



MINUTES OF THE
ORDINARY COUNCIL MEETING
HELD ON
WEDNESDAY
12TH DECEMBER 2018



WILDFLOWER COUNTRY

SHIRE OF THREE SPRINGS

MINUTES OF THE ORDINARY MEETING OF COUNCIL HELD IN COUNCIL CHAMBERS ON 12TH DECEMBER 2018 COMMENCING AT 1.30 PM.

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SHIRE OF THREE SPRINGS

MINUTES OF THE ORDINARY MEETING OF COUNCIL HELD IN COUNCIL CHAMBERS ON 12TH DECEMBER 2018 COMMENCING AT 1.30 PM.

1. DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS

The Presiding Member, Cr Chris Lane declared the Meeting open at 1.30pm.

2. RECORD OF ATTENDANCE/APOLOGIES/APPROVED LEAVE OF ABSENCE

2.1. PRESENT

C Lane	President
A Thomas	Councillor
J Mutter	Councillor
R Thorpe	Councillor

STAFF

S Yandle	Chief Executive Officer
L John	Manager of Finance

2.2 APOLOGIES

Cr Chris Connaughton
Cr Jim Heal
Cr Jenny Lake

3. RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE

Nil

4. PUBLIC QUESTION TIME

Nil

5. APPLICATIONS FOR LEAVE OF ABSENCE

140412 COUNCIL RESOLUTION – ITEM 5.1

MOVED: Cr Thorpe
SECONDED: Cr Mutter

That Council approve Leave of Absence for Cr Anthony Thomas for the February 2019 ordinary meeting of Council.

CARRIED
Voted: 4/0

6. CONFIRMATION OF PREVIOUS MEETING MINUTES

6.1. Confirmation of Minutes of Ordinary Meeting held 26th November 2018

140413 COUNCIL RESOLUTION/OFFICER RECOMMENDATION - ITEM 6.1

MOVED: Cr Mutter
SECONDED: Cr Thorpe

That the Minutes of the Ordinary Council Meeting held on the 26th of November 2018 be confirmed as a true and accurate record of proceedings.

CARRIED
Voted: 4/0

7. ANNOUNCEMENTS BY PRESIDING PERSON WITHOUT DISCUSSION

27/11/18 Community Wellness Consultation attended by Cr Lane, CEO and CDO
09/12/18 RSL Christmas Luncheon attended by Cr Lane and CEO
11/12/18 Three Springs Primary School Presentation Evening attended by Cr Lane and CEO
12/12/18 Carnamah District High School Presentation Evening attended by Cr Lane and CEO

8. PETITIONS / DEPUTATIONS / PRESENTATIONS / SUBMISSIONS

Nil

9. OFFICERS REPORTS

9.1. HEALTH/BUILDING and PLANNING REPORT – 2018

DATE OF REPORT:		September to December 2018
Date		
10.09.2018	Building	Relocation workers accommodation
28.09.2018	Planning	New shed

For Council's Information

9.1.1. EARLY CHILDHOOD LEARNING CENTRE

Agenda Reference: TP 12/18-01
Location/Address: Lot 561 (Reserve 53200) Maley Street, Three Springs
Name of Applicant: Shire of Three Springs
File Reference: Portion A341
Disclosure of Interest: Nil
Date: 28 November 2018
Author: Simon Lancaster, DCEO/Planning Advisor Shire of Chapman Valley and Sylvia Yandle, CEO

Signature of Author: _____

SUMMARY

Council is in receipt of the finalised plans from the architect for the Early Childhood Learning Centre proposed for Lot 561 (Reserve 53200) Maley Street, Three Springs. This report recommends that Council endorse the plans and authorise the CEO to proceed to tender.

ATTACHMENT

9.1.1 Copy of Early Childhood Learning Centre building plans and documentation (provided as separate attachment to agenda due to file size)

BACKGROUND

Lot 561 is a 2,250m² Crown Reserve on the corner of Maley and Mayrhofer Streets to the south of the Three Springs Primary School.

Figure 9.1.1(a) – Location Plan of Lot 561 Maley Street, Three Springs



The Shire has identified the site for development of an Early Childhood Learning Centre and sought the excision and management of the land to allow for this.

The Department of Planning, Lands & Heritage issued a management order for Lot 561 (Reserve 53200) with the purpose of 'Child Care Centre with power to lease' to the Shire of Three Springs on 23 January 2018, with the power to lease or sub-lease the whole or portion thereof for a period not exceeding 21 years.

The architect overseeing the project has prepared the plans and documentation for the Early Childhood Learning Centre and these have been provided as **separate Attachment 9.1.1** for Council's consideration.

Figure 9.1.1(b) – Lot Plan of Lot 561 Maley Street, Three Springs



Figure 9.1.1(c) – View of Lot 561 looking north-west from Maley Street



COMMENT

It is a requirement under Section 3.57 of the *Local Government Act 1995* and Part 4 Division 2 Regulation 11 of the *Local Government (Function & General) Regulations 1996* for Council to call tenders for the provision of goods and services that will exceed the \$150,000 (GST exclusive) threshold.

The Officer Recommendation is for Council to delegate to the Shire CEO to finalise with the architect the tender documentation and subsequently call for tenders for the construction of the Early Childhood Learning Centre, with the intention that the received tenders would be presented back to Council as a confidential item for its consideration at the 20 February 2019 meeting.

CONSULTATION

Part 4 Divisions 2 & 3 of the *Local Government (Function & General) Regulations 1996* establishes the process by which tenders and panels of pre-qualified suppliers must be conducted.

The Western Australian Local Government Association also assist local governments with procurement services.

STATUTORY ENVIRONMENT

Reserve 53200 is zoned 'Public Purposes: Education' under Shire of Three Springs Local Planning Scheme No.2.

The objective under Table 1 of the Scheme for this zone is "*Public Purposes which specifically provide for a range of essential education facilities*".

The proposed development of an Early Childhood Learning Centre would meet with this objective.

POLICY IMPLICATIONS

3007 PURCHASING POLICY

3007.1 PURCHASE OF GOODS AND SERVICES

PURCHASE OF GOODS AND SERVICES – \$150,000 or more

All contracts for the purchase of goods and services with a value of \$150,000 or more shall be in accordance with the provisions of the *Local Government (Functions and General) Regulations 1996*.

Council will also enforce the following additional requirements:

- That suitable local suppliers shall be notified that the tender has been advertised. Such notice will be given as soon as possible after the advertisement appears in the newspaper.
- Acceptance of a tender for construction projects will be subject to the execution of a contract based on the standard contract supplied by the Master Builders Association.
- Council's Buy Local Policy will apply to the consideration of tender submissions.

Any decision not to call tenders for Goods or Services valued at more than \$150,000 because of one of the exceptions listed in Regulation 11(2) shall be by Council Resolution.

Before calling for tenders the CEO shall investigate whether the goods or services requested:

- Are available via a joint purchasing arrangement through WALGA,
- May be combined with the requirements of other Local Governments in the North Midlands Region to obtain better value for money.

3008 REGIONAL PRICE PREFERENCE – LOCAL GOODS AND SERVICES

Purpose

The policy is designed to meet the following objectives:

- To contribute to regional sustainability by supporting local businesses; and
- To provide the best value for money for the Shire of Three Springs.

Interpretation

Local Business – is a business that maintains its primary place of business in the Shire of Three Springs or has 80% of its business activity in the Shire of Three Springs.

Sub Regional Business – is a business that maintains its primary place of business in the sub-Region, or has 80% of its business in the sub-region. For the purposes of this policy, sub regional businesses are those located within Shires of the North Midlands Zone of WALGA.

Regional Business – is a business that maintains its primary place of business in the region or has 80% of its business activity in the region. For the purposes of this policy the region consists of those Shires located within the State development commission regions of Mid-West.

Policy

When comparing bids from suppliers of Goods and Services, prices will be reduced for evaluation purposes only, as set out in the table below:

Goods and Services (Excluding Works)

Supplier	% Reduction	Maximum Differential
Local Business	10%	\$5,000
Sub Regional Business	4%	\$2,000
Regional Business	2%	\$1,000

Works – Total Bid Price

Supplier	% Reduction	Maximum Differential
Local Business	5%	\$5,000
Sub Regional Business	2%	\$2,000
Regional Business	1%	\$1,000

Works – Local Content (In addition to Total Bid Price Reduction)

Supplier	% Reduction	Maximum Differential
Local Business	5%	\$5,000
Sub Regional Business	2%	\$2,000
Regional Business	1%	\$1,000

FINANCIAL IMPLICATIONS

2018/2019 Budget Capital Expenditure including construction and in-kind work is \$1,630,000 with Grant funding income of \$500,000 BBRF, \$300,000 Mid West Development Commission, \$250,000 Lotterywest and Council contribution \$500,000

STRATEGIC IMPLICATIONS

The Shire of Three Springs Strategic Community Plan 2018-2028 identifies the community's visions and is the Shire's principal strategic guide for future planning and activities. The Plan notes that:

“Educational facilities include Three Springs Primary School and the Three Springs Early Childhood Learning Centre (ECLC). A new purpose-built facility for the ECLC will be completed in late 2019 and will provide places for 19 children.”
(page 8)

Council's Strategic Community Plan 2018-2028 and Corporate Business Plan both identify the Early Childhood Learning Centre as a Community High Priority Level, with the latter stating:

Programs or Projects	Scope Statement	Project Outputs	Outcome	Indicators of Success
HIGH PRIORITY				
Early Childhood Learning Centre	The current Three Springs Childcare facility provides full time care, is at full capacity and casual spaces are extremely limited. The project is to construct a Purpose built childcare centre for 21 childcare places including a Toy library and consulting rooms. The project includes costing, business planning, and funding application processes to fund the expected capital cost of the project of \$1,500,000. Land excised from Primary School.	<ul style="list-style-type: none"> • Building approvals • Purpose built building constructed • Local organisation to employ staff to manage facility 	The purpose built facility will meet the childcare and respite care needs of the community for up to 10 years. It will also provide employment within the community and enable parents to enter employment, undertake further training or take part in volunteering activities within the community. Overall it will enable the community to be attractive to new residents who consider childcare services to be a standard for choosing a town to live.	<ul style="list-style-type: none"> • Increase in number of places • Advertising of Job vacancies • Prioritising placements

The proposed development is in keeping with the following objective identified in the Three Springs Townsite Strategy (2014)

"Continue to lobby government for retention and expansion of existing services, such as health, education, power, water and hospital facilities." (page 11)

VOTING REQUIREMENTS

Simple Majority

140414 COUNCIL RESOLUTION/ OFFICERS RECOMMENDATION – ITEM 9.1.1

MOVED: Cr Thomas
SECONDED: Cr Mutter

That Council endorse the design for the Early Childhood Learning Centre provided as Attachment 9.1.1 and authorise the Shire Chief Executive Officer to finalise the tender documentation and call for tenders for construction of the Early Childhood Learning Centre, and at the conclusion of the tender period any received submissions be presented to a meeting of Council for its consideration.

CARRIED
Voted: 4/0

Cr Thorpe declared a financial interest and left chambers at 1.37pm

Councillors Lane, Thomas and Mutter each declared an impartiality interest

9.1.2 UNMANNED 24 HOUR FUEL FACILITY

Agenda Reference: TP 12/18-02
Location/Address: Lots 2 & 3 Water Street, Three Springs
Name of Applicant: Shire of Three Springs
File Reference: A840
Disclosure of Interest: Nil
Date: 29 November 2018
Author: Simon Lancaster, DCEO/Planning Advisor Shire of Chapman Valley and Sylvia Yandle, CEO

Signature of Author: _____

SUMMARY

Council is in receipt of an application for an unmanned 24 hour fuel facility upon Lots 2 & 3 Water Street, Three Springs. This report recommends that Council advertise the application for comment and at the conclusion of the advertising period that the matter be returned to Council for its consideration of the application and any submissions received.

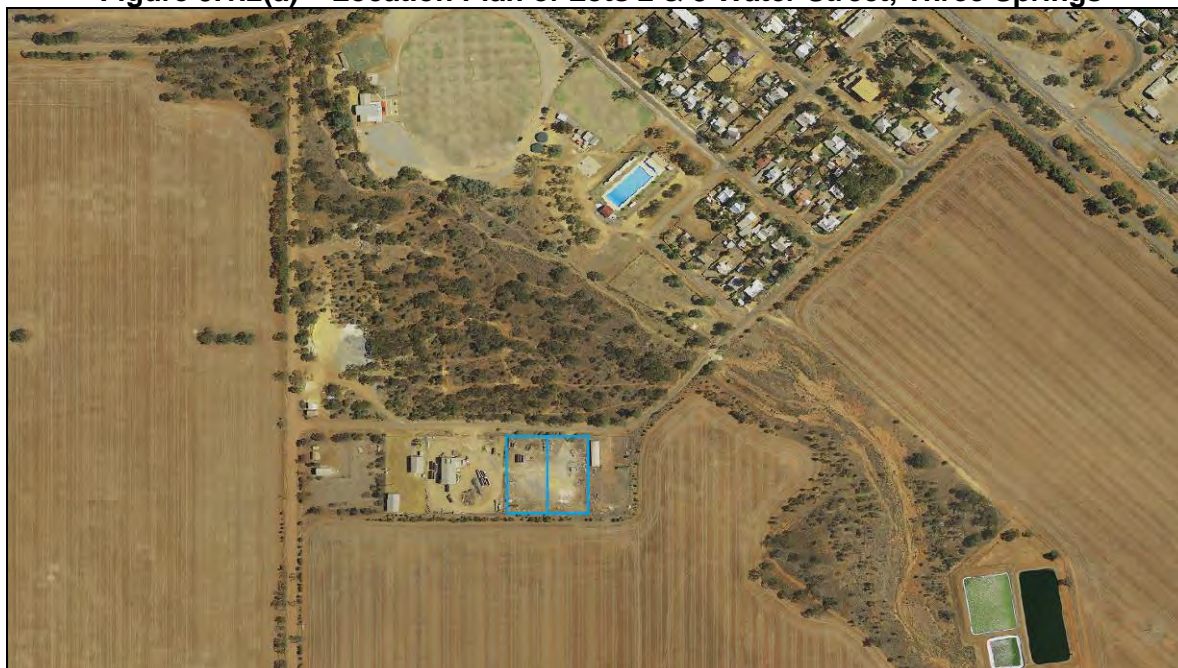
ATTACHMENT

9.1.2 Copy of unmanned 24 hour fuel facility application

BACKGROUND

Lots 2 & 3 are each 3,980m² in area and located on the south side of Water Street and are owned by Dudawa Haulage Pty Ltd and used for transport depot purposes along with adjoining Lots 4 & 5 to the west that are owned by Rowan Parker.

Figure 9.1.2(a) – Location Plan of Lots 2 & 3 Water Street, Three Springs



The applicant (Geraldton Fuel Company Pty Ltd) are seeking approval to develop an unmanned 24 hour fuel facility upon Lots 2 & 3 Water Street and a copy of the received application has been provided as **Attachment 9.1.2** for Council's consideration.

Figure 9.1.2(b) – Lot Plan of Lots 2 & 3 Water Street, Three Springs



Figure 9.1.2(c) – View of Lots 2 & 3 looking south from Water Street



COMMENT

The unmanned 24 hour fuel facility is proposed to be located at the northern end of Lots 2 & 3 and would consist of the following:

- 55kL self bundled above-ground diesel storage tank and duel hose bowser setback;
- 16kL self bundled below-ground unleaded petrol tank and single hose bowser (shared with Ad-Blue);

- 10kL self bunded above-ground Ad-Blue storage tank and single hose bowser (shared with ULP);
- outdoor payment terminal; &
- 5m lighting pole.

The unmanned fuel facility would access Water Street via 2 x 8m wide vehicle access points with the fuel bowzers able to be accessed in both directions and bollards sited to protect infrastructure.

The fuel storage tanks would be setback approximately 3.8m from the front property boundary, and the fuel bowzers setback approximately 13.5m from the front property boundary. The facility would be fenced off from the remainder of the transport depot activities upon Lots 2 & 3.

CONSULTATION

Council may wish to advertise the application prior to making its determination and Clause 64 of the Deemed Provisions under the *Planning and Development (Local Planning Schemes) Regulations 2015* establishes the procedure under which this may occur.

It is recommended that should Council resolve to advertise the application that the following actions be undertaken:

- write directly to surrounding landowners inviting comment;
- write directly to the Department of Water & Environment Regulation, Department of Health, Department of Fire & Emergency Services, Department of Mines, Industry Regulation & Safety, Water Corporation and Western Power inviting comment;
- display of a notice on-site during the advertising period;
- display of a notice in the Yakabout local newspaper;
- display of a copy of the application on the Shire website during the advertising period.

The minimum advertising period under the Regulations is 14 days, however, given that the advertising period would be conducted over the Christmas/New Year period, and that Council do not have a meeting in January it is recommended that the advertising period be extended to a period of 39 days to enable reasonable opportunity for parties to make comment (e.g. advertised from 17/12/18 – 25/1/19 and returned to Council for consideration of the application and any received submissions at the 20/2/19 meeting).

STATUTORY ENVIRONMENT

Lots 2 & 3 Water Street are zoned 'Light Industry' under Shire of Three Springs Local Planning Scheme No.2.

The objectives listed in Table 2 of the Scheme for the 'Light Industry' zone are as follows:

- *To provide for a range of industrial uses and service industries generally compatible with urban areas, that cannot be located in commercial zones.*
- *To ensure that where any development adjoins zoned or developed residential properties, the development is suitably set back, screened or otherwise treated so as not to detract from the residential amenity."*

'Fuel Depot' is listed as an X (i.e. not permitted use) in the 'Light Industry' zone. The Scheme (and the Regulations) define 'Fuel Depot' as being:

- "fuel depot means premises used for the storage and sale in bulk of solid or liquid or gaseous fuel but does not include premises used —*
- (a) as a service station; or*
 - (b) for the sale of fuel by retail into a vehicle for use by the vehicle."*

Given that the proposed development does involve the sale of fuel by retail into a vehicle for use by the vehicle then the proposed development should not be determined under the definition of a 'Fuel Depot'.

'Service Station' is listed as a 'D' (i.e. discretionary use) in the 'Light Industry' zone. The Scheme (and the Regulations) defines 'Service Station' as being:

“service station means premises other than premises used for a transport depot, panel beating, spray painting, major repairs or wrecking, that are used for —
(a) the retail sale of petroleum products, motor vehicle accessories and goods of an incidental or convenience nature; or
(b) the carrying out of greasing, tyre repairs and minor mechanical repairs to motor vehicles.”

Given that the proposed development would involve the sale of fuel but not the associated retail sale of motor vehicle accessories and goods of an incidental or convenience nature, then the proposed development should not be determined under the definition of 'Service Station'.

It is recommended that this application be considered as an 'Unmanned 24 Hour Fuel Facility' which is a use not listed in the Scheme.

Section 18(4) of the Scheme notes that:

“The local government may, in respect of a use that is not specifically referred to in the zoning table and that cannot reasonably be determined as falling within a use class referred to in the zoning table —

- (a) determine that the use is consistent with the objectives of a particular zone and is therefore a use that may be permitted in the zone subject to conditions imposed by the local government; or*
- (b) determine that the use may be consistent with the objectives of a particular zone and give notice under clause 64 of the deemed provisions before considering an application for development approval for the use of the land; or*
- (c) determine that the use is not consistent with the objectives of a particular zone and is therefore not permitted in the zone.”*

It is recommended that the application be addressed under Section 18(b) of the Scheme and be advertised for comment prior to being returned to Council for its consideration of the application and submissions received.

Lots 2 & 3 Water Street also fall within the 'Special Control Area 3 – Waste Water Treatment Plant Separation' zone under the Scheme which contains the following Scheme provisions, and whilst it is not anticipated that the proposed development would be deemed incompatible with the purpose, objectives and provisions of the zoning it is nevertheless recommended that the comment of the Water Corporation be sought.

Name of Area	Purpose	Objectives	Additional Provisions
Special Control Area 3 – Waste Water Treatment Plant Separation (SCA3)	To ensure that the development and use of land is compatible with the Three Springs Waste Water Treatment Plant.	To determine suitable nominal separation distances around existing and proposed industrial uses prior to further detailed investigations in order to protect the amenity of sensitive land uses.	In determining proposals, the local government is to have due regard to the provisions of relevant State government policies including State Planning Policy 4.1 State Industrial Buffer Policy

Schedule 2 of the Scheme lists the minimum front boundary setback for the 'Light Industry' zone as being 7.5m and the proposed development would not comply with this requirement, proposing instead that the above-ground tanks would be located approximately 3.8m from the front property boundary. Part 4 Requirement (4) of Table 7 of the Scheme does make allowance for Council to consider, **by absolute majority**, a reduction to this setback distance, subject to the application being advertised (i.e. were Council to advertise the application and subsequently at a future meeting consider giving conditional approval to the application it would need to be by absolute majority).

Description of Land	Requirement
General Industry and Light Industry Zones	<ol style="list-style-type: none"> 1) When considering any application for development approval for any industrial use, the local government may: <ol style="list-style-type: none"> a) require the applicant to provide a report on such matters as the effect of the proposal on the air quality, the levels of dust and other airborne pollutants, the quality of the ground water, road traffic and the amenity of the area as well as other matters which in the opinion of the local government need to be addressed. b) consult and shall have regard to the advice of the Department of Health, the Department of Parks and Wildlife, the Department of Environmental Regulation and the Environmental Protection Authority regarding any aspect of the proposal. 2) The maximum site coverage to be permitted for development on land zoned 'Light Industry' is 0.6. 3) The maximum site coverage to be permitted for development on land zoned 'General Industry' is 0.5. 4) The local government may by absolute majority vary the minimum setback to less than that shown in Schedule 2 subject the application being publicly advertised as per clause 64 of the Deemed Provisions. 5) A person may display finished goods for sale in the street setback area of a subject site, subject to the display area being limited to a maximum of 25% of any street setback area; and excluding the following: <ol style="list-style-type: none"> a) the dumping or storage of waste or raw materials; or b) the wreckage or storage of wrecked vehicles or parts thereof. 6) The local government shall require the applicant to submit for approval a detailed landscaping plan showing all areas to be landscaped and the type of landscaping and / or treatments proposed.

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

Nil.

STRATEGIC IMPLICATIONS

The Shire of Three Springs Strategic Community Plan 2018-2028 identifies the community's visions and is the Shire's principal strategic guide for future planning and activities, and list the following outcomes:

Reference	Strategy	Still Relevant	Priority	Timeframe
1.3.1	Promote existing and new industry opportunities to increase employment	Yes	High	Ongoing
4.2.4	Encourage business to employ local where possible.	Yes	High	Ongoing

It may be considered that an unmanned 24 hour fuel facility whilst offering a new service to the residents of, and visitors to, Three Springs also has the potential to impact upon the existing Three Springs Roadhouse and may be considered contrary to these Strategic Community Plan Outcomes.

