

Notice of Meeting

Councillors: Please be advised that a

Special Meeting

of the

Kulin Shire Council

will be held on

Wednesday 1 April 2020 at 3.00pm



Garrick Yandle
Chief Executive Officer
31 March 2020

DISCLAIMER: The advice and information contained herein is given by and to the Council without liability or responsibility for its accuracy. Before placing any reliance on this advice or information, a written inquiry should be made to the Council giving entire reasons for seeking the advice or information and how it is proposed to be used.

Please note this agenda contains recommendations, which have not yet been adopted by Council.



ORDER OF BUSINESS

- 1 DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS - COUNCIL CHAMBERS**
- 2 RECORD OF ATTENDANCE / APOLOGIES / LEAVE OF ABSENCE**
- 3 PUBLIC QUESTION TIME**
- 4 MATTERS REQUIRING DECISION**
 - 4.1 Annual Report 2018/19 – Auditors Report
 - 4.2 Compliance Audit Return 2019 – Adoption
 - 4.3 April Council Meeting and Annual Electors Meeting
- 5 ELECTED MEMBERS MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN**
- 6 NOTICES AND ANNOUNCEMENTS BY PRESIDING MEMBER WITHOUT DISCUSSION**
- 7 NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY DECISION OF MEETING**
- 8 MATTERS FOR WHICH THE MEETING IS CLOSED TO THE PUBLIC**
- 9 DATE AND TIME OF NEXT MEETING**
- 10 CLOSURE OF MEETING**

4 MATTERS REQUIRING COUNCIL DECISION

4.1 Annual Report 2018/19 – Auditors Report

NAME OF APPLICANT: DCEO
RESPONSIBLE OFFICER: DCEO
FILE REFERENCE: 12.05 Audit Return and Review
STRATEGIC REFERENCE/S: Corporate Business Plan, Civic Leadership 4.1.1 a; CEO KRA 3.3 Financial Management, 3.5 Integrated Planning
AUTHOR: CEO
DISCLOSURE OF INTEREST: Nil

SUMMARY:

The Shire of Kulin Annual Report 2018/19 has been audited by Councils Auditor, Byfields on behalf of Office of the Auditor General. The Auditor has provided the Independent Auditor's Report. It should be noted that no issues of inaccuracy or non-compliance with the Shire's Annual Financial Report for the year ended 30 June 2019 have been identified.

BACKGROUND & COMMENT:

Each year, as part of Council's audit process, an Independent Audit is undertaken to assess Council's Annual Financial Report and the legitimacy and accuracy of Council's accounts.

An Independent Audit Report is then produced by the Auditor and provided to the Chief Executive Officer, President and the Minister, Department for Local Government. The Report is included in Council's Annual Report. Any issues arising from the Independent Audit Report are to be investigated and action taken to resolve those issues.

Council's Auditor, Ms Leanne Oliver and the OAG representative Kien Neoh, will attend a teleconference at 3.00pm to discuss the audit report and take questions from Audit Committee members.

FINANCIAL IMPLICATIONS:

Nil

STATUTORY AND TOWN PLANNING IMPLICATIONS:

Nil

POLICY IMPLICATIONS:

Nil

STRATEGIC IMPLICATIONS:

Nil

COMMUNITY CONSULTATION:

Nil

WORKFORCE IMPLICATIONS:

Nil

AUDIT & RISK COMMITTEE RECOMMENDATION TO COUNCIL:

That the committee recommends to Council that the Auditors Report for the 2018/19 Financial Year be received and the accompanying management letter be noted. Questions arising from the Audit Report and management letter requiring action be addressed by the CEO. The Shire of Kulin Annual Report 2018/19 be received.

VOTING REQUIREMENTS:

Absolute majority required.

Attachment 1 – Annual Report 2018/19

4.2 Compliance Audit Return 2019 – Adoption

NAME OF APPLICANT: CEO
RESPONSIBLE OFFICER: CEO
FILE REFERENCE: 04.02 Local Government Act & Returns
STRATEGIC REFERENCE/S: CBP 4.1 Civic Leadership, 4.1.8 Compliance methods
AUTHOR: CEO
DISCLOSURE OF INTEREST: NIL

SUMMARY:

To present the Compliance Audit Return to the Audit and Risk Committee who adopt the report and make recommendation to Council.

BACKGROUND:

Each year all local governments across the State are required by legislation to undertake a compliance audit for the period 1 January to 31 December. This audit is performed against the requirements of the Compliance Audit Return prepared by the Department of Local Government covering the following business areas considered to be 'high risk':

- Commercial Enterprises by Local Government;
- Delegation of Power / Duty;
- Disclosure of Interest;
- Disposal of Property;
- Elections;
- Finance;
- Local Government Employees;
- Official Conduct; and
- Tendering for Providing Goods & Services

COMMENT:

The Audit and Risk Committee's consideration and endorsement of the Compliance Audit Return (addressing those areas identified as high risk) is required prior to the report being submitted to the Department of Local Government and Communities. A completed return for the year ended 31 December 2019 is due to the Department by the 31 March 2019.

Please note that the Risk and Audit Committee is required to review the completed CAR and report the results to the Council, prior to the CAR's adoption by Council and submission to the Department by 31 March 2020.

The Compliance Audit Return is attached for the Committee's and Council's consideration. Note the report was prepared by the CEO.

STATUTORY IMPLICATIONS:

Regulation 14 of the Local Government (Audit) Regulations 1996 provides:

- (1) A local government is to carry out a compliance audit for the period 1 January to 31 December in each year.
- (2) After carrying out a compliance audit the local government is to prepare a compliance audit return in a form approved by the Minister.
- (3A) The local government's audit committee is to review the compliance audit return and is to report to the council the results of that review.
- (3) After the audit committee has reported to the council under subregulation (3A), the compliance audit return is to be —
 - (a) presented to the council at a meeting of the council; and
 - (b) adopted by the council; and
 - (c) recorded in the minutes of the meeting at which it is adopted.

Regulation 15 provides that:

- (1) After the compliance audit return has been presented to the council in accordance with regulation 14(3) a certified copy of the return together with —
 - (a) a copy of the relevant section of the minutes referred to in regulation 14(3)(c); and
 - (b) any additional information explaining or qualifying the compliance audit,
 - (c) is to be submitted to the Executive Director by 31 March next following the period to which the return relates.
- (2) In this regulation, certified in relation to a compliance audit return means signed by;
 - (a) the mayor or president; and
 - (b) the CEO.

FINANCIAL IMPLICATIONS:

Nil

POLICY IMPLICATIONS:

Nil

COMMUNITY STRATEGIC PLAN IMPLICATIONS:

Nil

AUDIT & RISK COMMITTEE RECOMMENDATION:

That the Audit and Risk Committee recommend to Council that;

1. Note the recommendations and comments of the Audit Committee as detailed;
2. Council adopt the Compliance Audit Return 2019, as presented;
3. The Chief Executive Officer and the Shire President be authorised to sign the Compliance Audit Return 2019;
4. Endorse the return for submission to the Department of Local Government, Sport and Cultural Industries by 31 March 2020.

VOTING REQUIREMENTS:

Absolute Majority Required

Attachment 2 – Compliance Audit Return 2019

4.3 April Council Meeting & Annual Electors Meeting

NAME OF APPLICANT: CEO
RESPONSIBLE OFFICER: CEO
FILE REFERENCE: 13.03 Governance
AUTHOR: CEO
DISCLOSURE OF INTEREST: Nil

SUMMARY:

Council is required to hold a general meeting of electors once every financial year. 14 days local public notice of the date, time, place and purpose of the meeting is to be given.

Council's next Ordinary meeting date is Wednesday 15 April 2020.

COMMENT:

Once the Annual Report for 2018/19 has been adopted by Council, then there will be the ability to hold the Annual Electors Meeting on the same day as the scheduled April Meeting.

Proposed to set the time and date for the Annual Electors Meeting to be 12 noon Wednesday 15 April 2020.

Alternatively, it may be worth considering a later date as there may be more information and decisions required regarding COVID-19.

Please note that the latest date the Annual Electors Meeting can be held is Tuesday 28 April 2020.

Section 5.55 of the *Local Government Act 1995* requires the CEO to give local public notice of the availability of the annual report as soon as practicable after the report has been accepted by the local government.

FINANCIAL IMPLICATIONS:

Nil

STATUTORY AND TOWN PLANNING IMPLICATIONS:

Local Government Act 1995:

- Section 5.27 Electors' general meetings
- Section 5.29 Convening electors' meetings
- Section 5.54 Acceptance of annual reports
- Section 5.55 Notice of annual reports

POLICY IMPLICATIONS:

Nil

COMMUNITY CONSULTATION:

Nil

WORKFORCE IMPLICATIONS:

Nil

OFFICERS RECOMMENDATION:

That Council confirm the date and time for the April Council Meeting and the Annual Electors Meeting.

VOTING REQUIREMENTS:

Simple majority required.

5 ELECTED MEMBERS MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil

6 NOTICES AND ANNOUNCEMENTS BY PRESIDING MEMBER WITHOUT DISCUSSION

7 NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY DECISION OF MEETING

8 MATTERS FOR WHICH THE MEETING IS CLOSED TO THE PUBLIC

Nil

9 DATE AND TIME OF NEXT MEETING

To be confirmed.
Annual Electors Meeting – 12 noon Wednesday 15 April 2020
Ordinary Council Meeting Wednesday 15 April 2020 at 1.00pm

10 CLOSURE OF MEETING

There being no further business the President declared the meeting closed at



Annual Financial Audit Exit Brief

Shire of Kulin

Year Ended 30 June 2019

1 April 2020

1. Introduction

Our audit was designed to enable the Auditor General to provide an opinion to the Council of the Shire on the annual financial report of your Shire for the year ended 30 June 2019. The audit team have completed our audit and we intend to recommend to the Auditor General to issue an unqualified audit opinion.

The purpose of this brief is to advise management and audit committee of the results of our audit and provide the opportunity to discuss the key issues prior to the issuing of the audit opinion.

2. Audit Coverage of Key Controls

As indicated in our Planning Summary presented at the entrance meeting, we tested the key controls within the Revenue, Expenditure, Payroll, Cash and Bank and Property, Plant, Equipment and Infrastructure business cycles.

In addition, key areas of information systems controls were reviewed.

3. Issues Identified During the Audit

The following is a summary of the key issues identified during the audit. Detailed audit findings and recommendations for improvement have been discussed with your management.

FINDINGS	RATING		
	<i>Significant</i>	<i>Moderate</i>	<i>Minor</i>
Reporting and Financial Control Issues			
1. Kulin Landfill facility		✓	
2. Asset Renewal Funding Ratio	✓		
3. Purchases Quotations		✓	

4. Audit Outcomes Relating to Risks Identified During our Audit Planning

During the planning phase of the audit we identified the following issues and key areas of audit risk. The audit outcomes for these matters are listed below:

Details of Risk / Issue	Audit Outcomes
Audit findings reported in the previous audit included following matters : • General Journals • Asset Management Plan and Long-term financial plan • Employee Annual Leave Form Records • Purchase Orders • Timesheet Approval • Employment Pay Rate Letters • Bank Reconciliations Review • Long Service Leave Assumptions	We reviewed the resolution of the majority of the issues raised last year and are satisfied that the issues has been resolved.
Changes to Australian accounting standards • AASB 9 <i>Financial Instruments</i>	We reviewed management's assessment of the impact of the new standard on its financial assets. We confirmed that the financial report complies with the revised requirements.
Changes to Local Government (Financial Management) Regulations: • Introduction of a \$5,000 asset capitalisation threshold – local governments now need to expense existing assets below \$5,000 • Associated with this, assets below \$5,000 that are portable and attractive need to be included in a separate register.	We confirmed that management has expensed assets below \$5,000 that were purchased during 2018-19. We reviewed management's assessment on the expensing of existing assets below \$5,000 and confirmed no material impact on the financial report. We confirmed that the management is in process of preparing a separate asset register to track portable and attractive assets below \$5,000.

We had identified following areas that we considered require additional focus during our 2018-19 local government audits: • Revaluation of fixed assets • Joint arrangements • Development Contributions	Plant & Equipment assets were due for a revaluation for the year ended 30 June 2019, but the revaluation was not performed. We confirmed that this was reasonable as management had assessed that the carrying amount of the assets is not materially different from its fair value, and because the assets were last revalued in 2016, the Shire is still complying with regulation 17A(4)(b) of the Local Government (Financial Management) Regulations 1996, which requires an asset to be revalued within a period of at least 3 years, but no more than 5 years after the day on which the asset was last valued or revalued. The Shire have a joint operation arrangement with the Shire of Corrigin, Kondinin and Narembeen for the provision of environmental health and building surveying service. We reviewed the joint arrangements note disclosure in the financial report and noted that Shire's interest in Bendering Tip and licence to use land is not recognised. The impact on the assets and depreciation is assessed as below materiality. The Shire of Kulin has joint venture arrangements with the Department of Housing for the provision of housing at 25 Johnston Street, 19 Wright Street and 3 Bull Street, Kulin. There is a correction of error in current year as in prior years the 100% ownership share of the properties was incorrectly recognised. We reviewed the joint arrangements note and correction of error disclosure in the financial report and confirmed that the information disclosed is appropriate and reasonable. The Shire does not have development contributions during the year.
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Details of Risk / Issue	Audit Outcomes
• Related party disclosures • Rehabilitation of landfill sites, quarries and environmental contamination. • Unauthorised Expenditure • Local Government House Trust	We reviewed the related party disclosures note in the financial report and confirmed that the information disclosed is appropriate and reasonable. We have reviewed the Shire's assessment and confirmed that Shire has not prepared a post closure and rehabilitation plan for one of its landfill facilities on amendment to remove their Category 64 licence. The plan was requested by the Department in 2015 which is disclosed as a contingent liability and noted as an audit finding for management comments. We did not identify unauthorised expenditure from our sample testing of payments made. The Shire has not recognised its share of the Local Government House Trust. The amount is below the materiality threshold and hence recorded in the summary of unadjusted errors in the table below.
The following annual financial report items were derived from accounting estimates and hence received specific audit attention: • Provision for annual and long service leave • Fair value of assets • Impairment of assets	We have reviewed the method and underlying data that management used when testing the accounting estimates. The assumptions made in the calculations appear to be reasonable.
New financial management systems that have had an impact this year.	No system changes were identified that impacted our audit.
Important changes in management or the control environment. • During the year, a new CEO, Garrick Yandle, was appointed.	We confirmed that management changes had not impacted our audit risk.
Significant issues about the Shire that have come to the attention of the Auditor General and will be investigated.	None identified.

6. Report on Other Legal and Regulatory Requirements

In accordance with the *Local Government (Audit) Regulations 1996*, the Auditor General will report that:

- (i) In my opinion, the following material matters indicate significant adverse trends in the financial position of the Shire:
 - a. The Asset Sustainability Ratio for current year and last year being below the Department of Local Government, Sport and Cultural Industries standard, and the current year is below last year; and
 - b. The Operating surplus ratio has been below the Department of Local Government, Sports and Cultural Industries standard for the past three years. The financial ratios are reported in Note 33 of the financial report.
- (ii) The following material matter indicating non-compliance with Part 6 of the *Local Government Act 1995*, the *Local Government (Financial Management) Regulations 1996* or applicable financial controls of any other written law were identified during the course of my audit:
 - a. The Shire has not reported the Asset Renewal Funding Ratio for 2019, 2018 and 2017 in the annual financial report as required by section 50(1)(c) of the *Local Government (Financial Management) Regulations 1996*, as management considered the available information on planned capital renewals and required capital expenditure is not updated.
- (iii) All required information and explanations were obtained by me.
- (iv) All audit procedures were satisfactorily completed.
- (v) In my opinion, the asset consumption ratio included in the annual financial report was supported by verifiable information and reasonable assumptions.

7. Unadjusted Errors in the Financial Statements

The following errors and misstatements were identified in the financial statements during our audit but have not been adjusted. They have been included in the management representation letter as required by Auditing Standard ASA 320 "Materiality and audit adjustments".

Account	Reported balance	Actual balance	Variance
Other financials assets (non-current)	5,000	75,068	(70,068)
Retained surplus	40,648,707	40,652,907	4,200
Other revenue	333,447	399,315	65,868
<i>Recognition of local government house trust at 30 June 2019</i>			
Employee provisions (Current)	351,227	359,474	8,247
Employee provisions (Non-current)	67,162	55,336	(11,826)
Employee costs	2,285,666	2,282,087	3,579
<i>Recalculated long service leave for correction of pay rates and factoring reimbursements from previous shires</i>			

8. Variations to the Indicative Audit Fee

We are pleased to advise that there will be no variation to the indicative audit fee.

9. Actions or Issues for Next Year's Audit

We will assess the impact to the 2019-20 annual financial report following the implementation of these new Australian accounting standards:

- AASB 15 *Revenue from Contracts with Customers*
- AASB 1058 *Income of Not-for-Profit Entities*
- AASB 16 *Leases*

Our Ref:
Your Ref:

Ms Caroline Spencer
Auditor General
Office of the Auditor General
7th Floor, Albert Facey House
469 Wellington Street
PERTH WA 6000

Dear Ms Spencer

**REPRESENTATION LETTER IN RESPECT OF THE SHIRE OF KULIN'S ANNUAL
FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2019**

This representation letter is provided in connection with your audit of the Shire of Kulin's annual financial report for the year ended 30 June 2019 for the purpose of expressing an opinion as to whether the annual financial report is fairly presented in accordance with the *Local Government Act 1995* (the Act), the *Local Government (Financial Management) Regulations 1996* and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

We submit the following representations for the year ended 30 June 2019 after making appropriate enquiries and according to the best of our knowledge and belief. This representation covers all material items in each of the categories listed below.

