

SHIRE OF



# ANNUAL REPORT 2018 - 2019



*Strengthening our community now to grow and prosper into the future*

[www.corrigin.wa.gov.au](http://www.corrigin.wa.gov.au)

## Introduction to Shire of Corrigin

The Shire of Corrigin is located in the Roe Region of Western Australia’s Wheatbelt approximately 2.5 hours drive east of Perth.

Corrigin is a vibrant country community founded on broad acre farming.

Corrigin provides a range of services to meet the community’s needs including education, health, recreation facilities and affordable land and housing.

Shire of Corrigin Statistics	
Distance from Perth	234 km
Area	3,095 square km
Length of Seal Roads	337 km
Length of Unsealed Roads	729 km
Population	1,146 (Source: ABS 2016 Census)
Number of Electors	815
Number of Dwellings	558 (Source: ABS 2016 Census)
Total Rates Levied	\$2,529,079
Total Revenue	\$5,788,257
Number of Employees	30 FTE



This document is available in other formats on request.

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## President's Report

I am pleased to be bringing you my 10<sup>th</sup> and final Annual Report, concerning financial year 2018-2019.

This year, we said goodbye to two important and long serving members of staff with the retirement of Alan Johns and the resignation of Ben Hewett. We also said farewell to Julia Baker and Ashlee Hughes from the administration team, who, although they hadn't been with us very long, gave the Shire good service.

During the year a new Enterprise Agreement was endorsed by staff and submitted to the Fair Work Commission where it was sanctioned, to take effect on 1 July 2019.

Much of our work in this financial year has focused on the continuing repairs to road infrastructure damaged in 2017's major storm event. While most of the work was done by contractors, it did have an impact on our workforce with co-ordination required so that our own work did not get in the way of the WA Natural Disaster Relief and Recovery Arrangements (WANDRRA) work, and vice versa. The WANDRRA works were completed by the end of the financial year, within the allowable timeframe.

This year Council reviewed and adopted some revised plans: The Strategic Community Plan 2017-2021 and the Corporate Business plan and its underlying documents such as the Long Term Financial Plan. These plans ensure that Council's long term strategy is affordable and that Community priorities are realised.

Council also adopted the Incident Management and Business Continuity Response Plan and Procedures Manual as part of the Shire's overall management of risk. The plan and procedures are an important tool in assisting the Shire to recover from situations that may arise, ensuring that decisions are made quickly while minimising financial, environmental and reputational impacts.

Council continues to participate in our regional groupings. RoeROC provides waste services to the Shires of Kulin, Kondinin and Narembreen through the Bendinger Waste Facility, and Roe Health provides environmental health services to those Local Governments and also to the Shire of Lake Grace. The Shire of Corrigin employs the Environmental Health Officers and runs the financials for both entities. During the year the Memoranda of Understanding for both of these groups were reviewed and endorsed by Council.

We are also members of Wheatbelt South Regional Road Group which is a significant source of road funding for the Shire of Corrigin. The Wheatbelt Regional Road Groups have been working on the Wheatbelt Secondary Freight Network project, which will upgrade routes of local roads to enhance connectivity and direct heavy traffic onto State roads. This is a long term project which will require significant Federal and State funding. Corrigin has some 10 km of roads in the priority list.

Council continues to support our aged residents through ongoing involvement in the Wheatbelt South Aged Housing Alliance. We are still hopeful of receiving funding towards the construction of two Independent Living Units.

In March, eleven Corrigin families hosted first and second year medical students from the University of Notre Dame and Curtin University medical schools in the Medical Student Immersion



Programme. This programme is designed to introduce medical students to country life so that they may consider taking up rural practice in the future.

My thanks to the CEO, Natalie Manton, and the entire staff of the Shire for their commitment to our community, and also to my fellow Councillors who endeavor to make prudent and sustainable decisions to take us into the future.

**Cr Lynette Baker**  
**President**



## Chief Executive Officer's Report

It is my pleasure to present the 2018/19 Annual Report to the residents and ratepayers of the Shire of Corrigin.

The Shire of Corrigin administration and works staff continue to work hard to deliver quality services and facilities to the Corrigin community.

The 2018/19 annual financial report was audited under the supervision of the Office of the Auditor General (OAG) for the first time. Moore Stephens continued to work with the Shire of Corrigin to complete the audit on behalf of the OAG. Thank you to Catherine Ospina Godoy and the finance team for making the audit process run as smoothly as possible. It was pleasing to see that there were no significant adverse findings from the comprehensive independent financial and risk management audits conducted during the year.

The final payment of the loan for the land subdivision at Granite Rise was paid during 2018/19. The Shire of Corrigin has one remaining loan with a balance of \$1.7million for the Recreation and Events Centre.

During the year we welcomed Gerry Smith, Kirsten Biglin and Emma Shaw to the administration team. Despite having no prior experience in local government these new members of the team have learnt so much in the time they have been with us and will be a great asset to the Shire of Corrigin and local government sector. We wished Julia, Ashleigh and Anita well in their new careers and congratulated Catherine as she announced that she would be taking maternity leave later in the year. The Deputy CEO position was advertised in June 2019 and will hopefully be filled early in the new financial year.

Heather Ives and the team continued to deliver highly valued customer services, library and visitors centre at the Community Resource Centre (CRC) during the year. The End of Year Park Party was a great success and received many positive comments on the change from the street party to Apex Park. Both Pippa Davey and Tayla Smith, our CRC trainee, have enrolled in TAFE studies to boost their knowledge and skills which has been a great benefit to our CRC, library and tourism services.

The works team, ably led by Mr Greg Tomlinson, focused their efforts in 2018/19 on delivering a large road construction program. The works staff are to be congratulated for completing the various road and footpath projects on time and on budget. The task was made especially difficult with several long serving staff members taking some well-earned annual leave.

Our longest serving staff member, Mr Alan Johns, retired from the Shire of Corrigin after 39 years of service. Mr Raymond Vernon also retired from the works team and sadly passed away not long after his farewell. We welcomed Phillip Hovell and Stephen Atkinson to assist the team.

Towards the end of the financial year the Council and staff, along with specialist consultants, worked together to develop a comprehensive 10 year road program to guide road works over the next decade. The program is based on current road condition, traffic volumes and available funds.

Work continued during 2018/19 on repairing the damage to roads, floodways and culverts resulting from the significant rainfall event and flooding in January/February 2017. The field work was completed on the WA Natural Disaster Relief and Recovery Assistance (WANDRRA) project in April 2019 with final reports and photos to be finalised by the end of the year. A total of \$6m was spent over the life of this project in the Shire of Corrigin and we are grateful to Core Business and Red Dust Holdings for their assistance.

The defects in the roof panels and water leaks at the Corrigin Recreation and Events Centre remained unresolved during the 2018/19 financial year and the matter is the subject of ongoing dispute between the builder and manufacturer of the roof panels. We look forward a resolution in the near future.

I would like to extend my appreciation to all elected members and particularly the Shire President Cr Lyn Baker for their support over the past year. Cr Baker will retire at the elections in October 2019 and we thank her for her years of service and wish her well.

I look forward to exciting and new projects planned for the future to ensure that Corrigin continues to be a thriving country community.

**Natalie Manton**  
**Chief Executive Officer**



## Councillors



**Lynette Baker**  
**PRESIDENT**

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**Term Expiry: 2019**

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**Des Hickey**  
**DEPUTY PRESIDENT**

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**Michael Weguelin**  
**COUNCILLOR**

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**Term Expiry: 2019**

## Management Team



**Mrs Natalie Manton**  
**CHIEF EXECUTIVE OFFICER**



**Miss Catherine Ospina- Godoy**  
**MANAGER FINANCE**



**Mr Greg Tomlinson**  
**MANAGER WORKS AND SERVICES**

## ***Corrigin – strengthening our community now, to grow and prosper into the future***

The Shire of Corrigin comprises a diverse range of people, communities and landscapes. The vision captures the diversity of the area and has been developed with a range of input received through the community engagement process. It reflects clear community aspirations for the ten-year period of the Strategic Community Plan.



## Strategic Community Plan

The Strategic Community Plan 2017 – 2027 was reviewed during 2018/19 to ensure that it remains relevant and provides guidance on the strategic direction for the delivery of services to the Corrigin community for the next few years.

## Integrated Planning and Reporting Framework

All Western Australian local governments are required to prepare a Plan for the Future for their district under Section 5.56(1) of the Local Government Act 1995. The Plan for the Future comprises the following two key strategic documents, which a local government is required to have regard for when forming its annual budget.

**Strategic Community Plan** – The 10-year strategy and planning tool for the shire. It is the principle guiding document for the remainder of the Shire’s strategic planning as community engagement is central to this Strategic Community Plan.

**Corporate Business Plan** – The core components of this Corporate Business Plan include a four year delivery program, aligned to the Strategic Community Plan and accompanied by financial projections.

Development of the Strategic Community Plan and Corporate Business Plan was undertaken in accordance with the Integrated Planning and Reporting Framework and Guidelines. An essential element of the Integrated Planning and Reporting process is to enable community members and stakeholders to participate in shaping the future of the community and in identifying issues and solutions. It is designed to articulate the community’s vision, aspirations, outcomes and priorities for the future of the district.

Importantly, the Strategic Community Plan and Corporate Business Plan are informed by several other key plans and processes. The connection between the community and the Shire’s Strategic plan, annual budget and corporate documents developed to guide the Shire in delivering services to the community are shown in the diagram below. The term of each key plan is shown in the blue circles.

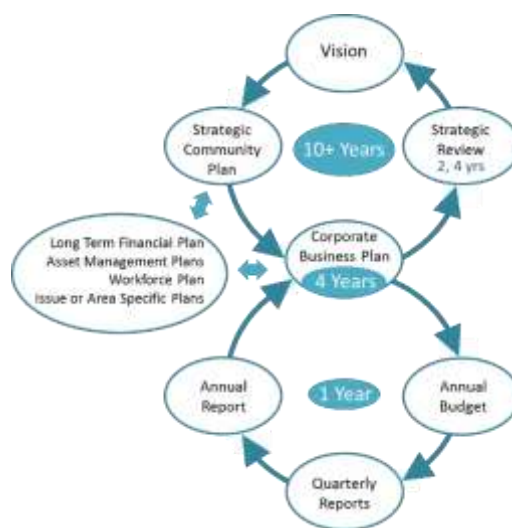


Diagram: Integrated Planning and Reporting Cycle<sup>2</sup>

1 Local Government (Administration) Regulations 1996, Paragraph 19BA.

2 Department of Local Government and Communities, Integrated Planning and Reporting: Framework and Guidelines, September 2016.

## How the Strategic Community Plan will be used

The Strategic Community Plan outlines how the Shire will work towards a brighter future for the Shire of Corrigin community as it seeks to achieve its vision inspired by the community's aspirations. The Strategic Community Plan will influence how the Shire uses its resource to deliver services to the community and forms the primary driver for all other planning undertaken by the Shire.