Competition and impact on existing local businesses is an issue that local governments have often been forced to grapple with, particularly where arguments have been mounted that an existing retailing operation offers multiple services and employment to a local community, and when faced with an arriving (often unmanned or non-locally employing) competitor that offers a single service that undermines their profitability, this can result in the existing multiple service provider no longer being viable and the local community resultantly losing those associated services and employment.

Council can have some regard for this issue under Clause 67 of the Deemed Provisions of the *Planning and Development (Local Planning Schemes) Regulations 2015* including the requirements of orderly and proper planning, having regard for the amenity of the locality including social impacts of the development, the amount of traffic likely to be generated by the development particularly in relation to the capacity of the local road system in the locality, the impact of the development on the community as a whole, and any submissions received on the application. However, it is noted that the Clause 67 of the Regulations also lists the following matter to be considered by local government:

“(v) the potential loss of any community service or benefit resulting from the development other than potential loss that may result from economic competition between new and existing businesses.”

This is an issue that Section 3.3.7 ‘Economic Competition’ of the Western Australian Planning Commission publication ‘Development Assessment Panel Training Notes – Making Good Planning Decisions’ (2011) also addresses as follows:

“The threat of competition to existing businesses is not a relevant planning consideration. It only becomes a relevant planning consideration if there is a prospect that there will be a reduction in the facilities available to the community.

This was made clear in the High Court decision of Kentucky Fried Chicken Pty Ltd v Gantidis (1979) 140 CLR 675. In that case, Barwick CJ at [681] said that: “economic competition feared or expected from a proposed use is not a planning consideration within the terms of the planning ordinance governing this matter”.

Stephen J at [687] noted that:

“...the mere threat of competition to existing businesses, if not accompanied by a prospect of a resultant overall adverse effect upon the extent and adequacy of facilities available to the local community if the development be proceeded with, will not be a relevant town planning consideration.”

However, it is also noted that Section 2.10 of the *Local Government Act 1995* lists one of the roles of a Councillor as being:

“A councillor —

(a) represents the interests of electors, ratepayers and residents of the district;”

The Three Springs Townsite Strategy (2014) identifies Lots 2 & 3 Water Street as being within ‘Precinct 5-Industrial’ and lists the following:

Objectives	Planning Provisions	Priority Level
5.1 Development will be predominantly light industrial in nature.	P5.1 To encourage further Light Industrial expansion, consideration should be given to the rezoning, subdivision and redevelopment of the Rural zoned land for industrial land uses.	Medium Term
	P5.2 Service Commercial and Light Industrial land uses are to be encouraged to locate in close proximity to the existing industrial lots on Water Street.	Medium Term
	P5.3 Further Rural Residential subdivision in this location should be discouraged.	Short Term
4.2 High quality built form is to be encouraged, notably in areas that are visible from West Yarra Road.	P5.4 New industrial development is encouraged to be constructed to a high standard and ensure the buildings facing the street maintain an attractive façade enhance the visual amenity of the streetscape.	Short – Medium Term
	P5.5 Any landscaping details are encouraged to be locally themed and of a species that is “water wise” and well represented throughout Three Springs.	Short – Medium Term
	P5.6 Any signage on the road frontage to Water Street should be in a style that is in keeping with other signage throughout the Town to provide an integrated theme within Three Springs.	Short Term

The Strategy also notes a key outcome as being:

“Diversify and expand employment opportunities, services and facilities for the benefit of residents and tourists.” (page 37)

VOTING REQUIREMENTS

Simple Majority

OFFICERS RECOMMENDATION – ITEM 9.1.2

That Council determine that an Unmanned 24 Hour Fuel Facility is a use not listed within its Local Planning Scheme Zoning Table and that the application for an Unmanned 24 Hour Fuel Facility upon Lot 2 & 3 Water Street, Three Springs shall be advertised for public comment and returned to a future meeting of Council for its consideration of the application and any submissions received.

COUNCIL RESOLUTION

No decision was made on Item 9.1.2 as after the Declaration of a Financial Interest there was not a quorum of Council.

Cr Thorpe returned to Chambers at 1.43pm

9.2. ADMINISTRATION

9.2.1 REVIEW OF DELEGATIONS REGISTER

Agenda Reference: CEO 12/18-01
Location/Address: 132 Railway Road, Three Springs
Name of Applicant: Shire of Three Springs
File Reference: ADM0199
Disclosure of Interest:
Date: 4th December 2018
Author: Sylvia Yandle, CEO

Signature of Author: _____

SUMMARY

Council is required to review its Delegations Register once every 12 months.

ATTACHMENTS

1. Draft Delegations Register Reviewed December 2018. As separate document.

BACKGROUND

The Delegations Register was last reviewed in December 2017 with amendments made with reference to Community Emergency Services Manager changed to Emergency and Ranger Services Officer.

COMMENT

The December 2018 reviewed document contains minor changes, most significant with Health, Building and Planning delegation.

The Delegations Register has been reviewed and based on its current contents, no changes are required. Moore Stephens conducted an Audit Regulation 17 in November 2016 which provided information on current delegations and registers. A more comprehensive review of Council's Delegations Registers will be undertaken in 2019 along with other Council documents including Policy Manual, Local Laws and Code of Conduct..

CONSULTATION

CEO, Manager of Finance

STATUTORY ENVIRONMENT

Local Government Act 1995 Section 5.46 (2) states –

5.46. Register of, and records relevant to, delegations to CEO and employees

- (1) The CEO is to keep a register of the delegations made under this Division to the CEO and to employees.
- (2) At least once every financial year, delegations made under this Division are to be reviewed by the delegator.

POLICY IMPLICATIONS

Reference to delegated authority is made a number of times in Policy Manual - Adherence to the guidelines and procedures outlined in this document by all officers with delegated authority.

FINANCIAL IMPLICATIONS

Nil.

STRATEGIC IMPLICATIONS

Nil.

VOTING REQUIREMENTS

Local Government Act 1995 Section 5.45 (1) (b) states –

“any decision to amend or revoke a delegation by a local government under this Division is to be by an absolute majority.”

140415 COUNCIL RESOLUTION/OFFICER RECOMMENDATION – ITEM 9.2.1

MOVED: Cr Thorpe
SECONDED: Cr Thomas

That Council endorse the Shire of Three Springs Delegations Register to that document listed at Attachment 9.2.1a *“Register of Delegations Reviewed December 2018”*.

CARRIED
Voted: 4/0

9.2.2 PASSWORD POLICY FOR SHIRE COMPUTERS AND TABLETS

Agenda Reference: CEO 18/12 - 04
Location/Address: Shire of Three Springs
Name of Applicant:
File Reference: ADM0124
Disclosure of Interest: Nil
Date: 4th December, 2018
Author: Donna Newton – Finance Officer

Signature of Author: _____

SUMMARY

For Council to consider the implementation of the use of a stringent password policy for the Shires computers and tablets, to prevent unauthorised access to electronic information.

ATTACHMENT

Nil

BACKGROUND

In recent times the Shire of Three Springs has received a number of phishing and scam emails. Whilst due diligence is used by staff and councillors alike to prevent the possibility of the Shire's electronic information becoming corrupt or destroyed by unauthorised access, we are still seeing incidences of possible hacking attempts via email.

In previous Audits it has been brought to the attention of the Shire that our current password policy is outdated and not very strong against outside attacks.

The Shire's electronic information systems are protected by antivirus and antispam software and are monitored on a daily basis. The Shire's Computer and IT service, Perfect Computer Solutions, strongly suggests the implementation of a stringent password policy, to further prevent the possibility of the Shire's electronic systems being accessed by unauthorised persons.

Perfect Computer Solutions propose the following password policy for access to the Shire of Three Springs computers and Council tablets.

1. Password is not to contain the user's account name or parts of the user's full name that exceed two consecutive characters.
2. Be at least 7 characters in length.
 - Contain characters from three of the following four categories:
 - English uppercase characters (A through Z)
 - English lowercase characters (a through z)
 - Base 10 digits (0 through 9)
 - Non-alphabetic characters (for example, ! , \$, #, %)

4. Password cannot be the same as any of the last 24 passwords.
5. Passwords cannot be changed for 1 day after a new password is picked. (To stop people changing their password 24 times to get back to the same one).
6. Passwords expire every 42 days.
7. You will be notified your password is going to expire 5 days before it does. Any people who log in remotely will need to change their password before it fully expires otherwise they won't be able to log in remotely when it does expire.

These are the preferred settings, though these can be relaxed somewhat. However, relaxing them will lower the security.

CONSULTATION

CEO Sylvia Yandle, Finance Officer Donna Newton and Perfect Computer Solutions

STATUTORY ENVIRONMENT

Nil

POLICY IMPLICATIONS

Policy Manual – Information Technology

- 4.4 Where the use of any IT facility is governed by a password then the password must not be inappropriately divulged to any other person.
- 4.5 Users must take every reasonable precaution to ensure that their passwords, accounts, software and data are adequately protected.

FINANCIAL IMPLICATIONS

Nil

STRATEGIC IMPLICATIONS

Nil

OFFICERS COMMENT

Due to the ever increasing threat of unauthorised access to the Shire's electronic information, it is highly recommended that the Shire stay abreast of changing security measures. By implementing a strong password policy we can help insure that the Shire of Three Springs will not fall prey to hacking or destruction of our electronic information.

VOTING REQUIREMENTS

Simple Majority

140416 COUNCIL RESOLUTION/OFFICER RECOMMENDATION – ITEM 9.2.2

MOVED: Cr Thorpe
SECONDED: Cr Mutter

That Council authorise the implementation of the proposed stringent password policy as per Perfect Computer Solutions recommendation.

CARRIED
Voted: 4/0

9.2.3 AUDIT COMMITTEE MEETING

Agenda Reference: CEO 12/18 – 05
Location/Address: Shire of Three Springs
Name of Applicant: Shire of Three Springs
File Reference: ADM0081
Disclosure of Interest: Nil
Date: 5th December 2018
Author: Sylvia Yandle CEO

Signature of Author: _____

SUMMARY

For the Audit Committee to review the Annual Financial Statements, Audit Report, Management Report and make recommendations to Council in relation to the 2017/2018 Annual Financial Statements and set the date for the Annual Electors Meeting.

ATTACHMENT

- 9.2.3a Annual Financial Report for the year ended 30th June 2018
- 9.2.3b Independent Audit Report for the year ended 30th June 2018
- 9.2.3c Audit concluding memorandum 2017/2018

BACKGROUND

All elected members form the Audit Committee therefore the review of the Financial Report, Audit Report and Management Report for the previous financial year is undertaken by full Council at the Ordinary Meeting of Council following receipt of these reports.

Following proclamation of the Local Government Amendment (Auditing) Act 2017, the Auditor General was made responsible for the financial and performance auditing of local governments. In November 2017 Council was informed the annual financial audit for financial year ending 30th June 2018 for Shire of Three Springs would be undertaken by the Auditor General via contracted companies. Moore Stephens was the company contracted to do the audit on behalf of the Auditor General, Greg Godwin continued as audit partner responsible for the Shire of Three Springs 2017/18 audit.

COMMENT

On Monday 3rd December 2018 Greg Godwin (representing Moore Stephens) and Yusoof Ariff from Office of the Auditor General for Western Australia conducted an audit exit meeting via teleconference with CEO Sylvia Yandle and Manager of Finance Leah John. The final reports were signed off by the Auditor General and are presented to Council for review (attachment 9.23a and 9.2.3b).

Arrangements have been made for Greg Godwin and Yusoof Ariff to attend the Audit Meeting via teleconference at Wednesday the 12th December 2018.

As per the Local Government Act Council is required to accept the Audit Report, Management Report, Annual Financial Statements and set the date for the Annual Electors Meeting.

The Management Report is a reflection of the sound governance principles and effort that staff have put into the finance and administration processes throughout 2017/2018.

CONSULTATION

CEO, Manager of Finance, Senior Finance and Admin Officer, Moore Stephens audit staff and OAG Assistant Director Financial Audit.

STATUTORY ENVIRONMENT

Local Government Act 1995, Section 5.53 provides that the annual report is to contain the following:

5.53. Annual reports

- (1) The local government is to prepare an annual report for each financial year.
- (2) The annual report is to contain —
 - a report from the president
 - a report from the CEO
 - an overview of the plan for the future of the district made in accordance with section 5.56, including major initiatives that are proposed to commence or to continue in the next financial year
 - the financial report for the financial year
 - such information as may be prescribed in relation to the payments made to employees
 - the auditor's report for the financial year
 - a matter on which a report must be made under section 29(2) of the Disability Services Act 1993
 - details of entries made under section 5.121 during the financial year in the register of complaints, including —
 - (i) the number of complaints recorded in the register of complaints; and
 - (ii) how the recorded complaints were dealt with; and
 - (iii) any other details that the regulations may require; and
 - such other information as may be prescribed.

The Local Government Act 1995 Section 7.2 provides:

The accounts and annual financial report of a local government for each financial year are required to be audited by an auditor appointed by each local government.

The Local Government Act 1995 Section 7.12a provides:

- (3) A local government is to examine the report of the auditor prepared under section 7.9(1), and any report prepared under section 7.9(3) forwarded to it, and is to —
 - (a) determine if any matters raised by the report, or reports, require action to be taken by the local government; and
 - (b) ensure that appropriate action is taken in respect of those matters.

- (4) A local government is to —
- (a) prepare a report on any actions under subsection (3) in respect of an audit conducted in respect of a financial year; and
 - (b) forward a copy of that report to the Minister,
- by the end of the next financial year, or 6 months after the last report prepared under section 7.9 is received by the local government, whichever is the latest in time.

Local Government Act 1995 s5.27 & s5.29

5.27. Electors' general meetings

- (1) A general meeting of the electors of a district is to be held once every financial year.
- (2) A general meeting is to be held on a day selected by the local government but not more than 56 days after the local government accepts the annual report for the previous financial year.

5.29. Convening electors' meetings

- (1) The CEO is to convene an electors' meeting by giving —
 - (a) at least 14 days' local public notice; and
 - (b) each council member at least 14 days' notice of the date, time, place and purpose of the meeting.
- (2) The local public notice referred to in subsection (1)(a) is to be treated as having commenced at the time of publication of the notice under section 1.7(1)(a) and is to continue by way of exhibition under section 1.7(1)(b) and (c) until the meeting has been held."

POLICY IMPLICATIONS

1001 Annual Electors Meeting "That this meeting be scheduled prior to 31st October annually, subject to receipt of Auditors Report."

FINANCIAL IMPLICATIONS

Nil

STRATEGIC IMPLICATIONS

Strategic Resource Plan 2016-2031

Monitoring and reporting of the key performance measures is important to help ensure levels of service are maintained.

VOTING REQUIREMENTS

Absolute Majority

140417 COUNCIL RESOLUTION/OFFICER RECOMMENDATION – ITEM 9.2.3

MOVED: Cr Mutter
SECONDED: Cr Thomas

That the Audit Committee recommends that Council:

- 1. Accept the Financial Report for the year ended 30th June 2018
- 2. Accept the Audit Report for the year ended 30th June 2018
- 3. Accept the Management Report for the year ended 30th June 2018
- 4. Schedule the Annual Electors meeting in Council Chambers for 6th February 2019.

CARRIED by Absolute Majority
Voted: 4/0

MOORE STEPHENS

SHIRE OF THREE SPRINGS FINANCIAL REPORT FOR THE YEAR ENDED 30TH JUNE 2018

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COMMUNITY VISION

Three Springs becomes a Healthy and Unified Community
with a Bright Future. **'Powering the Region'**

Principal place of business:
132 Railway Road
Three Springs WA 6519

**SHIRE OF THREE SPRINGS
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018**

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire of Three Springs for the financial year ended 30 June 2018 is based on proper accounts and records to present fairly the financial position of the Shire of Three Springs at 30 June 2018 and the results of the operations for the financial year then ended in accordance with the *Local Government Act 1995* and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.

Signed on the 5 day of December 2018



Chief Executive Officer

Sylvia Yandle

Name of Chief Executive Officer

STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30TH JUNE 2018

	NOTE	2018 Actual \$	2018 Budget \$	2017 Actual \$
Revenue				
Rates	21(a)	2,037,426	2,039,712	1,988,240
Operating grants, subsidies and contributions	2(a)	1,177,061	975,802	1,857,296
Fees and charges	2(a)	220,735	245,555	304,837
Interest earnings	2(a)	54,481	58,546	47,841
Other revenue	2(a)	63,988	49,750	67,150
		<u>3,553,691</u>	<u>3,369,365</u>	<u>4,265,364</u>
Expenses				
Employee costs		(936,416)	(1,184,567)	(1,020,803)
Materials and contracts		(448,902)	(1,284,944)	(401,500)
Utility charges		(212,769)	(230,515)	(213,182)
Depreciation on non-current assets	9(b)	(1,586,149)	(972,894)	(1,660,840)
Interest expenses	2(b)	(11,345)	(12,163)	(16,025)
Insurance expenses		(173,156)	(166,037)	(158,687)
Other expenditure		(41,052)	(43,233)	(65,374)
		<u>(3,409,789)</u>	<u>(3,894,353)</u>	<u>(3,536,411)</u>
		143,902	(524,988)	728,953
Non-operating grants, subsidies and contributions	2(a)	1,080,241	1,745,189	1,371,251
(Loss) on asset disposals	9(a)	(8,105)	(10,530)	(33,312)
Equity Share of Investment	18	70,068	0	0
(Loss) on revaluation of Infrastructure - Foothpaths	8(b)	0	0	(24,619)
Reversal of prior year loss on revaluation of Infrastructure - Parks and Ovals	8(b)	138,863	0	0
Net result		<u>1,424,969</u>	<u>1,209,671</u>	<u>2,042,273</u>
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	10	430,019	0	(2,777,216)
Total other comprehensive income		<u>430,019</u>	<u>0</u>	<u>(2,777,216)</u>
Total comprehensive income		<u><u>1,854,988</u></u>	<u><u>1,209,671</u></u>	<u><u>(734,943)</u></u>

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



**STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30TH JUNE 2018**

	NOTE	2018 Actual \$	2018 Budget \$	2017 Actual \$
Revenue	2(a)			
Governance		39,612	27,947	42,457
General purpose funding		3,081,842	2,516,951	3,472,557
Law, order, public safety		36,474	45,500	145,454
Health		16,473	19,500	17,717
Education and welfare		13,810	13,900	9,043
Housing		95,611	108,625	95,113
Community amenities		95,414	78,100	144,780
Recreation and culture		24,453	54,599	58,043
Transport		78,487	446,580	203,535
Economic services		8,304	11,813	10,377
Other property and services		63,211	45,850	66,288
		3,553,691	3,369,365	4,265,364
Expenses	2(a)			
Governance		(216,899)	(287,125)	(242,544)
General purpose funding		(34,969)	(35,979)	(43,188)
Law, order, public safety		(165,156)	(239,400)	(454,773)
Health		(119,997)	(109,640)	(126,618)
Education and welfare		(15,106)	(11,850)	(14,178)
Housing		(302,218)	(345,627)	(308,357)
Community amenities		(254,775)	(290,750)	(186,863)
Recreation and culture		(726,678)	(947,670)	(760,620)
Transport		(1,409,015)	(1,459,605)	(1,223,502)
Economic services		(94,812)	(110,076)	(106,769)
Other property and services		(58,819)	(44,468)	(52,974)
		(3,398,444)	(3,882,190)	(3,520,386)
Finance Costs	2(b)			
Recreation and culture		(8,129)	(7,200)	(8,540)
Transport		(3,216)	(4,963)	(7,485)
		(11,345)	(12,163)	(16,025)
		143,902	(524,988)	728,953
Non-operating grants, subsidies and contributions	2(a)	1,080,241	1,745,189	1,371,251
(Loss) on disposal of assets	9(a)	(8,105)	(10,530)	(33,312)
Equity Share of investment	18	70,068	0	0
(Loss) on revaluation of Infrastructure - Foothpaths	8(b)	0	0	(24,619)
Reversal of prior year loss on revaluation of Infrastructure - Parks and Ovals	8(b)	138,863	0	0
		1,281,067	1,734,659	1,313,320
Net result		1,424,969	1,209,671	2,042,273
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	10	430,019	0	(2,777,216)
Total other comprehensive income		430,019	0	(2,777,216)
Total comprehensive income		1,854,988	1,209,671	(734,943)

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

**STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2018**

	NOTE	2018	2017
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	3	3,235,209	2,960,690
Trade and other receivables	5	303,949	106,224
Inventories	6	5,497	1,905
TOTAL CURRENT ASSETS		3,544,655	3,068,819
NON-CURRENT ASSETS			
Other receivables	5	22,641	19,717
Investments	18	70,068	0
Property, plant and equipment	7	14,300,079	14,332,393
Infrastructure	8	35,324,600	33,985,425
TOTAL NON-CURRENT ASSETS		49,717,388	48,337,535
TOTAL ASSETS		53,262,043	51,406,354
CURRENT LIABILITIES			
Trade and other payables	11	189,325	92,963
Current portion of long term borrowings	12(a)	66,233	62,885
Provisions	13	148,222	171,860
TOTAL CURRENT LIABILITIES		403,780	327,708
NON-CURRENT LIABILITIES			
Long term borrowings	12(a)	140,675	206,908
Provisions	13	32,228	41,366
TOTAL NON-CURRENT LIABILITIES		172,903	248,274
TOTAL LIABILITIES		576,683	575,982
NET ASSETS		52,685,360	50,830,372
EQUITY			
Retained surplus		28,603,835	27,646,814
Reserves - cash backed	4	1,724,052	1,256,105
Revaluation surplus	10	22,357,473	21,927,453
TOTAL EQUITY		52,685,360	50,830,372

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



**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2018**

		RETAINED	RESERVES CASH	REVALUATION	TOTAL
	NOTE	SURPLUS	BACKED	SURPLUS	EQUITY
		\$	\$	\$	\$
Balance as at 1 July 2016		26,027,171	833,475	24,704,669	51,565,315
Comprehensive income					
Net result		2,042,273	0	0	2,042,273
Changes on revaluation of assets	10	0	0	(2,777,216)	(2,777,216)
Total comprehensive income		2,042,273	0	(2,777,216)	(734,943)
Transfers from/(to) reserves		(422,630)	422,630	0	0
Balance as at 30 June 2017		27,646,814	1,256,105	21,927,453	50,830,372
Comprehensive income					
Net result		1,424,969	0	0	1,424,969
Changes on revaluation of assets	10	0	0	430,019	430,019
Total comprehensive income		1,424,969	0	430,019	1,854,988
Transfers from/(to) reserves		(467,947)	467,947	0	0
Balance as at 30 June 2018		28,603,835	1,724,052	22,357,473	52,685,360