1. GENERAL

- (a) We have fulfilled our responsibilities for the preparation and fair presentation of the annual financial report in accordance with the *Local Government Act 1995* (the Act), the *Local Government (Financial Management) Regulations 1996* and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.
- (b) We have advised your auditors of all material contentious methods used in the presentation of the financial report.
- (c) There have been no changes in accounting policies or application of those policies that would have a material effect on the financial report.
- (d) The prior period comparative information in the financial report has not been restated except as disclosed in the financial report.
- (e) Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable. We confirm the disclosures related to accounting estimates are complete and appropriate.

- (f) We have established and maintained an adequate internal control structure and adequate financial records as we have determined are necessary to facilitate the preparation of the financial report that is free from material misstatement, whether due to fraud or error.
- (g) We have provided your auditors with
 - (i) Access to all information of which we are aware that is relevant to the preparation of the financial report, such as records, documentation and other matters.
 - (ii) Additional information that your auditors have requested for the purpose of the audit.
 - (iii) Unrestricted access to staff and councillors of the Shire from whom your auditors determined it necessary to obtain audit evidence.
- (h) All transactions have been recorded in the accounting and other records and are reflected in the financial report.
- (i) All internal audit reports and reports resulting from other management reviews, including legal issues and legal opinions which have the capacity to be relevant to the fair presentation of the financial report including, where relevant, minutes of meetings, have been brought to your auditors' attention and made available to them.
- (j) We have advised your auditors of all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial report.
- (k) We have provided to your auditors the results of our assessment of the risk that the financial report may be materially misstated as a result of fraud.
- (l) No frauds or suspected frauds affecting the involving:
 - (i) Management;
 - (ii) Employees who have significant roles in internal control; or
 - (iii) Others where the fraud could have a material effect on the financial report
 have occurred to the knowledge of management of the Shire.
- (m) To our knowledge no allegations of fraud or suspected fraud affecting the Shire's financial report has been communicated to us by employees, former employees, analysts, regulators or others.
- (n) We have disclosed to your auditors all known actual or possible litigation and claims whose effects should be considered when preparing the financial report, and they have been accounted for and disclosed in accordance with Australian Accounting Standards.

2. FAIR VALUE MEASUREMENTS AND DISCLOSURES

We confirm that where assets and liabilities are recorded at fair value, the value attributed to these assets and liabilities is the fair value.

We confirm that the carrying amount of each physical non-current asset does not materially differ from its fair value at the end of the reporting period. Significant fair value assumptions, including those with high estimation uncertainty, are reasonable.

We confirm the measurement methods, including related assumptions, used by management in determining fair values are appropriate and have been consistently applied.

We confirm that the fair value disclosures in the financial report are complete and appropriate.

3. GOING CONCERN

We confirm that the going concern basis of accounting is appropriate for the annual financial report.

4. CONTINGENT LIABILITIES

There are no material contingent liabilities at year end that have not been completely and adequately disclosed in the Notes to the financial report.

5. COMMITMENTS FOR CAPITAL AND OTHER EXPENDITURE

Other than those commitments reported in the Notes to the financial report, there were no significant commitments for capital or other expenditure contracts carrying over at year end.

6. FINANCIAL LIABILITY FOR CONTAMINATED SITES

We are aware of our obligations under the *Contaminated Sites Act 2003* and have reported to the Department of Water and Environmental Regulation, all land owned, vested or leased by the Shire that is known to be, or is suspected of being, contaminated. All actual liabilities or contingent liabilities, if any, have been recognised and/or disclosed in the financial report as appropriate.

7. RELATED ENTITIES

We acknowledge our responsibility under section 17(1) of the *Auditor General Act 2006* (as applied by section 7.12AL of the *Local Government Act 1995*) to give written notice to the Auditor General if any of the Shire's functions are being performed in partnership or jointly with another person or body, through the instrumentality of another person or body, and/or by means of a trust. We confirm that we have provided the Auditor General with details of all related entities in existence at 30 June 2019.

8. RELATED PARTIES

We have disclosed to your auditors the identity of the Shire's related parties, as defined in Australian Accounting Standards, of which we are aware, and all the related party relationships and transactions of which we are aware. These include the Shire's key management personnel (KMP) and their related parties, including their close family members and their controlled and jointly controlled entities.

We have appropriately accounted for and disclosed such relationships and transactions in accordance with the requirements of Australian Accounting Standards.

9. KEY MANAGEMENT PERSONNEL COMPENSATION

We confirm the Shire's key management personnel (KMP) have not received any other money, consideration or benefit (except amounts being reimbursements for out of pocket expenses) which has not been included in the compensation disclosed in the Notes to the financial report.

10. SUBSEQUENT EVENTS

No matters or occurrences have come to our attention between the date of the financial report and the date of this letter which would materially affect the financial report or disclosures therein, or which are likely to materially affect the future results or operations of the Shire.

11. INTERNAL CONTROL

We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.

12. INSURANCE

We have established procedures to assess the adequacy of insurance cover on all assets and insurable risks. We believe, where appropriate, assets and insurable risks are adequately covered by insurance.

13. RISK MANAGEMENT

We confirm that we have established and maintained a risk management framework that is appropriate to the Shire.

14. FINANCIAL RATIOS

We confirm that the financial ratios included in the annual financial report have been prepared and fairly presented in accordance with the *Local Government (Financial Management) Regulations 1996*.

We confirm that the asset consumption ratio is supported by verifiable information and reliable assumptions.

15. ACCOUNTING MISSTATEMENTS

The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial report taken as a whole. A summary of these uncorrected misstatements is listed below.

Account	Reported balance	Actual balance	Variance
Other financials assets (non-current)	5,000	75,068	(70,068)
Retained surplus	40,648,707	40,652,907	4,200
Other revenue	333,447	399,315	65,868
<i>Recognition of local government house trust at 30 June 2019</i>			
Employee provisions (Current)	351,227	359,474	8,247
Employee provisions (Non-current)	67,162	55,336	(11,826)
Employee costs	2,285,666	2,282,087	3,579
<i>Recalculated long service leave for correction of pay rates and factoring reimbursements from previous shires</i>			

16. ELECTRONIC PRESENTATION OF THE AUDITED ANNUAL FINANCIAL REPORT AND AUDITOR'S REPORT

- (a) We acknowledge that we are responsible for the electronic presentation of the annual financial report.
- (b) We will ensure that the electronic version of the audited annual financial report and the auditor's report presented on the Shire's website is the same as the final signed versions of the audited annual financial report and the auditor's report.
- (c) We have clearly differentiated between audited and unaudited information in the construction of Shire's website and understand the risk of potential misrepresentation in the absence of appropriate controls.
- (d) We have assessed the security controls over the audited annual financial report and the auditor's report and are satisfied that procedures in place are adequate to ensure the integrity of the information provided.
- (e) We will ensure that where the auditor's report on the annual financial report is provided on the website, the annual financial report is also provided in full.

15. OTHER (UNAUDITED) INFORMATION IN THE ANNUAL REPORT

We will provide the final version of the annual report to you when available, to enable you to complete your required procedures.

Deputy Chief Executive Officer
Name: Cassi-Dee Vandenberg

Date

Chief Executive Officer
Name: Garrick Yandle

Date

SHIRE OF KULIN

2018 / 2019 ANNUAL REPORT

38 JOHNSTON STREET, KULIN
(08) 9880 1204
ADMIN@KULIN.WA.GOV.AU

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COUNCIL OVERVIEW

Council comprises of nine (9) local elected Councillors who represent all members of the Kulin shire in local and state issues. Its primary functions are information, service and infrastructure provision whilst also taking an active role in addressing needs and issues affecting and impacting on the community. Council endeavors to provide a professional and progressive organisation which values strong leadership, undertaken with fairness, honesty and integrity, where all people are willing to contribute and enjoy working together to serve the community. Council always welcome new ideas and opportunities.

Councillors

Councillor	Ward	Term Expires	Telephone	Email
President Barry West	West	2019	0488 090 221	evasham10@gmail.com
Deputy Rodney Duckworth	West	2021	0427 890 076	rducky@activ8.net.au
Lucia Varone	East	2019	0429 987 880	mlvarone@bigpond.com
Brad Smoker	West	2021	0427 906 371	bsmoker@synergyco.com.au
Michael Lucchesi	Central	2021	0427 804 050	mmllucchesi@bigpond.com
Brad Taylor	Central	2019	0427 804 074	bradptaylor3@bigpond.com
Robbie Bowey	Town	2019	0429 801 236	p2b@bigpond.com
Haydn McInnes	Town	2019	0429 801 215	na
Grant Robins	Town	2019	0427 801 394	kultrans@bigpond.com

Council Staff

Staff Member	Role	Email
Garrick Yandle	Chief Executive Officer	ceo@kulin.wa.gov.au
Cassi-Dee Vandenberg	Dep Chief Executive Officer	dceo@kulin.wa.gov.au
Judd Hobson	Works Manager	works@kulin.wa.gov.au
Fiona Murphy	Senior Finance Officer	rates@kulin.wa.gov.au
Annette Lewis	Finance Officer	finance@kulin.wa.gov.au
Nicole Thompson	Executive Assistant	ea@kulin.wa.gov.au
Taryn Scadding	Community Dev Officer	cdo@kulin.wa.gov.au
Ruth Tyson	Recreation Centre Manager	reccentre@kulin.wa.gov.au
Mark Gilbard	Pool Manager	pool@kulin.wa.gov.au
Tanya Dupagne	Camp Kulin Manager	campkulin@kulin.wa.gov.au
Trish Mahe	Customer Service Officer	admin@kulin.wa.gov.au
Hayley Smith	CRC Admin Officer	crccounter@kulin.wa.gov.au

Contact Numbers

Shire Offices	(08) 9880 1204
Community Resource Centre	(08) 9880 1021
Freebairn Recreation Centre	(08) 9880 1000
Swimming Pool	(08) 9880 1222
Camp Kulin	(08) 9880 2000



SHIRE PRESIDENT REPORT

2018-2019 has been another busy year for the Shire of Kulin. In November we said farewell to our former Chief Executive Officer, Noel Mason and welcomed Garrick Yandle as our new CEO in January 2019. Throughout the year there have been many events both run and supported by the Shire, these included:

- Crossroads breakfasts: an event where the Shire staff and Councillors meet with residents across the Shire to share breakfast and conversations. The event was run twice during the year in September and March.
- The 24th annual Kulin Bush Races was held on the 5th, 6th and 7th of October. The event was a great success and planning for the 25th anniversary was started shortly after the event came to an end.
- Back Roads Program: from the 18th to 23rd September a film crew for national program of Backroads were here in Kulin to highlight the Freebairn Legacy and all things that make Kulin special. Big thanks to Heather, Bridgette and crew for helping raise the profile of the Kulin community all over Australia.
- The triathlon was held in March, a big congratulations to all those who took part on the day and thank you to Ruth for coordinating a successful event.
- Blazing Swan was held over Easter in April, as always the event was very well attended, well run with no problems.

During a tight budget year our road network remained amongst the highest priorities, this year we completed the following projects:

Jitarning North Road - Reconstruct & Gravel Sheet 6.0km
Jilakin Rock Road - Reconstruct & Gravel Sheet 3.6km
Southall Road - Reconstruct & Gravel Sheet 2.75km
Hopkins Road - Reconstruct & Gravel Sheet 2.5km
Pingaring Varley Road (Holt Rock) Reconstruct & Gravel Sheet 2.5km
Kulin Holt Rock Road - Reconstruct & Gravel Sheet 3.2km
Aylemore Road - Reconstruct & Gravel Sheet 5.0km
Kulin Holt Rock Road - Reconstruct & Seal 2.0km
North Lake Grace Karlgarin Road - Stabilise & Reseal 6.0km
Rabbit Proof Fence Road South - Stabilise & Reseal 0.65km
Swainston Road
Doyles Road - Reconstruct & Gravel Sheet 3.6km
Duck Rock Road - Reconstruct & Gravel Sheet 2.9km
Gregson Road - Reconstruct & Gravel Sheet 5.0km
Dandagin Road - Reconstruct & Gravel Sheet 2.0km
Kulin-Dudin Road - Reconstruct & Gravel Sheet 4.0
Day Street - Reconstruct & Seal 0.27km
Boundary Road - Reconstruct & Gravel Sheet 2.8km
Lange Road - Reconstruct & Gravel Sheet 3.8km

Thank you! I would like to take the opportunity to express my thanks to the following people:

I'd like to thank the politicians who I've had productive meetings with during 2018/19 and continue to liaise with – Rick Wilson, Peter Rundle, Mia Davies and Alannah MacTiernon. Thankyou to all our shires involved with RoeRoc, a partnership that strengthens us within our region. I thank the Shire Rate-Payers from Kulin, Pingaring, Holt Rock, Dudin who continue to contribute to the Shire of Kulin in various ways, be it gravel, sand, volunteerism – your contributions add so much to our communities.

Thankyou to all our wonderful Shire of Kulin staff, outside staff & administration staff, and to Noel for his valuable efforts during his time here at Kulin. Sincere thanks to Councillors for your continued commitment and dedication, and a big thankyou to Garrick and Cassi for your valued support and professionalism, it is personally appreciated and contributes to the cohesion and success of our town and Shire.

Barry West
Shire President

CHIEF EXECUTIVE OFFICER REPORT

This year was one of transition from a Shire administration perspective. November 2018 saw the departure of previous CEO Mr Noel Mason, followed by an interim period where Cassi-Dee Vandenberg was Acting CEO prior to my commencement in January 2019. A big congratulations to Cassi who stepped up and did a fantastic job as Acting CEO during the transition period between Noel and I. Cassi certainly has a huge work ethic, is an active member of the community and is not afraid to confront any big challenges thrown her way.

From afar I have noted the immense spirit and pride amongst the community to make this a prosperous and driven town. This was one of the reasons I was looking forward to becoming part of such a great community, which I understood to have one of the highest rates of volunteerism in the country. This was evident right from the beginning of my tenure this year as it was apparent how the community is strongly driven by its band of passionate volunteers.

Council and staff held many community events throughout the year; some of the notable events included:

- Australia Day breakfast and Citizen of the Year Ceremony where Tracey Noble was awarded Citizen of the Year in recognition for her contribution to the community and, in particular, her significant contributions to the Colts Carnival over many years.
- Kulin Business Sundowner; the CRC partnered with Bendigo Bank to host a Kulin Business Sundowner. This was a great opportunity for business people in town to meet and gain an understanding of what strengths, challenges and opportunities there are for local businesses and budding entrepreneurs.
- Anzac Day ceremony; Another great annual event that brought members of the community from all demographics together to commemorate the feats of the nations' arms forces past and present. The local RSL let by Brendan Sloggett are to be commended on very professional, community driven local service. This year the Shire was pleased to raise both the Australian and New Zealand flags with the recent addition of a second flag pole to the VDZ area.
- Cross Roads Breakfasts were held in October and March of the financial year with Gangells supplying the BBQ trailer and Roadwise sponsoring the food. It was a great opportunity for Shire senior staff and Councillors to meet with members of the community and discuss issues that may be specifically affecting their area.
- Friday 14 June saw the CRC host the Family Burger Night at the FRC. What a great event it was with over 80 community members enjoying the comradery and entertainment. A big thank you to the staff and community members who assisted in the preparation of the food. Whilst the original intention was to have "Pitmaster" classes and demonstrations, unfortunately this didn't happen, but it was great to see a couple of staff members take the initiative and show case their own culinary skills.
- The Shire was honoured to hold a "red carpet" dinner recognising the valuable contribution of the great volunteers within our community. Whilst the timing of the function may not have suited all members of the community it was great to see a number of long-term volunteers enjoying the hospitality of the evening, especially Mr Harold Proud who probably has the badge of Kulin's current longest serving volunteer. Well done to the CRC and FRC for organising this event. Congratulations to all those who were also involved in Australia's Biggest Morning Tea event held at the CRC.



CHIEF EXECUTIVE OFFICER REPORT

Well done to Works Manager, Judd Hobson, who always seems to get loaded up with many tasks to undertake and deal with. When anything around the place appears to need sorting, Judd is often the first person to call. Another person in the office with a huge work ethic and not afraid to provide his honest and concise knowledge where requested. Key achievements of the works team this year include the completion of \$1,350,000 worth of road construction which comprised of almost 9km of seal and 70km of gravel re-sheets. Our winter grading program is the envy of surrounding Shires. When operating at full capacity our crew includes 4 graders, 3 rollers, 7 operators functioning as a well oiled machine to bring our gravel roads back up to scratch. The winter grading program is delivered over three months and during this time the crew can grade around 100km of road per week. The work sets us up for the heavy traffic during the harvest months and the Work's Team are to be commended.

Standpipes provided an on-going and in-depth discussion at Council with regard to the newly introduced challenge from Water Corporation and their proposed pricing structure. Water Corporation representatives met with Council to clarify queries. In April Council passed its proposed fees and charges for 2019/20 for the new water standpipe fees that were implemented as a result of Water Corporation's increased charges. A summary of the proposed standpipe fees was advertised via the Kulin Update. This was not a fee that was introduced lightly by Council and it involved discussions at multiple meetings, however Council has unfortunately been put in a predicament by the increased Water Corporation fees which is likely to cost Council in excess of \$50K annually. Water Corporation have indicated they are going to install an additional tank at the standpipe on the Lake Grace Road, so this is one bonus to come out of recent discussions. The Shire is aware of the challenges facing local farmers as a result of the extended dry summer and winter. Council is also commencing the planning process for a new dam in the vicinity of the Pingaring townsite for the purpose for stock water.

Council and senior staff continue to have discussions with representatives from Water Corporation and Department Water and Environmental Regulation (DWER) regarding standpipes, spray and stock water, as well as emergency water supplies over dry summers such as 2018/19. DWER have also asked local government to distribute a survey for landholders to complete in order to gauge the extent of water crisis throughout the region. All landholders are encouraged to complete the survey and return to Taryn Scadding in the office.

