wingellina Community Centre. I have asked for clarification of the effluent disposal requirements and have received an application for the same. I have had to seek clarification on the septic system alterations which is holding up progression of the permits. Once resolved the Shire will be able to issue a Building and Septic System Permit.</p> <p>Action: PS to arrange issue of Building Permit when all information available</p>
November – December 2019	Blackstone Waste Site relocation	<p>There is ongoing dumping and burning of waste in the temporary and old trenches despite these having been pushed over and cleaned up. I have asked the CSM to ensure temporary signage has been installed and final signage is being prepare for the new site by the Warburton College using the art program. The Waste and Building Maintenance Supervisor is liaising with the College and will arrange installation of the signage when it is completed.</p> <p>Action: W&BMS to arrange signage installation when the signs are completed.</p>
November - December 2019	Defrosted and dusty food deliveries to communities by NATS	<p>The Warburton Roadhouse Managers have again lodged complaint about the condition of dry goods that were recently delivered to the “lands”. The product had dirt and dust all through the pallets and boxes. The contract driver has been advised and has responded that the problem won’t occur again. I have again</p>

		<p>referred the matter to the City of Canning who advise that they will follow up at the next inspection.</p> <p>Action: No further action pending City of Canning follow up with NATS.</p>
November - December 2019	Work Camp Effluent Disposal System	<p>The work camp effluent disposal system was found to be completely inoperable and flooded in May. The unit has not been operational for some time and despite a technician raising concerns and staff complaints to Management the required repairs had not been undertaken. The unit requires maintenance inspections every 3 months. Earlier this year I requested that Corrective Services address this as a matter of urgency, as I don't have legislative powers to enforce action against the State. I have referred the matter to the Department of Health and subsequently some work was done to get the unit operable. I have spoken to the maintenance contractor and there is still no contract in place for the regular maintenance of the unit.</p> <p>Action: PS to continue to pursue issues with Corrective Services and DoH</p>
November - December 2019	Container Deposit Scheme – for WA	<p>The implementation of the legislation is progressing well. The Shire has previously been advised that collection points in Warburton and Warakurna can be funded through the programme. To date there have been no groups or organisations come forward to run the facilities and advice from the Shire President is that the communities will not take the role on. The Warburton Roadhouse is considering taking on the collection point for the community and I have referred the information for expression of interest to management.</p> <p>Action: PS investigating other collection options for Warakurna.</p>
November – December 2019	Electrical Upgrade – Shire Office and Gallery	<p>The electrical upgrade was undertaken during my visit in early August. There were significant problems experienced by the electricians as much of the original and subsequent wiring hadn't been labelled or done to standard. The buildings have now had RCD protections upgraded to current standards with easy to install replacements which should save on maintenance in the future. There are several items that the CEO and I have identified as incomplete and we are waiting for clarification on when these will be attended to. The CEO has approved part payment of the account.</p> <p>Action: PS to document electrical variations and confirm payment with CEO once all works have been completed.</p>
November – December 2019	Community Layout Plan Amendment - Shire Depot Storage Facility	<p>Various options have been discussed regarding the establishment of a secure Shire storage area. It has been determined that the safest location for this is the area behind the Shire dwellings adjacent to the Roadhouse. This area is currently unzoned in the Community Layout Plan for Warburton. I have liaised with Steve Strickling as Ngaanyatjarra</p>

		<p>Council have some minor amendments proposed for the Warburton CLP. I have submitted a proposed sketch of the rezoning to Services and the Department of Planning Lands and Heritage and am awaiting feedback before submitting a report to request agreement to amend the CLP to encompass the existing Shire Office Gallery and the area behind the existing residential to "Community Purposes" and an "Industrial" or similar zoning to enable the secure storage facility to be established.</p> <p>Action: PS to submit report to Council seeking approval for the CLP amendment when advice from the DPLH is received.</p>
2 nd December 2019	Proposed Telephone Tower Infrastructure Kanpa & Patjarr	<p>I have been contacted by consultants engaged to undertake the scoping for the installation of new mobile telephone towers in these communities. The scoping should be completed before Christmas and I have provided advice with respect to the locations and the Community Layout Plans. I am awaiting confirmation of the preferred site locations for the towers and will include any CLP changes in the current proposed amendments, which will be referred to Council before finalisation.</p> <p>Action: PS to liaise with consultants regarding potential CLP amendments and subsequent Building Permits.</p>
3 rd December 2019	Jameson Store – Improvement Notice	<p>I met the new Managers and completed the six (6) monthly inspection of the store last month. The store was clean and well run. I have issued the Improvement Notice for the resealing or replacement of the coolroom floor and to ensure documented pest control is occurring.</p> <p>Action: Improvement Notice expiry has been set for 16 March 2020</p>
3 rd December 2019	HACC – Facilities	<p>Last month I completed the four (4) monthly inspections of the HACC facilities. The centres still have no compliant food safety plan and the CEO has recently advised the CEO of Ng Council that Shire will issue infringements in relation to each of the four centres. It is hoped this infringement action will compel the submission, finally, of the required plan. I have met the programme Manager and again discussed the Food Safety Plan requirements. I have drafted the infringements to be issued shortly.</p> <p>Action: PS to issue infringements for the HACC Centres to Ng Health. Awaiting updated FSP for the Centres.</p>
4 th December 2019	Shade Structure - Warburton	<p>The structure has been installed near the football field. I have been liaising with the CDEP Coordinator and the Work Camp staff to have local workers assist in filling the "gabion" wall (stoned filled metal caged wall) to complete the shade structure as a community project. There are some</p>