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2018

	NOTE	2018 Actual	2018 Budget	2017 Actual
		\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		2,027,858	2,054,712	1,981,116
Operating grants, subsidies and contributions		987,613	1,011,802	2,213,271
Fees and charges		220,735	245,555	304,837
Interest earnings		54,481	58,546	47,841
Goods and services tax		127,766	250,000	314,053
Other revenue		63,988	49,750	67,150
		<u>3,482,441</u>	<u>3,670,365</u>	<u>4,928,268</u>
Payments				
Employee costs		(967,754)	(1,184,567)	(973,412)
Materials and contracts		(356,752)	(1,314,473)	(450,062)
Utility charges		(212,769)	(230,515)	(213,182)
Interest expenses		(12,163)	(12,663)	(18,426)
Insurance expenses		(173,156)	(166,037)	(158,687)
Goods and services tax		(129,399)	(250,000)	(313,070)
Other expenditure		(41,052)	(43,233)	(65,374)
		<u>(1,893,045)</u>	<u>(3,201,488)</u>	<u>(2,192,213)</u>
Net cash provided by (used in)				
operating activities	14	<u>1,589,396</u>	<u>468,877</u>	<u>2,736,055</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of				
property, plant & equipment		(817,700)	(2,278,451)	(866,912)
Payments for construction of				
infrastructure		(1,571,351)	(2,165,356)	(2,015,656)
Non-operating grants,				
subsidies and contributions		1,080,241	1,745,189	1,371,251
Proceeds from sale of fixed assets		56,818	80,000	31,414
Net cash provided by (used in)				
investment activities		<u>(1,251,992)</u>	<u>(2,618,618)</u>	<u>(1,479,903)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of long term borrowings		(62,885)	(62,885)	(149,072)
Net cash provided by (used in)				
financing activities		<u>(62,885)</u>	<u>(62,885)</u>	<u>(149,072)</u>
Net increase (decrease) in cash held		274,519	(2,212,626)	1,107,080
Cash at beginning of year		2,960,690	2,960,690	1,853,610
Cash and cash equivalents				
at the end of the year	14	<u><u>3,235,209</u></u>	<u><u>748,064</u></u>	<u><u>2,960,690</u></u>

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

**RATE SETTING STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2018**

	NOTE	2018 Actual \$	2018 Budget \$	2017 Actual \$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)		1,675,807	1,714,991	1,345,633
Revenue from operating activities (excluding rates)				
Governance		39,612	27,947	42,457
General purpose funding		1,044,416	528,711	1,484,317
Law, order, public safety		36,474	45,500	145,454
Health		16,473	19,500	17,717
Education and welfare		13,810	13,900	9,043
Housing		95,611	108,625	95,113
Community amenities		95,414	78,100	144,780
Recreation and culture		24,453	54,599	58,043
Transport		78,487	446,580	203,535
Economic services		8,304	11,813	10,377
Other property and services		63,211	45,850	66,288
		1,516,265	1,381,125	2,277,124
Expenditure from operating activities				
Governance		(219,809)	(288,039)	(242,544)
General purpose funding		(34,969)	(35,979)	(43,188)
Law, order, public safety		(165,156)	(239,400)	(454,773)
Health		(119,997)	(109,640)	(126,618)
Education and welfare		(15,106)	(11,850)	(14,178)
Housing		(302,218)	(345,627)	(329,415)
Community amenities		(254,775)	(290,750)	(186,863)
Recreation and culture		(734,807)	(954,870)	(769,160)
Transport		(1,417,426)	(1,474,184)	(1,243,241)
Economic services		(94,812)	(110,076)	(106,769)
Other property and services		80,044	(44,468)	(77,593)
		(3,279,031)	(3,904,883)	(3,594,342)
Operating activities excluded				
Loss on disposal of assets	9(a)	8,105	10,530	33,312
Loss on revaluation of fixed assets	8(b)	0	0	24,619
(Reversal) of prior year loss on revaluation of fixed assets		(138,863)	0	0
Movement in deferred pensioner rates (non-current)		(2,924)	0	(1,490)
Movement in Leave Reserve (Added Back)		3,225	0	3,342
Movement in employee benefit provisions (non-current)		(9,138)	0	(9,866)
Depreciation and amortisation on assets	9(b)	1,586,149	972,894	1,660,840
Amount attributable to operating activities		1,359,595	174,659	1,739,172
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions		1,080,241	1,745,189	1,371,251
Proceeds from disposal of assets	9(a)	56,818	80,000	31,414
Purchase of property, plant and equipment	7(b)	(817,700)	(2,278,451)	(866,912)
Purchase and construction of infrastructure	8(b)	(1,571,351)	(2,165,356)	(2,015,656)
Amount attributable to investing activities		(1,251,992)	(2,618,618)	(1,479,903)
FINANCING ACTIVITIES				
Repayment of long term borrowings	12(a)	(62,885)	(62,885)	(149,072)
Transfers to reserves (restricted assets)	4	(467,947)	(81,396)	(422,630)
Transfers from reserves (restricted assets)	4	0	600,000	0
Amount attributable to financing activities		(530,832)	455,719	(571,702)
Surplus(deficiency) before general rates		(423,229)	(1,988,240)	(312,433)
Total amount raised from general rates	21	2,037,426	1,988,240	1,988,240
Net current assets at June 30 c/fwd - surplus/(deficit)	22	1,614,197	0	1,675,807

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018**

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 to the extent they are not inconsistent 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 (Financial Management) Regulations 1996* take precedence over Australian Accounting Standards. Regulation 16 prohibits a local government from recognising as assets Crown land that is a public thoroughfare, such as land under roads, and land not owned by but under the control or management of the local government, unless it is a golf course, showground, racecourse or 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 requirements of AASB 1051 *Land Under Roads* paragraph 15 and AASB 116 *Property, Plant and Equipment* paragraph 7.

CRITICAL ACCOUNTING ESTIMATES

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

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

THE LOCAL GOVERNMENT REPORTING ENTITY

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

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

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

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018

2. REVENUE AND EXPENSES

(a) Revenue	2018	2017
	Actual	Actual
	\$	\$
Other revenue		
Reimbursements and recoveries	50,928	56,009
Other	13,060	11,141
	63,988	67,150
Fees and Charges		
Governance	10,666	13,554
General purpose funding	5,716	6,040
Law, order, public safety	1,226	3,853
Health	16,473	16,438
Housing	86,799	86,105
Community amenities	74,673	154,273
Recreation and culture	13,190	13,306
Economic services	7,131	8,050
Other property and services	4,861	3,218
	220,735	304,837

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

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Grant Revenue

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

	2018	2017
	\$	\$
Operating grants, subsidies and contributions		
Governance	1,016,048	15,767
General purpose funding	4,485	1,452,807
Law, order, public safety	35,248	141,601
Health	0	1,279
Education and welfare	1,000	960
Housing	1,807	3,700
Community amenities	19,500	(9,939)
Recreation and culture	10,356	43,797
Transport	61,410	189,107
Economic services	0	1,000
Other property and services	27,207	17,217
	1,177,061	1,857,296
Non-operating grants, subsidies and contributions		
Law, order, public safety	170,309	494,910
Recreation and culture	0	4,032
Transport	909,932	872,309
	1,080,241	1,371,251
Total grants, subsidies and contributions	2,257,302	3,228,547

SIGNIFICANT ACCOUNTING POLICIES

Grants, Donations and Other Contributions

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

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

Grants, Donations and Other Contributions (Continued)

a particular period, and those conditions were undischarged as at the reporting date, the nature of and amounts pertaining to those undischarged conditions are disclosed in Note 20.

That note also discloses the amount of contributions recognised as revenues in a previous reporting period which were obtained in respect of the local government's operations for the current period.

	2018 Actual	2018 Budget	2017 Actual
	\$	\$	\$
Interest earnings			
- Reserve funds	31,668	31,396	22,430
- Other funds	11,346	15,500	14,181
Other interest revenue (refer note 21(b))	11,467	11,650	11,230
	54,481	58,546	47,841

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018

2. REVENUE AND EXPENSES (Continued)

(b) Expenses	2018	2017
	\$	\$
Auditors remuneration		
- Audit of the Annual Financial Report	11,981	23,836
- Other Audit Services	4,920	2,300
	<u>16,901</u>	<u>26,136</u>
Interest expenses (finance costs)		
Long term borrowings (refer Note 12(a))	11,345	16,025
	<u>11,345</u>	<u>16,025</u>
Rental charges		
- Operating leases	2,999	17,994
	<u>2,999</u>	<u>17,994</u>

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018

	NOTE	2018	2017
		\$	\$
3. CASH AND CASH EQUIVALENTS			
Unrestricted		1,452,657	1,589,086
Restricted		1,782,552	1,371,604
		<u>3,235,209</u>	<u>2,960,690</u>
The following restrictions have been imposed by regulations or other externally imposed requirements:			
Leave Reserve	4	131,141	127,916
Plant Reserve	4	240,654	234,736
Housing & Development Reserve	4	123,308	120,276
Joint Venture Housing Reserve	4	161,548	157,576
Gravel Pit Reserve	4	47,703	46,530
Swimming Pool Equipment Reserve	4	136,891	35,984
Day Care Centre Reserve	4	520,893	508,083
Lovelock Sock Reserve	4	50,635	25,004
Road Reserve	4	25,000	0
Drainage Reserve	4	286,279	0
Unspent grants	20	58,500	115,499
		<u>1,782,552</u>	<u>1,371,604</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 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

Cash and cash equivalents (Continued)

and bank overdrafts. Bank overdrafts are reported as short term borrowings in current liabilities in the statement of financial position.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018

4. RESERVES - CASH BACKED

	2018		2018		2018		2018		2018		2018		2017		2017		2017	
	Actual	Actual	Actual	Actual	Budget	Budget	Budget	Budget	Actual	Actual	Budget	Budget	Actual	Actual	Actual	Actual	Actual	Actual
	Opening	Transfer	to	(from)	Opening	Transfer	to	(from)	Opening	Opening	Transfer	Transfer	Opening	Opening	Transfer	Transfer	Closing	Closing
	Balance				Balance				Balance	Balance			Balance	Balance	to	(from)	Balance	Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Leave Reserve	127,916	3,225	0	0	127,916	3,197	0	0	127,916	124,573	3,342	0	124,573	124,573	3,342	0	127,915	127,915
Plant Reserve	234,736	5,918	0	0	234,736	5,867	0	0	234,736	131,198	103,537	0	131,198	131,198	103,537	0	234,735	234,735
Housing & Development Reserve	120,276	3,032	0	0	120,276	3,006	0	0	120,276	78,172	42,104	0	78,172	78,172	42,104	0	120,276	120,276
Joint Venture Housing Reserve	157,576	3,973	0	0	157,576	3,939	0	(100,000)	157,576	119,173	38,404	0	119,173	119,173	38,404	0	157,577	157,577
Gravel Pit Reserve	46,530	1,173	0	0	46,530	1,163	0	0	46,530	45,315	1,216	0	45,315	45,315	1,216	0	46,531	46,531
Swimming Pool Equipment Reserve	35,984	100,907	0	0	35,984	899	0	0	35,984	35,044	940	0	35,044	35,044	940	0	35,984	35,984
Day Care Centre Reserve	508,083	12,810	0	0	508,083	12,700	0	(500,000)	508,083	300,000	208,083	0	300,000	300,000	208,083	0	508,083	508,083
Lovelock Sock Reserve	25,004	25,630	0	0	25,004	25,625	0	0	25,004	0	25,004	0	0	0	25,004	0	25,004	25,004
Road Reserve	0	25,000	0	0	0	25,000	0	0	0	0	0	0	0	0	0	0	0	0
Drainage Reserve	0	286,279	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	1,256,105	467,947	0	0	1,256,105	81,396	0	(600,000)	1,256,105	833,475	422,630	0	833,475	833,475	422,630	0	1,256,105	1,256,105

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
Leave Reserve	ongoing	To be used to fund annual and long service leave requirements.
Plant Reserve	ongoing	To be used for the purchase of major plant.
Housing & Development Reserve	30-Jun-19	To be used to fund housing/accommodation projects.
Joint Venture Housing Reserve	30-Jun-19	To be used to maintain the joint Ministry of Housing/Local Government Properties.
Gravel Pit Reserve	ongoing	To be used for rehabilitation of disused gravel pits.
Swimming Pool Equipment Reserve	30-Jun-19	To be used to purchase recreational equipment for the swimming pool.
Day Care Centre Reserve	30-Jun-19	To be used to upgrade Child Care Building and equipments.
Lovelock Sock Reserve	ongoing	To be used to upgrade potable water infrastructure.
Road Reserve	ongoing	To be used for future capital road works.
Drainage Reserve	ongoing	To be used for construction of proper town drainage system.

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018**

5. TRADE AND OTHER RECEIVABLES

	2018	2017
	\$	\$
Current		
Rates outstanding	35,623	29,700
Sundry debtors	209,935	71,336
GST receivable	1,633	0
Provision for Doubtful Debts	(1,055)	(5,096)
Accrued Income	40,720	0
Other receivables	17,093	10,284
	<u>303,949</u>	<u>106,224</u>
Non-current		
Rates outstanding - pensioners	22,641	19,717
	<u>22,641</u>	<u>19,717</u>

Information with respect to the impairment or otherwise of the totals of rates outstanding and sundry debtors is as follows:

Rates outstanding

Includes:

Past due and not impaired

- 1 to 5 years	53,726	46,313
- more than 5 years	4,538	3,104
	<u>58,264</u>	<u>49,417</u>

Sundry debtors

Includes:

Past due and not impaired

- up to 1 month	205,618	65,135
- 1 to 3 months	1,362	0
- 3 months to one year	1,710	390
- 1 to 5 years	190	2,856
	<u>208,880</u>	<u>68,381</u>

Impaired	1,055	2,955
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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.

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.

Classification and subsequent measurement

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

Loans and receivables are included in current assets where they are expected to mature within 12 months after the end of the reporting period.

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018**

6. INVENTORIES

Current

Fuel and Materials

	2018	2017
	\$	\$
	5,497	1,905
	5,497	1,905

SIGNIFICANT ACCOUNTING POLICIES

General

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

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

Land held for sale

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

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

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018**

7 (a). PROPERTY, PLANT AND EQUIPMENT

Land and buildings	2018	2017
	\$	\$
Land - freehold land at:		
- Independent valuation 2017 - level 2	430,000	430,000
- Independent valuation 2017 - level 3	364,000	364,000
- Management valuation 2017 - level 3	50,262	50,262
- Additions after Valuation - cost	5,870	3,459
Total land	850,132	847,721
Buildings - non-specialised at:		
- Independent valuation 2017 - level 2	2,967,682	2,967,682
- Additions after Valuation - cost	99,289	10,883
Less: accumulated depreciation	(284,215)	(141,261)
	2,782,756	2,837,304
Buildings - specialised at:		
- Independent valuation 2017 - level 3	8,137,500	8,137,500
- Additions after Valuation - cost	504,221	215,346
Less: accumulated depreciation	(682,787)	(337,513)
	7,958,934	8,015,333
Total buildings	10,741,690	10,852,637
Total land and buildings	11,591,822	11,700,358
Furniture and equipment at:		
- Management valuation 2016 - level 2	33,982	33,982
- Management valuation 2016 - level 3	101,528	101,528
- Additions after Valuation - cost	95,737	3,395
Less: accumulated depreciation	(48,252)	(21,246)
	182,995	117,659
Plant and equipment at:		
- Management valuation 2016 - level 2	2,008,943	2,106,143
- Management valuation 2016 - level 3	16,531	16,531
- Additions after Valuation - cost	976,511	611,981
Less: accumulated depreciation	(485,903)	(242,127)
	2,516,082	2,492,528
Work In Progress	9,180	21,848
	9,180	21,848
Total property, plant and equipment	14,300,079	14,332,393

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Movements in Carrying Amounts

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

	Land - freehold land	Total land	Buildings - non- specialised	Buildings - specialised	Total buildings	Total land and buildings	Furniture and equipment	Plant and equipment	PPE - WIP	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2016	945,463	945,463	3,142,160	8,319,425	11,461,585	12,407,048	162,862	2,309,274	0	14,879,184
Additions	3,459	3,459	22,614	225,463	248,077	251,536	3,395	611,981	0	866,912
(Disposals)	0	0	(21,058)	(3,000)	(24,058)	(24,058)	0	(40,668)	0	(64,726)
Revaluation increments/ (decrements) transferred to revaluation surplus	(101,201)	(101,201)	(204,212)	(205,533)	(409,745)	(510,946)	0	0	0	(510,946)
Depreciation (expense)	0	0	(141,261)	(338,257)	(479,518)	(479,518)	(21,246)	(388,059)	0	(888,823)
Transfers	0	0	39,061	17,235	56,296	56,296	(27,352)	0	21,848	50,792
Carrying amount at 30 June 2017	847,721	847,721	2,837,304	8,015,333	10,852,637	11,700,358	117,659	2,492,528	21,848	14,332,393
Additions	2,411	2,411	76,675	313,410	390,085	392,496	51,495	364,529	9,180	817,700
(Disposals)	0	0	0	0	0	0	0	(64,923)	0	(64,923)
Depreciation (expense)	0	0	(142,954)	(345,274)	(488,228)	(488,228)	(27,006)	(276,052)	0	(791,286)
Transfers	0	0	11,731	(24,535)	(12,804)	(12,804)	40,847	0	(21,848)	6,195
Carrying amount at 30 June 2018	850,132	850,132	2,782,756	7,958,934	10,741,690	11,591,822	182,995	2,516,082	9,180	14,300,079

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

(c) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Land and buildings					
Land - freehold land	2	Market approach using recent observable market data for similar properties	Independent registered valuers	July 2016	Price per square metre
Buildings - non-specialised	2	Market approach using recent observable market data for similar properties	Independent registered valuers	July 2016	Price per square metre
Buildings - specialised	3	Improvements to buildings valued using cost approach using depreciated replacement cost	Independent registered valuers	July 2016	Improvements to buildings using construction costs and current condition (Level 3), residual values and remaining useful life assessments (Level 3) inputs
Furniture and equipment	3	Cost approach using depreciated replacement cost	Management Valuation	June 2016	Purchase costs and current condition (Level 3), residual values and remaining useful life assessments (Level 3) inputs
Plant and equipment					
- Management valuation 2016	3	Market approach using recent observable market data for similar items	Management Valuation	June 2016	Price per unit/item
- Management valuation 2016	3	Cost approach using depreciated replacement cost	Management Valuation	June 2016	Purchase costs and current condition (Level 3), residual values and remaining useful life

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.

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018**

8 (a). INFRASTRUCTURE

	2018	2017
	\$	\$
Infrastructure - Roads		
- Management valuation 2017 - level 3	32,031,145	32,031,145
- Additions after Valuation - cost	3,515,232	1,879,426
Less: accumulated depreciation	(1,497,863)	(739,995)
	<u>34,048,514</u>	<u>33,170,576</u>
Infrastructure - Foothpaths		
- Management valuation 2017 - level 3	200,017	200,017
- Additions after Valuation - cost	32,620	32,620
Less: accumulated depreciation	(10,951)	(5,135)
	<u>221,686</u>	<u>227,502</u>
Infrastructure - Parks and Ovals		
- Management valuation 2015 - level 3	0	245,000
- Management valuation 2015 - level 3	0	59,496
- Independent valuation 2018 - level 3	1,173,200	0
- Additions after Valuation - cost	0	20,109
Less: accumulated depreciation	(451,100)	(31,984)
	<u>722,100</u>	<u>292,621</u>
Infrastructure - Airfield		
- Management valuation 2015 - level 3	0	228,000
- Management valuation 2018 - level 3	791,500	0
Less: accumulated depreciation	(459,200)	(18,300)
	<u>332,300</u>	<u>209,700</u>
Work In Progress	0	85,026
	<u>0</u>	<u>85,026</u>
Total infrastructure	<u>35,324,600</u>	<u>33,985,425</u>

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018

8. INFRASTRUCTURE (Continued)

(b) Movements in Carrying Amounts

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

	Infrastructure - Roads	Infrastructure - Footpaths	Infrastructure - Parks and Ovals	Infrastructure - Airfield	Infrastructure - WIP	Total Infrastructure
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2016	34,297,415	224,636	328,856	218,850	13,710	35,083,467
Additions	1,950,742	32,620	32,294	0	0	2,015,656
Revaluation increments/ (decrements) transferred to revaluation surplus	(2,266,270)	0	0	0	0	(2,266,270)
Revaluation (loss)/ reversals transferred to profit or loss	0	(24,619)	0	0	0	(24,619)
Depreciation (expense)	(739,995)	(5,135)	(17,737)	(9,150)	0	(772,017)
Transfers	(71,316)	0	(50,792)	0	71,316	(50,792)
Carrying amount at 30 June 2017	33,170,576	227,502	292,621	209,700	85,026	33,985,425
Additions	1,550,780	0	20,571	0	0	1,571,351
Revaluation increments/ (decrements) transferred to revaluation surplus	0	0	298,269	131,750	0	430,019
Revaluation (loss)/ reversals transferred to profit or loss	0	0	138,863	0	0	138,863
Depreciation (expense)	(757,868)	(5,816)	(22,029)	(9,150)	0	(794,863)
Transfers	85,026	0	(6,195)	0	(85,026)	(6,195)
Carrying amount at 30 June 2018	34,048,514	221,686	722,100	332,300	0	35,324,600

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018

8. INFRASTRUCTURE (Continued)

(c) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Infrastructure - Roads	3	Cost approach using depreciated replacement cost	Management Valuation	July 2016	Construction costs and current condition (Level 3), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - Footpaths	3	Cost approach using depreciated replacement cost	Management Valuation	July 2016	Construction costs and current condition (Level 3), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - Parks and Ovals	3	Cost approach using depreciated replacement cost	Independent registered valuers	June 2018	Construction costs and current condition (Level 3), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - Airfield	3	Cost approach using depreciated replacement cost	Independent registered valuers	June 2018	Construction costs and current condition (Level 3), residual values and remaining useful life assessments (Level 3) inputs

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

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

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018**

9. 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 and subsequently revalued in accordance with the mandatory measurement framework.

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

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

Revaluation

The fair value of fixed assets is determined at least every three years in accordance with the regulatory framework. At the end of each period the valuation is reviewed and where appropriate the fair value is updated to reflect current market conditions. This process is considered to be in accordance with *Local Government (Financial Management) Regulation 17A (2)* which requires property, plant and equipment to be shown at fair value.

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

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.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018

9. FIXED ASSETS (Continued)

(a) Disposals of Assets

The following assets were disposed of during the year.