The compliance systems established in 2016/17, continue to be followed monthly as a method of streamlining information and systems. This provides increased confidence that key responsibilities required of local government are achieved accordingly. Key administrative and compliance aspects achieved by Council throughout the year include:

- Strategic Community Plan - minor review June 2019
- Corporate Business Plan – minor review June 2019
- Asset Management Plan – review commenced June 2019, with major review to be undertaken in 2019/20.
- Regulation 17 Review

The first 6 months of my office has been an eye-opening, whirlwind experience and energetic introduction to the great community of Kulin. The passion, spirit and drive of the community is vastly evident through the many active community groups and their volunteers. Volunteerism is certainly the lifeblood of the community.

The Shire Administration led by Cassi, Judd and the team continually showcase the teamwork of good governance with community leadership. Combined with the efforts our 9 Councillors, Kulin remains one of the most progressive and self-driven communities in the wheatbelt and is a credit to all residents and ratepayers.

2018/2019 ANNUAL REPORT

Local Government (Rules of Conduct) Regulation 2007 – Complaints Register

These regulations require the reporting of various offences by elected members, as prescribed by the Regulations. Elected members must comply with their obligations under the Local Government Act 1995 and subsidiary legislation. Complaints about elected member conduct are to be made to the Complaints Officer, who in accordance with section 5.120 of the Local Government Act 1995, must be a designated senior employee. The Shire of Kulin Complaints Officer is the Chief Executive Officer. Section 5.121 of the Local Government Act 1995 requires the Annual Report to contain details of the entries made in the Complaints Register regarding complaints made about elected members. There were no formal complaints lodged against elected members in the year under review.

National Competition Policy

In accordance with statutory requirements set down in the National Competition Policy legislation, outlined below is a report on the Shire of Kulin's compliance with the requirements:

Competitive Neutrality

The Shire of Kulin does not have a business activity which generates a user pays income of \$200,000, therefore no obligation exists for the municipality to conduct a Public Benefits test. Nonetheless, the Shire of Kulin remains committed to the principals of Competitive Neutrality.

Legislative Review

The Shire of Kulin has reviewed some Local Laws and has concluded that none restrict competition in anyway. Nonetheless, the Shire of Kulin remains committed to the principals of Legislative Reform.

Employee Remuneration Disclosure

Regulation 19B of the Local Government (Administration) Regulation 1996 requires the Shire to include the following information in its Annual Report (a) The number of employees of the Shire entitled to an annual salary of \$100,000 or more; and (b) The number of those employees with an annual salary entitlement that falls within each band. Set out below, in bands of \$10,000, is the number of employees of the Shire entitled to an annual salary of \$100,000 or more for 18/19:

Range	No. of Employees
\$100,000-\$110,000	0
\$110,000-\$120,000	1
\$120,000-\$130,000	1
\$130,000-\$140,000	1



2018/2019 ANNUAL REPORT

Local Laws

The Shire of Kulin Animals, Environment and Nuisance Amendment Local Law 2018 was gazetted on 23 November 2018.

Freedom of Information

The Shire of Kulin will provide information to people requesting it from Council. Should a request not be met satisfactorily, then a Freedom of Information Application can be lodged with Council. During the year ended 30 June 2018, no Freedom of Information Applications were received. The Freedom of Information Statement was reviewed during 2018/19.

Local Procurement Policy

The Shire of Kulin has adopted policy relating to preferential treatment to local suppliers. The policy was adopted after advertising requirements were completed and now officially operates. The policy provides for the Shire in procurement processes to provide a financial incentive to local suppliers, notwithstanding the Shire's requirement of procurement that provides the "best and most advantageous" and "value for money" purchasing. Details of the policy can be viewed on the Shire website.

Record Keeping Plan

The Shire of Kulin's Recordkeeping Plan Review was submitted in December 2018 and the review report noted by the State Records Commission on 22 March 2019. The report provides evidence of the Shire's evaluation of recordkeeping practices documented in the plan.

Shire staff were provided with an information guide detailing the Recordkeeping Plan and Council Policy and Procedures in March 2019. Staff also undertook a survey around Council's recordkeeping operations and future training requirements, based on the results the existing process is adequate. In regards to induction for new employees the Shire of Kulin utilise one-on-one training to provide an appropriate guide to staff responsibilities and reflection of the record keeping program within the organisation.



STRATEGIC COMMUNITY PLAN

The vision within the Shire of Kulin Community Strategic Plan is the culmination of the process of identifying current and emerging issues facing the communities within the Shire, as well as making approaches to improve the overall wellbeing of the Council area. It is a collective community vision that focuses not only on the physical infrastructure but also on the ideals of the community, way of living, doing business and the sense of community and wellbeing.

The Shire of Kulin recognises that prolonged community development comes from positive engagement with its residents and stakeholders. Conversation will form the basis from where all community engagement begins. Much of that conversation will centre around two main themes;

- What are the things that we do well and how do we achieve more of that? and,
- What are the community assets that we already possess and how can we utilise them to our best advantage to achieve the goals we aim for?

In this framework the Shire of Kulin believe that the community is best positioned to achieve its goals.

Social

We seek an enhanced wellbeing and quality of life for all people who live and work in our Shire. Maintaining existing infrastructure must be balanced with the desire for the Shire of Kulin to continue to grow and expand.

Our arts and culture; education; youth services; heritage; healthcare services; public health and safety; and community celebrations contribute to that wellbeing, resilience, identity and quality of life

1.1 A strong and supportive community

1.1.1 A recognisable identity

1.1.2 An inclusive, resilient and welcoming Shire

Our Actions (1.1).

- *Promote a consistent, positive and friendly identity in all Shire communications*
- *Communicate regularly to the community through an online presence, and via print media*
- *Generate positive media stories that promote our innovation, leadership, projects and stories*
- *Invite and promote the community to take a proactive role in improving the aesthetics of each town site*
- *Provide innovative ways to actively welcome new residents to the Shire and support their involvement in the community*
- *Promote community services and organisations delivered by volunteers, so to a strong spirit and appreciation of volunteers e.g. Australia Day Awards, Thank a Volunteer Day*
- *Promote community events throughout the Shire that engages residents to connect with one and other and celebrate the diversity and friendships within the community*
- *Support access to cultural and artistic activities and facilities in the Shire*

Progress/Status (1.1).

- The Shire of Kulin make an effort to promote a positive and friendly identity with a consistent approach across all communication media. The Shire prepare a fortnightly printed news publication, which is also accessible online. In addition to this the Shire of Kulin maintain a Council website, social media pages, email distribution list and other periodic publications
- Throughout the year the Shire and the CRC hold many community events to engage residents, promote inclusion and celebrate the successes of the community.

STRATEGIC COMMUNITY PLAN

1.2 Connected communities through a safe and efficient transport network throughout the Shire

1.2.1 All residents are able to move around the Shire in safety and with ease

Our Actions (1.2).

- Update the Kulin Road Plan and review Shire roads and determine their suitability yearly (maintenance, construction, preservation, road train access and parking, materials, safety)
- Advocate for the retention and improvement of all current railway infrastructure in the Shire of Kulin
- Continue to access Black Spot Funding Program, Roads to Recovery and Regional Road Group funds
- Continue to provide access for commercial, recreational and medical organisations by air
- Continue to provide an accessible community bus service and ensure a regular public bus service to Perth is maintained
- Continue to provide bicycle and pedestrian connections throughout the Kulin town site

Progress/Status (1.2).

- The Shire of Kulin continue to hold our road network in very high priority. Significant funds are budgeted each year to ensure the quality of our road network can be maintained. These works are funded by federal and state grants and supplemented with Council's own funds.
- During the year the Shire undertook a planning process to upgrade our footpath network throughout the townsite with the intent to increase the network in the 2019/20 financial year.

1.3 Accessible infrastructure and services meeting changing community need

1.3.1 The community and recreation services and facilities meet the needs of the growing and active communities throughout the Shire

1.3.2 The community embraces and provides for older residents

1.3.3 Health, education and family support services that are accessible and meet community needs

Our Actions (1.3).

- Kulin Early Childhood Centre – co-location of early childhood facilities including Kulin Childcare Centre, Kulin Kids Club, Kulin Toy Library, Child Health Nurse and allied health professionals. This will support current families and attract young families to town
- Advocate on behalf of the communities to ensure that their needs are consistently and accurately represented at state and federal levels in regards to the allocation of services, resources and programs
- The Shire of Kulin currently operates the Kulin Childcare Centre delivering an early childhood education service to the community.
- The Shire has an ongoing formal contract with Kulin District high School as well as regular communication and cooperation on key educational issues within the community.
- Advocate for the consistent and continually improved delivery of current and future utility infrastructure (water, sewer, gas and electricity) Participate in local and regional aged care accommodation options, selecting best practice for the Shire, coupled with appropriate and complementary health, recreation and community services e.g. senior citizens, frail aged care
- Provide infrastructure and services that facilitate opportunities for our older residents to remain physically and socially active, particularly those that are socially isolated, across the Shire

STRATEGIC COMMUNITY PLAN

Our Actions (1.3 continued)

- *Be an age friendly Shire and provide access to age friendly services and facilities. Ensure continued delivery of services such as Medical Centre clinic and health nurses, HACC located in Kulin, allied health services*
- *Apply for funding to develop major community infrastructure projects and support relevant community orientated projects*
- *In conjunction with other levels of Government, seek to achieve a more integrated approach to the planning and provision of core community services*

Progress/Status (1.3)

- The Shire of Kulin continues to investigate a co-located early childhood facility and while there are no funding opportunities available the project has not been developed. The project remains a priority and staff are looking to secure funding for the project.
- The Shire of Kulin continues to lobby the State Government for funding to improve our water sustainability during years of drought. During the year the Shire received notification that our application for a grant to build a dam in the Pingaring townsite was successful. Work on the dam will commence in the 2019/20 financial year.
- The Shire of Kulin continue their relationship with the Kulin Retirement Homes Inc and provide the committee with administrative assistance as well as contributions towards the operations of the facility.

1.4 A liveable and safe community

1.4.1 Facilitate diverse, inclusive housing options

1.4.2 A high standard of health services to address the needs of all sectors of the community

1.4.3 Provide a variety of sport, recreation and leisure services and facilities for all life stages

1.4.4 People are safe in their homes and in public

1.4.5 Opportunities for development and participation of young people (e.g. Youth Services Group)

Our Actions (1.4)

- *Encourage the provision of affordable housing stock in the Shire of Kulin and investigate incentive or joint venture partnership arrangements to create private/community investment in quality housing*
- *Work individually and with neighbouring Shires to attract and retain health professionals including a Doctor in the Shire for a consistent and accessible service*
- *Support the current level of primary and allied health services in the Shire with a view to increasing the number of services (particularly mental health services), access to them and appropriate venues for delivery.*
- *Work with the community to maintain the Aquatic Centre and slide.*
- *Maintain sport, recreation and leisure facilities within the Shire to accommodate for future sport, recreation and leisure needs, including the addition of outdoor gym equipment at the Freebairn Recreation Centre.*
- *Continue to support crime prevention and the local Police service*
- *The Shire of Kulin successfully operates the Freebairn Recreation Centre which is a well patronised community hub for recreational and social purposes.*

STRATEGIC COMMUNITY PLAN

Our Actions (1.4 continued)

- *Develop and implement a Shire wide emergency management and recovery plan*
- *Encourage community participation in FESA and St John's Ambulance, work with them to educate the community on emergency service issues and procedures*
- *Explore opportunities of a boarding house/private boarding accommodation to support Kulin District High School*
- *Local youth and family community facilities are maintained - upgrade skate park to be safer and have better design, installation of an adventure/nature playground, development of a BMX and motorbike track, mini golf course (possibly at pool for dual usage), more after school activities for local kids and development of a drop in zone*
- *Work with neighbouring towns to provide opportunities for youth (12 yrs – 16 yrs) to interact (a bus to transport children between towns and activities, organised activities for youth on weekends)*

Progress/Status (1.4)

- We are still operating a well patronised medical facility for which feedback from users is positive.
- Maintenance and asset replacement work is ongoing for our aquatic and recreation facilities. O
- The construction of a youth precinct which incorporates an upgraded skate park and bmx track is under investigation by the Shire.
- The Shire is in frequent contact with the local Police station to enable information sharing and to offer any support required. Quarterly LEMC meetings are held to discuss emergency management within the Shire.

Economic

Council seeks to proactively support and encourage balanced economic activity, while at the same time promoting local and regional economic sustainability and capacity. Opportunities to network, learn and share skills and experience through a range of local training and education pathways.

2.1 A thriving, diverse and growing economy

2.1.1 Actively support, develop and attract local and new businesses and new services to Kulin

2.1.2 Provide commercial and industrial infrastructure aligned to economic need and growth

2.1.3 Advocate for telecommunications infrastructure

2.1.4 Camp Kulin expansion

Our Actions (2.1)

- *Investigate the implementation of a "Skills/Employment" register and the capacity for CRC to act as an agency or an independent agency to fulfil this role*
- *A diverse range of commercial enterprise is actively encouraged across the Shire*
- *Continue to strengthen relationships within the business community (Development of Kulin Business Group, Cultivating Kulin Committee)*
- *Maintain a close working relationship with the business community to ensure relevant issues are monitored and where appropriate advocate to relevant bodies*
- *Ensure that the Shire's economic viability and longevity is protected and advanced through cost effective land-use and development*

STRATEGIC COMMUNITY PLAN

Our Actions (2.1 continued).

- Investigate responsible property development e.g. common tradesperson premises
- Support partnerships within the business community and wider business sector that enhance professional development opportunities and diversify the traditional economic base
- Continue to support existing and newly established businesses within the Shire, with assistance from a 'business networking facilitator' such as the Wheatbelt Business Network
- Increase the support for our local businesses from the broader community through innovative enterprise initiatives and projects e.g. Shop local
- Lobby for mobile telecommunications, ADSL, NBN, high speed broadband that is progressive and facilitates business growth and meets the needs of our community
- Camp Kulin expansion (including Camp Kulin Charities Inc) to be developed and implemented
- Promote the Shire of Kulin within the Wheatbelt and on the state and national stage as a desirable place to live, work and invest

Progress/Status (2.1).

- A revitalisation and reestablishment of the Cultivating Kulin Committee was conducted by the Shire of Kulin this year. The group, which includes the Kulin Bush Races and Kulin Community Financial Services are actively working together to fund projects and enterprises within the community.
- The CRC continue to facilitate business network meetings to support local businesses.
- The expansion of Camp Kulin has been an ongoing project and investigations are still underway to determine the viability and appropriateness of the project.
- The Shire of Kulin was fortunate to be promoted nationally on ABC program 'Backroads' providing immense national exposure for the town.

2.2 A positive visitor experience

2.2.1 The Shire's capacity for tourism is grown, founded on iconic major events and distinct local attractions

2.2.2 Support and promote a collaborative Shire wide approach to heritage, our stories and tourism

Our Actions (2.2).

- Recognise the long term vision of the Kulin District High School and continue a proactive working relationship with them
- Ensure that the skills and expertise in the community can be utilised in the work force by supporting playgroups, family groups and a child care services
- Continue active partnerships with employers and service providers including CY O'Connor Institute, Universities and the Community Resource Centre to enhance learning, training and the innovative delivery of teaching methods and options of training across learning spheres of interest to local participants
- Develop knowledge base hub that fosters innovation (CRC) and provides all post-secondary options for learning
- Support local and regional businesses deliver local employment opportunities, apprenticeships and traineeships, so to work experience

STRATEGIC COMMUNITY PLAN

Our Actions (2.2 continued).

- *Investigate programs with agricultural organisations that support 'champion farmers and agribusiness professionals' in the Shire*
- *Provide leadership opportunities for young people within our community by supporting community groups, clubs and committees to actively engage young people in leadership positions*
- *Investigate and support programs for youth in partnership with KDHS, CRC, Camp Kulin and neighbouring towns which actively engages them*

Progress/Status (2.2).

- Kulin Caravan Park continue run the 'Pay what you like' program which has been extremely successful and added to our tourism products. Our 72 hour RV area has been upgraded to include additional bins, information boards and comments box.
- Kulin Visitor Centre is an accredited Visitor Centre with Tourism Council of Western Australia. This accreditation provides additional exposure and opportunities to promote our centre and region within the WA tourism industry.
- Kulin CRC continues to organise events throughout the Shire which focus on community and business.
- We are an active member of the Roe Tourism Association and collaborate with marketing and promotional opportunities. We support the Pathways to Wave Rock brand and work with our neighbouring shires to encourage tourism in our region.
- Kulin Community Arts Centre has been established to provide an avenue for artists in our region to gather and create. Shire of Kulin continue to support the arts through provision of buildings, advertising and promotion of local artists works in Kulin Visitor Centre.

2.3 Improved access to education, training and leadership development

2.3.1 The Shire is focused on lifelong learning

2.3.2 The Shire economy is growing and prosperous, offering a diverse range of job opportunities

2.3.3 A place of diverse opportunities and resources for young people

Our Actions (2.3).