		<p>concerns with the project with respect to CDEP however the Work Camp will be undertaking the work gradually over coming weeks.</p> <p>Action: PS to liaise with the Work Camp staff to facilitate filling of the gabion wall in the shade structure.</p>
4 th December 2019	Warakurna Refuse Service	<p>In November, I visited Warakurna and investigated the facts around major damage to the refuse vehicle, because the workers ran the truck without adequate oil. The Shire has ceased refuse services to Warakurna and staff have been dismissed. I have been liaising with the mobile mechanic to visit Warburton and Wanarn to service vehicles and attend to other matters. I have offered his services, at the community's cost, to the Warakurna CDA, in order to assess the truck for repair. The mechanic will visit the "lands" in late January 2020.</p> <p>Action: PS to liaise with mechanic and CDA at Warakurna to have truck damage assessed</p>
9 th December 2019	Multi-Purpose Police Facility Refurbishments	<p>The Shire has received further advice regarding refurbishment and the installation of some accommodation buildings at the Multi-Functional Police Facility in Warburton. NCAMS have relocated and replaced the overflow line previously located on the building site. The sedimentation tank on the accommodation facilities has been installed, and have now issued a permit to use the facility.</p> <p>Action: No further action.</p>
9 th December 2019	Occupancy permit issued for Consulting Rooms Lot 54 Amy Giles St Blackstone	<p>On 2nd October, the occupancy permit was issued for the consulting rooms recently constructed at the rear of the Papulankutja Clinic and the fees have been invoiced. The application has been lodged on the online database</p> <p>Action: No further action</p>
10 th December 2019	Community Service Summary – Public Health Plan	<p>The final draft document will present statistical information in a diagrammatic format to assist readers in understanding the Shire's key public health issues. The consultant has been working on getting existing data into a standardised format. With the small population of the Shire the standardisation process is not statistically significant and extremely difficult to utilise to give locally identified priorities. In such cases I have asked the consultant to use regional, state or even national data to help the Shire prioritise its Public Health Plan. We will then use the local data to add weight to the priorities where we can.</p> <p>Action: Public Health Plan development to be included in the Corporate Business Plan and baseline report to be finalised for submission to Council.</p>
December 2019	Building Permits Warburton	<p>The permits for sheds on two different lots in Warburton. Lot 161 Ninth St and Lot 88 Twentieth St were issued last month. One has been completed and the Warehouse Sea Container unit is awaiting roof sheeting.</p>

		Action: No further action pending building completion notification
December 2019	Water Supply Mantamaru – Non-Potable Water	<p>The Shire previously received advice regarding the nitrate levels in the Jameson water supply. The levels exceed the WHO recommendations for adults and consequently residents have been advised not to consume tap water and packaged water is being distributed to all in the community. The latest advice is that the installation of a reverse osmosis unit (RO) on the supply is being investigated but viability will depend upon the quantity of bore water that can be supplied through existing and new bores. The RO will produce 30-50% wastewater from treatment.</p> <p>Action: PS to continue liaison with Department of Health and Ng Council to explore options to improve the water supply at Mantamaru.</p>
Pending	Murdoch University – Veterinary Team Visit	<p>The Vets and Students from Murdoch University have visited Warburton (17th-21st November) to undertake dog and cat desexing. Ngaanyatjarra Health are covering costs associated with the visit and I have continued to liaise with Ng Health Staff and the local College where the work has been undertaken. The team completed 54 mostly female de-sexings, which should substantially help in controlling the dog numbers in Warburton, that have ballooned somewhat in recent months. Ng Health have also now contracted Dr Robert Irving to maintain quarterly visits of communities.</p> <p>Action: No further action pending final report on the programme and future scheduling of the team and vet visits.</p>
Pending	Proposed Installation of Global Positioning Station – Warburton	<p>The Shire has received advice from the federal government that it wishes to install a station in Warburton under the “Positioning Australia Program” which aims to provide national positioning infrastructure to enable access to accurate and reliable positioning across the country. The network of 200 x Global Navigational Satellite Systems (GNSS) ground stations will provide a nationally consistent coverage across Australia at a nominal separation of 200-300kms. The organisation has undertaken preliminary work to determine possible sites for the station but no decision on location has been made. I have provided advice with respect to the Community Layout Plan and Building Permit for the main structure once a site is determined.</p> <p>Action: No further action pending application for Building Permit.</p>
Pending	Cassini Mine Site – Food Business Inspection	<p>I have not undertaken the Cassini Inspection, but have liaised with the staff at the site which is now in care and maintenance pending mine construction. As a result the food business operation has been suspended and the few staff on site are self-catering. A reverse osmosis unit has been installed at the site but staff are using packaged drinking</p>