The Shire of Corrigin intends to use the Strategic Community Plan in several ways, including:

- Guide Council priority setting and decision making;
- Be a mechanism for the ongoing integration of local planning initiatives;
- Inform the decision making of other agencies and organisations, including community and State Government;
- Provide a rationale to pursue grants and other resources by demonstrating how specific projects align with the aspirations of our community, within the strategic direction of the Shire;
- Inform potential investors and developers of our community's key priorities, and the way we intend to grow and develop;
- Engage local businesses, community groups and residents in various ways to contribute to the Shire's future; and
- Provide a framework for monitoring progress against our vision.

The strategies are prioritised and actions are identified through the development of a Corporate Business Plan after consideration of the available resources. Strategic performance indicators are used to report back to the community on the Shire's performance in achieving the outcomes.



## Strategic Community Plan 2018/19 – Progress

The progress on the Strategic Community Plan are outlined as follows:

### Economic – A Strong, diverse economy supporting agricultural, local business and attracting new industry.

Outcome 1.1 – A well planned and connected transport and communication network within the district				
Strategic Community Plan		Corporate Business Plan		
Outcome	Strategies	Action No.	Actions	Progress / Status
1.1.1	Develop and implement road asset management plans.	1.1.1.1	Develop a road asset management plan including network hierarchy and service levels.	A plan draft plan was considered by Council and adopted in 2019/20.
		1.1.1.2	Develop a footpath management plan, including hierarchy and service levels.	Collection of footpath data has been completed to assist in development of a footpath management plan.
		1.1.1.3	Road asset management plan and footpath management plan to be incorporated in the review and expansion of the Asset Management Plan (AMP).	Asset Management Plan was review in 2019.
		1.1.1.4	Road asset management plan and footpath management plan to the implemented through road works program.	Road Asset Management Plan was substantially completed in 2019 ready for adoption in 2019/20.
1.1.2	Maintain transport network in line with asset management plans.	1.1.2.1	Prepare and review an annual Road Works Program for a minimum of a 10 year period outlining future capital renewals, upgrades and expansions within Councils available funding aligned to asset management.	10 year Road Works Programs was developed as part of budget preparations in 2019.
		1.1.2.2	Prepare and review an annual Footpath Works Program for a minimum of a 4 year period outlining future capital renewals, upgrades and expansions within Councils available funding aligned to asset management plan.	Footpath management plan developed with annual funding allocation in 10 year program.
		1.1.2.3	Advocate for the Secondary Freight Project.	Supported Wheatbelt local governments in the Secondary Freight Project.

1.1.3	Lobby for improved telecommunications infrastructure to service district.	1.1.3.1	Advocate for improved telecommunications within the district by identifying and reporting 'black spots'.	Communicated blackspots to the Federal Government and local member of Parliament as well as reduced levels of coverage from existing towers.
		1.1.3.2	Advocate for improved communications infrastructure by lobbying stakeholders to meet the needs of the district.	Advocate for the upgrade of local exchanges and towers including battery backup during extended power outages.
<b>Outcome 1.2 – Adequate land availability for development</b>				
<b>Strategic Community Plan</b>		<b>Corporate Business Plan</b>		
<b>Outcome</b>	<b>Strategies</b>	<b>Action No.</b>	<b>Actions</b>	<b>Progress / Status</b>
1.2.1	Identify appropriate land available for development.	1.2.1.1	Identify appropriate land and provide the opportunity for additional industrial land and lifestyle lots to encourage the expansion of industrial and retail business, including a review of the Town Planning Scheme.	Encouraged and considered rezoning's/applications that encourage the expansion of industrial and retail business.
1.2.2	Review Local Town Planning Scheme.	1.2.2.1	Update the Shire of Corrigin Planning Scheme to allow increased residential density by changing classifications from R12.5 to R17.5.	Draft planning scheme amendment to review the residential density provisions in Corrigin was prepared and considered by Council mid-2017. The amendments were referred to the Minister for Planning for final approval.
		1.2.2.2	Provide, maintain and review Town Planning Scheme to support development along with orderly and proper planning.	To be addressed when Council reviews its Local Planning Scheme No. 2.

Outcome 1.3 – Well supported diverse industry and business				
Strategic Community Plan		Corporate Business Plan		
Outcome	Strategies	Action No.	Actions	Progress / Status
1.3.1	Develop and implement an Economic and Tourism Strategy for the district.	1.3.1.1	Develop an affordable Economic and Tourism Development Strategy for the District based on Regional Opportunities.	Economic and Tourism Strategy developed with community input.
		1.3.1.2	Implement Economic and Tourism Development Strategy.	Key strategies identified in the Economic and Tourism Development Strategy considered in the 2018/19 budget.
		1.3.1.3	Economic and Tourism Development strategies, programs and initiatives to be incorporated in Long Term Financial Plan and annual budgets.	Key strategies identified in the Economic and Tourism Development Strategy considered in the 2018/19 budget. Strategies incorporated within the Long Term Financial Plan.



**Environmental – An attractive natural and built environment for the benefit of current and future generations.**

Outcome 2.1 – A natural environment for the benefit and enjoyment of current and future generations				
Strategic Community Plan		Corporate Business Plan		
Outcome	Strategies	Action No.	Actions	Progress / Status
2.2.1	Manage the natural environment within available resources.	2.1.1.1	Develop a Natural Resource Management Plan, including the identification of unique natural resources.	Liaised with stakeholders regarding identification and management of wildflowers, roadside vegetation and rare plants.
		2.1.1.2	Natural Resources Management strategies, programs and initiatives to be incorporated in Long Term Financial Plan and annual budgets.	Natural Resources Management Plan currently under development.
		2.1.1.3	Implement Natural Resource Management Plan.	Natural Resources Management Plan not commenced.
		2.1.1.4	Provide adequate infrastructure which allows the enjoyment of Council's natural resources, including reserves, but does not cause harm to the area.	Provided infrastructure which allows the enjoyment of natural resources and protection of the assets
		2.1.1.5	Support the local agricultural section by lobbying stake holders to address local concerns and issues facing the industry now and into the future.	Supported Corrigin Farm Improvement Group.





Outcome 2.1 – A natural environment for the benefit and enjoyment of current and future generations				
Strategic Community Plan		Corporate Business Plan		
Outcome	Strategies	Action No.	Actions	Progress / Status
2.1.2	Provide effective and efficient waste management services.	2.1.2.1	Maintain an effective and efficient transfer station that allows for expansion and rehabilitation.	A well maintained and efficient waste transfer station was provided.
		2.1.2.2	Provide a suitable area for green waste disposal.	Green waste disposal facility was well maintained and new signage erected.
		2.1.2.3	Provide an effective and efficient recycling service, including the collection of glass and cardboard.	Fortnightly recycling service provided by Avon Waste.
		2.1.2.4	In Collaboration with neighboring local governments, maintain a waste disposal site that allows for expansion and rehabilitation.	In partnership with RoeROC Shire's, Council continues to operate a regional waste disposal facility that allows for both expansion and rehabilitation.
2.1.3	Collaborate with community groups to enhance the natural environment.	2.1.3.1	Identify environment educational programs and engage with suitable agencies for the delivery of such programs.	Continued interaction with the Corrigin District High School 'Bushrangers'.
		2.1.3.2	Work in collaboration with groups and organisations to deliver projects and programs that promote and protect the District's natural resource.	Worked in collaboration with Corrigin Farm Improvement Group and local residents.



<b>Outcome 2.2 – A well-managed built environment</b>				
<b>Strategic Community Plan</b>		<b>Corporate Business Plan</b>		
<b>Outcome</b>	<b>Strategies</b>	<b>Action No.</b>	<b>Actions</b>	<b>Progress / Status</b>
<b>2.2.1</b>	<b>Review and implement asset management plans within available resources.</b>	2.2.1.1	Assess Council's built environment current condition and establish future capital and maintenance requirements to meet required service levels.	Buildings were well maintained and work was completed on future capital works program in 2019.
		2.2.1.2	Maintain and review Asset Management Plans for Council's built environment.	10 year Asset Management Plan for buildings and swimming pool developed in 2019.
		2.2.1.3	Asset Management Plan for Council's built environment to be incorporated into Long Term Financial Plan.	Long Term Financial Plan adopted in September 2018 and included plans for building upgrade and renewals.
		2.2.1.4	Manage existing building and structures to ensure they are safe and comply with legislative requirements.	Building maintenance program provides for well-maintained facilities that are safe and comply with legislative requirements.
<b>2.2.2</b>	<b>Maintain the integrity of heritage buildings within available resources.</b>	2.2.2.1	Identify and update Municipal Heritage Inventory and Conservation Plans.	Draft Municipal Heritage Inventory report to be adopted by Council in 2020 following community consultation.
		2.2.2.2	Municipal Heritage Inventory and Conservation Plans to be identified and incorporated into Asset Management Plan and Long Term Financial Plan.	Plans were reviewed in 2018.
<b>2.2.3</b>	<b>Enhance and maintain out townscape.</b>	2.2.3.1	Manage and maintain the Council's parks, gardens and open space at appropriate service levels and standards.	Parks, gardens and open spaces were maintained to a high standard. Positive feedback from community was received.
		2.2.3.2	Manage and maintain Council's townscape infrastructure, both natural and built to enhance the appearance and services of the townscape within the district.	Townscape infrastructure was managed and maintained to a high standard.
		2.2.3.3	Townscape enhancement projects and initiatives incorporated in Long Term Financial Plan.	Townscape infrastructure included in Long Term Financial Plan.

**Social – An effectively serviced, inclusive and resilient community.**

<b>Outcome 3.1 – An inclusive, welcoming and active community</b>				
<b>Strategic Community Plan</b>		<b>Corporate Business Plan</b>		
<b>Outcome</b>	<b>Strategies</b>	<b>Action No.</b>	<b>Actions</b>	<b>Progress / Status</b>
3.1.1	<b>Work in partnership with community and sporting groups.</b>	3.1.1.1	Provide support in leadership and governance of local sports clubs and groups.	Supported CREC Advisory Committee and attended meetings. Commenced new lease agreements with sporting clubs.
		3.1.1.2	Assist sport and recreation clubs in accessing grant funding opportunities.	Provided information on funding opportunities via newsletters and community group network.
3.1.2	<b>Continue to provide infrastructure to support social wellbeing of the community.</b>	3.1.2.1	Provided well serviced and maintained infrastructure that can be utilised by the community for the provision of social and wellbeing activities in accordance with asset management plan.	Provided well-maintained infrastructure that enabled community social and well-being activities.
3.1.3	<b>Facilitate, encourage and support community events.</b>	3.1.3.1	Promote and support local events with emphases on events that promote visitation of the Shire.	Supported major local events financially and with staffing resources. Promoted major local events through its Facebook and Website.
		3.1.3.2	Engage and facilitate the community to encourage the establishment and continuation of local events.	Encouraged clubs and groups to undertake local events.