- *Recognise the long term vision of the Kulin District High School and continue a proactive working relationship with them*
- *Ensure that the skills and expertise in the community can be utilised in the work force by supporting playgroups, family groups and a child care services*
- *Continue active partnerships with employers and service providers including CY O'Connor Institute, Universities and the Community Resource Centre to enhance learning, training and the innovative delivery of teaching methods and options of training across learning spheres of interest to local participants*
- *Develop knowledge base hub that fosters innovation (CRC) and provides all post-secondary options for learning*

STRATEGIC COMMUNITY PLAN

Our Actions (2.3 continued)

- *Support local and regional businesses deliver local employment opportunities, apprenticeships and traineeships, so to work experience*
- *Investigate programs with agricultural organisations that support 'champion farmers and agribusiness professionals' in the Shire*
- *Provide leadership opportunities for young people within our community by supporting community groups, clubs and committees to actively engage young people in leadership positions*
- *Investigate and support programs for youth in partnership with KDHS, CRC, Camp Kulin and neighbouring towns which actively engages them*

Progress/Status (2.3)

- We continue to work closely with KDHS. We provide our facilities free of charge for school usage. We are actively working with the upper high school (Year 9 & 10) students to provide work placement opportunities for those students who are better suited to an on the job learning environment. We also continue to be actively involved with the students on projects that have community benefit.
- Kulin Child Care Centre continues to be an essential service in our community. Shire of Kulin is the approved provider of the service.
- Business after hours is a new initiative established through Kulin CRC to bring together local business and the Wheatbelt Business Network. The focus is to establish joint training and education opportunities, joint marketing programs and community education programs.
- Kulin CRC offers many youth programs and projects. We work actively with Camp Kulin, KDHS, Kulin Aquatic Centre and Freebairn Recreation Centre to promote these opportunities and also undertake joint initiatives with neighboring towns.

Environment

Collaborative and active partnerships focusing on preservation of our natural environment will result in a positive environmental impact and care for our environment and a community that actively protects and conserves the natural world.

3.1 An environmentally aware Shire

3.1.1 A functional mix of open space

3.1.2 Preserve and protect local ecology and biodiversity

Our Actions (3.1)

- *Conserve reserves, open spaces, natural vegetation and bushland*
- *Together with the community , investigate the possibilities of the installation of interpretive signage, a gazebo and seating at the Macrocarpa Trail and an upgrade of facilities and signage at Jilakin Rock*
- *Educate locals and visitors about the natural environment*
- *Continue to support and promote to locals the importance of managing wild animals, pests and flora within the townships across the Shire*
- *Investigate participation in the red card for red fox program*
- *Educate locals and visitors about the environment through the Herbarium and protect the natural walk and drive trails*
- *Collaboration and partnerships with government, community and private entities to protect and enhance our natural environment*

STRATEGIC COMMUNITY PLAN

3.2 A protected and valued natural environment

3.2.1 Ensure quality, long term water supply to meet the demands of future growth

3.2.2 Sustainable waste management focusing on waste minimisation and resource recovery

3.2.3 Investigate sustainable alternative energy solutions

Our Actions (3.2).

- *Conserve reserves, open spaces, natural vegetation and bushland*
- *Together with the community , investigate the possibilities of the installation of interpretive signage, a gazebo and seating at the Macrocarpa Trail and an upgrade of facilities and signage at Jilakin Rock*
- *Educate locals and visitors about the natural environment*
- *Continue to support and promote to locals the importance of managing wild animals, pests and flora within the townships across the Shire*
- *Investigate participation in the red card for red fox program*
- *Educate locals and visitors about the environment through the Herbarium and protect the natural walk and drive trails*
- *Collaboration and partnerships with government, community and private entities to protect and enhance our natural environment*

Progress/Status (2.3).

- The Shire of Kulin spend a lot of time maintaining public open space around the townsite of Kulin. The Visitor Discovery Zone in the centre of town has been filled with flora which is locally native to Kulin.
- In conjunction with the herbarium pamphlets and other learning material is readily available in the tourist information centre to educate locals and visitors about Kulin's natural environment.
- We have begun the application process to the Department of Water for funding to build a large stock water dam in the townsite of Pingaring. If successful, the Pingaring Dam will contribute towards ensuring our Shire can become drought proof.

Civic Leadership

Every person has a stake in the Shire of Kulin's future. Planning and delivering a prosperous future is a shared responsibility which can only be achieved through focused partnerships, community engagement and positive leadership.

4.1 Provide good strategic decision making, governance, leadership and professional management

4.1.1 Develop leadership skills and behaviours that enhance the knowledge, skills and experience of the Shire staff and Council

4.1.2 Manage the organisation in a responsible, accountable and consultative manner

4.1.3 Deliver services that meet the current and future needs and expectations of the community, whilst maintaining statutory compliance

Our Actions (4.1).

- *Develop a marketing program for Kulin including – Welcome to Kulin pack for new residents and those interested in coming to our community, marketing Kulin to itself and its visitors (What's great about Kulin), keep the community informed of progress with projects and activities, improve the profile of Councillor and staff within the community*

STRATEGIC COMMUNITY PLAN

Our Actions (4.1 continued)

- *Ensure local leaders are trained, mentored and supported*
- *Form a strategic partnership between Shire of Kulin, Kulin Community Financial Services, Kulin District High School and Kulin Bush Races*
- *Complete and review our integrated planning documents regularly*
- *Support and enhance the productivity of Shire staff*
- *Provide a high standard of customer service*
- *Develop an enterprising approach to our works and infrastructure projects*
- *Provide regular training opportunities for staff and Council*
- *Annually review compliance matters*
- *Ensure Council decision making supports fair allocation of resources, services and facilities across the Shire*
- *Use a range of effective communication tools to engage the community to support transparent and accountable Council decision making*
- *Implement collaborative partnerships that support efficient use of resources*
- *Provide a safe, healthy and inclusive work environment*

Progress/Status (4.1)

- Councillors undertook WALGA specific training to ensure they were up to date with the ever changing requirements of an elected member.
- Shire staff and Councillors formally contributed towards the review of the WA Local Government Act.
- Maintained strong partnerships with many community organisations including:
 - The reinvigoration of Cultivating Kulin Committee Inc. with local businesses Kulin Community Financial Services, and Kulin Bush Races.
 - An ongoing formal agreement with Kulin District High School.
 - Coordination of regular community gatherings as part of the Kulin Business After Hours group.
- The scheduled minor review of our integrated planning documents was undertaken in June 2019.
- Shire staff undertake regular professional development in line with their specific technical roles and annual appraisal processes.
- Compliance matters were recorded monthly as part of Council Meetings and relevant documents reviewed in accordance with regulations.
- Council developed its annual budget via series of internal Concept Forums that identified key priorities in accordance with available funding schemes and integrated planning documents, this included “Cross Roads Breakfasts” staged in various locations of the Shire to determine the community’s key priorities to support fair allocation of resources, services and facilities across the Shire.
- Council’s Minutes are published on our webpage, we publish and contribute towards a fortnightly community newsletter Kulin Update as well as provide information regarding specific areas of our business via their social media pages including: CRC, FRC, Aquatic Centre and Camp Kulin to engage the community in a transparent and keeping them informed of Council decision making
- Implement collaborative partnerships that support efficient use of resources
- The Shire operates within a strong OHS environment and undertook an OHS audit in conjunction with LGIS and our OHS contractor.

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

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COMMUNITY VISION

A healthy, harmonious and progressive community where all people are willing to contribute and enjoy opportunities to be successful.

Principal place of business:
38 Johnston Street, Kulin WA 6365

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

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire of Kulin for the financial year ended 30 June 2019 is based on proper accounts and records to present fairly the financial position of the Shire of Kulin at 30 June 2019 and the results of the operations for the financial year then ended in accordance with the Local Government Act 1995 and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.

Signed on the 24th day of March 2020



Chief Executive Officer

Garrick Yandle

Name of Chief Executive Officer

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

	NOTE	2019 Actual \$	2019 Budget \$	2018 Actual \$
Revenue				
Rates	23(a)	1,960,969	1,961,137	1,890,225
Operating grants, subsidies and contributions	2(a)	2,639,543	1,544,195	2,320,971
Fees and charges	2(a)	1,599,212	1,526,879	1,501,397
Interest earnings	2(a)	94,850	83,168	77,380
Other revenue	2(a)	333,447	302,987	715,114
		6,628,021	5,418,366	6,505,087
Expenses				
Employee costs		(2,285,666)	(2,300,359)	(2,443,071)
Materials and contracts		(1,611,143)	(1,914,136)	(1,908,722)
Utility charges		(330,936)	(292,816)	(263,430)
Depreciation on non-current assets	11(b)	(3,555,499)	(2,991,178)	(2,886,530)
Interest expenses	2(b)	(51,677)	(40,272)	(54,604)
Insurance expenses		(204,752)	(266,916)	(228,821)
Other expenditure		(248,632)	(250,900)	(420,725)
		(8,288,306)	(8,056,577)	(8,205,903)
		(1,660,285)	(2,638,211)	(1,700,816)
Non-operating grants, subsidies and contributions	2(a)	477,393	471,000	1,190,769
Profit on asset disposals	11(a)	66,241	40,000	4,159
(Loss) on asset disposals	11(a)	(65,472)	(32,050)	(105,572)
		478,162	478,950	1,089,356
Net result for the period		(1,182,123)	(2,159,261)	(611,460)
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	12	457,440	0	30,253,678
Total other comprehensive income for the period		457,440	0	30,253,678
Total comprehensive income for the period		(724,683)	(2,159,261)	29,642,218

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

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

	NOTE	2019 Actual \$	2019 Budget \$	2018 Actual \$
Revenue	2(a)			
Governance		4,432	7,464	60,948
General purpose funding		4,262,545	3,003,590	3,816,336
Law, order, public safety		43,638	40,065	40,032
Health		878	0	76,243
Education and welfare		231,906	290,810	190,956
Housing		107,525	128,834	117,117
Community amenities		128,207	106,015	89,026
Recreation and culture		226,955	213,850	198,608
Transport		190,802	112,782	112,841
Economic services		1,149,858	1,230,268	1,511,823
Other property and services		281,275	284,688	291,157
		6,628,021	5,418,366	6,505,088
Expenses	2(b)			
Governance		(127,110)	(37,903)	(164,565)
General purpose funding		(67,867)	(213,737)	(84,483)
Law, order, public safety		(116,171)	(149,214)	(144,745)
Health		(73,026)	(113,811)	(88,415)
Education and welfare		(281,967)	(288,150)	(228,828)
Housing		(100,167)	(251,719)	(225,933)
Community amenities		(345,713)	(354,170)	(303,458)
Recreation and culture		(1,190,504)	(1,217,786)	(1,126,305)
Transport		(3,992,196)	(3,428,703)	(3,295,476)
Economic services		(1,696,385)	(1,563,443)	(1,834,513)
Other property and services		(245,522)	(397,669)	(654,578)
		(8,236,629)	(8,016,305)	(8,151,299)
Finance Costs	2(b)			
Governance		(49,452)	(40,272)	(54,604)
General purpose funding		(2,225)	0	0
		(51,677)	(40,272)	(54,604)
		(1,660,284)	(2,638,211)	(1,700,815)
Non-operating grants, subsidies and contributions	2(a)	477,393	471,000	1,190,769
Profit on disposal of assets	11(a)	66,241	40,000	4,159
(Loss) on disposal of assets	11(a)	(65,472)	(32,050)	(105,572)
Reversal of prior year loss on revaluation of Other infrastructure [describe]	10(a)	(0)	0	0
Reversal of prior year loss on revaluation of Other infrastructure [describe]	10(a)	(0)	0	0
		478,161	478,950	1,089,356
Net result for the period		(1,182,123)	(2,159,261)	(611,459)
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	12	457,440	0	30,253,678
Total other comprehensive income for the period		457,440	0	30,253,678
Total comprehensive income for the period		(724,683)	(2,159,261)	29,642,219

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

SHIRE OF KULIN
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30TH JUNE 2019

	NOTE	2019 \$	2018 Restated * \$	1 July 2017 Restated * \$
CURRENT ASSETS				
Cash and cash equivalents	3	2,094,465	4,338,821	4,002,773
Trade receivables	5	283,115	189,228	385,101
Other financial assets	8	2,190,978	0	0
Inventories	6	31,763	29,123	45,459
Assets classified as held for sale	7	1,491,000	0	0
TOTAL CURRENT ASSETS		6,091,322	4,557,173	4,433,333
NON-CURRENT ASSETS				
Other financial assets	8(b)	5,000	5,000	5,000
Property, plant and equipment	9	26,118,751	27,673,569	28,000,849
Infrastructure	10	79,771,860	80,835,116	51,272,648
TOTAL NON-CURRENT ASSETS		105,895,611	108,513,685	79,278,497
TOTAL ASSETS		111,986,934	113,070,858	83,711,830
CURRENT LIABILITIES				
Trade and other payables	13	447,766	284,104	489,939
Borrowings	14(a)	87,267	85,177	111,326
Employee related provisions	15	351,227	312,752	299,350
TOTAL CURRENT LIABILITIES		886,260	682,033	900,615
NON-CURRENT LIABILITIES				
Borrowings	14(a)	1,164,231	1,251,498	1,337,212
Employee related provisions	15	67,162	85,924	64,820
TOTAL NON-CURRENT LIABILITIES		1,231,393	1,337,422	1,402,032
TOTAL LIABILITIES		2,117,653	2,019,455	2,302,647
NET ASSETS		109,869,281	111,051,403	81,409,183
EQUITY				
Retained surplus		40,648,707	41,339,200	42,161,398
Reserves - cash backed	4	2,039,627	2,073,818	1,863,077
Revaluation surplus	12	67,180,946	67,638,385	37,384,708
TOTAL EQUITY		109,869,280	111,051,402	81,409,183

* See note 30 for details regarding the restatement as a result of an error

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

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

	NOTE	RETAINED SURPLUS	RESERVES CASH BACKED	REVALUATION SURPLUS	TOTAL EQUITY
		\$	\$	\$	\$
Balance as at 1 July 2017		42,161,398	1,863,079	38,635,130	82,659,606
Correction of error (See Note 30)	30	0	0	(1,250,423)	(1,250,423)
Restated total equity at the beginning of the financial year		42,161,398	1,863,079	37,384,707	81,409,183
Comprehensive income					
Net result for the period		(611,459)	0	0	(611,460)
Other comprehensive income	12	0	0	30,253,678	30,253,678
Total comprehensive income		(611,459)	0	30,253,678	29,642,219
Transfers from/(to) reserves		(210,739)	210,739	0	0
Balance as at 30 June 2018		41,339,200	2,073,818	67,638,385	111,051,403
Comprehensive income					
Net result for the period		(1,182,123)	0	0	(1,182,122)
Other comprehensive income	12	457,440	0	(457,440)	0
Total comprehensive income		(724,683)	0	(457,440)	(1,182,122)
Transfers from/(to) reserves		34,191	(34,191)	0	0
Balance as at 30 June 2019		40,648,707	2,039,627	67,180,946	109,869,281

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

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

	NOTE	2019 Actual \$	2019 Budget \$	2018 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		1,996,530	1,986,137	1,872,471
Operating grants, subsidies and contributions		2,639,543	1,564,195	2,700,177
Fees and charges		1,599,212	1,526,879	1,501,397
Interest received		94,850	83,168	77,380
Goods and services tax received		347,238	5,000	7,617
Other revenue		259,993	302,987	496,434
		6,937,366	5,468,366	6,655,476
Payments				
Employee costs		(2,265,252)	(2,285,359)	(2,421,045)
Materials and contracts		(1,470,395)	(1,874,136)	(2,040,254)
Utility charges		(330,936)	(292,816)	(263,430)
Interest expenses		(51,677)	(40,272)	(54,604)
Insurance paid		(204,752)	(266,916)	(228,821)
Goods and services tax paid		(383,661)	0	0
Other expenditure		(223,894)	(250,900)	(420,726)
		(4,930,567)	(5,010,399)	(5,428,880)
Net cash provided by/(used in) operating activities	16	2,006,800	457,967	1,226,596
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment		(1,315,221)	(1,614,149)	(1,062,476)
Payments for construction of infrastructure		(1,514,723)	(1,518,933)	(1,152,130)
Non-operating grants, subsidies and contributions		477,393	471,000	1,190,769
Proceeds from sale of property, plant & equipment		377,550	329,122	245,155
Payments for other financial assets		(2,190,978)	0	0
Net cash provided by/(used in) investment activities		(4,165,980)	(2,332,960)	(778,684)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings		(85,177)	(85,177)	(111,863)
Net cash provided by/(used in) financing activities		(85,177)	(85,177)	(111,863)
Net increase/(decrease) in cash held		(2,244,357)	(1,960,170)	336,048
Cash at beginning of year		4,338,821	4,272,856	4,002,773
Cash and cash equivalents at the end of the year	16	2,094,465	2,312,686	4,338,821

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

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

	NOTE	2019 Actual	2019 Budget	2018 Actual
		\$	\$	\$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)	24 (b)	1,886,500	1,696,883	1,780,966
		1,886,500	1,696,883	1,780,966
Revenue from operating activities (excluding rates)				
Governance		6,105	12,464	60,948
General purpose funding		2,301,577	1,042,453	1,926,108
Law, order, public safety		43,638	40,065	40,032
Health		878	0	76,243
Education and welfare		231,906	290,810	190,956
Housing		107,525	128,834	117,117
Community amenities		128,207	106,015	89,026
Recreation and culture		226,955	213,850	198,608
Transport		255,370	147,782	112,841
Economic services		1,149,858	1,230,268	1,511,823
Other property and services		281,275	284,688	295,316
		4,733,292	3,497,229	4,619,018
Expenditure from operating activities				
Governance		(177,526)	(83,175)	(219,169)
General purpose funding		(70,092)	(213,737)	(84,483)
Law, order, public safety		(116,171)	(149,214)	(144,745)
Health		(73,026)	(113,811)	(88,415)
Education and welfare		(281,967)	(288,150)	(228,828)
Housing		(100,167)	(251,719)	(225,933)
Community amenities		(375,853)	(354,170)	(303,458)
Recreation and culture		(1,190,504)	(1,217,786)	(1,126,305)
Transport		(4,026,564)	(3,455,753)	(3,295,476)
Economic services		(1,696,385)	(1,563,443)	(1,834,513)
Other property and services		(245,522)	(397,669)	(760,150)
		(8,353,777)	(8,088,627)	(8,311,475)
Non-cash amounts excluded from operating activities	24(b)	3,560,707	2,983,228	3,009,047
Amount attributable to operating activities		1,826,722	88,713	1,097,556
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions		477,393	471,000	1,190,769
Proceeds from disposal of assets	11(a)	377,550	329,122	245,155
Purchase of property, plant and equipment	9(a)	(1,315,221)	(1,614,149)	(1,062,476)
Purchase and construction of infrastructure	10(a)	(1,514,723)	(1,518,933)	(1,152,130)
Amount attributable to investing activities		(1,975,002)	(2,332,960)	(778,682)
FINANCING ACTIVITIES				
Repayment of borrowings	14(b)	(85,177)	(85,177)	(111,863)
Transfers to reserves (restricted assets)	4	(170,810)	(334,168)	(420,739)
Transfers from reserves (restricted assets)	4	205,000	767,000	210,000
Amount attributable to financing activities		(50,987)	347,655	(322,602)
Surplus/(deficit) before imposition of general rates		(199,267)	(1,896,592)	(3,728)
Total amount raised from general rates	23	1,960,968	1,961,137	1,890,228
Surplus/(deficit) after imposition of general rates	24(b)	1,761,701	64,545	1,886,500

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

1. BASIS OF PREPARATION

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

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

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

CRITICAL ACCOUNTING ESTIMATES

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

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

THE LOCAL GOVERNMENT REPORTING ENTITY

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

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 26 to these financial statements.