	Actual Net Book Value	Actual Sale Proceeds	Actual Profit	Actual Loss	Budget Net Book Value	Budget Sale Proceeds	Budget Profit	Budget Loss
	\$	\$	\$	\$	\$	\$	\$	\$
Plant and Equipment								
Governance								
Holden Calais	17,456	14,545	0	(2,911)	20,914	20,000	0	(914)
Transport								
Ford PX Ranger Single Cab	13,614	10,909	0	(2,705)	13,126	10,000	0	(3,126)
Ford PX MKII Ranger Dual Cab	33,853	31,364	0	(2,489)	38,056	35,000	0	(3,056)
Case 580OLE Backhoe	0	0	0	0	18,434	15,000	0	(3,434)
	64,923	56,818	0	(8,105)	90,530	80,000	0	(10,530)

(b) Depreciation

	2018	2017
	\$	\$
Buildings - non-specialised	142,954	141,261
Buildings - specialised	345,274	338,257
Furniture and equipment	27,006	21,246
Plant and equipment	276,052	388,059
Infrastructure - Roads	757,868	739,995
Infrastructure - Foothpaths	5,816	5,135
Infrastructure - Parks and Ovals	22,029	17,737
Infrastructure - Airfield	9,150	9,150
	1,586,149	1,660,840

9. FIXED ASSETS (Continued)

(b) Depreciation (Continued)

SIGNIFICANT ACCOUNTING POLICIES

Depreciation

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

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.

Depreciation rates

Major depreciation periods used for each class of depreciable asset are:

Buildings	5 to 50 years
Furniture and equipment	4 to 10 years
Plant and equipment	5 to 15 years
Sealed roads and streets	
formation	not depreciated
pavement	50 years
seal	
- bituminous seals	20 years
- asphalt surfaces	25 years
Gravel roads	
formation	not depreciated
pavement	50 years
gravel sheet	10 years
Formed roads (unsealed)	
formation	not depreciated
pavement	50 years
Footpaths - slab	40 years
Sewerage piping	100 years
Water supply piping and drainage system	75 years

Depreciation (Continued)

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.

Land under roads

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

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

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

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

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

10. REVALUATION SURPLUS

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.

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018**

11. TRADE AND OTHER PAYABLES

	2018	2017
	\$	\$
Current		
Sundry creditors	139,158	74,383
Accrued interest on long term borrowings	1,617	2,435
Accrued salaries and wages	9,600	10,565
ATO liabilities	3,453	1,050
Accrued Expenditure	28,755	0
Excess Rates	6,742	4,530
	189,325	92,963

SIGNIFICANT ACCOUNTING POLICIES

Trade and other payables

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

Trade and other payables (Continued)

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

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018

12. INFORMATION ON BORROWINGS

(a) Repayments - Borrowings

Particulars	Interest Rates	Principal 1 July 2017	Principal Repayments		Principal 30 June 2018		Interest Repayments	
			Actual	Budget	Actual	Budget	Actual	Budget
	%	\$	\$	\$	\$	\$	\$	\$
Recreation and culture								
Loan 156 - Swimming Pool	5.3200	34,166	16,635	16,635	17,531	17,531	1,705	1,599
Loan 160 - Swimming Pool	3.9100	147,901	18,755	18,755	129,146	129,146	6,424	5,601
Transport								
Loan 157 - Grader	6.1300	87,726	27,495	27,495	60,231	60,231	3,216	4,963
		269,793	62,885	62,885	206,908	206,908	11,345	12,163

All above loans are with WA Treasury Corporation.

All loan repayments were financed by general purpose revenue.

Borrowings

	2018	2017
	\$	\$
Current	66,233	62,885
Non-current	140,675	206,908
	206,908	269,793

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018**

12. INFORMATION ON BORROWINGS (Continued)

(b) Undrawn Borrowing Facilities

Credit Standby Arrangements

Credit card limit

Credit card balance at balance date

Total amount of credit unused

Loan facilities

Loan facilities - current

Loan facilities - non-current

Total facilities in use at balance date

Unused loan facilities at balance date

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.

	2018	2017
	\$	\$
	11,000	11,000
	0	(26)
	<u>11,000</u>	<u>10,974</u>
	66,233	62,885
	<u>140,675</u>	<u>206,908</u>
	<u>206,908</u>	<u>269,793</u>
	NIL	NIL

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.

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018**

13. PROVISIONS

	Provision for Annual Leave	Provision for Long Service Leave	Total
	\$	\$	\$
Opening balance at 1 July 2017			
Current provisions	107,290	64,570	171,860
Non-current provisions	0	41,366	41,366
	<u>107,290</u>	<u>105,936</u>	<u>213,226</u>
Additional provision	(1,168)	5,845	4,677
Amounts used	<u>(10,370)</u>	<u>(27,083)</u>	<u>(37,453)</u>
Balance at 30 June 2018	95,752	84,698	180,450
Comprises			
Current	95,752	52,470	148,222
Non-current	0	32,228	32,228
	<u>95,752</u>	<u>84,698</u>	<u>180,450</u>

Annual Leave and current long service leave liabilities have been classified as current as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

	Annual /Sick Leave	Long Service Leave	Total
	\$	\$	\$
Current Provisions			
Within 12 months of the end of the reporting period	44,469	15,501	59,970
More than 12 months after the end of the reporting period	51,283	36,969	88,252
	<u>95,752</u>	<u>52,470</u>	<u>148,222</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.

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

Other long-term employee benefits

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

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

Other long-term employee benefits (Continued)

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

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

Provisions

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

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

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018**

14. NOTES TO THE STATEMENT OF CASH FLOWS

Reconciliation of Cash

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

	2018 Actual	2018 Budget	2017 Actual
	\$	\$	\$
Cash and cash equivalents	3,235,209	748,064	2,960,690
Reconciliation of Net Cash Provided By Operating Activities to Net Result			
Net result	1,424,969	1,209,671	2,042,273
Non-cash flows in Net result:			
Depreciation	1,586,149	972,894	1,660,840
(Profit)/loss on sale of asset	8,105	10,530	33,312
Loss on revaluation of fixed assets	0	0	24,619
Reversal of loss on revaluation of fixed assets	(138,863)	0	0
Equity Share of Investment	(70,068)	0	0
Changes in assets and liabilities:			
(Increase)/decrease in receivables	(200,649)	51,000	349,834
(Increase)/decrease in inventories	(3,592)	(5,000)	9,531
Increase/(decrease) in payables	96,362	(25,029)	(57,222)
Increase/(decrease) in provisions	(32,776)	0	44,119
Non operating Grants and contributions for the development of assets	(1,080,241)	(1,745,189)	(1,371,251)
Net cash from operating activities	1,589,396	468,877	2,736,055

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018

15. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2018	2017
	\$	\$
Governance	1,270,085	1,238,339
General purpose funding	587,474	553,896
Law, order, public safety	1,404,338	1,137,490
Health	1,791,698	1,610,168
Education and welfare	535,295	515,494
Housing	2,838,187	3,117,138
Community amenities	372,926	319,444
Recreation and culture	5,326,819	4,991,044
Transport	35,596,261	34,384,716
Economic services	216,338	212,481
Other property and services	1,486,868	1,347,479
Unallocated	1,835,754	1,978,665
	53,262,043	51,406,354

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018**

16. CAPITAL AND LEASING COMMITMENTS

	2018	2017
	\$	\$
(a) Capital Expenditure Commitments		
Contracted for:		
- capital expenditure projects	128,792	29,148
- plant & equipment purchases	0	156,510
Payable:		
- not later than one year	128,792	185,658

The capital expenditure project outstanding at the end of the current reporting period represents the construction of Early Childhood Learning Centre.
(the prior year commitment was for purchase of Backhoe and refurbishment of Buildings).

(b) Operating Lease Commitments

Non-cancellable operating leases contracted for but

Payable:		
- not later than one year	0	14,995
	0	14,995

SIGNIFICANT ACCOUNTING POLICIES

Leases

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

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

Leases (Continued)

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

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

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

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018**

17. JOINT ARRANGEMENTS

The Shire together with the Department of Housing and Works constructed four units for aged residents in 2002/03 and a further two units in 2008/09, known as Kadathinni Units, Carter Street, Three Springs. Council has a 22.34% equity in the first 4 units (units 1, 2, 3 & 4) and a 15.35% in the last two units (units 5&6) in this development and is included in Land and Buildings as follows:

	2018	2017
	\$	\$
Non-current assets		
Land and buildings	142,674	142,674
Less: accumulated depreciation	(8,560)	(4,280)
	134,114	138,394

The Shire together with the Department of Housing and Works constructed two (2) houses for community housing purposes in 1985/86 and 1986/87 in Glyde Street, Three Springs. Council's 10.78% equity in 54 Glyde Street and 11.14% equity in 60 Glyde Street is included in Land and Buildings as follow:-

	2018	2017
	\$	\$
Non-current assets		
Land and buildings	64,535	15,308
Less: accumulated depreciation	(4,289)	(1,531)
	60,246	13,777

SIGNIFICANT ACCOUNTING POLICIES

Interests in joint arrangements

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

Separate joint arrangements providing joint ventures with an interest to net assets are classified as a joint venture and accounted for using the equity method. Refer to note 26 for a description of the equity method of accounting.

Interests in joint arrangements (Continued)

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

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018**

18. Investment in Other Entities

Equity Contribution in Local Government House

The Shire with other Local Authorities is a beneficiary of the Local Government Unit Trust established in 1979/80. The Shire of Three Springs for the first time has recognised the increase in value of the 4 units in the Trust based on the Trust's audited financial report as at 30 June 2018. As set out in the Trust Deed, units in the Trust can only be issued to Local Authorities recognised under the Local Government Act and cannot be commercially traded.

	2018	2017
	\$	\$
Share of Local Government Unit Trust (4 Units)	70,068	0

SIGNIFICANT ACCOUNTING POLICIES

Classification and subsequent measurement

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into 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.

They are subsequently measured at fair value with changes in such fair value (i.e. gains or losses) recognised in other comprehensive income (except for impairment losses). When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are included in current assets, where they are expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as non-current.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the Shire no longer has any significant continual involvement in the risks and benefits associated with the asset.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018

19 RELATED PARTY TRANSACTIONS

Elected Members Remuneration

	2018 Actual	2018 Budget	2017 Actual
	\$	\$	\$
The following fees, expenses and allowances were paid to council members and/or the President.			
Meeting Fees	9,966	12,672	10,428
President's allowance	7,500	7,500	7,500
Deputy President's allowance	1,375	1,375	1,375
	18,841	21,547	19,303

Key Management Personnel (KMP) Compensation Disclosure

	2018	2017
	\$	\$
The total of remuneration paid to KMP of the Shire during the year are as follows:		
Short-term employee benefits	376,590	357,476
Post-employment benefits	41,722	38,780
Termination benefits	3,683	0
	421,995	396,256

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.

Termination benefits

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

Transactions with related parties

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

The following transactions occurred with related parties:	2018	2017
	\$	\$
Purchase of goods and services		
- Entities controlled by KMP	18,167	46,952
Amounts outstanding from related parties:		
Trade and other receivables		
- Outstanding debts from KMP	23,241	14,754
Amounts payable to related parties:		
Trade and other payables		
- Entities controlled by KMP	1,737	0

Related Parties

The Shire's main related parties are as follows:

i. *Key management personnel (KMP)*

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. Close family members of KMP and entities controlled or jointly controlled by KMP or close family members are also considered related parties of the shire.

iii. *Joint venture entities accounted for under the proportionate consolidation method*

The Shire has interests in community housing and aged residents housing. The interest in the joint venture entity is accounted for in these financial statements using the proportionate consolidation method of accounting. For details of interests held in joint venture entities, refer to Note 17.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018

20. CONDITIONS OVER GRANTS/CONTRIBUTIONS

Grant/Contribution	Opening Balance ⁽¹⁾ 1/07/16	Received ⁽²⁾ 2016/17	Expended ⁽³⁾ 2016/17	Closing Balance ⁽¹⁾ 30/06/17	Received ⁽²⁾ 2017/18	Expended ⁽³⁾ 2017/18	Closing Balance 30/06/18
	\$	\$	\$	\$	\$	\$	\$
Governance							
CLGF - Admin Upgrade	234,828		(161,988)	72,840	0	(72,840)	0
Law, order, public safety							
FESA - Emergency Services	0	532,027	(532,027)	0	0	0	0
DFES - Fire Shed Grant	0	0	0	0	170,309	(170,309)	0
DFES - Operational grants	0	0	0	0	29,250	(29,250)	0
Education and welfare							
Seniors Week Grant	750	0	(750)	0	1,000	(1,000)	0
Community amenities							
Main Street Revitalisation	0	4,032	(4,032)	0	0	0	0
Community Grant	0	5,455	(1,796)	3,659	0	(3,659)	0
Karara Mining - Refuse Site Contribution *	19,500	19,500		39,000	19,500	0	58,500
Recreation and culture							
Community Pool Grant - CPRPS	0	32,000	(32,000)	0	0	0	0
Harmony Week Grant	0	0	0	0	2,300	(2,300)	0
Children's Week	0	0	0	0	2,000	(2,000)	0
Transport							
Roads To Recovery	133,902	403,111	(537,013)	0	410,814	(410,814)	0
Regional Road Grants - MRWA	177,868	469,198	(647,066)	0	499,118	(499,118)	0
RRG Direct Grants	0	101,602	(101,602)	0	59,256	(59,256)	0
Economic services							
Grants - Arrino Gardens	14,216	0	(14,216)	0	0	0	0
Volunteers Grant - Visitor Centre	0	1,000	(1,000)	0	0	0	0
Total	581,064	1,567,925	(2,033,490)	115,499	1,193,547	(1,250,546)	58,500

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.

Note (*) Contributions were omitted incorrectly in the previous reporting periods, have been adjusted accordingly.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018

21. RATING INFORMATION

(a) Rates

RATE TYPE	Rate in \$	Number of Properties	Rateable Value	Rate Revenue	Interim Rates	Total Revenue	Budget		2017	
							Total	Revenue	Total	Revenue
Differential general rate / general rate			\$	\$	\$	\$	\$	\$	\$	\$
Gross rental valuations										
GRV- Residential	0.1173	208	2,032,472	238,330	138	238,467	238,329	238,329	230,348	230,348
GRV Mining	0.2345	1	252,500	59,217	0	59,217	59,217	59,217	57,702	57,702
Unimproved valuations										
UV - Rural & Arrino Town	0.0150	183	111,343,100	1,673,821	(517)	1,673,304	1,675,278	1,675,278	1,633,951	1,633,951
UV- Mining	0.1192	14	349,830	41,688	0	41,688	41,688	41,688	40,279	40,279
Sub-Total		406	113,977,902	2,013,056	(379)	2,012,676	2,014,512	2,014,512	1,962,280	1,962,280
Minimum payment										
Minimum payment										
Gross rental valuations										
GRV- Residential	450	20	13,439	9,000	0	9,000	9,000	9,000	10,120	10,120
Unimproved valuations										
UV - Rural & Arrino Town	450	22	294,800	9,900	0	9,900	10,350	10,350	10,120	10,120
UV- Mining	450	13	26,996	5,850	0	5,850	5,850	5,850	5,720	5,720
Sub-Total		55	335,235	24,750	0	24,750	25,200	25,200	25,960	25,960
Totals		461	114,313,137	2,037,806	(379)	2,037,426	2,039,712	2,039,712	1,988,240	1,988,240

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.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018

21. RATING INFORMATION (Continued)

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

Waivers or Concessions

Rate or Fee and Charge to which the Waiver or Concession is Granted	Type	Discount %	Discount \$	Actual \$	Budget \$	2017 \$
Rate Assessment	Write off	0%	0	1,545	0	0
Rate Assessment	waiver	80%	0	868	0	0
				2,413	0	0
Rate or Fee and Charge to which the Waiver or Concession is Granted	Circumstances in which the Waiver or Concession is Granted and to whom it was available	Discount %	Discount \$	Actual \$	Budget \$	2017 \$
General rate - GRV residential	Indigenous Corporation applied for concession					
Photocopying	Community groups requiring photocopying					
Pool Admission	Primary School swimming activities					
Community Hall Hire	Community groups requiring hall hire					
Community Bus Hire	School excursions and recreational activities for community groups					
				Promote charity work		Property use for charitable purposes
				Council considers support of these groups necessary for the benefit of the community.		

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018

21. RATING INFORMATION (Continued)

(b) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge	Instalment Plan Interest Rate	Unpaid Rates	
				Interest Rate	Rate
		\$	%	%	
Option One					
Single full payment	23-Oct-17			11.00%	
Option Two					
First instalment	23-Oct-17			11.00%	
Second instalment	22-Dec-17	12	5.50%	11.00%	
Option Three					
First instalment	23-Oct-17			11.00%	
Second instalment	22-Dec-17	12	5.50%	11.00%	
Third instalment	22-Feb-18	12	5.50%	11.00%	
Fourth instalment	23-Apr-18	12	5.50%	11.00%	
		2018		2017	
		\$		\$	\$
Interest on unpaid rates			7,006	5,500	5,262
Interest on instalment plan			4,066	6,000	5,811
Charges on instalment plan			1,716	2,200	2,040
Interest on ESL			234	150	157
			13,022	13,850	13,270

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018**

22. NET CURRENT ASSETS

Composition of net current assets for
the purposes of the Rate Setting Statement

	2018 (30 June 2018 carried Forward) \$	2017 (1 July 2017 brought Forward) \$
Surplus/(Deficit) 1 July 17 brought forward	1,614,197	1,675,807
CURRENT ASSETS		
Cash and cash equivalents		
Unrestricted	1,511,157	1,704,585
Restricted	1,724,052	1,256,105
Receivables		
Rates outstanding	38,126	31,482
Sundry debtors	224,525	79,838
GST receivable	1,633	0
Loans receivable - clubs/institutions	0	0
Provision for Doubtful Debts	(1,055)	(5,096)
Accrued Income	40,720	0
Inventories		
Fuel and Materials	5,497	1,905
LESS: CURRENT LIABILITIES		
Trade and other payables		
Sundry creditors	(139,158)	(74,383)
Accrued interest on long term borrowings	(1,617)	(2,435)
Accrued salaries and wages	(9,600)	(10,565)
ATO liabilities	(3,453)	(1,050)
Accrued Expenditure	(28,755)	0
Excess Rates	(6,742)	(4,530)
Current portion of long term borrowings	(66,233)	(62,885)
Provisions		
Provision for annual leave	(95,752)	(107,290)
Provision for long service leave	(52,470)	(64,570)
Unadjusted net current assets	3,140,875	2,741,111
Adjustments		
Less: Reserves - restricted cash	(1,724,052)	(1,256,105)
Add: Current portion of long term borrowings	66,233	62,885
Add: Component of Leave Liability not required to be funded	131,141	127,916
Adjusted net current assets - surplus/(deficit)	1,614,197	1,675,807

Difference

There was no difference between the surplus/(deficit) 1 July 2017 brought forward position used in the 2018 audited financial report and the surplus/(deficit) carried forward position as disclosed in the 2017 audited financial report.

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018**

23. FINANCIAL RISK MANAGEMENT

The Shire's activities expose it to a variety of financial risks including price risk, credit risk, liquidity risk and interest rate risk. The Shire's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Shire.

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 Shire held the following financial instruments at balance date:

	Carrying Value		Fair Value	
	2018	2017	2018	2017
	\$	\$	\$	\$
Financial assets				
Cash and cash equivalents	3,235,209	2,960,690	3,235,209	2,960,690
Receivables	326,590	125,941	326,590	125,941
	<u>3,561,799</u>	<u>3,086,631</u>	<u>3,561,799</u>	<u>3,086,631</u>
Financial liabilities				
Payables	189,325	92,963	189,325	92,963
Borrowings	206,908	269,793	215,955	284,818
	<u>396,233</u>	<u>362,756</u>	<u>405,280</u>	<u>377,781</u>

Fair value is determined as follows:

Cash and cash equivalents, receivables, payables - estimated to the carrying value which approximates net market value.

Borrowings, held to maturity investments, estimated future cash flows discounted by the current market interest rates applicable to assets and liabilities with similar risk profiles.

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018**

23. FINANCIAL RISK MANAGEMENT (Continued)

(a) Cash and Cash Equivalents

The Shire's objective is to maximise its return on cash whilst maintaining an adequate level of liquidity and preserving capital. The finance area manages the cash portfolio. Council has an Investment Policy and the Policy is subject to review by Council. An Investment Report is provided to Council on a monthly basis setting out the make-up and performance of the portfolio.

The major risk associated with investments is price risk - the risk that the capital value of investments may fluctuate due to changes in market prices, whether these changes are caused by factors specific to individual financial instruments of their issuers or factors affecting similar instruments traded in a market.

Cash is subject to interest rate risk - the risk that movements in interest rates could affect returns.

Another risk associated with cash is credit risk – the risk that a contracting entity will not complete its obligations under a financial instrument resulting in a financial loss to the Shire.

The Shire manages these risks by diversifying its portfolio and only investing in investments authorised by Local Government (Financial Management) Regulation 19C.

	2018	2017
Impact of a 1% ⁽¹⁾ movement in interest rates on cash	\$	\$
- Equity	32,352	29,607
- Statement of Comprehensive Income	32,352	29,607

Notes:

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

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018**

23. FINANCIAL RISK MANAGEMENT (Continued)

(b) Receivables

The Shire's major receivables comprise rates and annual charges and user charges and fees. 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 makes suitable provision for doubtful receivables as required and carries out credit checks on most non-rate debtors.

There are no material receivables that have been subject to a re-negotiation of repayment terms.

The profile of the Shire's credit risk at balance date was:

	2018	2017
	%	%
Percentage of rates and annual charges		
- Current	0%	0%
- Overdue	100%	100%
Rates overdue:		
- 1 to 5 years	92%	94%
- more than 5 years	8%	6%
Percentage of other receivables		
- Current	98%	91%
- Overdue	2%	9%
Aged debtors:		
- up to 1 month	98%	91%
- 1 to 3 months	1%	0%
- 3 months to one year	1%	5%
- 1 to 5 years	0%	4%

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018

23. FINANCIAL RISK MANAGEMENT (Continued)

(c) Payables and borrowings

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

The contractual undiscounted cash flows of the Shire's Payables and Borrowings are set out in the Liquidity Table below:

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
<u>2018</u>	\$	\$	\$	\$	\$
Payables	189,325	0	0	189,325	189,325
Borrowings	75,048	129,884	24,357	229,289	206,908
	264,373	129,884	24,357	418,614	396,233
<u>2017</u>					
Payables	92,963	0	0	92,963	92,963
Borrowings	75,048	180,576	48,713	304,337	269,793
	168,011	180,576	48,713	397,300	362,756

Borrowings are also subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs. The Shire manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation.

The following tables set out the carrying amount, by maturity, of the financial instruments exposed to interest rate risk:

<u>Year ended 30 June 2018</u>	<1 year	>1<2 years	>2<3 years	>3<4 years	>4<5 years	>5 years	Total	Weighted Average Effective Interest Rate
	\$	\$	\$	\$	\$	\$	\$	%
Borrowings								
Fixed rate								
Long term borrowings	17,531	60,231	0	0	0	129,146	206,908	4.68%
Weighted average Effective interest rate	5.32%	6.13%				3.91%		
<u>Year ended 30 June 2017</u>								
Borrowings								
Fixed rate								
Long term borrowings	0	34,166	87,726	0	0	147,901	269,793	4.81%
Weighted average Effective interest rate		5.32%	6.13%			3.91%		

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018**

24. TRUST FUNDS

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

	1 July 2017	Amounts Received	Amounts Paid	30 June 2018
	\$	\$	\$	\$
Arrowsmith Catchment	87,459	0	0	87,459
Arrowsmith Rates	1,489	0	0	1,489
East Three Springs Catchment	2,014	0	0	2,014
Three Springs LCDC	4,334	0	0	4,334
Police Department Licensing	1,198	245,610	(246,021)	787
Housing Bonds General	280	0	0	280
BCITF Levy	0	709	(618)	91
BRB Levy	56	715	(709)	62
Community Bus Bond	100			100
	<u>96,930</u>			<u>96,616</u>

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2018

25 NEW ACCOUNTING STANDARDS AND INTERPRETATIONS FOR APPLICATION IN FUTURE PERIODS

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.