		<p>water as the Drinking Water Management Plan is not fully compliant yet.</p> <p>Action: No action pending recommencement of food business operation</p>
Pending	Blackstone Police Station – building upgrades	<p>The Shire has received a copy of the issued building permit for Blackstone Multi-Function Police Facility from the Department of Finance. The shire does not receive plans or details of state government building permits.</p> <p>Action: No further action pending construction and completion.</p>
Pending	Blackstone Store – Improvement Notice	<p>The store is not currently utilising the kitchen area for food handling however, I have previously issued an Improvement Notice for the necessary works to enable some food preparation. The new managers are proposing to do the necessary works and will advise when completed.</p> <p>Action: No further action pending kitchen upgrade and/or next inspection</p>
Pending	Septic Pump-out Waste – Advice to Ngaanyatjarra Council	<p>I have provided advice to the General Manager (Housing) of Ngaanyatjarra Council regarding the disposal of septage waste from pump-outs of septic systems in communities. These wastes have due to Housing WA policy, in recent years, been disposed of in Leonora at extraordinary costs. I have raised this issue with the Department of Health and Housing WA previously, but to no avail. There is no good reason, other than Housing WA Policy, which is not a legislative requirement, why these wastes cannot be disposed of at waste sites or the oxidation ponds at the four (4) communities with the same. Ngaanyatjarra Council is pursuing approval or licensing of sites, for the disposal of septage waste, with the Department of Water and Environmental regulation</p> <p>Action: No action pending the applications to be made by Ngaanyatjarra Council.</p>
Pending	New Government Housing Lots 64 & 65 Kurrparu Loop Mantamaru – Septic Approvals issued	<p>I have issued septic installation approvals for two (2) new dwellings in Mantamaru (Jameson) and the houses are now under construction.</p> <p>Action: No further action pending installation of septic systems</p>
Pending	Swimming Pool Sampling and Procedures	<p>I have reviewed the previous documentation on the pools and located procedure manuals for the Blackstone and Warakurna pools. I will provide updated manuals for the operation of community pools.</p> <p>Action: PS to provide updated manuals to pool managers.</p>

Pending	Tjukurla Community – Waste Issues – Bin Infrastructure	<p>The Shire has enough bin lids and brackets in stock and I was making arrangements to get these to Tjukurla for NG Health staff to install, but NG Health have limited staff currently. The Shire currently has a lack of 200 litre bins and I am trying to source cheap options for these as budget is limited. As before, there is limited ability to get the waste site modified as there is no machinery available in Tjukurla, so I will continue to liaise with the Works Supervisor to make some alterations to the site when equipment allows. I need to clarify what budget is available for bin infrastructure going forward as the current budget has been substantially utilised on repairs to waste vehicles.</p> <p>Action: PS to arrange 20-30 bin lids and bins for installation in Tjukurla if viable. PS to pursue machinery time/budget for waste site improvements and waste infrastructure.</p>
Pending	Waste Oil Transportation	<p>I have for 18 months now had specific concerns regarding the amount of waste oil (200 litre drums) stored in communities and am exploring options to get the product back to Perth for recycling. Most waste oil is from the power stations and there are currently thousands of litres in most communities. There has finally been some progress with the removal of waste oil progressing in Warburton, via decanting to transportation tanks and being transported out.</p> <p>Action: PS to monitor waste oil removal from communities.</p>
Pending	Building Permit Issued Shade Structure – Lot 93 Thirteenth St Wanarn - Respite Centre	<p>I have received and arranged for the issue of a Building Permit for a shade structure to be installed free standing but adjacent to the new respite centre in Wanarn. Application is yet to be lodged on the online database.</p> <p>Action: PS to lodge on Building Commission database.</p>
Pending	Car Body Removal – Communities	<p>There are approximately 2000 vehicle bodies in stockpiles at Warburton, Jameson, Blackstone Wingellina, Warakurna and Wanarn. I have again met with Simsmetal staff in Perth to evaluate the possibility of car body removal from the lands. It is hoped that Simsmetal can remove vehicles if transport can be obtained at a viable price. To this end Simsmetal are proposing a cooperative grant application to the Waste Authority later this year to compensate for transport costs. As the vehicles will be removed on behalf of communities any income generated for waste metal will go back to the communities themselves.</p> <p>Action: PS to liaise with Simsmetal regarding progress of the grant application</p>
Pending	Issue of Occupancy	<p>A temporary Occupancy Certificate for the Warburton NG Council Store expired on the 16th</p>