2. REVENUE AND EXPENSES

(a) Revenue

Grant Revenue

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

	2019 Actual \$	2019 Budget \$	2018 Actual \$
Operating grants, subsidies and contributions			
Governance	0	5,180	31,500
General purpose funding	2,198,524	957,262	1,841,807
Law, order, public safety	41,426	36,890	33,281
Health	0	0	76,243
Education and welfare	68,608	110,000	58,530
Housing	0	1,450	0
Community amenities	0	3,000	0
Recreation and culture	0	7,968	0
Transport	190,838	112,786	112,328
Economic services	140,146	277,641	167,283
Other property and services	0	32,000	0
	2,639,542	1,544,177	2,320,972
Non-operating grants, subsidies and contributions			
Community amenities	0	25,000	28,033
Transport	457,393	446,000	1,162,736
Other property and services	20,000	0	0
	477,393	471,000	1,190,769
Total grants, subsidies and contributions	3,116,935	2,015,177	3,511,741

SIGNIFICANT ACCOUNTING POLICIES

Grants, donations and other contributions

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

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

Grants, donations and other contributions (Continued)

a particular period, and those conditions were undischarged as at the reporting date, the nature of and amounts pertaining to those undischarged conditions are disclosed in Note 22.

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

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Other revenue

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Reimbursements and recoveries	313,773	51,800	218,680
Kulin Bush Races	0	0	477,950
Other	19,676	251,187	18,484
	333,449	302,987	715,114

Fees and Charges

Governance	550	2,184	4,943
General purpose funding	13,602	2,000	6,926
Law, order, public safety	1,938	3,175	3,273
Health	878	0	0
Education and welfare	158,276	180,810	125,394
Housing	107,525	127,384	116,932
Community amenities	94,496	68,015	89,026
Recreation and culture	210,310	193,883	183,499
Economic services	790,581	696,740	728,855
Other property and services	221,054	252,688	242,548
	1,599,212	1,526,879	1,501,396

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

Interest earnings

Reserve accounts interest	50,810	54,168	44,846
Rates instalment and penalty interest (refer Note 23(c))	8,664	9,000	12,222
Other interest earnings	35,376	20,000	20,313
	94,850	83,168	77,381

2. REVENUE AND EXPENSES (Continued)

(b) Expenses

Significant expense

Kulin Bush Races Expenditure & Reimbursement

Auditors remuneration

- Audit of the Annual Financial Report

Interest expenses (finance costs)

Borrowings (refer Note 14(b))

Minor Interest Charges (GIC)

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Kulin Bush Races Expenditure & Reimbursement	223,893	249,400	420,726
Auditors remuneration			
- Audit of the Annual Financial Report	29,000	25,000	15,100
	29,000	25,000	15,100
Interest expenses (finance costs)			
Borrowings (refer Note 14(b))	49,452	40,272	54,604
Minor Interest Charges (GIC)	2,225		
	51,677	40,272	54,604

3. CASH AND CASH EQUIVALENTS

	NOTE	2019 \$	2018 \$
Cash at bank and on hand		1,732,297	3,585,680
Term deposits		362,168	753,141
		2,094,465	4,338,821
Other financial assets at amortised cost - term deposits		2,190,978	0
		2,190,978	
Comprises:			
- Unrestricted cash and cash equivalents and other financial assets at amortised cost		999,312	2,030,863
- Restricted cash and cash equivalents and other financial assets at amortised cost		3,286,131	2,307,958
		4,285,443	4,338,821
The following restrictions have been imposed by regulations or other externally imposed requirements:			
Reserve accounts			
Reserves cash backed - Plant	4	390,779	464,415
Reserves cash backed - Leave	4	252,213	246,175
Reserves cash backed - Building	4	500,557	488,579
Reserves cash backed - Admin Equipment	4	75,262	73,462
Reserves cash backed - Natural Disaster	4	141,448	138,065
Reserves cash backed - Joint Venture Housing	4	75,156	92,881
Reserves cash backed - FRC Surface & Equipment	4	181,533	152,790
Reserves cash backed - Medical Services	4	103,111	76,243
Reserves cash backed - Fuel Facility	4	65,613	25,000
Reserves cash backed - Road Replacement	4	2,450	100,000
Reserves cash backed - Sports person Scholarship	4	12,430	12,133
Reserves cash backed - Freebairn Recreation	4	239,075	204,075
Restricted Cash - Kulin Bush Races	4	0	234,142
		2,039,627	2,307,958
Other restricted cash and cash equivalents			
Bonds and others	13	99,027	0
Unspent grants/contributions	22	1,147,477	0
Total restricted cash, cash equivalents & other financial assets at amortised cost		3,286,131	2,307,958

SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks and other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash

Cash and cash equivalents (Continued)

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

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

4. RESERVES - CASH BACKED

	2019 Actual Opening Balance	2019 Actual Transfer to	2019 Actual Transfer (from)	2019 Actual Closing Balance	2019 Budget Opening Balance	2019 Budget Transfer to	2019 Budget Transfer (from)	2019 Budget Closing Balance	2018 Actual Opening Balance	2018 Actual Transfer to	2018 Actual Transfer (from)	2018 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Reserves cash backed - Plant	464,415	11,372	(85,000)	390,787	464,416	185,968	(260,000)	390,384	482,548	131,867	(150,000)	464,415
(b) Reserves cash backed - Leave	246,175	6,038		252,213	246,175	5,880		252,055	274,566	6,609	(35,000)	246,175
(c) Reserves cash backed - Building	488,579	11,971		500,550	488,579	11,688	(250,000)	250,267	477,095	11,484		488,579
(d) Reserves cash backed - Admin Equipment	73,462	1,800		75,262	73,462	1,680		75,142	71,735	1,727		73,462
(e) Reserves cash backed - Natural Disaster	138,065	3,383		141,448	138,065	3,288	(137,000)	4,353	134,820	3,245		138,065
(f) Reserves cash backed - Joint Venture Housing	92,881	2,276	(20,000)	75,157	92,881	2,208	(20,000)	75,089	90,698	2,183		92,881
(g) Reserves cash backed - FRC Surface & Equipment	152,790	28,744		181,534	152,790	28,648		181,438	124,786	28,004		152,790
(h) Reserves cash backed - Medical Services	76,243	26,868		103,111	76,243	1,800		78,043	0	76,243		76,243
(i) Reserves cash backed - Fuel Facility	25,000	40,613		65,613	25,000	50,600		75,600	0	25,000		25,000
(j) Reserves cash backed - Road Replacement	100,000	2,450	(100,000)	2,450	100,000	7,200	(100,000)	7,200	0	100,000		100,000
(k) Reserves cash backed - Sportsperson Scholarship	12,133	297		12,430	12,133	288		12,421	11,848	285		12,133
(l) Reserves cash backed - Freebairn Recreation	204,075	35,000		239,075	204,075	34,920		238,995	169,983	34,092		204,075
(m) Reserves cash backed - Camp Kulin	0			0				0	25,000		(25,000)	0
	2,073,818	170,810	(205,000)	2,039,628	2,073,819	334,168	(767,000)	1,640,987	1,863,079	420,739	(210,000)	2,073,818

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

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

Name of Reserve	Anticipated date of use	Purpose of the reserve
(a) Reserves cash backed - Plant	When required	To fund the purchase of major plant.
(b) Reserves cash backed - Leave	When required	To fund the annual leave and long service leave requirements.
(c) Reserves cash backed - Building	When required	To fund the development of future housing.
(d) Reserves cash backed - Admin Equipment	When required	To fund the annual leave and long service leave requirements.
(e) Reserves cash backed - Natural Disaster	When required	To fund the restoration of roads and infrastrcture in the event of a natural disaster.
(f) Reserves cash backed - Joint Venture Housing	When required	To fund the development of future housing.
(g) Reserves cash backed - FRC Surface & Equipment	When required	To fund the replacement of equipment and sports surfaces at the Freebairn Recreation Facility as necessary.
(h) Reserves cash backed - Medical Services	When required	To fund the provision of medical services in the future
(i) Reserves cash backed - Fuel Facility	When required	To fund the replacement of the fuel facility
(j) Reserves cash backed - Road Replacement	When required	To fund the construction of roads in the 2018/2019 financial year
(k) Reserves cash backed - Sportsperson Scholarship	When required	To help fund local sportspeople develop their talent.
(l) Reserves cash backed - Freebairn Recreation	When required	To be used to fund maintenance projects at the Freebairn Recreation Centre.

5. TRADE RECEIVABLES

Current

Rates receivable
Sundry receivables
GST receivable
Other receivables - Fuel Tax Credit Receivable

2019	2018
\$	\$
66,600	102,161
134,304	63,130
77,208	21,212
5,003	2,723
283,115	189,226

SIGNIFICANT ACCOUNTING POLICIES

Trade and other receivables

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

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

Impairment and risk exposure

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

Previous accounting policy: Impairment of trade receivables

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

Classification and subsequent measurement

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

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

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

6. INVENTORIES

Current

Other inventories - Fuel
Other inventories - Freebairn Recreation Centre Stock

2019	2018
\$	\$
21,437	17,871
10,326	11,252
31,763	29,123
29,123	40,459
(1,017,671)	(797,777)
1,020,311	786,441
31,763	29,123

The following movements in inventories occurred during the year:

Carrying amount at 1 July

Inventories expensed during the year

Additions to inventory

Carrying amount at 30 June

SIGNIFICANT ACCOUNTING POLICIES

General

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

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

7. NON CURRENT ASSETS HELD FOR SALE

Other current assets

Land Held for Sale

2019	2018
\$	\$
1,491,000	0
1,491,000	0

SIGNIFICANT ACCOUNTING POLICIES

Land held for resale

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

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

Non-current assets held for sale

Assets are classified as held for sale where the carrying amount will be recovered through a sale rather than continuing use and the asset is available for immediate sale with a sale being highly probable.

Land held for resale (Continued)

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

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

8. OTHER FINANCIAL ASSETS

(a) Current assets

Other financial assets at amortised cost

Other financial assets at amortised cost

- Financial assets at amortised cost - term deposits

(b) Non-current assets

Other financial assets at fair value through profit and loss - Kulin Bendigo Bank Shares

Financial assets previously classified as available for sale

Kulin Bendigo Bank Shares

	2019	2018
	\$	\$
Other financial assets at amortised cost	2,190,978	0
	2,190,978	0
Other financial assets at amortised cost		
- Financial assets at amortised cost - term deposits	2,190,978	0
	2,190,978	0
Other financial assets at fair value through profit and loss - Kulin Bendigo Bank Shares	5,000	0
	5,000	0
Financial assets previously classified as available for sale		
Kulin Bendigo Bank Shares	0	5,000
	0	5,000

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

SIGNIFICANT ACCOUNTING POLICIES

Other financial assets at amortised cost

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

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

Financial assets at fair value through profit and loss

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

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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Previous accounting policy: available for sale financial assets

Available-for-sale financial assets were non-derivative financial assets that were either not suitable to be classified as other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Previous accounting policy: loans and receivables

Non-derivative financial assets with fixed or determinable payments that were not quoted in an active market and are solely payments of principal and interest were classified as loans and receivables and are subsequently measured at amortised cost, using the effective interest rate method.

9. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Carrying Amounts

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

	Land	Total land	Buildings - non- specialised	Total buildings	Constructio n Other than Buildings	Total land and buildings	Furniture and equipment	Plant and equipment	Motor Vehicles	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2017	2,711,000	2,711,000	22,591,587	22,591,587	653,727	25,956,314	129,707	2,393,517	771,734	29,251,272
Correction of Error (See Note 30)	0	0	(1,250,423)	(1,250,423)	0	(1,250,423)	0	0	0	(1,250,423)
Restated Balance at 1 July 2017	2,711,000	2,711,000	21,341,164	21,341,164	653,727	24,705,891	129,707	2,393,517	771,734	28,000,849
Additions		0	87,809	87,809	61,589	149,398	16,938	686,295	209,845	1,062,476
(Disposals)	0	0	0	0	0	0	0	(346,568)	0	(346,568)
Depreciation (expense)		0	(453,831)	(453,831)	(15,820)	(469,651)	(27,263)	(433,500)	(112,773)	(1,043,187)
Carrying amount at 30 June 2018	2,711,000	2,711,000	20,975,142	20,975,142	699,495	24,385,637	119,382	2,299,744	868,807	27,673,570
Comprises:										
Gross carrying amount at 30 June 2018	2,711,000	2,711,000	21,428,973	21,428,973	715,316	24,855,289	155,540	3,374,004	1,064,968	29,449,801
Accumulated depreciation at 30 June 2018	0	0	(453,831)	(453,831)	(15,820)	(469,651)	(36,158)	(1,074,260)	(196,162)	(1,776,231)
Carrying amount at 30 June 2018	2,711,000	2,711,000	20,975,142	20,975,142	699,496	24,385,638	119,382	2,299,744	868,806	27,673,570
Additions		0	322,297	322,297	16,639	338,937		316,080	660,205	1,315,221
(Disposals)	0	0	(56,640)	(56,640)	0	(56,640)	0	(29,004)	(291,136)	(376,780)
Depreciation (expense)		0	(352,937)	(352,937)	(16,293)	(369,229)	(26,433)	(455,379)	(126,476)	(977,518)
Transfer to non current assets held for sale (refer Note 7)	(1,491,000)	(1,491,000)				(1,491,000)				(1,491,000)
Write-Off		0		0		0	(12,592)	(10,635)	(1,513)	(24,740)
Carrying amount at 30 June 2019	1,220,000	1,220,000	20,887,862	20,887,862	699,842	22,807,705	80,357	2,120,806	1,109,886	26,118,753
Comprises:										
Gross carrying amount at 30 June 2019	1,220,000	1,220,000	21,753,031	21,753,031	731,954	23,704,985	132,237	3,585,973	1,343,590	28,766,785
Accumulated depreciation at 30 June 2019	0	0	(865,170)	(865,170)	(32,113)	(897,283)	(51,880)	(1,465,167)	(233,704)	(2,648,034)
Carrying amount at 30 June 2019	1,220,000	1,220,000	20,887,861	20,887,861	699,841	22,807,702	80,357	2,120,806	1,109,886	26,118,751

9. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Land and buildings					
Land	3	Observable open market values of similar assets, adjusted for conditions and comparability, at their highest and best use.	Independent Valuer	June 2017	Improvements to land using construction costs and current conditions (Level 2), residual values and remaining useful life assessments (Level3) inputs.
Buildings - non-specialised	3	Observable open market values of similar assets, adjusted for conditions and comparability, at their highest and best use.	Independent Valuer	June 2017	Improvements to land using construction costs and current conditions (Level 2), residual values and remaining useful life assessments (Level3) inputs.
Furniture and equipment	2	Market approach is determined by comparison to actual sales data for the same or similar assets.	Management Valuation	June 2016	Market & sales data
Plant and equipment	2	Market approach is determined by comparison to actual sales data for the same or similar assets.	Management Valuation	June 2016	Market data, sales data and vehicle guides
Construction other than Building	3	Observable open market values of similar assets, adjusted for conditions and comparability, at their highest and best use.	Independent Valuer	June 2017	Improvements to land using construction costs and current conditions (Level 2), residual values and remaining useful life assessments (Level3) inputs.
Motor Vehicles	2	Market approach is determined by comparison to actual sales data for the same or similar assets.	Management Valuation	June 2016	Market data, sales data and vehicle guides

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

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

10. INFRASTRUCTURE

(a) Movements in Carrying Amounts

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

	Infrastructure - Roads	Footpaths	Recreation	Other infrastructure	Total Infrastructure
	\$	\$	\$	\$	\$
Balance at 1 July 2017	45,773,708	435,574	4,002,172	1,061,196	51,272,650
Additions	1,137,573			14,557	1,152,130
Revaluation increments / (decrements) transferred to revaluation surplus	30,107,380	146,298			30,253,678
Depreciation (expense)	(1,638,338)	(34,397)	(135,588)	(35,019)	(1,843,342)
Carrying amount at 30 June 2018	75,380,323	547,475	3,866,584	1,040,734	80,835,116
Comprises:					
Gross carrying amount at 30 June 2018	118,015,819	1,094,950	4,002,172	1,204,446	124,317,387
Accumulated depreciation at 30 June 2018	(42,635,496)	(547,475)	(135,588)	(163,712)	(43,482,271)
Carrying amount at 30 June 2018	75,380,323	547,475	3,866,584	1,040,734	80,835,116
Additions	1,479,891		31,708	3,125	1,514,723
Depreciation (expense)	(2,368,559)	(38,708)	(135,588)	(35,126)	(2,577,981)
Carrying amount at 30 June 2019	74,491,655	508,767	3,762,703	1,008,733	79,771,859
Comprises:					
Gross carrying amount at 30 June 2019	119,495,710	1,094,950	4,033,880	1,207,571	125,832,111
Accumulated depreciation at 30 June 2019	(45,004,054)	(586,183)	(271,177)	(198,837)	(46,060,251)
Carrying amount at 30 June 2019	74,491,656	508,767	3,762,703	1,008,734	79,771,860

10. INFRASTRUCTURE (Continued)

(b) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Infrastructure - Roads	3	Cost approach using depreciated replacement cost	Independent Valuation	June 2018	Construction costs and current condition (Level 3), residual values and remaining useful life assessments (Level 3) inputs.
Footpaths	3	Cost approach using depreciated replacement cost	Management Valuation	June 2018	Construction costs and current condition (Level 3), residual values and remaining useful life assessments (Level 3) inputs.
Recreation	3	Cost approach using depreciated replacement cost	Independent Valuation	June 2017	Construction costs and current condition (Level 3), residual values and remaining useful life assessments (Level 3) inputs.
Other infrastructure	3	Cost approach using depreciated replacement cost	Independent Valuation	June 2017	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.