Outcome 3.1 – An inclusive, welcoming and active community				
Strategic Community Plan		Corporate Business Plan		
Outcome	Strategies	Action No.	Actions	Progress / Status
3.1.4	Collaborate with emergency service and community volunteers.	3.1.4.1	Engage with the community, in particular volunteers and volunteer organisations to establish how the community maintain sustainable volunteer services/roles within the community.	Ongoing involvement with the Bush Fire Brigades, and directly engage in the Museum, Tidy Towns, Senior Citizens, St John Ambulance and emergency service and community volunteers.
		3.1.4.2	Continue to lobby the key stakeholders to ensure the necessary support is provided for volunteer services who support Corrigin.	Lobbied federal and state politicians regarding aged care service providers and importance of telecommunications for emergency service volunteers. Supported Senior Citizens. Tidy Towns, Agricultural Society, Sporting Clubs, P & C speedway and many more community and volunteer organisations during the year.



Outcome 3.2 – A community for all ages				
Strategic Community Plan		Corporate Business Plan		
Outcome	Strategies	Action No.	Actions	Progress / Status
3.2.1	Implement Aged Friendly Community Plan	3.2.1.1	Undertake programs, strategies and initiatives from Aged Friendly Community Plan and incorporate them into the Asset Management Plans and Long Term Financial Plan.	Involvement with Wheatbelt South Aged Housing Alliance (WSAHA) to obtain funding to build aged housing units. Aged housing in long term financial plan.
		3.2.1.2	Services and facilities within the Shire provides for an aged friendly community.	Footpath program to provide better access for gophers. Local medical and dental services reduce need for travel for medical and dental appointments.
		3.2.1.3	Collaborate with key stakeholders for the provision of sustainable aged care facilities and services.	In partnership with a number of adjacent local governments the WSAHA Aged Housing Project has been progressing with the aim of securing funding for the aged accommodation for the district.
		3.2.1.4	Support current and future groups and organisations for the provision of aged care facilities and services within the district.	Attended meetings and provided support to Corrigin Senior Citizen's Committee, Kelpies and Wogolin House.
		3.2.1.5	Lobby stakeholders to ensure the necessary services to support aged care are accessible in Corrigin.	Met with local members of state and federal parliament as well as service providers regarding aged care services.



<b>Outcome 3.2 – A community for all ages</b>				
<b>Strategic Community Plan</b>		<b>Corporate Business Plan</b>		
<b>Outcome</b>	<b>Strategies</b>	<b>Action No.</b>	<b>Actions</b>	<b>Progress / Status</b>
3.2.2	<b>Collaborate with key stakeholders to encourage youth engagement.</b>	3.2.2.1	Collaborate with key stakeholders, including youth within the district to develop a youth strategy.	Council continues to support the local youth through ongoing liaison with the Corrigin District High School and Edna Stevenson scholarship.
		3.2.2.2	Implement Youth Strategy for the district.	Discussions with Corrigin District High School on tourism projects
		3.2.2.3	Promote opportunities for youth development, employment and activities.	School holiday programs were provided through CRC.
3.2.3	<b>Continue to support family services.</b>	3.2.3.1	Support current and future group and organisations for the provision of family facilities and services within the district.	Facilities and programs to increase involvement and engagement of the community such as Corrigin Recreation and Events Centre, day care and support to community and sporting groups.
3.2.4	<b>Ongoing support for the provision of health and associated services.</b>	3.2.4.1	Ensure that the residents have regular access to a medical practitioner and support the medical practitioner in the delivery of these services.	Support local medical practitioner to ensure the ongoing delivery of services. Participated in Rural Medical Student Immersion Program to encourage student doctors to consider a career in rural areas.
		3.2.4.2	Work with neighbouring local governments, key stakeholders to have a collaborative approach to the provision of medical and allied health services to the region.	Provision of Primary and Allied Health services to the community, including advocating with the state government and other key stakeholders for the improvement of health services to the district.
		3.2.4.3	Support the health services by lobbying stakeholders (to address local concerns and issues facing the industry now and into the future.	Advocating with state government and other key stakeholders for the improvement of health services to the district.
		3.2.4.4	Representation on key Boards and associations for the delivery of health services to the district.	Council is represented on the Corrigin Local Health Advisory Group, St John Ambulance and Rural Health West

## Leadership – Strong Governance and Leadership.

<b>Outcome 4.1 – A strategically focused dynamic council serving the Community</b>				
<b>Strategic Community Plan</b>		<b>Corporate Business Plan</b>		
<b>Outcome</b>	<b>Strategies</b>	<b>Action No.</b>	<b>Actions</b>	<b>Progress / Status</b>
4.1.1	<b>Provide leadership, communication and active engagement with the community.</b>	4.1.1.1	Elected members provide strategic leadership for the benefit of the community.	Reviewed Strategic Community Plan and Corporate Business Plan.
		4.1.1.2	Council is represented on key local organisations and provide feedback and advice to Council on their issues.	Elected members are represented on a number of key local organisations and attend meetings regularly.
		4.1.1.3	Develop and implement a community engagement strategy including community surveys, community reference groups and council representation on strategic community groups.	Reviewed its community engagement strategy as part of its review of the Community Strategic Plan.
		4.1.1.4	Provide a vibrant, up to date (contents and technology), user friendly website for both the Shire of Corrigin and CRC which proactively engages with residents.	Website has recently undergone an upgrade and utilises up to date technology and information.
		4.1.1.5	Use print, electronic and social media to inform residents of key decisions, options considered and any implications of decisions.	Updates the community on key decisions by the use of social media, electronic and print newsletters and on Council's website.
4.1.2	<b>Undertake strategic planning and ensure legislative compliance.</b>	4.1.2.1	Review Community Strategic Plan to ensure it remains aligned to the community's vision, aspirations and desired outcomes.	Community Strategic Plan was review in June 2019.
		4.1.2.2	Annual review of policies and Corporate Business Plan.	Corporate Business Plan was review in June 2019.
		4.1.2.3	Regular review of documents and Informing strategies, including Long Term Financial Plan, Asset Management Plan and Workforce Plan.	Council reviewed Workforce Plan, and Asset Management Plans in July 2019.
4.1.3	<b>Maintain accountability and financial responsibility to ensure the stability of the Shire.</b>	4.1.3.1	Council to maintain financial stability.	Financial Management systems and procedures are review monthly. Financial and Risk Management Review completed 2019.
		4.1.3.2	Regular reviews of Council's LTFP to ensure the long term financial stability of the Shire.	Long Term Financial Plan reviewed in September 2018.
		4.1.3.3	Provide Council adequate and appropriate financial information on a timely basis.	Council is provided with detailed financial reports each month.

<b>Outcome 4.2 – An effective and efficient organisation</b>				
<b>Strategic Community Plan</b>		<b>Corporate Business Plan</b>		
<b>Outcome</b>	<b>Strategies</b>	<b>Action No.</b>	<b>Actions</b>	<b>Progress / Status</b>
4.2.1	<b>Review and implement the Workforce Plan.</b>	4.2.1.1	Review and implement the Workforce Plan.	Council review the Workforce Plan in June 2018.
		4.2.1.2	Workforce Plan to have resource consideration to the objectives of the Strategic Community Plan and Corporate Business Plan.	Council reviewed the Workforce Plan in 2018.
		4.2.1.3	Workforce Plan strategies, programs and initiatives to be incorporated in LTFP and annual budgets.	Council review the Workforce Plan in 2018.
4.2.2	<b>Continue to improve operational efficiencies and provide effective services.</b>	4.2.2.1	Review delivery of services for operational and cost effective efficiencies.	Finance team and managers reviewed expenditure of key projects and services to identify savings.
		4.2.2.2	Set appropriate Fees and Charges for applicable services that promote the use of services and limits the reliance of rate funding.	Council reviewed the Fees and Charges during workshops prior to adoption in May 2019 for adoption in June.
4.2.3	<b>Maintain a strong customer focus.</b>	4.2.3.1	Review and implementation of Councils Customer Service Charter.	Customer Service Charter was reviewed in 2019.
		4.2.3.2	Provide a vibrant, up to date (contents and technology), user friendly website for both the Shire of Corrigin and CRC which proactively engages with residents.	Shire website recently upgraded and utilises up to date technology and information.
		4.2.3.3	Employ professional customer service workforce who have the required knowledge and training including the provision of adequate resources (intranet/policy / information on service etc.) to ensure a good standard of Customer Service	Staff across the Shire deliver a strong customer focus to the ratepayers and residents of Corrigin.
4.2.4	<b>Provide a positive and effective workplace.</b>	4.2.4.1	Develop and implement a workforce plan and appropriate human resource management policies and procedures to meet current and future workforce needs.	New Enterprise Agreement negotiated in July 2019.
		4.2.4.2	Provide a positive workplace that enables for the development and support of employees in delivering an effective and coherent workplace.	Encourage training and professional development to support existing loyal workforce. Social events provided opportunities for inside and outside staff to develop greater understanding of roles.



## Major Projects 2018/19



Shared Pathway Network Project



Road Program 2018-2019



Corrigin Swimming Pool tile re-grouting



Celebratory Garden project



Australia Day 2019 Breakfast event



End of Year 2018 Community event

## Road Program

The Shire of Corrigin undertook the following construction works as part of the works program for the 2018/19 financial year.

<b>2018/19 ROAD PROGRAM</b>			
<b>FUNDING</b>	<b>ROAD</b>	<b>DESCRIPTION OF WORKS</b>	<b>BUDGET \$</b>
State RRG	Corrigin Narembreen Rd	Reconstruct and widen	512,270
Federal R2R	Bulyee Quairading Rd	Widen Shoulders	171,213
Council	Footpath	Jose Street	80,000
Main Roads / Council	Drywell Rd	Re sheet	148,605
	Fence Rd	Widen shoulders to 10m	240,405
	Babakin Corrigin	Widen and reconstruct 3km to 7m seal	220,960
	Bulyee Rd	Clearing and drains	250,000
	Various	Road maintenance	554,907
WANDRRA	Various	Flood Damage	3,837,364
<b>Total Budget Expenditure</b>			<b>\$6,015,724</b>

## Future Road Program 2019/20

The Shire of Corrigin engaged a consultant to conduct a thorough and detailed assessment of the condition of the road network in June 2018 and used the information along with traffic count data to prioritise future work and develop a 10 year road program. Funds have been allocated to the road program for the next five years as follows:

### Shire of Corrigin 10 Year Road Program - Years 1-5

Work Type	Rural / Town	Road / Street Name	SLK From	SLK To	Roadwork Description	Total Cost / Project
<b>Proposed Road Expenditure for 2019/20</b>						
<b>Capital Renewal</b>	<b>Rural Roads</b>	<b>Bulyee Rd (Commodity Route)</b>	<b>3.58</b>	<b>10.96</b>	<b>Reconstruct, stabilise and reseal</b>	<b>\$1,111,310</b>
		Gill Rd	6.00	14.57	Shoulder Reconditioning	\$312,145
		Bullaring - Pingelly Rd	1.96	5.52	Reseal	\$52,161
		Bullaring - Pingelly Rd	9.92	12.98	Reseal	\$44,835
		Bullaring - Pingelly Rd	14.41	16.78	Reseal	\$34,725
		Bullaring - Gorge Rock Rd	0.00	1.21	Reseal	\$34,460
		Bullaring - Gorge Rock Rd	7.20	13.24	Reseal	\$92,000
		Bilbarin East Rd	0.00	2.10	Reseal	\$31,355
	Bilbarin East Rd	8.70	10.51	Reseal	\$26,510	
	<b>Town Streets</b>	Gayfer	Various	Various	New 2m wide dual use pathway.	\$64,000
<b>Capital Upgrade</b>	<b>Rural Roads</b>	Corrigin - Quairading Rd (RRG)	15.84	17.34	Reconstruct and widen, upgrade drainage, signage and clear zones.	\$348,403
		Corrigin - Narembeen Rd (RRG)	0.00	1.48	Reconstruct and widen, upgrade drainage, signage and clear zones.	\$160,587
		Corrigin - Quairading Rd (National Blackspot)	13.95	14.95	Improve and widen, signage, line marking and delineation	\$224,007
		Corrigin - Quairading Rd (National Blackspot)	7.90	8.90	Improve and widen, signage, line marking and delineation	\$429,223
		Corrigin - Quairading Rd (National Blackspot)	4.38	4.81	Improve and widen, signage, line marking and delineation	\$186,090
		Rabbit Proof Fence Rd (State Blackspot)	21.10	22.10	Improve and widen, signage, line marking and delineation	\$290,294
		Corrigin - Narembeen Rd	1.47	4.50	Final Seal	\$76,237
		Corrigin - Narembeen Rd	7.25	7.64	Final Seal	\$9,810
<b>Total Capital Expenditure for 2019/20</b>						<b>\$3,528,152</b>
<b>Estimated Operating Expenditure for 2019/20</b>						<b>\$604,539</b>

Proposed Road Expenditure for 2020/21						
Capital Renewal	Rural Roads	Bullaring - Pingelly Rd	0.00	1.80	Reconstruct, stabilise and seal	\$416,000
		Bilbarin East Rd	2.10	8.70	Reseal	\$100,000
		Bendering Rd	6.21	7.10	Reseal	\$15,000
		Bendering Rd	2.87	2.97	Reseal	\$4,275
		Babakin - Corrigin Rd	14.59	15.77	Shoulder Reconditioning	\$61,000
		Babakin - Corrigin Rd	18.40	20.58	Shoulder Reconditioning	\$104,000
	Town Streets	Town Street	Various	Various	New 2m wide dual use pathway.	\$64,000
		Malcolm St	0.00	0.05	Reseal	\$2,500
Capital Upgrade	Rural Roads	Corrigin - Quairading Rd (RRG)	11.65	13.95	Reconstruct and widen, upgrade drainage, signage and clear zones.	\$366,011
		Corrigin - Narembeen Rd (RRG)	0.00	1.48	Final Seal	\$39,276
		Corrigin - Quairading Rd (RRG)	14.95	17.34	Final Seal	\$63,000
		Babakin - Corrigin Rd (RRG)	9.01	11.77	Final Seal	\$78,000
		Bendering Rd	7.10	8.60	Reconstruct and widen, upgrade drainage, signage and clear zones.	\$292,899
<b>Total Capital Expenditure for 2020/21</b>					<b>\$1,605,961</b>	
<b>Estimated Operating Expenditure for 2020/21</b>					<b>\$616,534</b>	
Proposed Road Expenditure for 2021/22						
Capital Renewal	Rural Roads	Bullaring - Pingelly Rd	0.00	1.49	Final Seal	\$40,000
		Bullaring - Gorge Rock Rd	1.21	7.20	Reseal	\$94,000
		Bullaring - Gorge Rock Rd	1.21	7.20	Shoulder Reconditioning	\$295,000
		Bilbarin - Quairading Rd	6.44	7.96	Shoulder Reconditioning	\$75,000
		Bilbarin - Quairading Rd	24.19	25.85	Shoulder Reconditioning	\$82,775
		Yealering - Kulin Rd	0.00	0.16	Reseal	\$6,500
		Bullaring - Gorge Rock Rd	7.20	13.24	Shoulder Reconditioning	\$321,834
	Town Streets	Town Street	Various	Various	New 2m wide concrete dual use pathway.	\$64,000
		Adams St	0.00	0.32	Apply 25 thick red coloured asphalt	\$70,000
		Connelly Parade	0.00	0.83	Reseal	\$13,000
		Hill St	0.00	0.42	Reseal	\$21,000
Capital Upgrade	Rural Roads	Corrigin - Quairading Rd (RRG)	8.90	11.65	Reconstruct and widen, upgrade drainage, signage and clear zones.	\$484,500
		Corrigin - Quairading Rd (RRG)	11.65	13.95	Final Seal	\$63,000
<b>Total Capital Expenditure for 2021/22</b>					<b>\$1,630,609</b>	
<b>Estimated Operating Expenditure for 2021/22</b>					<b>\$628,866</b>	

Proposed Road Expenditure for 2022/23						
Capital Renewal	Rural Roads	Bulyee - Quairading Rd	0.00	14.40	Reseal	\$270,000
		Bilbarin - Quairading Rd	25.90	28.85	Shoulder Reconditioning	\$150,000
		Corrigin South Rd	17.19	18.90	Widen and Gravel Resheet	\$61,000
		Corrigin South Rd	19.95	22.31	Widen and Gravel Resheet	\$79,000
		Corrigin South Rd	7.00	12.28	Reseal	\$85,072
	Town Streets	Town Street	Various	Various	New 2m wide Concrete dual use pathway.	\$64,000
Capital Upgrade	Rural Roads	Corrigin - Quairading Rd (RRG)	5.20	7.90	Reconstruct, widen, upgrade drainage, signage and clear zones.	\$447,000
		Corrigin - Quairading Rd (RRG)	8.90	11.65	Final Seal	\$75,000
		Bendering Rd	9.21	11.73	Reconstruct, upgrade drainage, signage and clear zones.	\$402,275
<b>Total Capital Expenditure for 2022/23</b>						<b>\$1,633,347</b>
<b>Estimated Operating Expenditure for 2022/23</b>						<b>\$620,127</b>
Proposed Road Expenditure for 2023/24						
Capital Renewal	Rural Roads	Bullaring - Pingelly Rd (RRG)	5.52	9.92	Reseal	\$72,000
		Gill Rd	0.10	9.60	Reseal	\$150,604
		Yealering South East Rd	0.30	0.77	Reseal	\$14,098
		Shackleton - Bilbarin Rd	0.25	3.67	Reseal	\$57,000
		Bendering Rd	13.15	13.67	Shoulder Reconditioning	\$151,000
		Doyle Rd	10.40	14.79	Widen and Gravel Resheet	\$152,000
	Town Streets	Town Street	Various	Various	New 2m wide Concrete dual use pathway.	\$64,000
		Woglin St	0.00	0.83	Reseal	\$16,000
		Dry Well Rd	21.23	21.74	Reseal	\$11,275
		Lynch St	1.05	1.56	Reseal	\$42,000
		Camm St	0.00	0.36	Reseal	\$18,000
		Jose St	0.00	0.56	Reconstruct	\$230,258
Capital Upgrade	Rural Roads	Corrigin - Quairading Rd (RRG)	2.07, 4.81	4.38, 5.20	Reconstruct and widen, upgrade drainage, signage and clear zones.	\$450,000
		Corrigin - Quairading Rd (RRG)	5.20	7.90	Final Seal	\$78,000
		Bendering Rd	11.73	13.15	Reconstruct, widen, upgrade drainage, signage and clear zones.	\$231,000
<b>Total Capital Expenditure for 2023/24</b>						<b>\$1,737,235</b>
<b>Estimated Operating Expenditure for 2023/24</b>						<b>\$632,527</b>

Full 10 year road program and related information available at [www.corrigin.wa.gov.au](http://www.corrigin.wa.gov.au) or contact Shire office for a printed copy.

\*\*\* SLK = Straight Line Kilometre

## National Competition Policy

This policy was introduced by the Commonwealth Government in 1995 to promote competition for the benefit of business, consumers and the economy by removing what was considered to be unnecessary protection of monopolies of markets where competition can be enhanced. It effects local governments as factors such as exemption from company and income tax or possible local regulations and laws may give local government a potential advantage over private contractors.

In respect to Council's responsibilities under to the National Competition Policy, the Shire reports as follows:

- No business enterprise of the Shire of Corrigin has been classified by the Australian Bureau of Statistics as either a Public Trading Enterprise or a Public Financial Enterprise.
- Competitive neutrality has not applied to any activities undertaken by the Shire in this reporting period.
- No allegations of non-compliance with the competitive neutrality principles have been made by any private entity.
- The principles of competitive neutrality will be implemented in respect of any relevant activity undertaken during the next financial reporting period.

## Freedom of Information

In complying with the *Freedom of Information Act 1992*, the Shire of Corrigin is required to prepare and publish an information statement.

The Shire of Corrigin Information Statement is reviewed annually and is available via Council's website or at the Shire administration office. The information statement contains advice on the type of documents available to the public and how to access those documents.

The Shire received no Freedom of Information applications in the 2018/19 reporting year.

## Records Management

The Shire of Corrigin is committed to meeting the requirements of the *State Records Act 2000* which requires the Shire to maintain and dispose of all records in the prescribed manner.

The Synergysoft Electronic Records Keeping System was used during the year and training was provided for all staff who create, collect and use records. Informal training sessions were held throughout the year to ensure adherence to the State Records Act. Retaining documents in an electronic records management system delivers best practice in recordkeeping and provides an efficient document processing service to meet customer needs and volume demands.

In accordance with the *State Records Act 2000* the Shire of Corrigin is required to have an approved Record Keeping Plan. The plan sets out matters about how records are created and how the Shire retains its records. The Shire's Record Keeping Plan was reviewed during the year and approved by the State Records Commission in August 2018.

New employees were informed of their recordkeeping responsibilities as part of the Shire's Induction Program. New employees were given hands on training as part of their overall induction to the organisation.

## Disability Access and Inclusion Plan (DAIP)

Since 1995 it has been a requirement under the *Disability Services Act 1993*, that all Western Australian Local Governments develop and implement a Disability Access and Inclusion Plan (DAIP) to improve access to their services for people with disability. The Act requires public authorities to lodge a DAIP to the Disability Services Commission.

The Shire of Corrigin has an endorsed DAIP which was reviewed in December 2014. Council is required to report on our present activities as they relate to the seven desired DAIP outcomes. A review of the current DAIP was conducted in 2019 in preparation of a new five-year DAIP. This review included community consultation through focus groups and feedback sought from people with disability, their families and carers, as well as local Disability Service Providers.

Since the adoption of the initial DAIP adopted in 2007, the Shire has implemented many initiatives and made significant progress towards ensuring the community is accessible and inclusive for people of all ages and abilities and continues with this commitment.