	Certifications for Buildings approved under the 2011 Building Act and the 2012 Regulations	<p>April. The Store was constructed without compliant toilet facilities and has since had the addition of office space within the stores. Whilst the offices are not of sufficient size to require dual classification (Class 7 & 5) of the building, they still require the construction of a Universal Access Toilet facility. NCAMS have determined to install a new facility adjacent to the warehouse and are currently seeking plumbing advice to make provision for a UAT. I am liaising with NCAMS regarding the application and extension of the temporary permit and have most recently discussed the appropriate location of septic tank on site in order to access the STED.</p> <p>Action: PS to liaise with NCAMS and arrange the issue of necessary permits to enable the issue of the final OC at the Warburton Stores.</p>
Pending	Warburton Roadhouse – Proposed Caravan Park Extensions	<p>The Permit was issued in late July 2018 and all reporting and financial aspects of the application have been addressed.</p> <p>Action: PS to liaise with Builder and NCAMS during construction of new facilities.</p>
Pending	Waste Services Warakurna	<p>I have discussed the shortcomings of the Warakurna Landfill with the Works Supervisor and he will endeavour to have machinery divert to modify the trench by lifting the floor by 500mm when the contractors are next in the area.</p> <p>Action: PS to liaise with CSM and Elves Brites for machinery time to modify the trench.</p>
Pending	New Arts Centre Warakurna	<p>I have provided advice to the community and services regarding a suitable location for the proposed new arts centre. The lots being investigated are Lot 39 and Lot 109 on the Community Layout Plan. Lot 39 is Zoned Community Purposes under the CLP and the proposed use is compatible. Lot 109 is zoned Recreation and the definitions in the CLP suggest such areas should be allocated to active and passive recreation. Given the unusual shape of the lot, the intention was for it to be a vegetation link running through the community areas. The CLP can be amended relatively easily but if Lot 39 is workable it would seem to be the most compatible location without having to resort to amendment.</p> <p>Action: Nil pending further progress of the proposal by community.</p>

Activity Report, Early Years Program – December 2019

Early Years programs / playgroups have continued successfully during term 4, with many parents / family adults and their little children participating.

Joy McGinley has continued the facilitation of the Warburton program, five mornings per week, and Anne Shinkfield, Early Years Program Co-ordinator, has facilitated the Blackstone program on Tuesdays and the Jameson playgroup on Wednesdays, within her co-ordination role.

Participation data for term 4, 2019 -

Community early years program / playgroup	Number of sessions for term 4	Number of Indigenous children participating at least once for term 4	Number of Indigenous adults participating at least once for term 4	Average number of families each session, term 4
Warburton (Monday to Friday)	34 (Program from week 1 – week 8)	48 (average: 9 children per session)	61 (average: 8 adults per session)	6 – 8 families
Blackstone (Tuesday)	5 - out of 7 possible	9 (average: 2)	13 (average: 2)	2
Jameson (Wednesday)	6 – out of 7 possible	9 (average: 4- 5)	10 (average: 4)	3 – 5
Totals	45 sessions – out of about 50.	65 children (66 – 1 child who attended in two communities)	84 adults	

Notes:

- ❖ 7 children who attended the Blackstone program in terms 2 and 3 were living in different towns / communities during term 4. One child was living in Warburton and attended 20 sessions at the Warburton program with her mother.
- ❖ The Early Years Program in the Ngaanyatjarra Lands has, since 1995, provided the opportunity for parents to participate in early childhood activities and routines with their children, in their own language, so that their children are more ready for school. The Shire took on the responsibility of this community - initiated program in February 2008, and now, from January 2020, the program will be managed by Playgroup WA, in conjunction with NIAA. To maintain consistency for the families, Joy McGinley will continue as the educator / facilitator of the Warburton program with Playgroup WA and it is hoped that a facilitator can also be recruited to continue the programs in Blackstone and Jameson.

As coordinator of this program since February 2008, it is very important for me to take this opportunity to thank the Shire Council for its on-going encouragement and generous support of the program over these years, along with their sincere commitment to facilitating the purpose of this program for the children and parents/family adults in the Ngaanyatjarra communities. As Beryl Jennings, my local colleague in the formative years of this program, often said, 'Children are the future of these communities'.