11 PROPERTY, PLANT AND EQUIPMENT (INCLUDING INFRASTRUCTURE)

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

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

Initial recognition and measurement between mandatory revaluation dates

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

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

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

Revaluation

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

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

Land under control

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

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

Land under roads

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

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

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

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

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

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

(a) Disposals of Assets

	2019 Actual Net Book Value	2019 Actual Sale Proceeds	2019 Actual Profit	2019 Actual Loss	2019 Budget Net Book Value	2019 Budget Sale Proceeds	2019 Budget Profit	2019 Budget Loss	2018 Actual Net Book Value	2018 Actual Sale Proceeds	2018 Actual Profit	2018 Actual Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Buildings - non-specialised	56,640	26,500	0	(30,140)				0				0
Plant and equipment	29,004	63,545	34,541	0	81,750	115,500	35,000	(1,250)	346,568	245,155	4,159	(105,572)
Motor Vehicles	291,136	287,504	31,700	(35,332)	239,422	213,622	5,000	(30,800)				0
	376,780	377,550	66,241	(65,472)	321,172	329,122	40,000	(32,050)	346,568	245,155	4,159	(105,572)

The following assets were disposed of during the year.

	2019 Actual Net Book Value	2019 Actual Sale Proceeds	2019 Actual Profit	2019 Actual Loss
Plant and Equipment				
Governance	\$	\$	\$	\$
MV171 - Holden Commodore	39,237	40,910	1,673	0
MV174 - Holden Colorado	36,375	36,364	0	(12)
Community amenities				
8 Wright Street	56,640	26,500	0	(30,140)
Transport				
MV106 Toyota Coaster Bus	13,200	22,955	9,755	0
MV140 2013 Isuzu Giga Primemov	55,000	70,000	15,000	0
MV141 2013 Isuzu 4x2 Truck	22,000	27,273	5,273	0
MV162 2016 Mitsubishi Canter	61,540	32,730	0	(28,810)
MV164 2017 Suzuki APV Van	15,547	10,001	0	(5,546)
MV168 2017 Toyota Prado GXL	48,237	47,273	0	(964)
PE80 Roadwest Sidetipper	11,000	39,000	28,000	0
PE92 Hamm Roller	18,004	24,545	6,541	0
	376,781	377,550	66,241	(65,472)
	376,781	377,550	66,241	(65,472)

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

(b) Depreciation

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Buildings - non-specialised	352,937	473,832	453,831
Furniture and equipment	26,433	27,262	27,263
Plant and equipment	455,379	438,150	433,500
Construction Other than Buildings	16,293	15,820	15,820
Motor Vehicles	126,476	117,773	112,773
Infrastructure - Roads	2,368,559	1,918,340	1,638,338
Footpaths	38,708	0	34,397
Recreation	135,588	0	135,588
Other infrastructure	35,126	0	35,019
	3,555,498	2,991,177	2,886,529

SIGNIFICANT ACCOUNTING POLICIES

Depreciation

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

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

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

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

Depreciation rates

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

Asset Class	Useful life
Buildings	30 to 50 years
Furniture and equipment	4 to 10 years
Plant and equipment	5 to 15 years
Sealed roads and streets formation	not depreciated
pavement	50 years
seal	
- bituminous seals	20 years
- asphalt surfaces	25 years
Gravel roads formation	not depreciated
pavement	50 years
Footpaths - slab	20 years
Sewerage piping	100 years
Water supply piping and drainage systems	75 years

Depreciation (Continued)

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

(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.

12 REVALUATION SURPLUS

	2019 Opening Balance	2019 Revaluation (Decrement)	Total Movement on Revaluation	2019 Closing Balance	2018 Opening Balance	Correction of Error*	2018 Restated Op- ening Balance	2018 Opening Balance	2018 Revaluation Increment	Total Movement on Revaluation	2018 Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus - Buildings - non-specialised	14,480,369	(55,606)	(55,606)	14,424,762	15,730,792	(1,250,423)	14,480,369	15,730,792	0	0	14,480,369
Revaluation surplus - Plant and equipment	1,192,820	(401,833)	(401,833)	790,987	1,192,820	0	1,192,820	1,192,820	0	0	1,192,820
Revaluation surplus - Infrastructure - Roads	51,818,899	0	0	51,818,899	21,711,519	0	21,711,519	21,711,519	30,107,380	30,107,380	51,818,899
Revaluation surplus - Footpaths	146,298	0	0	146,298		0	0		146,298	146,298	146,298
	67,638,385	(457,440)	(457,440)	67,180,945	38,635,131	(1,250,423)	37,384,708	38,635,131	30,253,678	30,253,678	67,638,385

Movements on revaluation of property, plant and equipment (including infrastructure) are not able to be reliably attributed to a program as the assets were revalued by class as provided for by AASB 116 Aus 40.1.
*See Note 30

13. TRADE AND OTHER PAYABLES

Current

Sundry creditors
Accrued salaries and wages
ATO liabilities
Bonds and others

	2019	2018
	\$	\$
Sundry creditors	160,619	116,258
Accrued salaries and wages	89,746	114,055
ATO liabilities	98,374	53,791
Bonds and others	99,027	0
	447,766	284,104

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.

14. INFORMATION ON BORROWINGS

(a) Borrowings	2019	2018
	\$	\$
	87,267	85,177
	1,164,231	1,251,498
Current		
Non-current		
	1,251,498	1,336,675

(b) Repayments - Borrowings

Particulars	Loan Number	Institution	Interest Rate	30 June 2019				30 June 2019				30 June 2018			
				Actual Principal 1 July 2018	Actual Principal repayments	Actual Interest repayments	Actual Principal outstanding	Budget Principal 1 July 2018	Budget Principal repayments	Budget Interest repayments	Budget Principal outstanding	Actual Principal 1 July 2017	Actual Principal repayments	Actual Interest repayments	Actual Principal outstanding
Governance				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Administration Building	01	WA Treasury Corporation	3.10%	1,337,212	85,177	49,452	1,252,035	1,336,675	85,177	40,272	1,251,498	1,419,842	82,630	53,920	1,337,212
Housing				(661)			(661)				0	28,572	29,233	684	(661)
GEHA				1,336,551	85,177	49,452	1,251,374	1,336,675	85,177	40,272	1,251,498	1,448,414	111,863	54,604	1,336,551
				1,336,551	85,177	49,452	1,251,374	1,336,675	85,177	40,272	1,251,498	1,448,414	111,863	54,604	1,336,551

All loan repayments were financed by general purpose revenue.

14. INFORMATION ON BORROWINGS (Continued)

There were no new borrowings taken out or budgeted for during the 2018/2019 financial year.

There were no unspent borrowings held at the end of the 2018/2019 financial year.

	2019	2018
(c) Undrawn Borrowing Facilities	\$	\$
Credit Standby Arrangements		
Credit card limit	10,000	10,000
Credit card balance at balance date	(3,426)	(2,716)
Total amount of credit unused	6,574	7,284
Loan facilities		
Loan facilities - current	87,267	85,177
Loan facilities - non-current	1,164,231	1,251,498
Total facilities in use at balance date	1,251,498	1,336,675

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

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

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

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

Borrowing costs

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

Risk

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

15. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions

Opening balance at 1 July 2018

Current provisions

Non-current provisions

Additional provision

Amounts used

Balance at 30 June 2019

Comprises

Current

Non-current

	Provision for Annual Leave	Provision for Long Service Leave	Total
	\$	\$	\$
Opening balance at 1 July 2018			
Current provisions	176,125	136,627	312,752
Non-current provisions		85,924	85,924
	176,125	222,551	398,676
Additional provision	164,164	94,367	258,531
Amounts used	(162,475)	(76,343)	(238,818)
Balance at 30 June 2019	177,814	240,575	418,389
Comprises			
Current	177,814	173,413	351,227
Non-current		67,162	67,162
	177,814	240,575	418,389

Amounts are expected to be settled on the following basis:

Less than 12 months after the reporting date

More than 12 months from reporting date

	Annual Leave		Long Service Leave	
	2019	2018	2019	2018
	\$	\$	\$	\$
Less than 12 months after the reporting date	165,367		13,847	
More than 12 months from reporting date	12,447	176,125	226,428	222,551
	177,814	176,125	240,275	222,551

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

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

Short-term employee benefits

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

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

Other long-term employee benefits

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

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

Other long-term employee benefits (Continued)

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

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

Provisions

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

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

16. NOTES TO THE STATEMENT OF CASH FLOWS

Reconciliation of Cash

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

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Cash and cash equivalents	2,094,465	2,312,686	4,338,821
Reconciliation of Net Cash Provided By Operating Activities to Net Result			
Net result	(1,182,123)	(2,159,261)	(611,460)
Non-cash flows in Net result:			
Depreciation	3,555,498	2,991,177	2,886,529
(Profit)/loss on sale of asset	(769)	(7,950)	101,413
Assets written off	24,739	0	0
Changes in assets and liabilities:			
(Increase)/decrease in receivables	(93,889)	50,000	195,873
(Increase)/decrease in inventories	(2,640)	(10,000)	16,336
Increase/(decrease) in payables	163,662	50,000	(205,835)
Increase/(decrease) in provisions	19,713	15,000	34,506
Grants contributions for the development of assets	(477,393)	(471,000)	(1,190,769)
Net cash from operating activities	2,006,798	457,967	1,226,593

17. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2019	2018
	\$	\$
Governance	1,465,777	1,264,945
Law, order, public safety	642,609	704,944
Health	0	3,849
Education and welfare	17,566	20,398
Housing	1,880,974	2,255,694
Community amenities	894,763	908,006
Recreation and culture	14,972,230	15,266,425
Transport	76,068,131	76,887,674
Economic services	5,425,036	5,520,808
Other property and services	3,954,664	3,618,807
Unallocated	6,665,184	6,619,307
	111,986,934	113,070,857

18. CONTINGENT LIABILITIES

The Department of Water and Environment Regulation (DWER) issued a Category 64 license for a putrescible landfill in 1997. The burial of putrescible waste ceased in 2009. Due to the underlying geology the Shire was unable to excavate and bury waste below the ground. The landfill is an unlined mount structure . As the landfill is in an area of low rainfall, high summer temperatures, high evaporation rates and the annual waste acceptance volumes DWER is of the opinion that a limited quantity of leachate is likely to be generated. In 2015 DWER had requested that the Shire provide a post closure and rehabilitation plan for the putrescible landfill. This request is yet to be acted on by the Shire.

19. LEASING COMMITMENTS

(a) Operating Lease Commitments

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

Payable:

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

2019	2018
\$	\$
20,533	17,575
0	9,677
20,533	27,252

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.

(b) Capital Expenditure Commitments

There are no capital expenditure commitments as at the end of the current reporting period.

20. RELATED PARTY TRANSACTIONS

Elected Members Remuneration

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

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Meeting Fees	20,600	23,100	22,050
President's allowance	7,000	7,500	5,000
Deputy President's allowance	1,750	1,750	0
Travelling expenses	3,504	4,788	4,038
	32,854	37,138	31,088

Key Management Personnel (KMP) Compensation Disclosure

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

	2019 Actual	2018 Actual
	\$	\$
Short-term employee benefits	335,163	338,825
Post-employment benefits	49,572	47,432
Other long-term benefits	45,748	40,218
Termination benefits	11,030	0
	441,514	426,475

Short-term employee benefits

These amounts include all salary and fringe benefits 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 cost of providing for the Shire's superannuation contributions made during the year.

Other long-term benefits

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

Termination benefits

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

20. RELATED PARTY TRANSACTIONS (Continued)

Transactions with related parties

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

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

The following transactions occurred with related parties:

	2019 Actual	2018 Actual
	\$	\$
Sale of goods and services	0	89,938
Purchase of goods and services	33,649	32,754

Related Parties

The Shire's main related parties are as follows:

i. Key management personnel

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

ii. Other Related Parties

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

iii. Entities subject to significant influence by the Shire

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

21. JOINT ARRANGEMENTS

Share of joint operations

The Shire of Kulin has joint venture agreements with the Department of Housing for the provision of housing at 25 Johnston Street, 19 Wright Street and 3 Bull Street, Kulin. The ownership of the assets is determined by the property title which includes the percentage of each parties equitable interest. The Shire contributed the land, site works and some landscaping and the Department of Housing contributed the funds to construct the buildings. The Shire manages the properties and all rental income and housing expenditure are recorded in the respective line items of the financial statements.

	2019	2018 Restated*	2017 Restated*	2017
Land & Buildings	518,388	390,294	1,640,717	1,640,717
Correction of an Error	0	0	(1,250,423)	0
Less: accumulated depreciation	(18,042)	(32,814)	0	0
Total assets	500,346	357,480	390,294	1,640,717
Statement of comprehensive income				
Other revenue	34,311	34,161	41,899	41,899
Other expenditure	(36,936)	(62,602)	(41,065)	(41,065)
Net result for the period	(2,625)	(28,441)	834	834

*See Note 30

Share of joint operations

The Shire together with the Shires of Corrigin, Kondinin & Narembeen have a joint operation arrangement with regard to the provision of an Environmental Health and Building Surveying Service. The joint-controlled assets are motor vehicles, Bendering Tip site facility at Narembeen-Kondinin Road. The Shire's 15.38% share in the motor vehicle is included in Property, Plant & Equipment is as follows:

	2019 Actual	2018 Actual
Contribution to service	32,082	33,348
Light Vehicle	5,200	10,213
Less: Accumulated Depreciation	(1,300)	(5,012)
	3,900	5,200

SIGNIFICANT ACCOUNTING POLICIES

Interests in joint arrangements

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

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

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.

22. CONDITIONS OVER GRANTS/CONTRIBUTIONS

Grant/Contribution	Opening Balance ⁽¹⁾ 1/07/17	Received ⁽²⁾ 2017/18	Expended ⁽³⁾ 2017/18	Closing Balance ⁽¹⁾ 30/06/18	Received ⁽²⁾ 2018/19	Expended ⁽³⁾ 2018/19	Closing Balance 30/06/19
	\$	\$	\$	\$	\$	\$	\$
Governance							
Wheatbelt Development Commission		31,500	(31,500)	0			0
General purpose funding							
WA Grants Commission		1,841,807	(1,841,807)	0	2,198,524	(1,051,047)	1,147,477
Law, order, public safety							
DFES - ESL Grant	0	29,281	(29,281)	0	41,318	(41,318)	0
Education and welfare							
DSS - Sustainability Funding	0	56,030	(56,030)	0	68,608	(68,608)	0
Recreation and culture							
KidsSport	3,625	0	(3,625)	0			0
Transport							
Main Roads Direct Grant	0	111,986	(111,986)	0	190,838	(190,838)	0
Economic services							
CRC Operational Grant	0	139,913	(139,913)	0	132,780	(132,780)	0
Camp Kulin Various Grants	0	21,227	(21,227)	0			0
Total	3,625	2,231,744	(2,235,369)	0	2,632,067	(1,484,590)	1,147,477

- 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.

23. RATING INFORMATION

(a) Rates

RATE TYPE	Rate in \$	Number of Properties	2018/19 Actual Rateable Value \$	2018/19 Actual Rate Revenue \$	2018/19 Actual Interim Rates \$	2018/19 Actual Total Revenue \$	2018/19 Budget Rate Revenue \$	2018/19 Budget Interim Rate \$	2018/19 Budget Total Revenue \$	2017/18 Actual Total Revenue \$
Differential general rate / general rate										
Gross rental valuations										
Residential	0.099197	133	1,182,116	117,262	898	118,161	117,933	0	117,933	114,075
Industrial	0.099197	13	116,376	11,544	0	11,544	12,748	0	12,748	11,677
Commercial	0.099197	28	447,448	44,386	0	44,386	45,239	0	45,239	42,885
Rural	0.099197	11	88,608	8,790	0	8,790	9,875	0	9,875	8,492
Unimproved valuations										
Rural	0.010385	349	176,324,500	1,831,130	5,551	1,836,681	1,833,677	500	1,834,177	1,766,280
Mining						0	827	0	827	
Sub-Total		534	178,159,048	2,013,112	6,449	2,019,560	2,020,299	500	2,020,799	1,943,409
Minimum payment	Minimum \$									
Gross rental valuations										
Residential	432.22	11	6,760	4,754	0	4,754	4,084	0	4,084	4,176
Industrial	432.22	5	9,736	2,161	0	2,161	1,389	0	1,389	2,088
Commercial	432.22	4	8,600	1,729	0	1,729	875	0	875	1,670
Rural	432.22	6	10,945	2,593	0	2,593	1,508	0	1,508	2,506
Unimproved valuations										
Rural	432.22	11	266,200	4,754	0	4,754	1,490	0	1,490	4,594
Mining	432.22	12	79,639	5,187	0	5,187	4,360	0	4,360	3,341
Sub-Total		49	381,880	21,179	0	21,179	13,706	0	13,706	18,375
		583	178,540,928	2,034,290	6,449	2,040,739	2,034,005	500	2,034,505	1,961,784
Discounts/concessions (refer Note 23(b))						(102,895)			(96,491)	(93,897)
Total amount raised from general rate						1,937,845			1,938,014	1,867,887
Ex-gratia rates						23,123			23,123	22,341
Totals						1,960,968			1,961,137	1,890,228

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.