## Employee Remuneration Disclosure

Regulation 19B of the *Local Government (Administration) Regulation 1996* requires the Shire to include the following information in its Annual Report:

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

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 2018/19:

### Salary Range

\$ From	\$ To	Number of Employees
100,000	110,000	1
110,000	119,999	
120,000	129,999	1
130,000	139,999	
140,000	149,999	
<b>Total</b>		<b>2</b>

## Public Interest Disclosures

The *Public Interest Disclosures Act 2003* facilitates the disclosure of public interest information, and provides protection for those making such disclosure and those who are the subject of disclosures. The Act provides a system for the matters disclosed to be investigated and for appropriate action to be taken.

The Chief Executive Officer has complied with all obligations under the Act including:

- Appointing the Governance and Project Officer as the Public Interest Disclosure officer for the organisation and publishing an internal procedure relating to the Shire's obligation.
- Providing protection from detrimental action or the threat of detrimental action for an employee of the Shire who makes an appropriate disclosure of public interest information.

In the 2018/19 financial year no disclosures relating to improper conduct were made to the Shire.

## 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 Corrigin 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.





## Annual Financial Report

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

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**COMMUNITY VISION**

Strengthening our community now to grow and prosper into the future

**Principal place of business:**

Shire of Corrigin  
9 Lynch Street  
Corrigin WA 6375

**SHIRE OF CORRIGIN  
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 Corrigin 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 Corrigin 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 17th day of December 2019



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Chief Executive Officer

Natalie Manton

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Name of Chief Executive Officer

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

	NOTE	2019 Actual \$	2019 Budget \$	Restated 2018 Actual \$
<b>Revenue</b>				
Rates	25(a)	2,561,546	2,564,993	2,509,517
Operating grants, subsidies and contributions	2(a)	2,391,843	1,322,487	2,272,490
Fees and charges	2(a)	657,438	599,608	556,429
Interest earnings	2(a)	74,902	45,100	50,701
Other revenue	2(a)	3,943,603	31,190	2,063,534
		9,629,332	4,563,378	7,452,671
<b>Expenses</b>				
Employee costs		(2,039,676)	(2,238,250)	(1,976,293)
Materials and contracts		(4,237,952)	(6,497,767)	(4,333,289)
Utility charges		(252,595)	(215,571)	(278,527)
Depreciation on non-current assets	10(d)	(2,964,279)	(3,666,283)	(3,207,892)
Interest expenses	2(b)	(81,020)	(92,677)	(94,345)
Insurance expenses		(221,968)	(230,901)	(229,149)
Other expenditure		(58,490)	(80,491)	(112,370)
		(9,855,980)	(13,021,940)	(10,231,865)
		(226,648)	(8,458,562)	(2,779,194)
Non-operating grants, subsidies and contributions	2(a)	526,918	6,230,098	1,314,957
Profit on asset disposals	10(a)	111,425	100,848	17,708
(Loss) on asset disposals	10(a)	(29,784)	(118,941)	(42,905)
Fair value adjustments to financial assets at fair value through profit or loss	7(b)	70,068	0	0
		678,627	6,212,005	1,289,760
<b>Net result for the period</b>		<b>451,979</b>	<b>(2,246,557)</b>	<b>(1,489,434)</b>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	11	0	0	3,341,006
<b>Total other comprehensive income / (loss) for the period</b>		<b>0</b>	<b>0</b>	<b>3,341,006</b>
<b>Total comprehensive income/(Loss) for the period</b>		<b>451,979</b>	<b>(2,246,557)</b>	<b>1,851,572</b>

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

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

	NOTE	2019 Actual \$	2019 Budget \$	Restated 2018 Actual \$
<b>Revenue</b>				
	2(a)			
Governance		2,297	650	1,520
General purpose funding		4,511,947	3,509,170	4,320,375
Law, order, public safety		40,799	8,730	51,318
Health		189,943	204,357	253,941
Education and welfare		153,964	144,402	148,506
Housing		136,266	145,844	92,040
Community amenities		218,720	222,175	214,885
Recreation and culture		50,080	53,805	58,554
Transport		4,080,441	127,445	2,142,420
Economic services		42,707	37,600	30,265
Other property and services		202,168	109,200	138,847
		<b>9,629,332</b>	<b>4,563,378</b>	<b>7,452,671</b>
<b>Expenses</b>				
	2(b)			
Governance		(607,320)	(707,832)	(653,578)
General purpose funding		(27,561)	(77,830)	(52,587)
Law, order, public safety		(121,139)	(130,843)	(128,353)
Health		(555,875)	(591,990)	(473,578)
Education and welfare		(283,774)	(313,914)	(308,353)
Housing		(120,675)	(213,880)	(134,513)
Community amenities		(552,402)	(517,998)	(508,504)
Recreation and culture		(1,497,126)	(1,499,911)	(1,494,006)
Transport		(5,738,211)	(8,419,492)	(6,003,019)
Economic services		(266,200)	(331,975)	(285,051)
Other property and services		(4,677)	(123,598)	(95,978)
		<b>(9,774,960)</b>	<b>(12,929,263)</b>	<b>(10,137,520)</b>
<b>Finance Costs</b>				
	2(b)			
Community amenities		(1,517)	(11,657)	(5,452)
Recreation and culture		(79,503)	(81,020)	(88,893)
		<b>(81,020)</b>	<b>(92,677)</b>	<b>(94,345)</b>
		<b>(226,648)</b>	<b>(8,458,562)</b>	<b>(2,779,194)</b>
Non-operating grants, subsidies and contributions	2(a)	526,918	6,230,098	1,314,957
Profit on disposal of assets	10(a)	111,425	100,848	17,708
(Loss) on disposal of assets	10(a)	(29,784)	(118,941)	(42,905)
Fair value adjustments to financial assets at fair value through profit or loss	7(b)	70,068	0	0
		<b>678,627</b>	<b>6,212,005</b>	<b>1,289,760</b>
<b>Net result for the period</b>		<b>451,979</b>	<b>(2,246,557)</b>	<b>(1,489,434)</b>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	11	0	0	3,341,006
<b>Total other comprehensive income / (loss) for the period</b>		<b>0</b>	<b>0</b>	<b>3,341,006</b>
<b>Total comprehensive income/(loss) for the period</b>		<b>451,979</b>	<b>(2,246,557)</b>	<b>1,851,572</b>

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

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

	NOTE	2019 \$	Restated 2018 \$	Restated 1 July 2017 \$
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	3	3,434,026	2,086,905	2,736,430
Trade receivables	5	200,537	799,979	601,967
Other financial assets at amortised cost	7(a)	586,704	0	0
Inventories	6	142,537	250,508	105,130
<b>TOTAL CURRENT ASSETS</b>		<b>4,363,804</b>	<b>3,137,392</b>	<b>3,443,527</b>
<b>NON-CURRENT ASSETS</b>				
Trade receivables	5	7,620	9,831	7,530
Financial assets at fair value through profit and loss	7(b)	70,068	0	0
Inventories	6	1,540,000	1,570,000	1,570,000
Property, plant and equipment	8	26,275,852	27,347,522	28,226,034
Infrastructure	9	121,646,221	121,936,405	118,962,327
<b>TOTAL NON-CURRENT ASSETS</b>		<b>149,539,761</b>	<b>150,863,758</b>	<b>148,765,891</b>
<b>TOTAL ASSETS</b>		<b>153,903,565</b>	<b>154,001,150</b>	<b>152,209,418</b>
<b>CURRENT LIABILITIES</b>				
Trade and other payables	12	171,785	500,430	328,301
Borrowings	13(b)	78,572	123,743	164,702
Employee related provisions	14	337,242	443,070	507,049
<b>TOTAL CURRENT LIABILITIES</b>		<b>587,599</b>	<b>1,067,243</b>	<b>1,000,052</b>
<b>NON-CURRENT LIABILITIES</b>				
Borrowings	13(b)	1,578,356	1,656,923	1,780,665
Employee related provisions	14	58,432	49,785	53,074
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>1,636,788</b>	<b>1,706,708</b>	<b>1,833,739</b>
<b>TOTAL LIABILITIES</b>		<b>2,224,387</b>	<b>2,773,951</b>	<b>2,833,791</b>
<b>NET ASSETS</b>		<b>151,679,178</b>	<b>151,227,199</b>	<b>149,375,627</b>
<b>EQUITY</b>				
Retained surplus		32,086,650	32,258,820	33,795,031
Reserves - cash backed	4	2,044,734	1,420,585	1,373,808
Revaluation surplus	11	117,547,794	117,547,794	114,206,788
<b>TOTAL EQUITY</b>		<b>151,679,178</b>	<b>151,227,199</b>	<b>149,375,627</b>

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

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

	NOTE	RESTATED RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	RESTATED TOTAL EQUITY \$
<b>Balance as at 1 July 2017 - Restated</b>		<b>33,795,031</b>	<b>1,373,808</b>	<b>114,206,788</b>	<b>149,375,627</b>
Comprehensive income					
Net result for the period - restated		(1,489,434)	0	0	(1,489,434)
Other comprehensive income	11	0	0	3,341,006	3,341,006
Total comprehensive income/(loss)		(1,489,434)	0	3,341,006	1,851,572
Transfers from/(to) reserves		(46,777)	46,777	0	0
<b>Balance as at 30 June 2018 - Restated</b>		<b>32,258,820</b>	<b>1,420,585</b>	<b>117,547,794</b>	<b>151,227,199</b>
Comprehensive income					
Net result for the period		451,979	0	0	451,979
Total comprehensive income		451,979	0	0	451,979
Transfers from/(to) reserves		(624,149)	624,149	0	0
<b>Balance as at 30 June 2019</b>		<b>32,086,650</b>	<b>2,044,734</b>	<b>117,547,794</b>	<b>151,679,178</b>

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

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

	NOTE	2019 Actual \$	2019 Budget \$	2018 Actual \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Rates		2,513,757	2,532,525	2,470,746
Operating grants, subsidies and contributions		2,865,976	1,722,487	2,244,198
Fees and charges		689,905	632,076	586,917
Interest received		74,902	45,100	50,701
Goods and services tax received		735,940	150,000	277,487
Other revenue		3,943,603	57,798	2,063,534
		10,824,083	5,139,986	7,693,583
<b>Payments</b>				
Employee costs		(2,114,934)	(2,238,250)	(2,065,510)
Materials and contracts		(4,450,550)	(6,286,263)	(4,180,847)
Utility charges		(252,595)	(215,571)	(278,527)
Interest expenses		(81,020)	(92,677)	(96,832)
Insurance paid		(221,968)	(230,901)	(229,148)
Goods and services tax paid		(593,097)	0	(572,480)
Other expenditure		(58,490)	(80,492)	(112,370)
		(7,772,654)	(9,144,154)	(7,535,714)
<b>Net cash provided by (used in) operating activities</b>	15	3,051,429	(4,004,168)	157,869
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for purchase of property, plant & equipment		(274,719)	(346,500)	(280,523)
Payments for construction of infrastructure		(1,558,620)	(1,667,853)	(1,724,834)
Payments for financial assets at amortised cost		(586,704)	0	0
Non-operating grants, subsidies and contributions		526,918	6,230,098	1,314,957
Proceeds from sale of property, plant & equipment		295,279	331,000	47,708
Proceeds from sale of infrastructure		17,276	0	0
<b>Net cash provided by (used in) investment activities</b>		(1,580,570)	4,546,745	(642,692)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of borrowings		(123,738)	(123,743)	(164,702)
<b>Net cash provided by (used in) financing activities</b>		(123,738)	(123,743)	(164,702)
<b>Net increase (decrease) in cash held</b>		1,347,121	418,834	(649,525)
Cash at beginning of year		2,086,905	2,086,905	2,736,430
<b>Cash and cash equivalents at the end of the year</b>	15	3,434,026	2,505,739	2,086,905