Management's assessment of the new and amended pronouncements that are relevant to the Shire, applicable to future reporting periods and which have not yet been adopted are set out as follows:

Title	Issued / Compiled	Applicable ⁽¹⁾	Impact
(i) AASB 9 Financial Instruments (incorporating AASB 2014-7 and AASB 2014-8)	December 2014	1 January 2018	Nil – The objective of this Standard is to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Given the nature of the financial assets of the Shire, it is not anticipated the Standard will have any material effect.
(ii) AASB 15 Revenue from Contracts with Customers	December 2014	1 January 2019	This Standard establishes principles for entities to apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The effect of this Standard will depend on the nature of future transactions the Shire has with those third parties it has dealings with. It may or may not be significant.
(iii) AASB 16 Leases	February 2016	1 January 2019	Under AASB 16 there is no longer a distinction between finance and operating leases. Lessees will now bring to account a right-to-use asset and lease liability into the statement of financial position for all leases. Effectively this means the vast majority of operating leases as defined by the current AASB 117 Leases which currently do not impact the statement of financial position will be required to be capitalised on the statement of financial position when AASB 16 is adopted. Currently, operating lease payments are expensed as incurred. This will cease and will be replaced by both depreciation and interest charges. Based on the current number of operating leases held by the Shire, the impact is not expected to be significant.

Notes:

⁽¹⁾ Applicable to reporting periods commencing on or after the given date.

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018**

25 NEW ACCOUNTING STANDARDS AND INTERPRETATIONS FOR APPLICATION IN FUTURE PERIODS (Continued)

Title	Issued / Compiled	Applicable (1)	Impact
(iv) AASB 1058 Income of Not-for-Profit Entities	December 2016	1 January 2019	<p>These standards are likely to have a significant impact on the income recognition for NFP's. Key areas for consideration are:</p> <ul style="list-style-type: none"> - Assets received below fair value; - Transfers received to acquire or construct non-financial assets; - Grants received; - Prepaid rates; - Leases entered into at below market rates; and - Volunteer services.

Whilst it is not possible to quantify the financial impact (or if it is material) of these key areas until the details of future transactions are known, they will all have application to the Shire's operations.

Notes:

(1) Applicable to reporting periods commencing on or after the given date.

Adoption of New and Revised 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 associate with the amendment of existing standards, the only new standard with material application is as follows:

(i)	AASB 2016-4 Amendments to Australian Accounting Standards - Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities	1 January 2017
(ii)	AASB 2016-7 Amendments to Accounting Standards - Deferral of AASB 15 for Not-for-Profit Entities	1 January 2017

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018**

26. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

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

c) Rounding off figures

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

d) Comparative figures

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

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

e) Budget comparative figures

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

f) Superannuation

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

g) Fair value of assets and liabilities

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

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

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

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

h) Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

i) Impairment of assets

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

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

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

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

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018**

27. ACTIVITIES/PROGRAMS

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.	Administration and operation of facilities and services to members of council: Other costs that relate to the tasks of assisting elected members and ratepayers on matters which do not concern specific council services.
GENERAL PURPOSE FUNDING	To collect revenue to fund provision of services.	Rates, general purpose government grants and interest revenue.
LAW, ORDER, PUBLIC SAFETY	To ensure a safer community in which to live.	Supervision of various local laws, fire prevention, emergency services and animal control.
HEALTH	To provide an operational framework for good community health.	Food quality and pest control, maintenance of child health centre, medical centre, dental clinic and administration of group health scheme.
EDUCATION AND WELFARE	To support the needs of the community in education and welfare.	Assistance to Day Care Centre, Playgroup, Youth activities and other voluntary services.
HOUSING	Provide adequate housing to attract and retain staff and non-staff.	Maintenance of council owned staff and non-staff housing.
COMMUNITY AMENITIES	Provide services as required by the community.	Rubbish collection services, tip operation, noise control, town planning administration, cemetery maintenance, rest centres, stormwater drainage and FM radio retransmitter.
RECREATION AND CULTURE	To establish and efficiently manage infrastructure and resources that help the social wellbeing of the community.	Maintenance of swimming pool, recreation centre, library, parks, gardens and reserves.
TRANSPORT	To provide effective and efficient transport services to the community.	Construction and maintenance of streets, roads, bridges, cleaning and lighting of streets, traffic lights, cycleways, depot maintenance and airstrip maintenance
ECONOMIC SERVICES	To help promote the shire and improve its economic well being.	The regulation and provision of tourism, area promotion, building control, noxious weeds, vermin control, plant nursery and standpipes.
OTHER PROPERTY AND SERVICES	To monitor and contrl overheads and operating accounts.	Private work operations, plant repairs and operations and engineering costs.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018

28. FINANCIAL RATIOS

	2018	2017	2016
Current ratio	6.46	8.49	3.10
Asset consumption ratio	0.50	0.47	0.49
Asset renewal funding ratio	1.73	1.68	1.76
Asset sustainability ratio	1.24	1.17	0.71
Debt service cover ratio	26.17	14.22	5.74
Operating surplus ratio	0.14	0.28	(0.31)
Own source revenue coverage ratio	0.73	0.67	0.56

The above ratios are calculated as follows:

Current ratio	$\frac{\text{current assets minus restricted assets}}{\text{current liabilities minus liabilities associated with restricted assets}}$
Asset consumption ratio	$\frac{\text{depreciated replacement costs of depreciable assets}}{\text{current replacement cost of depreciable assets}}$
Asset renewal funding ratio	$\frac{\text{NPV of planned capital renewal over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$
Asset sustainability ratio	$\frac{\text{capital renewal and replacement expenditure}}{\text{depreciation expenses}}$
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	$\frac{\text{own source operating revenue}}{\text{operating expenses}}$

Notes:

Three of the ratios disclosed above were distorted by the early receipt of Financial Assistance Grants. In addition, two of the ratios were impacted by a reversal of loss on revaluation of fixed assets which is considered one-off in nature.

	2017/18	2016/17	2015/16
	\$	\$	\$
Amount of Financial Assistance Grant received during the year relating to the subsequent year.	529,211	504,479	0
Amount of Financial Assistance Grant received in prior year relating to current year.	504,479	0	481,793

If the events detailed above did not occur, the impacted ratios in the 2018, 2017 and 2016 columns above would be as follows:

	2018	2017	2016
Current ratio	6.37	5.97	4.71
Debt service cover ratio	23.96	11.32	8.68
Operating surplus ratio	0.08	0.08	(0.10)
Own source revenue coverage ratio	0.67	0.67	0.56



Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Council of the Shire of Three Springs

Report on the Audit of the Financial Report

Opinion

I have audited the annual financial report of the Shire of Three Springs which comprises the Statement of Financial Position as at 30 June 2018, the Statement of Comprehensive Income by Nature or Type, Statement of Comprehensive Income by Program, Statement of Changes in Equity, Statement of Cash Flows and Rate Setting Statement for the year then ended, and notes comprising a summary of significant accounting policies and other explanatory information, and the Statement by the Chief Executive Officer.

In my opinion the annual financial report of the Shire of Three Springs:

- (i) is based on proper accounts and records; and
- (ii) fairly represents, in all material respects, the results of the operations of the Shire for the year ended 30 June 2018 and its financial position at the end of that period in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

Basis for Opinion

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

Emphasis of Matter – Basis of Accounting

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

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

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

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

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

Auditor's Responsibility for the Audit of the Financial Report

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

- (i) All required information and explanations were obtained by me.
- (ii) All audit procedures were satisfactorily completed.
- (iii) In my opinion, the asset consumption ratio and the asset renewal funding ratio included in the annual financial report were supported by verifiable information and reasonable assumptions.

Other Matter

The financial report of the Shire for the year ended 30 June 2017 was audited by another auditor who expressed an unmodified opinion on that financial report. The financial ratios for 2017 and 2016 in Note 30 of the audited financial report were included in the supplementary information and/or audited financial report for those years.

Matters Relating to the Electronic Publication of the Audited Financial Report

This auditor's report relates to the annual financial report of the Shire of Three Springs for the year ended 30 June 2018 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.

SANDRA LABUSCHAGNE
ACTING DEPUTY AUDITOR GENERAL
Delegate of the Auditor General for Western Australia
Perth, Western Australia

// December 2018

9.3. FINANCE

9.3.1. FINANCIAL STATEMENTS FOR MONTH ENDING 30 NOVEMBER 2018

Agenda Reference: Manager of Finance
Location/Address: Shire of Three Springs
Name of Applicant: Shire of Three Springs
File Reference: ADM0243
Disclosure of Interest:
Date: 4th December, 2018
Author: Leah John

Signature of Author: _____

SUMMARY

The Monthly Statement of Financial Activity report for the month ending 30th November, 2018 is presented to Council for adoption.

ATTACHMENT

Finance Report ending 30th November, 2018.

BACKGROUND

Financial Regulations require a monthly statement of financial activity report to be presented to Council.

CONSULTATION

No consultation required.

STATUTORY ENVIRONMENT

Local Government Act 1995 Section 6.4.
Local Government (Financial Management) Regulations 1996 Section 34.

POLICY IMPLICATIONS

Nil.

FINANCIAL IMPLICATIONS

Financial implications are outlined in comments.

STRATEGIC IMPLICATIONS

Nil.

OFFICER COMMENT

Council's estimated Surplus C/FWD as at the 30 November, 2018 is \$3,323,717.

SUMMARY OF FUNDS – SHIRE OF THREE SPRINGS	
Municipal Account	\$42,521
Business Cash Maximiser (Municipal Funds)	\$2,066,677
Grant Funds Holding Maximiser Account (Municipal Funds)	\$974,018
Trust Account	\$988
Reserve Maximiser	\$1,734,916
Police Licensing Account	\$96,439

Monthly Account Balances as at 30th November 2018:

- Sundry Debtor balances are \$14,453.
- Creditors outstanding are \$66,005.
- Rates Debtors outstanding is \$322,748.
- Other rates related debts, totals to \$25,040.

VOTING REQUIREMENTS

Simple Majority.

140418 COUNCIL RESOLUTION/OFFICER RECOMMENDATION – ITEM 9.3.1

MOVED: Cr Thomas
SECONDED: Cr Thorpe

That Council adopts the preliminary Monthly Statement of Financial Activity for the month ending 30th November, 2018.

CARRIED
Voted: 4/0

SHIRE OF THREE SPRINGS
STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY, 2018 TO 30 NOVEMBER, 2018

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SHIRE OF THREE SPRINGS
NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY, 2018 TO 30 NOVEMBER, 2018

	NOTE	30/11/18 Y-T-D Actual \$	30/11/18 Y-T-D Budget \$	2018/19 Original Budget \$	30/11/18 Y-T-D Variance \$	30/11/18 Y-T-D Variance %
REVENUES/SOURCES	1,2					
Governance		36,670	9,542	22,913	27,128	(284%)
General Purpose Funding		346,217	260,083	514,530	86,134	(33%)
Law, Order, Public Safety		5,866	10,585	41,000	(4,719)	45%
Health		6,500	6,710	16,100	(210)	3%
Education and Welfare		155,282	505,735	1,063,762	(350,453)	69%
Housing		35,499	39,339	97,209	(3,840)	10%
Community Amenities		71,667	71,750	77,101	(83)	0%
Recreation and Culture		3,500	10,166	47,654	(6,666)	66%
Transport		347,909	637,829	1,531,740	(289,920)	45%
Economic Services		15,018	3,895	9,369	11,123	(286%)
Other Property and Services		15,987	25,600	61,450	(9,613)	38%
		<u>1,040,115</u>	<u>1,581,234</u>	<u>3,482,828</u>	<u>541,119</u>	<u>(34%)</u>
(EXPENSES)/(APPLICATIONS)	1,2					
Governance		(103,785)	(126,891)	(268,130)	(23,106)	18%
General Purpose Funding		(13,357)	(16,650)	(39,961)	(3,293)	20%
Law, Order, Public Safety		(93,506)	(90,303)	(182,091)	3,203	(4%)
Health		(51,433)	(48,720)	(116,905)	2,713	(6%)
Education and Welfare		(1,879)	(5,330)	(12,810)	(3,451)	65%
Housing		(157,897)	(142,685)	(342,311)	15,212	(11%)
Community Amenities		(94,642)	(134,295)	(322,233)	(39,653)	30%
Recreation & Culture		(270,215)	(369,981)	(892,279)	(99,766)	27%
Transport		(357,358)	(368,626)	(1,406,786)	(11,268)	3%
Economic Services		(54,362)	(50,320)	(120,780)	4,042	(8%)
Other Property and Services		(92,747)	(58,355)	(45,936)	34,392	(59%)
		<u>(1,291,181)</u>	<u>(1,412,156)</u>	<u>(3,750,222)</u>	<u>(120,975)</u>	<u>(9%)</u>
Net Result Excluding Rates		(251,066)	169,078	(267,394)	420,144	
Adjustments for Non-Cash						
(Revenue) and Expenditure						
(Profit)/Loss on Asset Disposals	4	(5,250)	5,750	5,750	(11,000)	191%
Movement in Leave Reserve (Added Back)		825	0	0	0	(100%)
Depreciation on Assets	2(a)	411,385	363,035	871,290	48,350	(13%)
Capital Expenditure and Income						
Purchase Land and Buildings	3	(252,909)	(265,000)	(2,067,500)	(12,091)	5%
Purchase Furniture and Equipment	3	0	(17,500)	(122,500)	(17,500)	100%
Purchase Plant and Equipment	3	(103,869)	(44,444)	(490,000)	59,425	(134%)
Purchase Infrastructure Assets - Roads	3	(115,518)	(413,319)	(2,017,476)	(297,801)	72%
Purchase Infrastructure Assets - Footpaths	3	0	0	(80,000)	0	0%
Purchase Infrastructure Assets - Parks	3	0	(25,000)	(53,600)	(25,000)	100%
Proceeds from Disposal of Assets	4	21,000	0	100,000	(21,000)	(100%)
Repayment of Debentures	5	(23,033)	(23,033)	(66,233)	0	0%
Transfers to Reserves (Restricted Assets)	6	(10,864)	(10,528)	(168,240)	336	(3%)
Transfers from Reserves (Restricted Assets)	6	0	0	760,000	0	0%
AD Net Current Assets July 1 B/Fwd	7	1,614,197	1,555,477	1,555,477	58,720	
LE Net Current Assets Year to Date	7	<u>3,323,717</u>	<u>745,910</u>	<u>0</u>	<u>2,577,807</u>	<u>(346%)</u>
Amount Req'd to be Raised from Rates		<u>(2,038,819)</u>	<u>(2,040,426)</u>	<u>(2,040,426)</u>	<u>1,607</u>	<u>0%</u>
Variance		(0)	0	0	0	

Statement of Financial Activities Reportable Variances - Actuals Vs. Current Budget

Council has adopted a 10% variance measurement with a minimum reportable value amount of \$5,000.

% - Under-expenditure / extra income, (%) - Over-expenditure / reduced income.

% \$

REVENUES/SOURCES

Explanation for Variances

				Unplanned income from premium adjustments of 2016/17 & 2017/18 actual wages
Governance	(284%)	\$	27,128	declarations combined with credit received from LGIS Insurance scheme.
General Purpose Funding	(33%)	\$	86,134	Increased funding in FAGS by Grants Commission.
5 Law, Order, Public Safety	45%	-\$	4,719	Emergency service grants reduced by 2016/17 adjustment of unspent funds.
Education and Welfare	69%	-\$	350,453	First progress claim of \$150,000 from MWDC received and subsequent claims will follow as project commences 2019 new year.
9 Housing	10%	-\$	3,840	Attributed by couple of vacant houses for staff and non-staff.
11 Recreation and Culture	66%	-\$	6,666	Income for use of recreational facilities low at this stage. Pool opened late due to capital works.
12 Transport	45%	-\$	289,920	Second 40% claim of RRG funding to progress after road projects starts in new year. Black spot funding budgeted early than project schedule.
Economic Services	(286%)	\$	11,123	Lease income for Glyde street campsite agreement renewal, income not in budgeted.
Other Property and Services	38%	-\$	9,613	Overestimate of workers compensation claims, adjustment required at budget review.

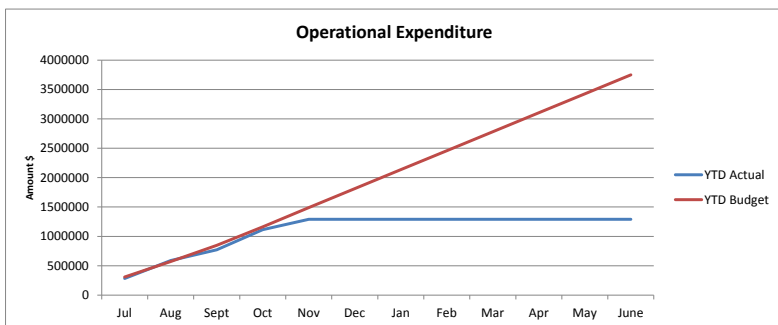
(EXPENSES)/(APPLICATIONS)

Governance	18%	-\$	23,106	Attributed by low remuneration costs and audit fees.
Housing	(11%)	\$	15,212	Housing maintenance expense picking up well ahead of budget with a permanent Building Officer.
Community Amenities	30%	-\$	39,653	Town planning and development activities low in the year. Allocated funds for townscaping yet to be spent. Refuse site maintenance costs low at this stage.
Recreation & Culture	27%	-\$	99,766	Variance is driven mainly by low pool maintenance costs and salary costs while its closed for capital works. Expenditure in parks, gardens & reserves and sporting amenities lower at this stage.
Transport	3%	-\$	11,268	Disposal of Grader planned for new year 2019.
Economic Services	(8%)	\$	4,042	Attributed by low salary costs, new CDO starting in September. Low usage of standpipe to date
Other Property and Services	(59%)	\$	34,392	Mainly driven by increase in plant depreciation resulting from increase in rates.

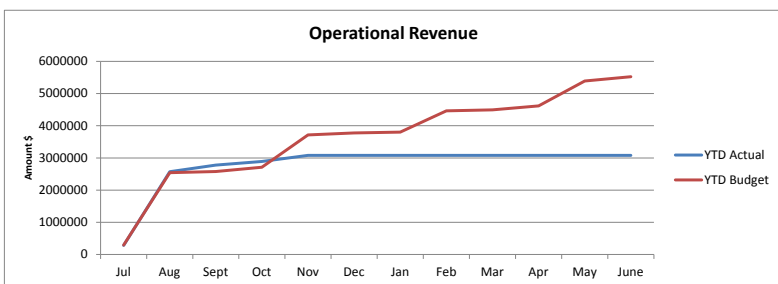
CAPITAL EXPENDITURE AND INCOME

				Depreciation rates for plant & equipment reviewed in line with remaining economic life of major plant/equipment. The rates have increased with short economic life. Disposal of skid steer loader this month also attributes to the increase.
Depreciation on Assets	(13%)	\$	48,350	Architects design costs and consultant cost at this stage, main spending to occur in 2019 year.
Purchase Land and Buildings	5%	-\$	12,091	Website upgrade, final invoice pending and funds on tourism and area promotion yet to be spent.
Purchase Furniture and Equipment	100%	-\$	17,500	Purchase of 2018 skid steer loader ahead of budget.
Purchase Plant and Equipment	(134%)	\$	59,425	Major road projects planned for January 2019, budget phase to be adjusted in budget review.
Purchase Infrastructure Assets - Roads	72%	-\$	297,801	Funds yet to be spent on Hockey Lights and skate park. Purchase of park barbecue equipment will not go ahead as planned, fund to be reallocated. Hockey Lights
Purchase Infrastructure Assets - Parks	100%	-\$	25,000	Trade-in of 2009 skid steer loader ahead of schedule.
Proceeds from Disposal of Assets	(100%)	-\$	21,000	

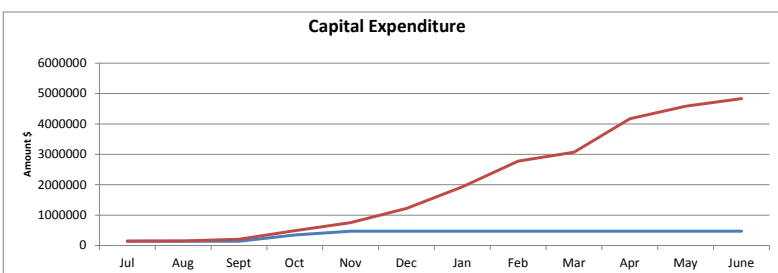
General Income and Expenditure Graphs



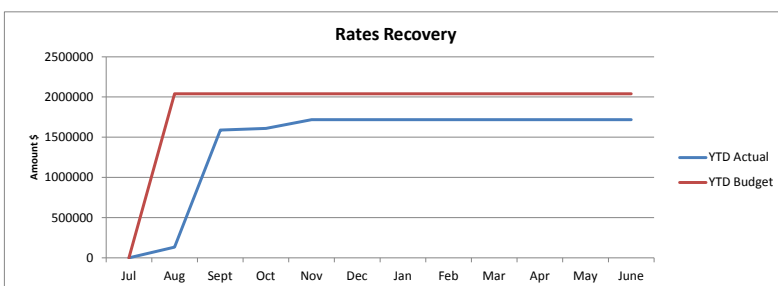
Comment: Road maintenance ahead of budget due to heavy wet period in the first quarter. Pool shut down for capital works program meant reduction in utilities costs. Expenditure should pick up in summer season when pool opens. Housing maintenance expenditure picking up with a full time building officer on board.



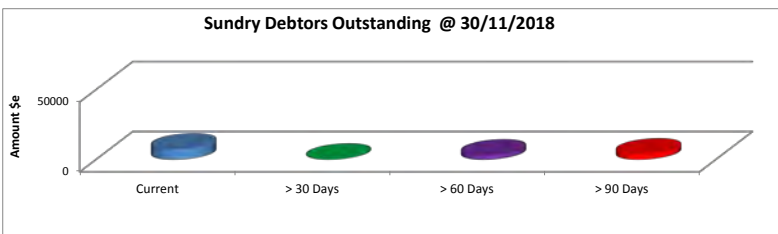
Comment: First 40% Regional Road Group funding and Direct Grants claimed in advance. FAGs received slightly over budgeted for 1st quarter. First progress claim of \$150,000 received from MWDC.