23 RATING INFORMATION (Continued)

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

Rates Discounts

Rate or Fee Discount Granted	Discount	Discount	2019 Actual	2019 Budget	2018 Actual	Circumstances in which Discount is Granted
	%	\$	\$	\$	\$	
Early Payment Discount	5.00%	-	89,491	85,000	81,194	Full payment received by the due date
			89,491	85,000	81,194	

Waivers or Concessions

Rate or Fee and Charge to which the Waiver or Concession is Granted	Type	Discount	Discount	2019 Actual	2019 Budget	2018 Actual
		%	\$	\$	\$	\$
Kulin Retirement Homes	Waived	0.00%		9,594	9,594	9,269
Rates raised in error	Write-off	0.00%		3,777	1,847	3,369
Small balances	Write-off		<\$5	33	50	65
				13,404	11,491	12,703

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	Objects of the Waiver or Concession	Reasons for the Waiver or Concession
Kulin Retirement Homes	When requested by non-profit community groups		To ensure affordable housing is available to our senior citizens
Rates raised in error	When rates & penalties are raised incorrectly		To provide integrity to our rating function
Small balances	Balances of less than \$5		To ensure small balances do not incur penalty interest charges

23 RATING INFORMATION (Continued)

(c) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge	Instalment Plan Interest Rate	Unpaid Rates Interest Rate
		\$	%	%
Instalment One	28-Sep-18	0.00	0.00%	0.00%
Instalment One	28-Sep-18	0.00	0.055%	0.11%
Instalment Two	28-Jan-19	7.00	0.055%	0.11%
Instalment One	28-Sep-18	0.00	0.055%	0.11%
Instalment Two	28-Nov-18	7.00	0.055%	0.11%
Instalment Three	28-Jan-19	7.00	0.055%	0.11%
Instalment Four	28-Mar-19	7.00	0.055%	0.11%

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Interest on unpaid rates	7,411	8,000	10,684
Interest on instalment plan	1,253	1,000	1,538
Charges on instalment plan	658	700	595
	9,322	9,700	12,817

24. RATE SETTING STATEMENT INFORMATION

		2018/19 Budget	2018/19
	2018/19 (30 June 2019 Carried Forward)	(30 June 2019 Carried Forward)	(1 July 2018 Brought Forward)
Note	\$	\$	\$
(a) Non-cash amounts excluded from operating activities			
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .			
Adjustments to operating activities			
Less: Profit on asset disposals	11(a)	(66,241)	(40,000)
Movement in employee benefit provisions (non-current)		(18,762)	21,104
Add: Loss on disposal of assets	11(a)	65,472	32,050
Add: Assets written off	10(a)	24,739	0
Add: Depreciation on assets	11(b)	3,555,499	2,991,178
Non cash amounts excluded from operating activities		3,560,707	2,983,228
(b) Surplus/(deficit) after imposition of general rates			
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.			
Adjustments to net current assets			
Less: Reserves - restricted cash	3	(2,039,627)	(1,640,987)
Less: Non current assets held for sale		(1,491,000)	0
Add: Borrowings	14(a)	87,267	85,177
Total adjustments to net current assets		(3,443,360)	(1,555,810)
Net current assets used in the Rate Setting Statement			
Total current assets		6,091,322	2,333,628
Less: Total current liabilities		(886,260)	(713,273)
Less: Total adjustments to net current assets		(3,443,360)	(1,555,810)
Net current assets used in the Rate Setting Statement		1,761,701	64,545
			1,886,500

25. FINANCIAL RISK MANAGEMENT

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

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

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

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

(a) Interest rate risk

Cash and cash equivalents

The Shire's main interest rate risk arises from cash and cash equivalents with variable interest rates, which exposes the Shire to cash flow interest rate risk.

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

	Weighted Average Interest Rate	Carrying Amounts	Fixed Interest Rate	Variable Interest Rate	Non Interest Bearing
	%	\$	\$	\$	\$
2019					
Cash and cash equivalents	0.86%	2,094,467	362,168	819,131	913,168
Financial assets at amortised cost - term deposits	2.30%	2,190,978	2,190,978	0	0
2018					
Cash and cash equivalents	1.50%	4,338,821	2,073,816	753,140	1,511,865

Sensitivity

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

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

	2019	2018
	\$	\$
	8,191	7,531

* Holding all other variables constant

Borrowings

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

25. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Trade Receivables

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

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

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

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

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

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

	Current	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total
30 June 2019					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	0.00%
Gross carrying amount	27,516	12,522	9,759	16,803	66,600
Loss allowance	0	0	0	0	0

01 July 2018

Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	0
Gross carrying amount	57,906	20,898	11,716	11,641	102,161
Loss allowance	0	0	0	0	0

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

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
30 June 2019					
Sundry Receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	0.00%
Gross carrying amount	112,045	20,615	40	1,604	134,304
Loss allowance	0	0	0	0	0

01 July 2018

Sundry Receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	0
Gross carrying amount	48,885	4,961	3,677	5,607	63,130

25. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

Payables and borrowings

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

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

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
2019					
Payables*	414,314	0	0	414,314	414,314
Borrowings	125,449	501,797	878,146	1,505,392	1,251,498
	539,763	501,797	878,146	1,919,706	1,665,812
2018					
Payables*	270,225	0	0	270,225	270,225
Borrowings	125,449	501,797	1,003,595	1,630,841	1,336,675
	395,674	501,797	1,003,595	1,901,066	1,606,900

* Excludes GST payable to the Australian Taxation Office

26. TRUST FUNDS

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

	1 July 2018	Amounts Received	Amounts Paid	Reclassified as restricted cash	30 June 2019
	\$	\$	\$		\$
Housing Bonds	23,450	5,400	(6,890)	(21,960)	0
Rates Paid in Advance	15,486	1,914	(2,516)	(14,885)	0
Health Centre	2,177			(2,177)	0
Landcare Group	1,573			(1,573)	0
Trip Fund	19,640	20,811	(1,170)	(39,281)	0
Bush Fire	81			(81)	0
Kulin Softball Club	685			(685)	0
Camp Hart	801	675		(1,476)	0
FRC Court Resurfacing	1,500			(1,500)	0
Camp Kulin	1,000			(1,000)	0
Standpipe Cards	80			(80)	0
St John Ambulance	1,773			(1,773)	0
Kulin Hockey Club	12,557			(12,557)	0
	80,803	28,800	(10,576)	(99,028)	0

27. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

There were no events occurring after the end of the reporting period that require adjustments or disclosure to the financial report.

28. INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS

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

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

AASB 9 Financial instruments

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

The Shire applied AASB 9 prospectively, with an initial application date of 1 July 2018. The adoption of AASB 9 has resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. In accordance with AASB 9.7.2.15, the Shire has not restated the comparative information which continues to be reported under AASB 139. There were no adjustments to the retained surplus as a result of adopting AASB 9.

(a) Classification and measurement

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

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

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

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

- Investment in Kulin Bendigo Bank shares are classified as available for sale as at 30 June 2018 are designated as financial assets through profit and loss.

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

AASB 139 category	AASB 139 value \$	AASB 9 category amortised cost \$	Fair value through OCI \$	Fair value through P/L \$
Loans and receivables				
Trade and other receivables	189,228	189,228	0	0
Available for sale financial assets	5,000	0	0	5,000
	194,228	189,228	0	5,000

(b) Impairment

The adoption of AASB 9 has fundamentally changed the Shire's accounting for impairment losses for financial assets by replacing AASB 139's incurred loss approach with a forward-looking expected credit loss (ECL) approach. AASB 9 requires the Shire to recognise an allowance for ECLs for all financial assets not held at fair value through P/L. Upon adoption of AASB 9, the Shire has nil impairment of the Shire's rates and sundry receivables as at 1 July 2018

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

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

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

(a) Revenue from Contracts with Customers

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

The Shire is in the process of assessing the financial impact of the new standard.

(b) Leases

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

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

On adoption of AASB 16 *Leases* (issued February 2016), for leases which had previously been classified as an 'operating lease' when applying AASB 117, the Shire is not required to make any adjustments on transition for leases for which the underlying asset is of low value. Assets for which the fair value as at the date of acquisition is under \$5,000 are not recognised as an asset in accordance with Financial Management Regulation 17A (5).

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

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

The Shire is in the process of assessing the financial impact of the new standard.

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

(c) Income For Not-For-Profit Entities

The Shire will adopt AASB 1058 *Income for Not-for-Profit Entities* (issued December 2016) on 1 July 2019 which will result in changes in accounting policies. In accordance with the transition provisions AASB 1058, the Shire will adopt the new rules retrospectively with the cumulative effect of initially applying AASB 1058 recognised at 1 July 2019. Comparative information for prior reporting periods shall not be restated in accordance with AASB 1058 transition requirements.

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

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

The Shire is in the process of assessing the financial impact of the new standard.

30 CORRECTION OF ERROR

Assets of the joint venture arrangement with the Department of Housing had been incorrectly recognised at 100% of fair value during the revaluation of land & buildings which took place in 2014 and again in 2017. The Shire of Kulin has a 20.45% equity in 19 Wright Street & 3 Bull Street and 30% equity in 25 Johnston Street. This has been corrected as at 01/07/2017.

Statement of Financial Position (Extract)	Previously Stated		30 June 2017
	30 June 2017	(Decrease)	(Restated)
	\$	\$	\$
Property, plant and equipment	29,251,272	(1,250,423)	28,000,849
Revaluation Reserve	(38,635,131)	1,250,423	37,384,708

The related overstatement of depreciation expenditure was not considered material and therefore adjusted in the curent year.

31 OTHER SIGNIFICANT ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

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

c) Rounding off figures

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

d) Comparative figures

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

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

e) Budget comparative figures

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

f) Superannuation

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

g) Fair value of assets and liabilities

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

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

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

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

h) Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

i) Impairment of assets

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

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

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

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

32. ACTIVITIES/PROGRAMS

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

PROGRAM NAME AND OBJECTIVES	ACTIVITIES
GOVERNANCE To provide a decision making process for the efficient allocation of scarce resources.	Includes the activities of members of council and the administrative support available to the council for the provision of governance of the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific council services.
GENERAL PURPOSE FUNDING To collect revenue to allow for the provision of services.	Rates, general purpose government grants and interest revenue.
LAW, ORDER, PUBLIC SAFETY To provide services to help ensure a safer and environmentally conscious community.	Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services.
HEALTH To provide an operational framework for environmental and community health.	Inspection of food outlets and their control, provision of meat inspection services, noise control and waste disposal compliance.
EDUCATION AND WELFARE To provide services to disadvantaged persons, the elderly, children and youth	Maintenance of child minding centre, playgroup centre, senior citizen centre and aged care centre. Provision and maintenance of home and community care programs and youth services.
HOUSING To provide and maintain general and elderly residents housing.	Provision and maintenance of elderly residents housing.
COMMUNITY AMENITIES To provide services required by the community.	Rubbish collection services, operation of rubbish disposal sites, litter control, construction and maintenance of urban storm water drains, protection of the environment and administration of town planning schemes, cemetery and public conveniences.
RECREATION AND CULTURE To establish and effectively manage infrastructure and resource which will help the social well being of the community.	Maintenance of public halls, civic centres, aquatic centre, beaches, recreation centres and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of library, museum and other cultural facilities.
TRANSPORT To provide safe, effective and efficient transport services to the community	Construction and maintenance of roads, streets, footpaths, depots, cycleways, parking facilities and traffic control. Cleaning of streets and maintenance of street trees, street lighting etc.
ECONOMIC SERVICES To help promote the shire and its economic wellbeing.	Tourism and area promotion including the maintenance and operation of a caravan park. Provision of rural services including weed control, vermin control and standpipes. Building Control.
OTHER PROPERTY AND SERVICES To monitor and control council's overheads operating accounts.	Private works operation, plant repair and operation costs and engineering operation costs.

33. FINANCIAL RATIOS

	2019 Actual	2018 Actual	2017 Actual
Current ratio	5.24	3.30	3.84
Asset consumption ratio	0.69	0.70	0.68
Asset sustainability ratio	0.60	0.74	1.38
Debt service cover ratio	14.47	6.84	8.66
Operating surplus ratio	(0.41)	(0.46)	(0.13)
Own source revenue coverage ratio	0.48	0.48	0.44

The above ratios are calculated as follows:

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

INDEPENDENT AUDITOR'S REPORT

To the Councillors of the Shire of Kulin

Report on the Audit of the Financial Report

Opinion

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

In my opinion the annual financial report of the Shire of Kulin:

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

Basis for Opinion

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

Emphasis of Matter – Basis of Accounting

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

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

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

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

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

Auditor's Responsibility for the Audit of the Financial Report

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

- (i) In my opinion, the following material matters indicate significant adverse trends in the financial position of the Shire:

- a. The Asset Sustainability Ratio for current year and last year being below the Department of Local Government, Sport and Cultural Industries standard, and the current year is below last year; and
 - b. The Operating surplus ratio has been below the Department of Local Government, Sports and Cultural Industries standard for the past three years.
- The financial ratios are reported in Note 33 of the financial report.
- (ii) The following material matters indicating non-compliance with Part 6 of the *Local Government Act 1995*, the Local Government (Financial Management) Regulations 1996 or applicable financial controls of any other written law were identified during the course of my audit:
 - a. The Shire has not reported the Asset Renewal Funding Ratio for 2019, 2018 and 2017 in the annual financial report as required by section 50(1)(c) of the Local Government (Financial Management) Regulations 1996, as management considered the available information on planned capital renewals and required capital expenditure is not updated.
 - (iii) All required information and explanations were obtained by me.
 - (iv) All audit procedures were satisfactorily completed.
 - (v) In my opinion, the asset consumption ratio included in the annual financial report was supported by verifiable information and reasonable assumptions.

Other Matter

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

Matters Relating to the Electronic Publication of the Audited Financial Report

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

DON CUNNINGHAME
ASSISTANT AUDITOR GENERAL FINANCIAL AUDIT
FOR WESTERN AUSTRALIA
Delegate of the Auditor General for Western Australia
Perth, Western Australia
April 2020



Kulin - Compliance Audit Return 2019

Certified Copy of Return

Please submit a signed copy to the Director General of the Department of Local Government, Sport and Cultural Industries together with a copy of section of relevant minutes.

Commercial Enterprises by Local Governments					
No	Reference	Question	Response	Comments	Respondent
1	s3.59(2)(a)(b)(c) F&G Reg 7,9	Has the local government prepared a business plan for each major trading undertaking in 2019?	N/A		Garrick Yandle
2	s3.59(2)(a)(b)(c) F&G Reg 7,10	Has the local government prepared a business plan for each major land transaction that was not exempt in 2019?	N/A		Garrick Yandle
3	s3.59(2)(a)(b)(c) F&G Reg 7,10	Has the local government prepared a business plan before entering into each land transaction that was preparatory to entry into a major land transaction in 2019?	N/A		Garrick Yandle
4	s3.59(4)	Has the local government complied with public notice and publishing requirements of each proposal to commence a major trading undertaking or enter into a major land transaction for 2019?	N/A		Garrick Yandle
5	s3.59(5)	Did the Council, during 2019, resolve to proceed with each major land transaction or trading undertaking by absolute majority?	N/A		Garrick Yandle



Delegation of Power / Duty					
No	Reference	Question	Response	Comments	Respondent
1	s5.16, 5.17, 5.18	Were all delegations to committees resolved by absolute majority?	Yes		Garrick Yandle
2	s5.16, 5.17, 5.18	Were all delegations to committees in writing?	Yes		Garrick Yandle
3	s5.16, 5.17, 5.18	Were all delegations to committees within the limits specified in section 5.17?	Yes		Garrick Yandle
4	s5.16, 5.17, 5.18	Were all delegations to committees recorded in a register of delegations?	Yes		Garrick Yandle
5	s5.18	Has Council reviewed delegations to its committees in the 2018/2019 financial year?	Yes	May 2019 Council Meeting	Garrick Yandle
6	s5.42(1),5.43 Admin Reg 18G	Did the powers and duties of the Council delegated to the CEO exclude those as listed in section 5.43 of the Act?	Yes		Garrick Yandle
7	s5.42(1)(2) Admin Reg 18G	Were all delegations to the CEO resolved by an absolute majority?	Yes		Garrick Yandle
8	s5.42(1)(2) Admin Reg 18G	Were all delegations to the CEO in writing?	Yes		Garrick Yandle
9	s5.44(2)	Were all delegations by the CEO to any employee in writing?	Yes		Garrick Yandle
10	s5.45(1)(b)	Were all decisions by the Council to amend or revoke a delegation made by absolute majority?	Yes		Garrick Yandle
11	s5.46(1)	Has the CEO kept a register of all delegations made under the Act to him and to other employees?	Yes	Reported to Council at each Council Meeting.	Garrick Yandle
12	s5.46(2)	Were all delegations made under Division 4 of Part 5 of the Act reviewed by the delegator at least once during the 2018/2019 financial year?	Yes		Garrick Yandle
13	s5.46(3) Admin Reg 19	Did all persons exercising a delegated power or duty under the Act keep, on all occasions, a written record as required?	Yes	Reported to Council at each Council Meeting.	Garrick Yandle