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



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

	NOTE	2019 Actual	2019 Budget	Restated 2018 Actual
		\$	\$	\$
<b>OPERATING ACTIVITIES</b>				
<b>Net current assets at start of financial year - surplus/(deficit)</b>	26 (b)	743,302	976,981	1,174,369
		743,302	976,981	1,174,369
<b>Revenue from operating activities (excluding rates)</b>				
Governance		2,297	650	1,520
General purpose funding		1,982,868	976,644	1,841,347
Law, order, public safety		40,799	8,730	51,318
Health		220,278	223,901	253,941
Education and welfare		153,964	144,402	148,506
Housing		136,266	145,844	92,040
Community amenities		218,720	222,175	214,885
Recreation and culture		50,080	53,805	58,554
Transport		4,161,531	208,749	2,146,470
Economic services		42,707	37,600	30,265
Other property and services		202,171	109,200	152,504
		7,211,681	2,131,701	4,991,350
<b>Expenditure from operating activities</b>				
Governance		(607,320)	(707,832)	(653,578)
General purpose funding		(27,561)	(77,830)	(52,587)
Law, order, public safety		(121,139)	(130,843)	(128,353)
Health		(555,875)	(591,990)	(473,578)
Education and welfare		(283,774)	(313,914)	(308,353)
Housing		(120,675)	(213,880)	(131,613)
Community amenities		(553,919)	(529,655)	(513,956)
Recreation and culture		(1,576,629)	(1,580,931)	(1,603,358)
Transport		(5,767,995)	(8,533,140)	(6,028,022)
Economic services		(266,200)	(331,975)	(285,051)
Other property and services		(4,671)	(128,891)	(96,321)
		(9,885,758)	(13,140,881)	(10,274,770)
Non-cash amounts excluded from operating activities	26(a)	2,893,495	3,684,376	3,227,496
<b>Amount attributable to operating activities</b>		962,720	(6,347,823)	(881,555)
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions		526,918	6,230,098	1,314,957
Proceeds from disposal of assets	10(a)	312,555	331,000	47,708
Purchase of property, plant and equipment	8(a)	(274,719)	(346,501)	(280,523)
Purchase and construction of infrastructure	9(a)	(1,558,620)	(1,667,853)	(1,724,834)
<b>Amount attributable to investing activities</b>		(993,866)	4,546,744	(642,692)
<b>FINANCING ACTIVITIES</b>				
Repayment of borrowings	13(b)	(123,738)	(123,743)	(164,702)
Transfers to reserves (restricted assets)	4	(624,149)	(607,705)	(104,077)
Transfers from reserves (restricted assets)	4	0	0	57,300
<b>Amount attributable to financing activities</b>		(747,887)	(731,447)	(211,479)
<b>Surplus/(deficit) before imposition of general rates</b>		(779,033)	(2,532,526)	(1,735,726)
<b>Total amount raised from general rates</b>	25	2,529,079	2,532,526	2,479,028
<b>Surplus/(deficit) after imposition of general rates</b>	26(b)	<b>1,750,046</b>	<b>0</b>	<b>743,302</b>

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

## 1. BASIS OF PREPARATION

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

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

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

### CRITICAL ACCOUNTING ESTIMATES

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

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

### THE LOCAL GOVERNMENT REPORTING ENTITY

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

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 28 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 \$
<b>Operating grants, subsidies and contributions</b>			
Governance	854	500	840
General purpose funding	1,869,622	893,778	1,754,377
Law, order, public safety	32,283	0	43,046
Health	165,845	180,312	229,606
Education and welfare	123,894	108,852	115,689
Housing	1,045	500	568
Recreation and culture	7,230	5,000	4,554
Transport	161,363	101,545	90,600
Other property and services	29,707	32,000	33,210
	2,391,843	1,322,487	2,272,490
<b>Non-operating grants, subsidies and contributions</b>			
Law, order, public safety	9,548	27,687	148,537
Education and welfare	0	0	23,123
Recreation and culture	0	100	18,224
Transport	512,725	6,202,311	1,121,521
Economic services	4,645	0	3,552
	526,918	6,230,098	1,314,957
<b>Total grants, subsidies and contributions</b>	2,918,761	7,552,585	3,587,447

#### 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 24.

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

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

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)	2019 Actual \$	2019 Budget \$	2018 Actual \$
<b>Significant revenue</b>			
WANDRRA Event AGRN 743	3,911,142	0	1,983,738

In 2019 and 2018, the Shire received reimbursement from WANDRRA for repairs on roads following the flood damage in 2017. This has been disclosed under "Other Revenue" in the statement of comprehensive income by nature and type and "Transport" in the statement of comprehensive income by program.

Other revenue	2019 Actual \$	2019 Budget \$	2018 Actual \$
Reimbursements and recoveries	3,916,155	7,940	2,026,612
Other	27,448	23,250	36,922
	3,943,603	31,190	2,063,534

Fees and Charges	2019 Actual \$	2019 Budget \$	2018 Actual \$
General purpose funding	5,877	5,300	5,788
Law, order, public safety	8,516	8,730	8,273
Health	23,828	24,045	23,460
Education and welfare	25,663	30,050	26,817
Housing	135,222	145,344	104,299
Community amenities	218,720	222,175	214,885
Recreation and culture	39,450	44,804	46,216
Transport	25,513	24,200	24,139
Economic services	42,037	32,760	29,607
Other property and services	132,612	62,200	72,945
	657,438	599,608	556,429

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

Interest earnings	2019 Actual \$	2019 Budget \$	2018 Actual \$
Reserve accounts interest	37,440	30,600	31,204
Rates instalment and penalty interest (refer Note 25(d))	24,132	13,000	18,068
Other interest earnings	13,330	1,500	1,429
	74,902	45,100	50,701

**SIGNIFICANT ACCOUNTING POLICIES**

**Interest earnings**

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

**Interest earnings (Continued)**

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes

(b) Expenses	2019 Actual \$	2019 Budget \$	2018 Actual \$
<b>Significant expense</b>			
WANDRRA Event AGRN 743	3,000,419	0	2,798,580

In 2019 and 2018, the Shire undertook significant repairs due to the flood damage in 2017.

This has been disclosed under "Materials and contracts" in the statement of comprehensive income by nature and type and "Transport" in the statement of comprehensive income by program.

**Auditors remuneration**

- Audit of the Annual Financial Report - New Auditor	45,000	20,000	0
- Audit of the Annual Financial Report - Previous Auditor	0	0	20,326
- Other services - Previous Auditor	3,500	30,000	18,200
	48,500	50,000	38,526

**Interest expenses (finance costs)**

Borrowings (refer Note 13(b))	81,020	92,677	94,345
	81,020	92,677	94,345

### 3. CASH AND CASH EQUIVALENTS

	NOTE	2019 \$	2018 \$
Cash at bank and on hand		3,434,026	2,086,905
		<u>3,434,026</u>	<u>2,086,905</u>
Financial assets at amortised cost	7(a)	586,704	0
Total cash, cash equivalents and all term deposits		<u>4,020,730</u>	<u>2,086,905</u>
<b>Comprises:</b>			
- Unrestricted cash and cash equivalents		1,933,947	666,320
- Restricted cash and cash equivalents		<u>2,086,783</u>	<u>1,420,585</u>
		4,020,730	2,086,905
The following restrictions have been imposed by regulations or other externally imposed requirements:			
<b>Reserve accounts</b>			
Employee entitlement reserve	4	140,748	134,308
Community Bus Reserve	4	45,064	43,005
Staff Housing Reserve	4	298,279	220,610
Office Equipment Reserve	4	1,536	1,468
Plant Replacement Reserve	4	1,010,153	540,312
Swimming Pool Reserve	4	20,562	538
Roadworks Reserve	4	251,650	240,121
Land Subdivision Reserve	4	52,602	50,179
Townscape Reserve	4	2,676	2,553
Medical Reserve	4	4,760	4,540
LGCHP Long Term Maintenance Reserve	4	3,947	3,767
Community Development Reserve	4	179	172
Rockview Land Reserve	4	4,895	4,672
Senior Citizens Units	4	42,424	40,487
Town Hall Reserve	4	97,569	93,113
Child Care Reserve	4	41	39
Bendering Tip	4	47,649	40,701
Recreation & Events Centre	4	20,000	0
		<u>2,044,734</u>	<u>1,420,585</u>
<b>Other restricted cash and cash equivalents</b>			
Unspent grants/contributions	24	30,000	0
Bonds & Deposits	12	12,049	0
<b>Total restricted cash and cash equivalents</b>		<u>2,086,783</u>	<u>1,420,585</u>

#### SIGNIFICANT ACCOUNTING POLICIES

##### Cash and cash equivalents

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

##### 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 CORRIGIN  
 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) Employee entitlement reserve	134,308	6,440	0	140,748	134,308	2,900	0	137,208	131,328	2,980	0	134,308
(b) Community Bus Reserve	43,005	2,059	0	45,064	43,005	925	0	43,930	22,462	20,543	0	43,005
(c) Staff Housing Reserve	220,610	77,669	0	298,279	220,610	71,855	0	292,465	215,715	4,895	0	220,610
(d) Office Equipment Reserve	1,468	68	0	1,536	1,468	30	0	1,498	25,921	547	(25,000)	1,468
(e) Plant Replacement Reserve	540,312	469,841	0	1,010,153	540,312	476,600	0	1,016,912	528,322	11,990	0	540,312
(f) Swimming Pool Reserve	538	20,024	0	20,562	538	20,010	0	20,548	25,991	547	(26,000)	538
(g) Roadworks Reserve	240,121	11,529	0	251,650	240,121	5,200	0	245,321	234,793	5,328	0	240,121
(h) Land Subdivision Reserve	50,179	2,423	0	52,602	50,179	1,100	0	51,279	49,066	1,113	0	50,179
(i) Townscape Reserve	2,553	123	0	2,676	2,553	55	0	2,608	2,497	56	0	2,553
(j) Medical Reserve	4,540	220	0	4,760	4,540	100	0	4,640	4,440	100	0	4,540
(k) LGCHP Long Term Maintenance Reserve	3,767	180	0	3,947	3,767	80	0	3,847	9,854	213	(6,300)	3,767
(l) Community Development Reserve	172	7	0	179	172	3	0	175	168	4	0	172
(m) Rockview Land Reserve	4,672	223	0	4,895	4,672	100	0	4,772	3,589	1,083	0	4,672
(n) Senior Citizens Units	40,487	1,937	0	42,424	40,487	870	0	41,357	20,000	20,487	0	40,487
(o) Town Hall Reserve	93,113	4,456	0	97,569	93,113	2,001	0	95,114	81,253	11,860	0	93,113
(p) Child Care Reserve	39	2	0	41	39	1	0	40	36	3	0	39
(q) Bending Tip	40,701	6,948	0	47,649	40,701	5,875	0	46,576	18,373	22,328	0	40,701
(r) Recreation & Events Centre	0	20,000	0	20,000	0	20,000	0	20,000	0	0	0	0
	1,420,585	624,149	0	2,044,734	1,420,585	607,705	0	2,028,290	1,373,808	104,077	(57,300)	1,420,585