Comment: Purchased of new Staff Housing at 41 Slaughter Street completed in first quarter. Major projects including road works to start incurring costs in second quarter of the year. Capital works on Simpson Rd started this month.



Comment: Rates Billing for 2018/19 issued in August 2018. About 84% of rates levied collected to date.



Comment: Debt collection improved in the month with a balance of less than \$15,000 remaining to be collected.

SHIRE OF THREE SPRINGS
NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY, 2018 TO 30 NOVEMBER, 2018

1. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies which have been adopted in the preparation of this statement of financial activity are:

(a) Basis of Accounting

This statement has been prepared in accordance with applicable Australian Accounting Standards, other mandatory professional reporting requirements and the Local Government Act 1995 (as amended) and accompanying regulations (as amended).

(b) The Local Government Reporting Entity

All Funds through which the Council controls resources to carry on its functions have been included in this statement.

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

All monies held in the Trust Fund are excluded from the statement, but a separate statement of those monies appears at Note 9.

(c) Rounding Off Figures

All figures shown in this statement, other than a rate in the dollar, are rounded to the nearest dollar.

(d) Rates, Grants, Donations and Other Contributions

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

(e) Goods and Services Tax

In accordance with recommended practice, revenues, expenses and assets capitalised are stated net of any GST recoverable. Receivables and payables are stated inclusive of applicable GST.

(f) Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. Bank overdrafts are included as short-term borrowings in current liabilities.

(g) Trade and Other Receivables

Trade receivables, which generally have 30 - 90 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less any allowance for uncollectible amounts.

Collectibility of trade 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.

SHIRE OF THREE SPRINGS
NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY, 2018 TO 30 NOVEMBER, 2018

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Inventories

General

Inventories are valued 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.

Inventories held from trading are classified as current even if not expected to be realised in the next 12 months.

Land Held for Resale

Land purchased for development and/or resale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development and interest incurred on the financing of that land during its development. Interest and holding charges incurred after development is complete are recognised as expenses.

Revenue arising from the sale of property is recognised in the operating statement as at the time of signing a binding contract of sale.

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

(i) Fixed Assets

All assets are initially recognised at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the Municipality 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.

(g) Depreciation of Non-Current Assets

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

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

Buildings	5 to 50 years
Furniture and Equipment	4 to 10 years
Plant and Equipment	5 to 15 years
Sealed roads and streets	
clearing and earthworks	not depreciated
construction/road base	50 years
original surfacing	
major re-surfacing	
- bituminous seals	20 years
- asphalt surfaces	25 years
Gravel roads	
clearing and earthworks	not depreciated
construction/road base	50 years
gravel sheet	10 years
Formed roads (unsealed)	
clearing and earthworks	not depreciated
construction/road base	50 years
Footpaths - slab	40 years
Sewerage piping	100 years
Water supply piping & drainage systems	75 years

SHIRE OF THREE SPRINGS
NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY, 2018 TO 30 NOVEMBER, 2018

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Impairment

In accordance with Australian Accounting Standards the Council'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 estimate of the recoverable amount of the asset is made in accordance with AASB 136 "Impairment of Assets" and appropriate adjustments made.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the Income Statement.

For non-cash generating assets such as roads, drains, public buildings and the like, value in use is represented by the depreciated replacement cost of the asset.

At the time of preparing this report, it is not possible to estimate the amount of impairment losses (if any) as at 30 June 2018.

In any event, an impairment loss is a non-cash transaction and consequently, has no impact on the Monthly Statement of Financial Position from a budgetary perspective.

(l) Trade and Other Payables

Trade and other payables are carried at amortised cost. They represent liabilities for goods and services provided to the Municipality prior to the end of the financial year that are unpaid and arise when the Municipality becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

(m) Employee Benefits

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

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

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

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

(n) Interest-bearing Loans and Borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings.

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

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.

SHIRE OF THREE SPRINGS
NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY, 2018 TO 30 NOVEMBER, 2018

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Provisions

Provisions are recognised when: The council has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

(p) Current and Non-Current Classification

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

SHIRE OF THREE SPRINGS
NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY, 2018 TO 30 NOVEMBER, 2018

2. 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 and for each of its broad activities/programs.

Council operations as disclosed in this statement encompass the following service orientated activities/programs:

GOVERNANCE

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

Activities: Administration and operation of facilities and services to members of council:

Other costs that relate to the tasks of assisting elected members and ratepayers on matters which do not concern specific council services.

GENERAL PURPOSE FUNDING

Objective: To collect revenue to fund provision of services.

Activities: Rates, general purpose government grants and interest revenue.

LAW, ORDER, PUBLIC SAFETY

Health: To ensure a safer community in which to live.

Activities: Supervision of various local laws, fire prevention, emergency services and animal control.

HEALTH

Objective: To provide an operational framework for good community health.

Activities: Food quality and pest control, maintenance of child health centre, doctors surgery and dental clinic.

EDUCATION AND WELFARE

Objective: To support the needs of the community in education and welfare.

Activities: Assistance to playgroup, youth advisory committee and other voluntary services.

HOUSING

Objective: Provide adequate housing to attract and retain staff and non-staff.

Activities: Maintenance of council owned housing.

COMMUNITY AMENITIES

Objective: Provide services as required by the community.

Activities: Rubbish collection services, tip operation, noise control, town planning administration, cemetery maintenance, storm water drainage, FM radio retransmitter maintenance and mobile phone installation.

RECREATION AND CULTURE

Objective: To establish and efficiently manage infrastructure and resources which will help the social well being of the community.

Activities: Maintenance of halls, swimming pool, library, parks, gardens and reserves.

TRANSPORT

Objective: To provide effective and efficient transport services to the community.

Activities: Construction and maintenance of streets, roads, bridges, cleaning and lighting of streets, traffic signs, depot maintenance and airstrip maintenance.

ECONOMIC SERVICES

Objective: To help promote the Shire and improve its economic well being

Activities: Regulation and provision of tourism, area promotion, building control, noxious weeds, vermin control, plant nursery and standpipes

OTHER PROPERTY & SERVICES

Activities: Private works, plant repairs

SHIRE OF THREE SPRINGS
NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY, 2018 TO 30 NOVEMBER, 2018

		30 November, 2018 Actual \$	2018/19 Original Budget \$
3. ACQUISITION OF ASSETS			
The following assets have been acquired during the period under review:			
<u>By Program</u>			
Governance			
	IT equipments, Website		
Furniture & Equipment	Upgrade	0	30,000
Buildings		215	0
Law, Order, Public Safety			
Furniture & Equipment	CCTV Cameras	0	20,000
Fire Prevention Buildings	Fire Shed	872	0
Health			
Furniture & Equipment (Medical Centre)	Medical Centre equipment	0	30,000
	Upgrade IT system		
Welfare Services			
	Early Childhood Learning		
Buildings	Centre	43,082	1,630,000
Housing			
Buildings	Staff Housing	0	47,000
Buildings	Purchase New Staff Housing	140,633	140,000
Buildings	Other Housing	2,658	65,000
Community Amenities			
Buildings	Thrity Shop	0	5,000
Recreation and Culture			
Buildings	Pool Paint, Lane Ropes & Shelter	65,449	158,000
Furniture & Equipment (Pool)	Pool Large Inflater	0	20,000
Infrastructure - Parks & Oval	Hockey Lights	0	30,000
Infrastructure - Parks & Oval	Skate Park revamp	0	10,000
Infrastructure - Parks & Oval	Park BBQ	0	5,000
Building - Pavilion		0	7,500
Buildings - Public Halls/Civic Centre		0	5,000
Transport			
Infrastructure - Roads		115,384.49	1,914,870
Purchase Plant & Equipment	Cat Grader/Skid Steere	103,869	430,000
	Free Roller / Dolly	0	40,000
Tools & Equipment	Automated Traffic Lights	0	20,000
Footpaths	Town	0	80,000
Drainage	Town Drainage	133	102,606
Furniture & Equipment	Office Equipment & Network	0	10,000
Economic Services			
Furniture & Equipment	Tourist Radio / CV internet	0	12,500
Buildings	Visitor Centre Ceiling works	0	10,000
Infrastructure - Parks & Oval	Sign Board for Visitors	0	8,600
		472,296	4,831,076

SHIRE OF THREE SPRINGS
NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY, 2018 TO 30 NOVEMBER, 2018

	30 November, 2018 Actual \$	2018/19 Original Budget \$
3. ACQUISITION OF ASSETS		
The following assets have been acquired during the period under review:		
<u>By Class</u>		
Land Held for Resale	0	0
Land and Buildings	252,909	2,067,500
Furniture and Equipment	0	122,500
Plant and Equipment	103,869	490,000
Motor Vehicles	0	0
Infrastructure Assets - Roads	115,518	2,017,476
Infrastructure Assets - Footpaths	0	80,000
Infrastructure Assets - Airfield	0	0
Infrastructure Assets - Parks and Ovals	0	53,600
	<u>472,296</u>	<u>4,831,076</u>

A detailed breakdown of acquisitions on an individual asset basis can be found in the supplementary information attached to this statement as follows:

- plant replacement programme
- other assets
- road replacement programme
- other infrastructure

472,296	4,831,076
472,296	4,831,076
0	0

ACQUISITION OF ASSETS

2018/2019 ORIGINAL BUDGET

By Program

Trade-In

Governance

Furniture & Equipment	Website upgrade & IT equipment:	30,000	
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Law, Order, Public Safety

Furniture & Equipment	CCTV Cameras	20,000	
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Health

Furniture & Equipment	Medical system - IT Upgrade	20,000	
	& Equipment	10,000	

Welfare Services

Buildings	Child Centre Building	1,630,000	
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Housing

Buildings	Staff Housing	47,000	
	New House	140,000	
Buildings	Other Housing	65,000	

Community Amenities

Buildings	Thrifty Shop	5,000	
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Recreation and Culture

Buildings	Pool Shelter & Bowl		
	repaint, new ropes	158,000	
Furniture & Equipment	Pool large Inflatable	20,000	
Buildings - Pavillion	Sport Pavillion	7,500	
Furniture & Equipment			
Buildings - Public Halls/Civic Centre	Community Hall	5,000	
Infrastructure-Parks & Oval	Hockey Lights	30,000	
	Skate Park	10,000	
	Park BBQ	5,000	

Transport

Infrastructure - Roads	RRG, R2R, Own	1,914,870	
Infrastructure - Drainage	Drainage	102,606	
Plant & equipment	Grader 12M Cat	330,000	80,000
Plant & equipment	Skid Steerer Cat	100,000	20,000
	Dolly	25,000	
	Auto Traffic Lights	20,000	
	Free Roller	15,000	
	Town Street	80,000	

Footpath			
Buildings			
Furniture & Equipment	Office Equipment & Network	10,000	

Economic Services

Furniture & Equipment	V/Centre IT Equipment	5,000	
	FM Tourist Radio	7,500	
Building	Visitor Centre	10,000	
Infrastructure-Other	Signs/Notice Board	8,600	

Total by Program		<u>4,831,076</u>	<u>100,000</u>
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Land Held for Resale			
Land and Buildings	2,067,500		
Furniture and Equipment	122,500		
Plant and Equipment	490,000		100,000
Motor Vehicles			
Infrastructure Assets - Roads	1,914,870		
Infrastructure Assets - Footpaths	80,000		
Infrastructure Assets - Drainage	102,606		
Infrastructure-Parks & Oval	53,600		

Total by Class	<u>4,831,076</u>	<u>100,000</u>
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SHIRE OF THREE SPRINGS
NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY, 2018 TO 30 NOVEMBER, 2018

4. DISPOSALS OF ASSETS

The following assets have been disposed of during the period under review:

<u>By Program</u>	Net Book Value	Net Book Value		Sale Proceeds	Sale Proceeds		Profit(Loss)	Profit(Loss)
	2018/19 BUDGET	2018/19 ACTUAL		2018/19 BUDGET	2018/19 ACTUAL		2018/19 BUDGET	2018/19 ACTUAL
	\$	\$		\$	\$		\$	\$
Transport								
2009 Caterpillar Skid Steere	15,750	15,750		20,000	21,000		4,250	5,250
Caterpillar 12M Motor Grader	90,000	0		80,000	0		(10,000)	0
	105,750	15,750		100,000	21,000		(5,750)	5,250
<u>By Class</u>	Net Book Value	Net Book Value		Sale Proceeds	Sale Proceeds		Profit(Loss)	Profit(Loss)
	2018/19 BUDGET	2018/19 ACTUAL		2018/19 BUDGET	2018/19 ACTUAL		2018/19 BUDGET	2018/19 ACTUAL
	\$	\$		\$	\$		\$	\$
Plant & Equipment	0	0		100,000	21,000		(5,750)	21,000
	105,750	0		100,000	21,000		(5,750)	21,000

Summary

Proceeds on Sale of Assets

Profit on Asset Disposals

Loss on Asset Disposals

2018/19 BUDGET	30/11/2018 ACTUAL
\$	\$
100,000	21,000
4,250	5,250
(10,000)	0
(5,750)	5,250

SHIRE OF THREE SPRINGS
NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY, 2018 TO 30 NOVEMBER, 2018

5. INFORMATION ON BORROWINGS

(a) Debenture Repayments

Movement in debentures and interest between the beginning and the end of the current financial year.

Particulars	Principal 1 Jul 18	New Loans		Principal Repayments		Principal Outstanding		Interest Repayments	
		Actual To Date \$	Budget Full Year \$	Actual To Date \$	Budget Full Year \$	Actual To Date \$	Budget Full Year \$	Actual To Date \$	Budget Full Year \$
Recreation & Culture									
Loan 156 - Swimming Pool Upgrad	17,531	0	0	8,651	17,531	8,880	0	(1,040)	703
Loan 160 - Swimming Pool	129,146	0	0	0	19,496	129,146	109,650	0	4,861
Transport									
Loan 157 - Grader	60,230	0	0	14,383	29,206	45,847	31,024	1,736	3,251
	206,907	0	0	23,033	66,233	183,874	140,674	695	8,815

All other loan repayments will be financed by general purpose revenue

5. INFORMATION ON BORROWINGS (Continued)

(b) New Debentures - 2018/19

No new debentures are budgeted for the financial year ending 30 June 2019.

(c) Unspent Debentures

Council had no unspent debenture funds as at 30 June 2018 nor is it expected to have unspent debenture funds as at 30th June 2019

(d) Overdraft

Council do not anticipate having an overdraft facility during 2018/19

SHIRE OF THREE SPRINGS
NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY, 2018 TO 30 NOVEMBER, 2018

	30 November, 2018 Actual \$	2018/19 Original Budget \$
6. RESERVES		
Cash Backed Reserves		
(a) Leave Reserve		
Opening Balance	131,141	131,141
Amount Set Aside / Transfer to Reserve	826	3,213
Amount Used / Transfer from Reserve	-	-
	<u>131,967</u>	<u>134,354</u>
(b) Plant Reserve		
Opening Balance	240,654	240,654
Amount Set Aside / Transfer to Reserve	1,516	61,896
Amount Used / Transfer from Reserve	-	-
	<u>242,170</u>	<u>302,550</u>
(c) Housing & Development Reserve		
Opening Balance	123,308	123,308
Amount Set Aside / Transfer to Reserve	777	23,021
Amount Used / Transfer from Reserve	-	(100,000)
	<u>124,085</u>	<u>46,329</u>
(d) Local Gov Com Housing Reserve		
Opening Balance	161,548	161,548
Amount Set Aside / Transfer to Reserve	1,018	3,958
Amount Used / Transfer from Reserve	-	(60,000)
	<u>162,566</u>	<u>105,506</u>
(e) Gravel Pit Reserve		
Opening Balance	47,703	47,703
Amount Set Aside / Transfer to Reserve	301	1,169
Amount Used / Transfer from Reserve	-	-
	<u>48,004</u>	<u>48,872</u>
(f) Swimming Pool Rec Eq Reserve		
Opening Balance	136,891	136,891
Amount Set Aside / Transfer to Reserve	863	3,354
Amount Used / Transfer from Reserve	-	(100,000)
	<u>137,754</u>	<u>40,245</u>
(g) Day Care Centre Reserve		
Opening Balance	520,893	520,893
Amount Set Aside / Transfer to Reserve	3,282	12,762
Amount Used / Transfer from Reserve	-	(500,000)
	<u>524,175</u>	<u>33,655</u>
(h) Lovelocks Soak Reserve		
Opening Balance	50,635	50,635
Amount Set Aside / Transfer to Reserve	319	26,241
Amount Used / Transfer from Reserve	-	-
	<u>50,954</u>	<u>76,876</u>
(i) Road Project Reserve		
Opening Balance	25,000	25,000
Amount Set Aside / Transfer to Reserve	158	25,612
Amount Used / Transfer from Reserve	-	-
	<u>25,158</u>	<u>50,612</u>
(i) Drainage Project Reserve		
Opening Balance	286,279	286,279
Amount Set Aside / Transfer to Reserve	1,804	7,014
Amount Used / Transfer from Reserve	-	-
	<u>288,083</u>	<u>293,293</u>
Total Cash Backed Reserves	<u>1,734,916</u>	<u>1,132,291</u>

All of the above reserve accounts are to be supported by money held in financial institutions.

SHIRE OF THREE SPRINGS
NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY, 2018 TO 30 NOVEMBER, 2018

	30 November, 2018 Actual \$	2018/19 Original Budget \$
6. RESERVES (Continued)		
Summary of Transfers To Cash Backed Reserves		
Transfers to Reserves		
Leave Reserve	826	3,213
Plant Reserve	1,516	61,896
Housing & Development Reserve	777	23,021
Local Gov Com Housing Reserve	1,018	3,958
Gravel Pit Reserve	301	1,169
Swimming Pool Rec Eq Reserve	863	3,354
Day Care Centre Reserve	3,282	12,762
Lovelocks Soak Reserve	319	26,241
Roads Reserve	158	25,612
Drainage Reserve	1,804	7,014
	<u>10,864</u>	<u>168,240</u>
Transfers from Reserves		
Housing & Development Reserve	-	(100,000)
Local Gov Com Housing Reserve	-	(60,000)
Swimming Pool Rec Eq Reserve	-	(100,000)
Day Care Centre Reserve	-	(500,000)
Drainage Reserve	-	-
	<u>-</u>	<u>(760,000)</u>
Total Transfer to/(from) Reserves	<u>10,864</u>	<u>(591,760)</u>

In accordance with council resolutions in relation to each reserve account, the purpose for which the reserves are set aside are as follows:

- Leave Reserve
 - to be used to fund long service leave requirements
- Plant Reserve
 - to be used for the plant replacement, upgrade or purchase.
- Housing and Development Reserve
 - to be used to fund housing/accommodation projects
- Local Gov Com Housing Reserve
 - to be used to maintain the joint Ministry of Housing/Local Government Properties
- Gravel Pit Reserve
 - to be used for rehabilitation of disused gravel pits
- Swimming Pool Rec Eq Reserve
 - to be used to purchase recreational equipment for the swimming pool
- Child Centre Reserve
 - to be used to upgrade Child Care Building and equipments
- Lovelocks Soak Reserve
 - to be used for future upgrade of Water Infrastructure.
- Road Reserve
 - to be used for future Road upgrade/reconstruction.

The Leave and Plant Reserves are not expected to be used within a set period as further transfers to the reserve accounts are expected as funds are utilised.

SHIRE OF THREE SPRINGS
NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY, 2018 TO 30 NOVEMBER, 2018

	30 November, 2018 Actual \$	Brought Forward 1-Jul-18 \$
7. NET CURRENT ASSETS		
Composition of Estimated Net Current Asset Position		
CURRENT ASSETS		
Cash - Unrestricted	3,083,003	1,511,157
Cash - Restricted (Reserves)	1,734,916	1,724,052
Cash - Restricted (Unspent Grants)	-	-
Receivables		
- Rates Outstanding	300,108	35,623
- Excess Rates	(4,379)	(6,742)
- Sundry Debtors	35,952	224,525
- Emergency Services Levy	(6,237)	2,503
- Accrued income	-	40,720
- Prepayments	-	-
- Provision for doubtful debt	(1,055)	(1,055)
- GST Receivable	12,151	1,633
Inventories	5,497	5,497
Land held for resale	-	-
	<u>5,159,956</u>	<u>3,537,913</u>
LESS: CURRENT LIABILITIES		
Payables		
- Sundry Creditors	(66,005)	(139,158) *
- Accrued Expenditure	-	(28,755)
- GST Payable	(3,458)	(3,453)
- PAYG/Withholding Tax Payable	(15,605)	-
- Payroll Creditors	-	-
Accrued Interest on Debentures	-	(1,617)
Accrued Salaries and Wages	-	(9,600)
Current Employee Benefits Provision	(148,222)	(148,222)
Current Loan Liability	(43,200)	(66,233)
	<u>(276,490)</u>	<u>(397,038)</u>
NET CURRENT ASSET POSITION	4,883,466	3,140,875
Less: Cash - Reserves - Restricted	(1,734,916)	(1,724,052)
Less: Cash - Restricted/Committed	-	-
Add Back : Liabilities Supported by Reserves		
Component of leave liability not required to be funded	131,967	131,141
Add Back : Current Loan Liability	43,200	66,233
	<u>175,167</u>	<u>197,374</u>
ESTIMATED SURPLUS/(DEFICIENCY) C/FWD	<u><u>3,323,717</u></u>	<u><u>1,614,197</u></u>

SHIRE OF THREE SPRINGS
NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY, 2018 TO 30 NOVEMBER, 2018

8. RATING INFORMATION - 2018/2019 FINANCIAL YEAR

RATE TYPE	Rate in \$	Number of Properties	Rateable Value \$	2018/19 Rate Revenue \$	2018/19 Interim Rates \$	2018/19 Back Rates \$	2018/19 Total Revenue \$	2018/19 Original Budget \$
Differential General Rate								
GRV - Residential	0.119606	208	2,041,052	244,122	(1,275)	0	242,846.99	244,122
GRV - Mining	0.239212	1	252,500	60,401	0	0	60,401.03	60,401
UV - Rural & Arrino	0.015334	184	111,030,000	1,702,534	0	0	1,702,534.04	1,702,534
UV - Mining	0.030667	14	363,228	11,139	(481)	423	11,082.02	11,139
Other		67						
Sub-Totals		474	113,686,780	2,018,196	(1,756)	423	2,016,864.08	2,018,196
Minimum Rates	Minimum \$							
GRV - Residential	455	20	13,439	9,100	0	0	9,100.00	9,100
UV - Rural & Arrino	455	21	280,150	9,555	0	0	9,555.00	9,555
UV - Mining	275	13	31,985	3,575	(275)	0	3,300.00	3,575
Sub-Totals		54	325,574	22,230	(275)	0	21,955.00	22,230
		528	114,012,354	2,040,426	(2,031)	423	2,038,819	2,040,426
Discounts								0
Totals							2,038,819	2,040,426

All land except exempt land in the Shire of Three Springs is rated according to its Gross Rental Value (GRV) in townsites or Unimproved Value (UV) in the remainder of the Shire.