Disclosure of Interest					
No	Reference	Question	Response	Comments	Respondent
1	s5.67	If a member disclosed an interest, did he/she ensure that they did not remain present to participate in any discussion or decision-making procedure relating to the matter in which the interest was disclosed (not including participation approvals granted under s5.68)?	Yes		Garrick Yandle
2	s5.68(2)	Were all decisions made under section 5.68(1), and the extent of participation allowed, recorded in the minutes of Council and Committee meetings?	Yes		Garrick Yandle



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No	Reference	Question	Response	Comments	Respondent
3	s5.73	Were disclosures under section 5.65 or 5.70 recorded in the minutes of the meeting at which the disclosure was made?	Yes		Garrick Yandle
4	s5.73	Where the CEO had an interest relating to a gift under section 5.71A(1), was written notice given to the Council?	N/A		Garrick Yandle
5	s5.73	Where the CEO had an interest relating to a gift in a matter in respect of a report another employee is providing advice on under section 5.71A (3), was the nature of interest disclosed when the advice or report was provided?	N/A		Garrick Yandle
6	s5.75(1) Admin Reg 22 Form 2	Was a primary return lodged by all newly elected members within three months of their start day?	Yes		Garrick Yandle
7	s5.75(1) Admin Reg 22 Form 2	Was a primary return lodged by all newly designated employees within three months of their start day?	Yes		Garrick Yandle
8	s5.76(1) Admin Reg 23 Form 3	Was an annual return lodged by all continuing elected members by 31 August 2019?	Yes		Garrick Yandle
9	s5.76(1) Admin Reg 23 Form 3	Was an annual return lodged by all designated employees by 31 August 2019?	Yes		Garrick Yandle
10	s5.77	On receipt of a primary or annual return, did the CEO, (or the Mayor/ President in the case of the CEO's return) on all occasions, give written acknowledgment of having received the return?	Yes		Garrick Yandle
11	s5.88(1)(2) Admin Reg 28	Did the CEO keep a register of financial interests which contained the returns lodged under section 5.75 and 5.76?	Yes		Garrick Yandle
12	s5.88(1)(2) Admin Reg 28	Did the CEO keep a register of financial interests which contained a record of disclosures made under sections 5.65, 5.70 and 5.71, in the form prescribed in Administration Regulation 28?	Yes		Garrick Yandle
13	s5.89A Admin Reg 28A	Did the CEO keep a register of gifts which contained a record of disclosures made under section 5.71A, in the form prescribed in Administration Regulation 28A?	Yes		Garrick Yandle
14	s5.88 (3)	Has the CEO removed all returns from the register when a person ceased to be a person required to lodge a return under section 5.75 or 5.76?	Yes		Garrick Yandle
15	s5.88(4)	Have all returns lodged under section 5.75 or 5.76 and removed from the register, been kept for a period of at least five years, after the person who lodged the return ceased to be a council member or designated employee?	Yes		Garrick Yandle



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No	Reference	Question	Response	Comments	Respondent
16	s5.103 Admin Reg 34C & Rules of Conduct Reg 11	Where an elected member or an employee disclosed an interest in a matter discussed at a Council or committee meeting where there was a reasonable belief that the impartiality of the person having the interest would be adversely affected, was it recorded in the minutes?	N/A		Garrick Yandle
17	s5.70(2)	Where an employee had an interest in any matter in respect of which the employee provided advice or a report directly to the Council or a Committee, did that person disclose the nature of that interest when giving the advice or report?	N/A		Garrick Yandle
18	s5.70(3)	Where an employee disclosed an interest under s5.70(2), did that person also disclose the extent of that interest when required to do so by the Council or a Committee?	N/A		Garrick Yandle
19	s5.103(3) Admin Reg 34B	Has the CEO kept a register of all notifiable gifts received by Council members and employees?	Yes		Garrick Yandle

Disposal of Property

No	Reference	Question	Response	Comments	Respondent
1	s3.58(3)	Was local public notice given prior to disposal for any property not disposed of by public auction or tender (except where excluded by Section 3.58(5))?	Yes		Garrick Yandle
2	s3.58(4)	Where the local government disposed of property under section 3.58(3), did it provide details, as prescribed by section 3.58(4), in the required local public notice for each disposal of property?	Yes		Garrick Yandle

Elections

No	Reference	Question	Response	Comments	Respondent
1	Elect Reg 30G (1) (2)	Did the CEO establish and maintain an electoral gift register and ensure that all 'disclosure of gifts' forms completed by candidates and received by the CEO were placed on the electoral gift register at the time of receipt by the CEO and in a manner that clearly identifies and distinguishes the candidates?	Yes		Garrick Yandle
2	Elect Reg 30G(3) & (4)	Did the CEO remove any 'disclosure of gifts' forms relating to an unsuccessful candidate or a successful candidate that completed the term of office from the electoral gift register, and retain those forms separately for a period of at least 2 years?	N/A		Garrick Yandle



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Finance

No	Reference	Question	Response	Comments	Respondent
1	s7.1A	Has the local government established an audit committee and appointed members by absolute majority in accordance with section 7.1A of the Act?	Yes	Whole of Council Audit Committee	Garrick Yandle
2	s7.1B	Where a local government determined to delegate to its audit committee any powers or duties under Part 7 of the Act, did it do so by absolute majority?	Yes		Garrick Yandle
3	s7.3(1)	Was the person(s) appointed by the local government under s7.3(1) to be its auditor, a registered company auditor?	Yes	Office of Auditor General appointed.	Garrick Yandle
4	s7.3(1), 7.6(3)	Was the person or persons appointed by the local government to be its auditor, appointed by an absolute majority decision of Council?	Yes		Garrick Yandle
5	Audit Reg 10	Was the Auditor's report(s) for the financial year(s) ended 30 June received by the local government within 30 days of completion of the audit?	N/A	Audit not completed before 31 December 2019 by OAG.	Garrick Yandle
6	s7.9(1)	Was the Auditor's report for the financial year ended 30 June 2019 received by the local government by 31 December 2019?	No	Not released by OAG.	Garrick Yandle
7	S7.12A(3)	Where the local government determined that matters raised in the auditor's report prepared under s7.9 (1) of the Act required action to be taken, did the local government, ensure that appropriate action was undertaken in respect of those matters?	N/A		Garrick Yandle
8	S7.12A (4)	Where the auditor identified matters as significant in the auditor's report (prepared under s7.9(1) of the Act), did the local government prepare a report stating what action had been taken or it intended to take with respect to each of the matters and give a copy to the Minister within 3 months after receipt of the audit report?	N/A		Garrick Yandle
9	S7.12A (5)	Within 14 days after the local government gave a report to the Minister under s7.12A(4)(b), did the CEO publish a copy of the report on the local government's official website?	N/A		Garrick Yandle
10	Audit Reg 7	Did the agreement between the local government and its auditor include the objectives of the audit?	Yes		Garrick Yandle
11	Audit Reg 7	Did the agreement between the local government and its auditor include the scope of the audit?	Yes		Garrick Yandle



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No	Reference	Question	Response	Comments	Respondent
12	Audit Reg 7	Did the agreement between the local government and its auditor include a plan for the audit?	Yes		Garrick Yandle
13	Audit Reg 7	Did the agreement between the local government and its auditor include details of the remuneration and expenses to be paid to the auditor?	Yes		Garrick Yandle
14	Audit Reg 7	Did the agreement between the local government and its auditor include the method to be used by the local government to communicate with, and supply information to, the auditor?	Yes		Garrick Yandle

Integrated Planning and Reporting

No	Reference	Question	Response	Comments	Respondent
1	s5.56 Admin Reg 19DA (6)	Has the local government adopted a Corporate Business Plan. If Yes, please provide adoption date of the most recent Plan in Comments?	Yes	June 2019	Garrick Yandle
2	s5.56 Admin Reg 19DA (4)	Has the local government reviewed the Corporate Business Plan in the 2018-2019 Financial Year. If Yes, please provide date of Council meeting the review was adopted at?	Yes	June 2019	Garrick Yandle
3	s5.56 Admin Reg 19C	Has the local government adopted a Strategic Community Plan. If Yes, please provide adoption date of the most recent Plan in Comments?	Yes	June 2019	Garrick Yandle
4	s5.56 Admin Reg 19C (4)	Has the local government reviewed the current Strategic Community Plan. If Yes, please provide date of most recent review by Council in Comments. Note: If the current Strategic Community Plan was adopted after 1/1/2016, please respond N/A and provide adoption date in Comments?	N/A	June 2019	Garrick Yandle
5	S5.56 Admin Reg 19DA (3)	Has the local government developed an Asset Management Plan(s) that covers all asset classes. If Yes, please provide the date of the most recent Plan adopted by Council in Comments?	Yes	December 2019	Garrick Yandle
6	S5.56 Admin Reg 19DA (3)	Has the local government developed a Long Term Financial Plan. If Yes, please provide the adoption date of the most recent Plan in Comments?	Yes	June 2013	Garrick Yandle
7	S5.56 Admin Reg 19DA (3)	Has the local government developed a Workforce Plan. If Yes, please provide adoption date of the most recent Plan in comments?	Yes	June 2013	Garrick Yandle



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Local Government Employees					
No	Reference	Question	Response	Comments	Respondent
1	Admin Reg 18C	Did the local government approve the process to be used for the selection and appointment of the CEO before the position of CEO was advertised?	Yes		Garrick Yandle
2	s5.36(4) s5.37(3), Admin Reg 18A	Were all vacancies for the position of CEO and other designated senior employees advertised and did the advertising comply with s.5.36(4), 5.37(3) and Admin Reg 18A?	Yes		Garrick Yandle
3	Admin Reg 18F	Was the remuneration and other benefits paid to a CEO on appointment the same remuneration and benefits advertised for the position of CEO under section 5.36(4)?	Yes		Garrick Yandle
4	Admin Regs 18E	Did the local government ensure checks were carried out to confirm that the information in an application for employment was true (applicable to CEO only)?	Yes		Garrick Yandle
5	s5.37(2)	Did the CEO inform Council of each proposal to employ or dismiss a designated senior employee?	N/A		Garrick Yandle



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Official Conduct					
No	Reference	Question	Response	Comments	Respondent
1	s5.120	Where the CEO is not the complaints officer, has the local government designated a senior employee, as defined under s5.37, to be its complaints officer?	Yes		Garrick Yandle
2	s5.121(1)	Has the complaints officer for the local government maintained a register of complaints which records all complaints that result in action under s5.110(6)(b) or (c)?	Yes		Garrick Yandle
3	s5.121(2)(a)	Does the complaints register maintained by the complaints officer include provision for recording of the name of the council member about whom the complaint is made?	Yes		Garrick Yandle
4	s5.121(2)(b)	Does the complaints register maintained by the complaints officer include provision for recording the name of the person who makes the complaint?	Yes		Garrick Yandle
5	s5.121(2)(c)	Does the complaints register maintained by the complaints officer include provision for recording a description of the minor breach that the standards panel finds has occurred?	Yes		Garrick Yandle
6	s5.121(2)(d)	Does the complaints register maintained by the complaints officer include the provision to record details of the action taken under s5.110(6)(b) or (c)?	Yes		Garrick Yandle



Optional Questions

No	Reference	Question	Response	Comments	Respondent
1	Financial Management Reg 5 (2)(c)	Did the CEO review the appropriateness and effectiveness of the local government's financial management systems and procedures in accordance with Local Government (Financial Management) Regulation 5 (2)(c) within the 3 years prior to 31 December 2019? If yes, please provide date of Council resolution in comments?	No		Garrick Yandle
2	Audit Reg 17	Did the CEO review the appropriateness and effectiveness of the local government's systems and procedures in relation to risk management, internal control and legislative compliance in accordance with Local Government (Audit) Regulation 17 within the 3 years prior to 31 December 2019? If yes, please provide date of Council resolution in comments?	Yes	Council Meeting June 2019.	Garrick Yandle
3	Financial Management Reg 5A.	Did the local government provide AASB 124 related party information in its annual report(s) tabled at an electors meeting(s) during calendar year 2019?	N/A		Garrick Yandle
4	S6.4(3)	Did the local government submit to its auditor by 30 September 2019 the balanced accounts and annual financial report for the year ending 30 June 2019?	Yes		Garrick Yandle

Tenders for Providing Goods and Services

No	Reference	Question	Response	Comments	Respondent
1	s3.57 F&G Reg 11	Did the local government invite tenders on all occasions (before entering into contracts for the supply of goods or services) where the consideration under the contract was, or was expected to be, worth more than the consideration stated in Regulation 11(1) of the Local Government (Functions & General) Regulations (Subject to Functions and General Regulation 11(2))?	Yes		Garrick Yandle
2	F&G Reg 12	Did the local government comply with F&G Reg 12 when deciding to enter into multiple contracts rather than inviting tenders for a single contract?	N/A		Garrick Yandle
3	F&G Reg 14(1) & (3)	Did the local government invite tenders via Statewide public notice?	Yes		Garrick Yandle
4	F&G Reg 14 & 15	Did the local government's advertising and tender documentation comply with F&G Regs 14, 15 & 16?	Yes		Garrick Yandle



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No	Reference	Question	Response	Comments	Respondent
5	F&G Reg 14(5)	If the local government sought to vary the information supplied to tenderers, was every reasonable step taken to give each person who sought copies of the tender documents or each acceptable tenderer, notice of the variation?	Yes		Garrick Yandle
6	F&G Reg 16	Did the local government's procedure for receiving and opening tenders comply with the requirements of F&G Reg 16?	Yes		Garrick Yandle
7	F&G Reg 18(1)	Did the local government reject the tenders that were not submitted at the place, and within the time specified in the invitation to tender?	Yes		Garrick Yandle
8	F&G Reg 18 (4)	In relation to the tenders that were not rejected, did the local government assess which tender to accept and which tender was most advantageous to the local government to accept, by means of written evaluation criteria?	Yes		Garrick Yandle
9	F&G Reg 17	Did the information recorded in the local government's tender register comply with the requirements of F&G Reg 17 and did the CEO make the tenders register available for public inspection?	Yes		Garrick Yandle
10	F&G Reg 19	Did the CEO give each tenderer written notice advising particulars of the successful tender or advising that no tender was accepted?	Yes		Garrick Yandle
11	F&G Reg 21 & 22	Did the local governments advertising and expression of interest documentation comply with the requirements of F&G Regs 21 and 22?	Yes		Garrick Yandle
12	F&G Reg 23(1)	Did the local government reject the expressions of interest that were not submitted at the place and within the time specified in the notice?	Yes		Garrick Yandle
13	F&G Reg 23(4)	After the local government considered expressions of interest, did the CEO list each person considered capable of satisfactorily supplying goods or services?	Yes		Garrick Yandle
14	F&G Reg 24	Did the CEO give each person who submitted an expression of interest, a notice in writing in accordance with Functions & General Regulation 24?	Yes		Garrick Yandle
15	F&G Reg 24AC (1) & (2)	Has the local government established a policy on procurement of goods and services from pre-qualified suppliers in accordance with the regulations?	No		Garrick Yandle
16	F&G Reg 24AD(2)	Did the local government invite applicants for a panel of pre-qualified suppliers via Statewide public notice?	N/A		Garrick Yandle
17	F&G Reg 24AD(4) & 24AE	Did the local government's advertising and panel documentation comply with F&G Regs 24AD(4) & 24AE?	N/A		Garrick Yandle



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No	Reference	Question	Response	Comments	Respondent
18	F&G Reg 24AF	Did the local government's procedure for receiving and opening applications to join a panel of pre-qualified suppliers comply with the requirements of F&G Reg 16 as if the reference in that regulation to a tender were a reference to a panel application?	N/A		Garrick Yandle
19	F&G Reg 24AD(6)	If the local government sought to vary the information supplied to the panel, was every reasonable step taken to give each person who sought detailed information about the proposed panel or each person who submitted an application, given notice of the variation?	N/A		Garrick Yandle
20	F&G Reg 24AH(1)	Did the local government reject the applications to join a panel of pre-qualified suppliers that were not submitted at the place, and within the time specified in the invitation for applications?	N/A		Garrick Yandle
21	F&G Reg 24AH(3)	In relation to the applications that were not rejected, did the local government assess which application (s) to accept and which application(s) were most advantageous to the local government to accept, by means of written evaluation criteria?	N/A		Garrick Yandle
22	F&G Reg 24AG	Did the information recorded in the local government's tender register about panels of pre-qualified suppliers, comply with the requirements of F&G Reg 24AG?	N/A		Garrick Yandle
23	F&G Reg 24AI	Did the CEO send each person who submitted an application, written notice advising if the person's application was accepted and they are to be part of a panel of pre-qualified suppliers, or, that the application was not accepted?	N/A		Garrick Yandle
24	F&G Reg 24E	Where the local government gave a regional price preference, did the local government comply with the requirements of F&G Reg 24E including the preparation of a regional price preference policy?	Yes		Garrick Yandle
25	F&G Reg 24F	Did the local government comply with the requirements of F&G Reg 24F in relation to an adopted regional price preference policy?	Yes		Garrick Yandle
26	F&G Reg 11A	Does the local government have a current purchasing policy that comply with F&G Reg 11A(3) in relation to contracts for other persons to supply goods or services where the consideration under the contract is, or is expected to be, \$150,000 or less?	Yes		Garrick Yandle



No	Reference	Question	Response	Comments	Respondent
27	F&G Reg 11A	Did the local government comply with it's current purchasing policy in relation to the supply of goods or services where the consideration under the contract is, or is expected to be \$150,000 or less or worth \$150,000 or less?	Yes		Garrick Yandle

I certify this Compliance Audit return has been adopted by Council at its meeting on _____

Signed Mayor / President, Kulin

Signed CEO, Kulin