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) Employee entitlement reserve	Ongoing	To be used to fund employee entitlement requirements.
(b) Community Bus Reserve	Ongoing	To be used to fund the continual purchase of a community bus.
(c) Staff Housing Reserve	Ongoing	To be used for the construction and maintenance of staff housing.
(d) Office Equipment Reserve	Ongoing	To be used for the purchase of office equipment .
(e) Plant Replacement Reserve	Ongoing	To be used for the purchase of major plant items.
(f) Swimming Pool Reserve	Ongoing	To be used for the construction and maintenance of the swimming pool facility.
(g) Roadworks Reserve	Ongoing	To be used for the construction of verge/footpaths within the Shire of Corrigin.
(h) Land Subdivision Reserve	Ongoing	To be used to fund the construction of development land for sub division that benefits the community.
(i) Townscape Reserve	Ongoing	To be used for the continual upgrade of townscape facilities.
(j) Medical Reserve	Ongoing	To be used for the continual upgrade of medical facilities within the Shire of Corrigin.
(k) LGCHP Long Term Maintenance Reserve	Ongoing	To fund the long term maintenance of the joint venture housing.
(l) Community Development Reserve	Ongoing	To be used for the continual upgrade of various community facilities in Corrigin.
(m) Rockview Land Reserve	Ongoing	To be used to fund the development of the Rockview land project.
(n) Senior Citizens Units	Ongoing	To be used for the construction of aged care accommodation and facilities within Corrigin .
(o) Town Hall Reserve	Ongoing	To be used for the planning, maintenance and upgrade of the Corrigin Town Hall Building.
(p) Child Care Reserve	Ongoing	To be used for the construction and maintenance of Child Care Facilities.
(q) Bending Tip	Ongoing	To be used for the continual upgrade and expansion of the Bending Tip Side.
(r) Recreation & Events Centre	Ongoing	To be used for the planning, maintenance and upgrade of the recreation and events centre.

## 5. TRADE RECEIVABLES

### Current

Rates receivable	135,726	118,192
Sundry receivables	43,914	522,093
GST receivable	20,897	163,738
Accrued Income/Payments in advance	0	39,346
Allowance for impairment of receivables	0	(43,390)

### Non-current

Pensioner's rates and ESL deferred	7,620	9,831
	7,620	9,831

	2019	2018
	\$	\$
	135,726	118,192
	43,914	522,093
	20,897	163,738
	0	39,346
	0	(43,390)
	200,537	799,979
	7,620	9,831
	7,620	9,831

## SIGNIFICANT ACCOUNTING POLICIES

### Trade and other receivables

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

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

### Impairment and risk exposure

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

### Previous accounting policy: Impairment of trade receivables

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

### Classification and subsequent measurement

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

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

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

## 6. INVENTORIES

### Current

Fuels, Oils & Materials on Hand

Land held for resale - cost

Cost of acquisition

### Non-current

Land held for resale - cost

Cost of acquisition

The following movements in inventories occurred during the year:

### Carrying amount at 1 July

Inventories expensed during the year

Disposed of land held for sale during the year

Additions to inventory

### Carrying amount at 30 June

	2019	2018
	\$	\$
	82,537	220,508
	60,000	30,000
	142,537	250,508
	1,540,000	1,570,000
	1,540,000	1,570,000
	1,820,508	1,675,130
	(137,971)	0
	0	(30,000)
	0	175,378
	1,682,537	1,820,508

## SIGNIFICANT ACCOUNTING POLICIES

### General

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

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

### Land held for resale

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

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



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**7. OTHER FINANCIAL ASSETS**

**(a) Current assets**

Other financial assets at amortised cost

2019	2018
\$	\$
586,704	0
586,704	0

**Other financial assets at amortised cost**

- Financial assets at amortised cost - term deposits

586,704	0
586,704	0

**(b) Non-current assets**

Financial assets at fair value through profit and loss

70,068	0
70,068	0

**Financial assets at fair value through profit and loss**

- *Unlisted equity investments*

Local Government House Trust

70,068	0
70,068	0

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

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

70,068	0
70,068	0

**SIGNIFICANT ACCOUNTING POLICIES**

**Other financial assets at amortised cost**

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

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

Term deposits with original terms of three months or more were classified as cash and cash equivalents in the 2019 financial report. However, they have now been reclassified as financial assets at amortised cost

**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)**

**Impairment and risk**

Information regarding impairment and exposure to risk can be found at Note 27.

**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.

## 8. PROPERTY, PLANT AND EQUIPMENT

### (a) Movements in Carrying Amounts

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

	Restated	Restated	Restated	Restated	Restated	Restated	Restated	Restated	Restated
	Land - freehold land	Land - vested in and under control of Council	Total land	Buildings - specialised	Total buildings	Total land and buildings	Furniture and Equipment	Plant and Equipment	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2017 - Restated</b>	2,107,404	643,210	2,750,614	21,694,062	21,694,062	24,444,676	172,092	3,609,266	28,226,034
Additions	0	0	0	168,985	168,985	168,985	43,872	67,666	280,523
(Disposals) - Restated	0	0	0	0	0	0	(343)	(22,103)	(22,446)
Depreciation (expense) - Restated	0	0	0	(763,759)	(763,759)	(763,759)	(7,290)	(365,540)	(1,136,589)
<b>Carrying amount at 30 June 2018 - Restated</b>	2,107,404	643,210	2,750,614	21,099,288	21,099,288	23,849,902	208,331	3,289,289	27,347,522
<b>Comprises:</b>									
Gross Carrying amount as at 30 June 2018- Restated	2,107,404	643,210	2,750,614	21,865,947	21,865,947	24,616,561	225,290	4,000,908	28,842,759
Accumulated depreciation at 30 June 2018- Restated	0	0	0	(766,659)	(766,659)	(766,659)	(16,959)	(711,619)	(1,495,237)
<b>Carrying amount at 30 June 2018 - Restated</b>	2,107,404	643,210	2,750,614	21,099,288	21,099,288	23,849,902	208,331	3,289,289	27,347,522
Additions	0	0	0	80,087	80,087	80,087	5,413	189,219	274,719
(Disposals)	0	0	0	0	0	0	(304)	(213,334)	(213,638)
Depreciation (expense)	0	0	0	(767,707)	(767,707)	(767,707)	(23,951)	(341,093)	(1,132,751)
<b>Carrying amount at 30 June 2019</b>	2,107,404	643,210	2,750,614	20,411,668	20,411,668	23,162,282	189,489	2,924,081	26,275,852
<b>Comprises:</b>									
Gross carrying amount at 30 June 2019	2,107,404	643,210	2,750,614	21,946,035	21,946,035	24,696,649	229,803	3,830,561	28,757,013
Accumulated depreciation at 30 June 2019	0	0	0	(1,534,367)	(1,534,367)	(1,534,367)	(40,314)	(906,480)	(2,481,161)
<b>Carrying amount at 30 June 2019</b>	2,107,404	643,210	2,750,614	20,411,668	20,411,668	23,162,282	189,489	2,924,081	26,275,852

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8. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
<b>Land and buildings</b>					
Land - freehold land	2	Market approach using recent observable market data for similar properties	Independent Registered valuers	June 2017	Price Per hectare.
Land - freehold land	3	Cost approach using depreciated replacement cost	Independent Registered valuers / Management Valuation	June 2017	Improvements to land using construction costs and current condition (level 2), residual values and remaining useful life assessments (level 3) inputs.
Land - vested in and under control of Council	3	Cost approach using depreciated replacement cost	Management Valuation	June 2017	Improvements to land using construction costs and current condition (level 2), residual values and remaining useful life assessments (level 3) inputs.
Buildings - specialised	3	Cost approach using depreciated replacement cost	Independent Registered valuers / Management Valuation	June 2017	Construction costs and current condition (level 2), residual values and remaining useful life assessments (level 3) inputs.
Buildings - specialised	2	Market approach using recent observable market data for similar properties	Independent Registered valuers	June 2017	Price per square metre
<b>Furniture and Equipment</b>	3	Cost approach using depreciated replacement cost	Independent Registered valuers	June 2016	Purchase costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
<b>Plant and Equipment</b>					
Plant and Equipment	3	Cost approach using depreciated replacement cost	Independent Registered valuers / Management Valuation	June 2016	Purchase costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Plant and Equipment	2	Market approach using recent observable market data for similar properties	Independent Registered valuers / Management Valuation	June 2016	Market Price per item

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

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

## 9. INFRASTRUCTURE

### (a) Movements in Carrying Amounts

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

	Restated				Restated	
	Infrastructure - Roads	Infrastructure - Footpaths	Infrastructure - Drainage	Infrastructure - Parks and Ovals	Infrastructure Other	Total Infrastructure
	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2017 - Restated</b>	103,901,494	396,706	9,474,669	5,189,458	0	118,962,327
Additions	1,200,890	150,514	0	373,430	0	1,724,834
(Disposals) - Restated	0	0	0	(20,459)	0	(20,459)
Revaluation increments / (decrements) transferred to revaluation surplus	(138,279)	216,741	2,045,796	1,216,748	0	3,341,006
Depreciation (expense) - Restated	(1,347,918)	(25,041)	(335,834)	(362,510)	0	(2,071,303)
Transfers	133,267	0	0	(133,267)	0	0
<b>Carrying amount at 30 June 2018- Restated</b>	103,749,454	738,920	11,184,631	6,263,400	0	121,936,405
<b>Comprises:</b>						
Gross Carrying amount as at 30 June 2018-Restated	103,749,454	738,920	11,184,631	6,263,400	0	121,936,405
Accumulated depreciation at 30 June 2018	0	0	0	0	0	0
<b>Carrying amount at 30 June 2018- Restated</b>	103,749,454	738,920	11,184,631	6,263,400	0	121,936,405
Additions	1,446,465	90,394	0	7,562	14,199	1,558,620
(Disposals)	0	0	0	(13,916)	(3,360)	(17,276)
Depreciation (expense)	(1,068,294)	(21,651)	(339,313)	(150,126)	(252,145)	(1,831,528)
Transfers	0	0	0	(4,129,262)	4,129,262	0
<b>Carrying amount at 30 June 2019</b>	104,127,625	807,663	10,845,318	1,977,658	3,887,956	121,646,221
<b>Comprises:</b>						
Gross carrying amount at 30 June 2019	105,195,920	829,313	11,184,631	2,103,928	4,138,904	123,452,697
Accumulated depreciation at 30 June 2019	(1,068,295)	(21,650)	(339,313)	(126,270)	(250,948)	(1,806,476)
<b>Carrying amount at 30 June 2019</b>	104,127,625	807,663	10,845,318	1,977,658	3,887,956	121,646,221

## 9. INFRASTRUCTURE (Continued)

### (b) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Infrastructure - Roads	3	Cost approach using depreciated replacement cost	Independent Registered Valuers	June 2018	Construction costs and current condition (level 2) residual values and remaining useful life assessment (level 3) Inputs
Infrastructure - Footpaths	3	Cost approach using depreciated replacement cost	Independent Registered Valuers	June 2018	Construction costs and current condition (level 2) residual values and remaining useful life assessment (level 3) Inputs
Infrastructure - Drainage	3	Cost approach using depreciated replacement cost	Independent Registered Valuers	June 2018	Construction costs and current condition (level 2) residual values and remaining useful life assessment (level 3) Inputs
Infrastruture - Parks and Ovals	3	Cost approach using depreciated replacement cost	Independent Registered Valuers	June 2018	Construction costs and current condition (level 2) residual values and remaining useful life assessment (level 3) Inputs
Infrastruture- Other	3	Cost approach using depreciated replacement cost	Independent Registered Valuers	June 2018	Construction costs and current condition (level 2) residual values and remaining useful life assessment (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.