The general rates detailed above for the 2018/2019 financial year have been determined by Council on the basis of raising the revenue required to meet the deficiency between the total estimated expenditure proposed in the budget and the estimated revenue to be received from all sources other than rates and also considering the extent of any increase in rating over the level adopted in the previous year.

The minimum rates have been determined by Council on the basis that all ratepayers must make a reasonable contribution to the cost of the Local Government services/facilities.

9. TRUST FUNDS

Funds held at balance date over which the Municipality has no control and which are not included in the financial statements are as follows:

Detail	Balance 01-Jul-18 \$	Amounts Received \$	Amounts Paid (\$)	Balance \$
Police Licensing	785	91,251	(89,871)	2,165
Three Springs LCDC	4,334			4,334
Arrowsmith Catchment	77,393			77,393
Arrowsmith Rates	11,556			11,556
Nomination Fees	0			0
East Three Springs Catchment	2,014			2,014
BCITF Levy	91		(91)	0
BRB Levy	63	113	(176)	0
Cat Trap Bond	0			0
Housing Bonds	280	1,440	(1,440)	280
Community Bus Bond	100			100
	<u>96,616</u>			<u>97,842</u>

10. CASH / INVESTMENTS SUMMARY

Short Term Investments (0 - 3 months)

Financial Institution	Fund	Date Invested	Investment Amount \$	Interest Rate % \$	Maturity Date	30 November 2018 Actual \$
National Australia Bank	Reserve Maxi	19/06/2018	1,724,052	2.5% 10,864	19/09/2018	1,734,916
National Australia Bank	Maxi Investment	1/11/2018	1,994,494	Credits 196,062	Debits (93,879)	2,096,677
National Australia Bank	Grant Acc	1/11/2018	808,707	165,311	-	974,018

Cash at Bank

	Fund	Total cash at Bank	O/S Deposits	O/S Cheques	Adjustment	30 November 2018 Actual \$
National Australia Bank	Muni	42,521	289	(802)	-	42,008
National Australia Bank	Trust	988		(280)	-	708
National Australia Bank	Licensing	96,439	289		-	96,728

SHIRE OF THREE SPRINGS

INCOME STATEMENT

BY PROGRAM

FOR THE PERIOD 1 JULY, 2018 TO 30 NOVEMBER, 2018

	30/11/18 Y-T-D Actual	30/11/18 Y-T-D Budget	2018/19 Original Budget
	\$	\$	\$
OPERATING REVENUES			
Governance	36,670	9,542	22,913
General Purpose Funding	2,385,036	2,298,902	2,554,956
Law, Order, Public Safety	5,866	10,585	41,000
Health	6,500	6,710	16,100
Education and Welfare	155,282	505,735	1,063,762
Housing	35,499	39,339	97,209
Community Amenities	71,667	71,750	77,101
Recreation and Culture	3,500	10,166	47,654
Transport	347,909	637,829	1,531,740
Economic Services	15,018	3,895	9,369
Other Property and Services	15,987	25,600	61,450
	<u>3,078,934</u>	<u>3,620,053</u>	<u>5,523,254</u>
OPERATING EXPENSES			
Governance	(103,785)	(126,891)	(268,130)
General Purpose Funding	(13,357)	(16,650)	(39,961)
Law, Order, Public Safety	(93,506)	(90,303)	(182,091)
Health	(51,433)	(48,720)	(116,905)
Education and Welfare	(1,879)	(5,330)	(12,810)
Housing	(157,897)	(142,685)	(342,311)
Community Amenities	# (94,642)	(134,295)	(322,233)
Recreation & Culture	(270,215)	(369,981)	(892,279)
Transport	(357,358)	(368,626)	(1,406,786)
Economic Services	(54,362)	(50,320)	(120,780)
Other Property and Services	(93,155)	(58,355)	(45,936)
	<u>(1,291,589)</u>	<u>(1,412,156)</u>	<u>(3,750,222)</u>
CHANGE IN NET ASSETS RESULTING FROM OPERATIONS	<u>1,787,345</u>	<u>2,207,897</u>	<u>1,773,032</u>

SHIRE OF THREE SPRINGS

BALANCE SHEET

FOR THE PERIOD 1 JULY, 2018 TO 30 NOVEMBER, 2018

	30 November, 2018	2017/18
	ACTUAL	
	\$	\$
CURRENT ASSETS		
Cash and Cash Equivalents	4,817,919	3,235,209
Trade and Other Receivables	336,541	293,755
Inventories	5,497	5,497
TOTAL CURRENT ASSETS	<u>5,159,957</u>	<u>3,534,461</u>
NON-CURRENT ASSETS		
Other Receivables	22,640	22,640
Property, Plant and Equipment	14,234,417	14,300,079
Infrastructure	35,435,425	35,324,600
TOTAL NON-CURRENT ASSETS	<u>49,692,482</u>	<u>49,647,319</u>
TOTAL ASSETS	<u>54,852,439</u>	<u>53,181,780</u>
CURRENT LIABILITIES		
Trade and Other Payables	85,068	179,130
Long Term Borrowings	43,200	66,233
Provisions	148,222	148,222
TOTAL CURRENT LIABILITIES	<u>276,490</u>	<u>393,585</u>
NON-CURRENT LIABILITIES		
Long Term Borrowings	140,675	140,675
Provisions	32,228	32,228
TOTAL NON-CURRENT LIABILITIES	<u>172,903</u>	<u>172,903</u>
TOTAL LIABILITIES	<u>449,393</u>	<u>566,488</u>
NET ASSETS	<u>54,403,046</u>	<u>52,615,292</u>
EQUITY		
Retained Profits (Surplus)	30,380,318	28,603,836
Reserves - Cash Backed	1,734,916	1,724,052
Reserves - Asset Revaluation	22,357,473	22,357,473
TOTAL EQUITY	<u>54,472,707</u>	<u>52,685,361</u>

SHIRE OF THREE SPRINGS

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD 1 JULY, 2018 TO 30 NOVEMBER, 2018

	30 November 2018 Actual \$	2018 \$
RETAINED PROFITS (SURPLUS)		
Balance as at 1 July 2018	28,533,768	27,646,814
Change in Net Assets Resulting from Operations	1,787,346	1,354,901
Transfer from/(to) Reserves	<u>(10,864)</u>	<u>(467,947)</u>
Balance as at 30 November 2018	<u>30,310,250</u>	<u>28,533,768</u>
 RESERVES - CASH BACKED		
Balance as at 1 July 2018	1,724,052	1,256,105
Amount Transferred (to)/from Surplus	<u>10,864</u>	<u>467,947</u>
Balance as at 30 November 2018	<u>1,734,916</u>	<u>1,724,052</u>
 RESERVES - ASSET REVALUATION	#	
Balance as at 1 July 2018	22,357,472	21,927,453
Revaluation Increment		430,019
Revaluation Decrement	<u>-</u>	<u>-</u>
Balance as at 30 November 2018	<u>22,357,472</u>	<u>22,357,472</u>
 TOTAL EQUITY	<u><u>54,402,638</u></u>	<u><u>52,615,292</u></u>

SHIRE OF THREE SPRINGS

INCOME STATEMENT

BY NATURE OR TYPE

FOR THE PERIOD 1 JULY, 2018 TO 30 NOVEMBER, 2018

	NOTE	30/11/2018 Y-T-D Actual	30/11/2018 Y-T-D Current Budget	2018/19 Original Budget
		\$		\$
REVENUES FROM ORDINARY ACTIVITIES				
Rates	8	2,037,708	2,040,426	2,040,426
Grants and Subsidies - Operating		425,559	310,906	967,047
Grants and Subsidies - Non Operating		383,600	1,063,818	2,129,101
Contributions Reimbursements and Donations - Operating		21,088	25,450	49,250
Contributions Reimbursements and Donations - Capital		-	-	-
Proceeds on Disposal of Assets		21,000	-	100,000
Service Charges		-	-	-
Fees and Charges		140,187	133,256	227,990
Interest Earnings		24,830	24,767	63,940
Other Revenue		40,713	17,180	41,250
Realisation on Asset Disposal		(21,000)	0	(100,000)
		<u>3,073,685</u>	<u>3,615,803</u>	<u>5,519,004</u>
EXPENSES FROM ORDINARY ACTIVITIES				
Employee Costs		(455,447)	(496,170)	(1,190,640)
Materials and Contracts		(196,190)	(305,410)	(1,227,516)
Utilities		(43,590)	(95,590)	(229,363)
Depreciation		(411,385)	(363,035)	(871,290)
Interest Expenses		(2,796)	(3,772)	(12,314)
Insurance		(174,521)	(126,948)	(175,916)
Other Expenditure		(7,661)	(11,231)	(33,183)
		<u>(1,291,590)</u>	<u>(1,402,156)</u>	<u>(3,740,222)</u>
Loss on Sale of Assets		-	(10,000)	(10,000)
Profit on Asset Disposal		5,250	4,250	4,250
CHANGE IN NET ASSETS RESULTING FROM OPERATIONS		<u>1,787,345</u>	<u>2,207,897</u>	<u>1,773,032</u>
Income Statement by Nature & Type		1,787,345	2,207,897	1,773,032
Income Statement by Program		1,787,345	2,207,897	1,773,032
		-		-

Shire of Three Springs 2018/2019 Works Programme @ 30/11/2018																			
Road/Works	Job No	GL No	Works Program Progress													Financial Information			
			July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	April	May	June	Full Year Budget	Y'td Budget	Y'td Actuals	Comments	
Main Roads Projects																			
Three Springs Morawa Rd slk15.71-20.35 Pre seal	MR09	3154														267,000	59,334	0	Tender process - January-2019 start
Three Spring - Enneabba Road 10mm PMB re-seal SLK 12-19	MR10	3154														320,000	71,112	0	Tender process - January-2019 start
Three Spring - Perenjori 10mm PMB re-seal SLK8.4-14.8	MR11	3154														266,500	59,222	0	Tender process - January-2019 start
Black Spot - Midlands Arrino intersection	1252	3104														225,000	50,000	0	Tender process - January-2019 start
RG04 - Intersection - Three Springs-Eneabba, Nebru Rd	RG04	3124	X	X												0	0	766	
Perenjori Road -Widen, seal & reconstruct	MR08	3154		X												0	0	983	
																1,078,500	239,668	1,748	
Roads To Recovery																			
Dudawa Road Various locations Pavement Repairs	RR09	3134														50,868	11,304	0	Tender process - November -2018 start
Arrino South Road Various locations Pavement Repairs	RR10	3134														155,444	34,544	0	Tender process - November -2018 start
Bunney Road	RR01	3134				X	X									117,633	0	104,057	Shire to carryout work, October commenced.
																323,945	45,848	104,057	
Shire Projects																			
Strutton RoadResheet 1km	C1095	3164														34,876	7,750	0	Shire to carryout works -Jan 2019
First North gravel resheeting	C1010	3164														104,633	23,254	0	Shire to carryout works -Oct 2018
Beekeeper Resheet 3km	C1034	3164														104,633	23,254	0	Shire to carryout works -Nov 2018
Simpson Road Resheet 1km & pruning	C1007	3164					X									44,876	9,972	9,290	Shire to carryout works -Feb 2019
Kangaroo Road Resheet 3km	C1091	3164														104,633	23,254	0	Shire to carryout works - Nov/Dec
Arrino West shoulders and reseal	C1024	3164														82,638	18,366	0	Shire /Contractor - Mar 2019
Broad Road resheet bends 1km	C1013	3164														36,136	8,032	0	Shire to carryout works -Feb 2019
Drainage	1208	5594		X												102,606	22,802	133	Shire /Contractor - Jan/Feb 2019
Footpath	1262	3224														80,000	0	0	
																695,031	136,684	9,423	
Total Capital Works																2,097,476	422,200	115,228	
WANDRRA PROJECTS																			
FLOOD DAMAGE WORKS		3322														537,311	0	0	Various roads
																537,311	0	0	
Operations and Maintenance Expenditure																			
Maintenance General		3352														0	0	218,610	Total made up of individual road maintenance costings.
Town Street Maintenance	1201	3352	X	X	X	X	X									32,116	13,385	18,461	
Rural Road Maintenance	1202	3352	X	X		X	X									113,433	47,270	4,665	
Road Maintenance Grading	1229	3352														305,471	127,280	0	Costs against individual roads -see row 43
Fire Control	5001	0692	X	X	X	X	X												
Refuse Site Maintenance	1001	1772	X		X	X	X									35,426	14,760	6,239	
Tree Pruning Rural Roads (Contract)	1324	3372														100,000	41,665	0	
Tree Pruning Town (Contract)	1322	3372				X										15,000	6,250	524	
Traffic Signs & Control	1240	3442														6,000	2,500	0	
Parks and Garden Maintenance																			
Other Parks & Gardens Maintenance	1105	2642	X	X	X	X	X									99,017	41,260	25,060	Most costs captured in activity areas.
Street Trees & Watering	1232	3362	X	X	X	X	X									6,650	2,775	674	
Street Cleaning	1231	3432	X	X	X	X	X									19,720	8,220	12,447	
Oval Maintenance	1107	2652	X	X	X	X	X									112,315	46,825	32,911	
Stormwater Drain Maintenance	1003	2002	X	X	X		X									9,950	4,150	5,088	
Centenary Water Feature	1120	3132	X	X	X	X	X									7,950	3,315	2,812	
Verge Spraying - Weed control	1301	3842	X	X	X	X	X									15,900	6,625	11,542	
Cemetery Maintenance		2302	X	X	X	X	X									16,580	6,905	17,066	Clean up Arrino and T/Springs cemeteries
Depot Maintenance	1230	3402	X	X	X	X	X									34,391	14,330	16,313	
Total Operations and Maintenance																929,919	387,515	372,411	

Debtors Trial Balance								
As at 30.11.2018								
Debtor #	Name	Credit Limit	01.09.2018		01.10.2018	31.10.2018	30.11.2018	Total
			GT 90 days	Age	GT 60 days	GT 30 days	Current	
Of								
Oldest								
Invoice								
(90Days)								
A18			0.00	0	1781.00	0.00	0.00	1781.00
C110			0.00	0	0.00	0.00	20.00	20.00
D72			283.90	402	0.00	0.00	0.00	283.90
D87			0.00	0	0.00	0.00	400.00	400.00
E24			0.00	0	0.00	0.00	924.00	924.00
E38			0.00	0	0.00	0.00	225.00	225.00
G31			0.00	0	0.00	0.00	512.00	512.00
G57			0.00	0	0.00	0.00	0.00	0.00
G66			0.00	0	0.00	0.00	2200.00	2200.00
H54			0.00	0	0.00	0.00	0.00	-0.02
J17			1430.00	0	0.00	0.00	1430.00	2860.00
K20			0.00	0	0.00	0.00	0.00	-100.00
K32			425.70	477	0.00	0.00	0.00	425.70
L91			0.00	0	25.03	0.00	0.00	25.03
M100			0.00	0	0.00	0.00	0.00	-0.02
M103			0.00	0	0.00	0.00	10.00	10.00
M119			0.00	0	0.00	0.00	60.00	60.00
M135			155.38	249	0.00	0.00	0.00	155.38
N46			190.00	750	0.00	0.00	0.00	190.00
O16			0.00	0	0.00	0.00	226.00	226.00
O17			0.00	0	0.00	0.00	0.00	-360.00
R51			0.00	0	0.00	0.00	550.00	550.00
S112			0.00	0	0.00	0.00	112.50	112.50
T52			1519.65	150	1440.00	323.48	640.00	3923.13
T79			0.00	0	0.00	0.00	112.50	112.50
V11			0.00	0	0.00	0.00	150.00	150.00
W60			0.00	0	0.00	0.00	0.00	-233.05
Totals --- Credit Balances:		-693.09	4004.63		3246.03	323.48	7572.00	14453.05

9.3.2. ACCOUNTS FOR PAYMENT – 30 NOVEMBER 2018

Agenda Reference: CEO
Location/Address: Shire of Three Springs
Name of Applicant: Shire of Three Springs
File Reference: ADM0083
Disclosure of Interest:
Date: 4th December, 2018
Author: Donna Newton

Signature of Author: _____

SUMMARY

Council to confirm the payment of creditors in accordance with Local Government (Financial Management) Regulations 1996 section 13 (1).

ATTACHMENT

Lists of creditors paid as at 30th November, 2018 is attached.

BACKGROUND

Financial regulations require a schedule of payments made through the Council's bank accounts be presented to Council for their inspection. The list includes details for each account paid incorporating payee's name, amount of the payment, date of payment and sufficient information to identify the transaction.

CONSULTATION

No consultation required.

STATUTORY ENVIRONMENT

Local Government Act 1995 Section 6.4.
Local Government (Financial Management) Regulations 1996 Section 12 and 13.

POLICY IMPLICATIONS

Payments have been made under delegation.

FINANCIAL IMPLICATIONS

Funds available to meet expenditure.

STRATEGIC IMPLICATIONS

Nil.

OFFICER COMMENT

Invoices supporting all payments are available for inspection. All invoices and vouchers presented to Council have been certified as to the receipt of goods and the rendition of services and as to prices, computations and costing and that the amounts shown were due for payment.

VOTING REQUIREMENTS

Simple Majority

140419 COUNCIL RESOLUTION OFFICER RECOMMENDATION – ITEM 9.3.2

MOVED: Cr Thorpe
SECONDED: Cr Thomas

That Council notes the accounts for payment as presented for November, 2018 from the –

Municipal Fund totalling \$191,012.53 represented by Electronic Fund Transfers No's 14876 – 14930, Cheque No's 11509 – 11514 and Direct Debits 11642.1, 11643.1, 11655.1 – 11655.4, 1168.1 -11668.4 & 11671.1.

Licensing Fund totalling \$24,115.40 represented by Direct Debit No. 11674.1.

Trust Fund totalling \$320.00 represented by Cheque Number 46.

CARRIED
Voted: 4/0

Date: 04/12/2018
Time: 8:58:46AM

SHIRE OF THREE SPRINGS
Statement of Payments for the Month of November 2018

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Cheque /EFT No	Date	Name Invoice Description	INV Amount	Amount
Bond Administrator				
46	02/11/2018	BOND FOR 41 SLAUGHTER STREET THREE SPRINGS -		320.00
INV T25	02/11/2018	Housing Bond 41 Slaughter Street	320.00	
Synergy				
11509	09/11/2018	Electricity Usage Charges		5,552.65
INV	26/10/2018	Reversal of invoice 2216516099 23/06/2018 to 22/08/2018 FM	0.75	
INV	01/11/2018	Electricity Usage Charges 31/08/2018 to 30/10/2018, Over the Counter	64.05	
INV	01/11/2018		99.15	
INV	01/11/2018	Electricity Usage Charges 21/08/2018 to 30/10/2018	140.80	
INV	01/11/2018	Electricity Usage Charges 15/09/2018 to 30/10/2018 Unit 1 Kadathinni	118.10	
INV	01/11/2018	Electricity Usage Charges 31/08/2018 to 30/10/2018 (charges from	165.65	
INV	01/11/2018	Electricity Usage Charges 31/08/2018 to 30/10/2018, Over the Counter	216.45	
INV	01/11/2018	Electricity Usage Charges 01/09/2018 to 30/10/2018, Over the Counter	1,356.75	
INV	01/11/2018		386.25	
INV	01/11/2018	Electricity Usage Charges 31/08/2018 to 30/10/2018 - Portion on charged	195.75	
INV	01/11/2018	Electricity Usage Charges 31/08/2018 to 30/10/2018, Over the Counter	155.85	
INV	01/11/2018	Electricity Usage Charges 30/08/2018 to 30/10/2018, Over the Counter	240.40	
INV	01/11/2018	Electricity Usage Charges 31/08/2018 to 30/10/2018, Over the Counter	102.85	
INV	01/11/2018	Electricity Usage Charges 01/09/2018 to 30/10/2018, Over the Counter	135.75	
INV	01/11/2018	Electricity Usage Charges Electricity Charges 25/09/2018 to 24/10/2018	2,110.05	
INV	02/11/2018	Electricity Usage Charges 29/09/2018 to 30/10/2018, Over the Counter	64.05	
Telstra				
11510	09/11/2018	Monthly Account		158.91
INV	05/11/2018	Mobile Phone Usage 05/09/18 to 04/10/18 - 0409 835 726	0.17	
INV	05/11/2018	Mobile Phone Usage 05/10/18 to 04/11/18 - 0407 981 659 \$8.45, 0448	158.74	
Synergy				
11512	26/11/2018	Electricity Usage Charges		49.85
INV	20/11/2018	Electricity Usage Charges 13/09/2018 to 29/10/2018, Over the Counter	49.85	
Telstra				
11513	26/11/2018	Monthly Account		1,505.71
INV	11/11/2018	Mobile Phone Usage 11/10/2018 to 10/11/2018 - 0407 981 659 \$50.00	100.00	
INV	23/11/2018	Monthly Telephone Usage Charges to 15/11/2018, Service Charges to	1,405.71	
Three Springs Engineering				
11514	26/11/2018	Contractor		495.00
INV P98/68	07/09/2018	10x B62 Belts, 2x Exhaust Claps - TS5012, 1x Rain cap - TS5012, 1x	495.00	
BOC Gases				
EFT14876	09/11/2018	Monthly Account		44.81
INV	29/10/2018	Daily Cylinder Tracking 28/09/2018 to 28/10/2018 - Oxygen Industrial	44.81	
Blackwoods				
EFT14877	09/11/2018	Monthly Account		235.61
INV	11/10/2018	750ml Spray Bottles x 12, Wrench Adjustable Chrome 300mm, Wrench	235.61	
B W McGree				
EFT14878	09/11/2018	Contractor		340.00
INV 340.00	27/10/2018	Supply Digital antenna, amplifier and cabling - 3 Howard Place, Install	340.00	
Child Support Agency				
EFT14879	09/11/2018	Payroll deductions		337.56
INV	30/10/2018	Payroll Deduction for 30/10/2018	337.56	
Courier Australia				
EFT14880	09/11/2018	Freight Account Various		112.66
INV 0385	26/10/2018	Freight from PCS to Three Springs - CSO2 Screen Adaptor and Monday	21.46	
INV 0386	02/11/2018	Freight From Westrac to Three Springs - Parts, Freight From WINC to	91.20	
Veolia Environmental Services				
EFT14881	09/11/2018	Monthly Account		4,554.31
INV	28/10/2018	Monthly Account - Weekly Bin Collection - (09/10/2018, 16/10/2018,	4,554.31	
Shire of Carnamah				
EFT14882	09/11/2018	Reimbursement of Costs for Ranger/Emergency Service Officer		3,705.11

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Statement of Payments for the Month of November 2018

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Cheque /EFT No	Date	Name Invoice Description	INV Amount	Amount
Shire of Carnamah				
INV 11738	31/10/2018	38.6 hours + 10.64 hours (being 20% of hours for 1 sick day and 6 days	3,705.11	
Cancer Council Western Australia				
EFT14883	09/11/2018	Annual Sunscreen Order		204.23
INV 6020202	25/10/2018	Swimming Pool Sunscreen Order- Everyday Sunscreen Range SPF 30+ 1	204.23	
Coates Hire operations Pty Limited				
EFT14884	09/11/2018	Hire of Equipment		218.65
INV	04/10/2018	Hire Pump for Draining Pool for Re furbishment	218.65	
WINC Australia Pty Limited				
EFT14885	09/11/2018	Cleaning Products and Stationery Order		1,189.83
INV	23/10/2018	Meterplan Charge MPC6004EXSP 28/09/2018 - 20/10/2018 - 3460	438.37	
INV	06/11/2018	Castaway Easy Pick Bin Liner 80L Box200, Castaway Easy Pick Bin	751.46	
Department for Planning, Lands & Heritage				
EFT14886	09/11/2018	S87 Contract of Sale of Land Eneabba - Three Springs Road		742.50
INV	08/10/2018	Land Sale of Portion of Eneabba, Three Springs Road as shown in yellow	742.50	
Great Southern Fuel Supplies				
EFT14887	09/11/2018	Monthly Fuel Card Account		334.15
INV	31/10/2018	ULP for OTS 22/10/2018 67.29 Litres and 26/10/2018 57.89 litres plus	334.15	
Health Insurance Fund (HIF) of WA (Inc)				
EFT14888	09/11/2018	Payroll deductions		120.20
INV	30/10/2018	Payroll Deduction for 30/10/2018	120.20	
Leeman Plumbing & Excavation				
EFT14889	09/11/2018	Contractor		295.81
INV	16/10/2018	Replace toilet waste pipe- Labour - 5 Howard Place, Replace toilet waste	295.81	
LG Assist Australia				
EFT14890	09/11/2018	Advertising Account		605.00
INV 0010290	26/10/2018	Advert on LG Assist website on 26/10/2018 for Leading Hand/Plant	605.00	
LGIS Insurance Broking				
EFT14891	09/11/2018	2017/2018 Motor Vehicle Premium Adjustment		2,730.83
INV	29/10/2018	Motor Vehicle Premium Adjustment 30/06/2017 to 30/06/2018 - TS7002,	2,730.83	
McLeods				
EFT14892	09/11/2018	Professional Services		176.00
INV 105710	02/11/2018	Re: Annual Audit - Shire of Three Springs - 2018	176.00	
Marketforce Pty Ltd				
EFT14893	09/11/2018	Advertising Account		869.38
INV 29802	01/10/2018	Early Settlement Discount for Invoice 23367 and 23368	-49.65	
INV 24510	25/10/2018	Advertisement West Australian 29th September Leading Hand Vacancy	646.93	
INV 24509	25/10/2018	Advertisement Geraldton Guardian 2nd October Leading Hand vacancy	272.10	
Phonographic Performance Company of Australia Ltd (PPCA)				
EFT14894	09/11/2018	Annual Licence Renewal		46.02
INV 3125616	01/10/2018	350 Capacity & 4 Nights of Operation Licence for 01/11/2018 -	46.02	
Perfect Computer Solutions Pty Ltd				
EFT14895	09/11/2018	Computer & IT Services		212.50
INV 24123	30/10/2018	Labour, 8/10/2018 - Expand Shire Data. Drive was filling up., Expanded	212.50	
The Royal Life Saving Society Australia				
EFT14896	09/11/2018	Pool Lifeguard Requalification - Pool Manager		150.00
INV 95536	06/11/2018	Pool Life Guard Requalification for Pool Manager 24/11/2018	150.00	
Dudawa Haulage				
EFT14897	09/11/2018	Contractor		2,640.00
INV	13/10/2018	Cart sand for sports oval - Supply and Cart of concrete sand ex Dongara	2,640.00	
Three Springs - Arrino RSL				
EFT14898	09/11/2018	Contribution to RSL Remembrance day Centenary Celebrations		1,000.00
INV 140394	11/10/2018	Three Springs-Arrino RSL Remembrance Day Centenary Celebrations	1,000.00	

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Cheque /EFT No	Date	Name Invoice Description	INV Amount	Amount
Shire of Three Springs				
EFT14899	09/11/2018	Rates refund for assessment A477 41 SLAUGHTER STREET THREE		5.94
INV A477	29/10/2018		5.94	
Sweetman's Hardware				
EFT14900	09/11/2018	Monthly Account		1,358.37
INV 53	31/10/2018	Plants for Garden, Depot Maintenance (Retic), 47 Williamson Street-	1,041.37	
INV 54	31/10/2018	Items for repairs - Glue, Door Rollers, Items for repairs - grinding disc,	317.00	
SEEK Limited				
EFT14901	09/11/2018	Advertising Account		308.00
INV	26/10/2018	Advert submitted on 26/10/2018 for Leading Hand/Plant Operation and	308.00	
Three Springs IGA				
EFT14902	09/11/2018	Monthly IGA Account		215.56
INV	31/10/2018	Nobbies Mixed Nuts 375gm Councillors Meeting October 2018. Cad	215.56	
Truckline				
EFT14903	09/11/2018	Monthly Account		332.64
INV 6469194	03/11/2018	Wheel Steel x 2 22.5"x8.25"10/285	332.64	
Three Springs Rural Services				
EFT14904	09/11/2018	Monthly Account		888.98
INV 43650	23/10/2018	Socket 1/2 Threaded Poly- 47 Williamson, Nipple 1/2 Threaded Poly- 47	14.49	
INV 43648	23/10/2018	Socket 3/4 threaded poly- 47 Williamson, Bush reducing 3/4 x 1/2	47.47	
INV 43576	17/10/2018	180c pop up sprinkler - 47 Williamson, 90c pop up sprinkler - 47	34.74	
INV 43526	12/10/2018	360c pop up Sprinkler - 47 Williamson, Bush ruducing 1 x 3/4 Threaded	26.57	
INV 43690	26/10/2018	Neta Joiner Barbed 13mm, Neta Joiner Barbed 19mm, Neta Drip 360	23.80	
INV 41907	01/07/2018	PVC 90mm Elbow 90Deg F x F	4.45	
INV 43626	22/10/2018	Elbow fi 3/4 Threaded Poly- 5 Glyde, Utc universal 12-21mm x 3/4- 5	33.58	
INV 43624	22/10/2018	Rapid Set Concrete 20kg dgray- Bunny Road	40.00	
INV 43613	19/10/2018	Steel Blue argyle wheat zip up boots	184.36	
INV 43684	25/10/2018	W1 mild steel clamps 100-120mm & 110-130mm	23.35	
INV 43584	17/10/2018	Gorilla S/Glue gel 15gm- TS7001	12.99	
INV 43781	31/10/2018	Rapid Set Concrete, 360C pop Up Sprinkler x 3 and 180C Pop up	28.95	
INV 43873	06/11/2018	Rapid set Concrete 20KG DGRAY x 10, Sprinklers for Oval, Oil	100.00	
INV 43874	06/11/2018	Rapid Set Concrete, Sprinklers for Oval, Oil Padlock, Broom and	17.50	
INV 43875	06/11/2018	Rapid Set Concrete, Sprinklers for Oval, Oil Padlock, Broom and	35.00	
INV 43861	05/11/2018	Rapid Set Concrete, Sprinklers for Oval, Oil Padlock, Nipple 2"Threaded	4.02	
INV 438660	05/11/2018	Rapid Set Concrete, Sprinklers for Oval, Oil Padlock, End Connector	48.01	
INV 43355	31/10/2018	Rapid Set Concrete, Sprinklers for Oval, Oil Padlock, Broom Sweep ZE	154.14	
INV 43824	01/11/2018	Rapid Set Concrete, Sprinklers for Oval, Oil Padlock, Bit Bulk Torsion	2.42	
INV 43773	31/10/2018	Rapid Set Concrete, Sprinklers for Oval, Padlock 40mm Alloy 50mm	20.30	
INV 43741	30/10/2018	Gorilla Epoxy Clear 25ml	15.99	
INV 43744	30/10/2018	Air Hose Tail 3/8"Plus Clamp Nitto Scorpion	16.85	
Van't Veer Services				
EFT14905	09/11/2018	Monthly Account		172.15
INV 776	31/10/2018	0-125g Large Letter 01/10/2018, 15/10/2018 and 19/10/2018 - Yakabout	172.15	
Westrac Pty Ltd				
EFT14906	09/11/2018	Purchase of New Skid Steer		78,371.13
INV	08/10/2018	QUOTE Number 50887, Supply One (1) New Caterpillar 239D LRC	77,832.76	
INV PI	18/10/2018	130-0229 Seal-O-Ring, 174-2297 Cable GP	285.25	
INV PI	30/10/2018	472-5753 KIT OIL FILT, 387-8389 KIT-FLTR CEN, 376-2578	253.12	
Afagri Equipment Pty Ltd				
EFT14907	09/11/2018	Service of 001TS Nissan Pathfinder		393.26
INV 1779224	10/10/2018	Nissan Pathfinder, Carry out service between 50,000km per schedule.	393.26	
Wurth Australia Pty Ltd				
EFT14908	09/11/2018	Monthly Account		187.73
INV	01/11/2018	Cleaner, Air Conditioning Unit Disinfectant Spray x 4, Rust Remover	187.73	
Australian Taxation Office				
EFT14909	16/11/2018	BAS Remittance for October 2018		1,781.00
INV BAS 10	31/10/2018	BAS Remittance for October 2018, BAS Remittance for October 2018,	1,781.00	

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Cheque /EFT No	Date	Name Invoice Description	INV Amount	Amount
Child Support Agency				
EFT14910	26/11/2018	Payroll deductions		337.56
INV	13/11/2018	Payroll Deduction for 13/11/2018	337.56	
Courier Australia				
EFT14911	26/11/2018	Freight Account Various		105.07
INV 0387	09/11/2018	Freight from WINC to Three Springs - Spray Bottles, Freight from WINC	53.47	
INV 0388	16/11/2018	Freight from Three Springs to State Library - Library books, Freight from	51.60	
Three Springs Community Action Group				
EFT14912	26/11/2018	WA Police Community Engagement Division Grant		1,000.00
INV C.E.D.	16/11/2018	Grant from the WA Police Community Engagement Division to Assist	1,000.00	
Department of Fire and Emergency Services (DFES)				
EFT14913	26/11/2018	Emergency Services Levy 2018/19 2nd Quarter		11,020.80
INV 148490	21/11/2018		11,020.80	
Geraldton Fuel Company Pty Ltd (Refuel Australia)				
EFT14914	26/11/2018	Monthly Account		12,016.80
INV	09/11/2018	ULS/Diesel 8,000 Litres @ \$1.5021 P/L	12,016.80	
Gilmour Earthmoving				
EFT14915	26/11/2018	Contractor		17,732.00
INV 0001088	06/11/2018	Stockpile gravel on Bunney Road & Clear rocks & Bush 4 Hours	17,732.00	
Health Insurance Fund (HIF) of WA (Inc)				
EFT14916	26/11/2018	Payroll deductions		120.20
INV	13/11/2018	Payroll Deduction for 13/11/2018	120.20	
Himac Attachments				
EFT14917	26/11/2018	Attachments Cat Loader		13,323.20
INV	07/11/2018	Attachments -3500Max Auger Drive- To suit 239D Cat Compact Track	4,730.00	
INV	07/11/2018	Attachments - 2100mm (82") Heavy Duty push stick rake UN- To suit	8,593.20	
Kleenheat Gas				
EFT14918	26/11/2018	Annual Facility Fee		75.90
INV 4181999	01/11/2018	Annual Facility Fee / Cylinder Service Charge 45KG x 2	75.90	
Leeman Plumbing & Excavation				
EFT14919	26/11/2018	Contractor		249.84
INV INV-	08/11/2018	Invoice 02220 - Repairs to leaking toilet - repair and replace cistern valve	249.84	
Starick Tyres				
EFT14920	26/11/2018	Monthly Account		2,775.30
INV 31136	31/10/2018	3/10/18 6x 215/75R17.5 Kumho KRS03 Steer/AP Tyres fitted- TS5004,	2,775.30	
Perfect Computer Solutions Pty Ltd				
EFT14921	26/11/2018	Computer and IT Services		255.00
INV 24155	13/11/2018	26/10/2018 - Set up new CSO2 PC from old CSO2 pc. 8/11/2018 - CSO2	255.00	
The Royal Life Saving Society Australia				
EFT14922	26/11/2018	Watch Around Water Registration		150.00
INV 88213	15/11/2018	Watch Around Water Re-Registration 2018/2019 - TS Aquatic Centre	150.00	
St John Ambulance				
EFT14923	26/11/2018	Annual first aid kit servicing		1,039.41
INV	28/09/2018	Service First Aid Equipment, Service First Aid Equipment, Depot and	1,039.41	
State Library of Western Australia				
EFT14924	26/11/2018	Better Beginnings Program		49.50
INV	13/07/2018	Yellow Better Beginnings Birth Packs 2018/2019 Financial Year 9x	49.50	
Sweetman's Ampol Cafe				
EFT14925	26/11/2018	Catering - Wildflower Country Inc Meeting 22/11/2018		171.00
INV 4	22/11/2018	3 X Assorted Sandwiches- Wildflower Country Meeting Nov 2018, , 1 X	171.00	
Scotty's Contracting				
EFT14926	26/11/2018	Contractor		237.60
INV 1044	09/11/2018	Check Issue HWS and reset at Unit 5 Kadathinni	82.50	
INV 1045	09/11/2018	Replace faulty Kitchen Light and Repair oversight light fitting at 41	155.10	

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Cheque /EFT No	Date	Name Invoice Description	INV Amount	Amount
Three Springs Rural Services				
EFT14927	26/11/2018	Monthly Account		375.67
INV 43888	07/11/2018	Fencing Star Pickets, Plumbing repairs - Socket 2"Threaded Poly, Riser	24.06	
INV 43909	08/11/2018	Fencing Star Pickets, Plumbing repairs - 100MM Slip Coupling DWV	19.75	
INV 43935	12/11/2018	Fencing Star Pickets, Plumbing repairs, Reticulation repairs - Neta Joiner	4.80	
INV 43913	08/11/2018	Fencing Star Pickets, Plumbing repairs, Reticulation repairs - Neta Elbow	5.40	
INV 43894	07/11/2018	Fencing Star Pickets, Plumbing repairs, Reticulation repairs - Neta Drip	9.20	
INV 43923	09/11/2018	Clamp 149-161mm	15.50	
INV 43922	09/11/2018	1x 100mm Junction Plain (88 Deg) DWV Fitting, 1x 90x100x80mm	296.96	
Westrac Pty Ltd				
EFT14928	26/11/2018	Monthly Account		383.43
INV PI	31/10/2018	358-3436 Filter	68.18	
INV	08/11/2018	3x DEO ULS 15W40.20LS- TS5002	315.25	
Landmark Operations Ltd				
EFT14929	26/11/2018	Monthly Account		536.80
INV	01/10/2018	2 x 10 ltr Spearhead Herbicide	536.80	
Wildflower Country Incorporated				
EFT14930	26/11/2018	Annual Membership Contribution 2018/19 Financial Year		4,950.00
INV 1818	16/11/2018	Wildflower Country Incorporated - Annual Membership Contribution	4,950.00	
iiNet Limited				
DD11642.1	01/11/2018	Monthly M/C Coorow Account		54.95
INV	01/11/2018	Monthly Medical Centre Internet Account, 10 ADSL 1 SP-10 User Name	54.95	
Commander Australia				
DD11643.1	08/11/2018	Monthly Account		46.92
INV	01/11/2018	Commander Contract (System Rental) 16/11/2018 to 15/12/2018 - Depot	46.92	
WA Super				
DD11655.1	13/11/2018	Payroll deductions		4,453.99
INV SUPER	13/11/2018	Super. for 13/11/2018	3,675.15	
INV	13/11/2018	Payroll Deduction for 13/11/2018	37.62	
INV	13/11/2018		150.47	
INV	13/11/2018	Payroll Deduction for 13/11/2018	311.15	
INV	13/11/2018	Payroll Deduction for 13/11/2018	207.69	
INV	13/11/2018	Payroll Deduction for 13/11/2018	71.91	
Australian Super				
DD11655.2	13/11/2018	Superannuation contributions		329.15
INV	13/11/2018	Payroll Deduction for 13/11/2018	94.04	
INV SUPER	13/11/2018	Super. for 13/11/2018	235.11	
Colonial First State - FirstChoice Wholesale Personal Super				
DD11655.3	13/11/2018	Payroll deductions		646.16
INV SUPER	13/11/2018	Super. for 13/11/2018	346.16	
INV	13/11/2018	Payroll Deduction for 13/11/2018	300.00	
Sunsuper Superannuation Fund				
DD11655.4	13/11/2018	Superannuation contributions		200.34
INV SUPER	13/11/2018	Super. for 13/11/2018	200.34	
WA Super				
DD11668.1	27/11/2018	Payroll deductions		4,489.61
INV SUPER	27/11/2018	Super. for 27/11/2018	3,705.81	
INV	27/11/2018	Payroll Deduction for 27/11/2018	37.62	
INV	27/11/2018		150.47	
INV	27/11/2018	Payroll Deduction for 27/11/2018	311.15	
INV	27/11/2018	Payroll Deduction for 27/11/2018	207.69	
INV	27/11/2018	Payroll Deduction for 27/11/2018	76.87	
Australian Super				
DD11668.2	27/11/2018	Superannuation contributions		329.15
INV	27/11/2018	Payroll Deduction for 27/11/2018	94.04	
INV SUPER	27/11/2018	Super. for 27/11/2018	235.11	

Date: 04/12/2018
Time: 8:58:46AM

SHIRE OF THREE SPRINGS
Statement of Payments for the Month of November 2018

USER: Donna Newton
PAGE: 6

Cheque /EFT No	Date	Name Invoice Description	INV Amount	Amount
Colonial First State - FirstChoice Wholesale Personal Super				
DD11668.3	27/11/2018	Payroll deductions		646.16
INV SUPER	27/11/2018	Super. for 27/11/2018	346.16	
INV	27/11/2018	Payroll Deduction for 27/11/2018	300.00	
Sunsuper Superannuation Fund				
DD11668.4	27/11/2018	Superannuation contributions		250.98
INV SUPER	27/11/2018	Super. for 27/11/2018	250.98	
National Mastercard				
DD11671.1	26/11/2018	Monthly Credit Card Account		18.00
INV	20/11/2018	Card Fee SJY, Card Fee LJ	18.00	
Department Of Transport - Daily Licensing				
DD11674.1	30/11/2018	POLICE LICENSING PAYMENTS FOR NOVEMBER 2018		24,115.40
INV T1	30/11/2018	POLICE LICENSING 30/10/2018, POLICE LICENSING 31/10/2018,	24,115.40	

REPORT TOTALS

Bank Code	Bank Name	TOTAL
L	POLICE LICENSING	24,115.40
M	MUNICIPAL BANK	191,012.53
T	TRUST BANK	320.00
TOTAL		215,447.93

National Business Visa Card

20 October, 2018 to 20 November, 2018

Chief Executive Officer

Nil	\$	-
	\$	-

Deputy Chief Executive Officer

Nil	\$	-
	\$	-

Bank Charges	\$	18.00
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\$ 18.00

Total Direct Debit Payment made on 26/11/2018 **\$ 18.00**

Police Licensing

Direct Debits from Trust Account

1 November, 2018 to 30 November, 2018

Thursday, 1 November 2018	\$	1,316.50
Friday, 2 November 2018	\$	438.50
Monday, 5 November 2018	\$	1,098.90
Tuesday, 6 November 2018	\$	1,297.55
Wednesday, 7 November 2018	\$	158.65
Thursday, 8 November 2018	\$	241.75
Monday, 12 November 2018	\$	50.35
Wednesday, 14 November 2018	\$	551.10
Thursday, 15 November 2018	\$	167.85
Friday, 16 November 2018	\$	2,599.55
Monday, 19 November 2018	\$	35.55
Tuesday, 20 November 2018	\$	1,955.00
Wednesday, 21 November 2018	\$	5,972.05
Thursday, 22 November 2018	\$	1,102.60
Friday, 23 November 2018	\$	64.55
Monday, 26 November 2018	\$	1,201.55
Tuesday, 27 November 2018	\$	552.05
Wednesday, 28 November 2018	\$	2,729.15
Thursday, 29 November 2018	\$	1,877.60
Friday, 30 November 2018	\$	288.90
	\$	23,699.70

Bank Fees

Direct Debits from Muni Account
1 November, 2018 to 30 November, 2018

Total direct debited from Municipal Account	\$	225.47
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Payroll

Direct Payments from Muni Account
1 November, 2018 to 30 November, 2018

Wednesday, 14 November 2018	\$	29,932.38
Wednesday, 28 November 2018	\$	29,694.69
	\$	59,627.07

10. MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

11. BUSINESS OF AN URGENT NATURE INTRODUCED BY DECISION OF MEETING

11.1. ELECTED MEMBERS

11.2. STAFF

12. QUESTIONS BY MEMBERS WITHOUT NOTICE

13. QUESTIONS BY MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN

14. TIME AND DATE OF NEXT MEETING

The Next Ordinary Council Meeting will be held on Wednesday 20th February 2019 at 1.30pm.

15. CONFIDENTIAL ITEMS

In accordance with the Local Government Act 1995 Section 5.23(2)(d) & (f) it is appropriate for Council to resolve “the meeting be closed to members of the public” for Agenda Item 15.1.1.

It is a requirement of the Freedom of Information Act 1992 that all this information is returned to the Chief Executive Officer at the completion of these items for appropriate filing to maintain confidentiality.

Once all negotiations have been completed for Agenda Item 15.1.1 this will be considered an “exempt document” in accordance with Schedule 1 of the Freedom of Information Act 1992 denying public access.

140420 COUNCIL RESOLUTION/STAFF RECOMMENDATION – item 15.1.1

MOVED: Cr Mutter
SECONDED: Cr Thomas

Council resolve the meeting be closed to members of the public to discuss Agenda Item 15.1.1 in accordance with the Local Government Act 1995 Section 5.23(2)(d) & (f).

CARRIED
Voted: 4/0

Cr Thorpe declared a financial interest and left chambers at 2.07pm
pliance actions.

COUNCIL RESOLUTION – ITEM 15.1.1

No decision was made on Item 15.1.1 as after the Declaration of a Financial Interest there was not a quorum of Council.

Cr Thorpe returned to Chambers at 2.14pm

140421 COUNCIL RESOLUTION/OFFICER RECOMMENDATION – item 15.1

MOVED: Cr Mutter
SECONDED: Cr Thomas

That Council re-open the meeting to members of the public after discussion of Confidential item.

CARRIED
Voted: 4/0

16. MEETING CLOSURE

There being no further business the Presiding Officer closed the meeting at 2.15pm.

I confirm these Minutes to be a true and accurate record of the proceedings of this Council.

Signed: _____

Presiding Officer

Date: 20th February 2019