## 10 PROPERTY, PLANT AND EQUIPMENT (INCLUDING INFRASTRUCTURE)

### SIGNIFICANT ACCOUNTING POLICIES

#### Fixed assets

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

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

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

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

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

#### Revaluation

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

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

### AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY

#### Land under control

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

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

#### Land under roads

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

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

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

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

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

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

**(a) Disposals of Assets**

	2019	2019	2019	2019	2019	2019	2019	Restated	2018	2018	2018	Restated
	Actual	Actual						Actual				Actual
	Net Book	Sale	Actual	Actual	Budget	Budget	Net Book	Actual	Actual	Actual	Actual	Actual
	Value	Proceeds	Profit	Loss	Value	Loss	Value	Proceeds	Profit	Loss	Loss	Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Land - freehold land	0	0	0	0	0	0	30,000	43,658	13,658	0	0	0
Furniture and Equipment	304	304	0	0	0	0	343	0	0	0	(343)	0
Plant and Equipment	213,334	294,975	111,425	(29,784)	349,093	(118,941)	22,103	4,050	4,050	0	(22,103)	0
Infrastructure - Parks and Ovals	13,916	13,916	0	0	0	0	20,459	0	0	0	(20,459)	0
Infrastructure Other	3,360	3,360	0	0	0	0	0	0	0	0	0	0
	230,914	312,555	111,425	(29,784)	349,093	(118,941)	72,905	47,708	17,708	0	(42,905)	0

The following assets were disposed of during the year.

	2019	2019	2019	2019
	Actual	Actual	Actual	Actual
	Net Book	Sale	Actual	Actual
	Value	Proceeds	Profit	Loss
<b>Plant and Equipment</b>				
<b>Health</b>				
2016 SUBARU FORESTER 2.0D-L MANUAL SILVER -CR4	12,611	15,363	2,752	0
2015 TOYOTA RAV4 GXL	17,131	21,118	3,987	0
2014 TOYOTA KLUGER AWD GXL PETROL CR1000	271	23,864	23,593	0
<b>Other property and services</b>				
2017 TOYOTA FORTUNER 1CR	40,618	38,218	0	(2,399)
CATERPILLAR D4E DOZER CR20	11,355	24,627	13,272	0
2010 CATERPILLAR SKID STEER LOADERV	15,326	17,442	2,116	0
PROMARK WOODCHIPPER WITH PETROL MOTOR	2,028	1,882	0	(146)
GRADER CR282	2,007	12,196	10,190	0
VOLVO L90F 4WD LOADER CR8	63,490	110,935	47,445	0
UTILITY - TOYOTA HILUX 2WD TURBO DIESEL CR168	3,200	10,909	7,709	0
MEY MOWER	397	759	362	0
2006 CATERPILLAR PF-3000C COMPACTOR	44,901	17,662	0	(27,239)
	213,334	294,975	111,425	(29,784)
<b>Furniture &amp; Equipment</b>				
<b>Health</b>				
Doctors Surgery - Pooled Assets under \$2,000	(120)	(120)	0	0
<b>Education &amp; Welfare</b>				
Resource Centre Electronic Binder	514	514	0	0
<b>Recreation &amp; Culture</b>				
CWA - Pooled Assets under \$2,000	(90)	(90)	0	0
	304	304	0	0
<b>Parks &amp; Ovals</b>				
<b>Recreation &amp; Culture</b>				
CREC Playground	2,400	2,400	0	0
Tennis Precinct Retaining Wall	3,681	3,681	0	0
Walton Street Playgrounf Fencing	4,154	4,154	0	0
Rotary Park Playgrounf Retaining Wall	3,681	3,681	0	0
	13,916	13,916	0	0
<b>Other Infrastructure</b>				
<b>Transport</b>				
AIRSTRIP PILOT ACTIVATED LANDING SYSTEM UNDER \$5K	3,360	3,360	0	0
	3,360	3,360	0	0
	230,914	312,555	111,425	(29,784)

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

The Shire had no fully depreciated assets in use for year ended 30 June 2019.

**(c) Temporarily Idle Assets**

The Shire had no temporarily idle assets for the year ended 30 June 2019.

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

(d) Depreciation	2019	2019	Restated
	Actual	Budget	2018 Actual
	\$	\$	\$
Buildings - specialised	767,707	755,364	763,759
Furniture and Equipment	23,951	21,152	7,290
Plant and Equipment	341,093	373,867	365,540
Infrastructure - Roads	1,068,294	1,716,899	1,347,918
Infrastructure - Footpaths	21,651	36,498	25,041
Infrastructure - Drainage	339,313	328,050	335,834
Infrastructure - Parks and Ovals	150,126	353,544	362,510
Infrastructure Other	252,145	80,909	0
	2,964,279	3,666,283	3,207,892

Revision of useful lives of plant and equipment

As part of the preparation of the Budget 2019-2020 and 10 year plant replacement program useful life of all plant and equipment was reviewed and amended accordingly.

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	10 years
Plant and equipment	5 to 15 years
- Heavy	15 years
- Light	7.5 years
Infrastructure Parks & Ovals	30 to 50 years
Infrastructure Other	30 to 50 years
Sealed roads and streets	not depreciated
Clearing and earthworks	not depreciated
Construction/roadbase	50 years
Original surfacings and major resurfacing	
- bituminous seals	20 years
- asphalt surfaces	25 years
Gravel roads	
Gravel sheet	15 years
Formed Roads ( Unsealed)	
Footpaths - slab	40 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.



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11. REVALUATION SURPLUS

	2019 Opening Balance	2019 Revaluation Increment	2019 Revaluation (Decrement)	Total Movement on Revaluation	2019 Closing Balance	2018 Opening Balance	2018 Revaluation Increment	2018 Revaluation (Decrement)	Total Movement on Revaluation	2018 Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus - Buildings - specialised	12,600,700	0	0	0	12,600,700	12,600,700	0	0	0	12,600,700
Revaluation surplus - Furniture and Equipment	84,719	0	0	0	84,719	84,719	0	0	0	84,719
Revaluation surplus - Plant and Equipment	307,766	0	0	0	307,766	307,766	0	0	0	307,766
Revaluation surplus - Infrastructure - Roads	86,815,626	0	0	0	86,815,626	86,953,905	0	(138,279)	(138,279)	86,815,626
Revaluation surplus - Infrastructure - Footpaths	278,530	0	0	0	278,530	61,789	216,741	0	216,741	278,530
Revaluation surplus - Infrastructure - Drainage	12,067,625	0	0	0	12,067,625	10,021,829	2,045,796	0	2,045,796	12,067,625
Revaluation surplus - Infrastruture - Parks and Ovals	5,392,828	0	0	0	5,392,828	4,176,080	1,216,748	0	1,216,748	5,392,828
	117,547,794	0	0	0	117,547,794	114,206,788	3,479,285	(138,279)	3,341,006	117,547,794

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

## 12. TRADE AND OTHER PAYABLES

### Current

Sundry creditors
Accrued salaries and wages
ATO liabilities
Accrued Interest on Borrowings
Accrued Expenses
Bonds and Deposits

2019	2018
\$	\$
47,738	426,371
56,228	36,408
5,976	3,873
1,947	1,947
47,847	31,831
12,049	0
171,785	500,430

### SIGNIFICANT ACCOUNTING POLICIES

#### Trade and other payables

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

#### Trade and other payables (Continued)

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

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

**13. INFORMATION ON BORROWINGS**

**(a) Borrowings**

	2019	2018
	\$	\$
Current	78,572	123,743
Non-current	1,578,356	1,656,923
	1,656,928	1,780,666

**(b) Repayments - Borrowings**

Particulars	Loan Number	Institution	Interest Rate	Actual	30 June 2019	30 June 2019	30 June 2019	30 June 2019	Budget	30 June 2019	30 June 2019	30 June 2019	Actual	30 June 2018	30 June 2018	30 June 2018
				Principal	Actual	Actual	Actual	Principal	Principal	Interest	Principal	Principal	Principal	Principal	Interest	Principal
				1 July 2018	New Loans	repayments	repayments	outstanding	1 July 2018	repayments	repayments	outstanding	1 July 2017	repayments	repayments	outstanding
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Community amenities</b>																
Land Subdivision	101	WATC	6.23%	48,692	0	48,692	1,517	0	48,693	48,693	1,517	0	141,709	93,017	7,920	48,692
<b>Recreation and culture</b>																
Corrigin Recreation Centre	102	WATC	4.64%	1,731,974		75,046	79,503	1,656,928	1,731,974	75,050	91,160	1,656,924	1,803,659	71,685	86,425	1,731,974
				1,780,666	0	123,738	81,020	1,656,928	1,780,667	123,743	92,677	1,656,924	1,945,368	164,702	94,345	1,780,666
				1,780,666	0	123,738	81,020	1,656,928	1,780,667	123,743	92,677	1,656,924	1,945,368	164,702	94,345	1,780,666

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

**13. INFORMATION ON BORROWINGS (Continued)**

	2019	2018
	\$	\$
<b>(c) Undrawn Borrowing Facilities</b>		
<b>Credit Standby Arrangements</b>		
Bank overdraft limit	100,000	1,500,000
Bank overdraft at balance date	0	0
Credit card limit	20,000	20,000
Credit card balance at balance date	(333)	(1,642)
<b>Total amount of credit unused</b>	<b>119,667</b>	<b>1,518,358</b>
<b>Loan facilities</b>		
Loan facilities - current	78,572	123,743
Loan facilities - non-current	1,578,356	1,656,923
<b>Total facilities in use at balance date</b>	<b>1,656,928</b>	<b>1,780,666</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**Financial liabilities**

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

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

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

**Borrowing costs**

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

**Risk**

Information regarding exposure to risk can be found at Note 27.

## 14. EMPLOYEE RELATED PROVISIONS

### Employee Related Provisions

	Provision for Annual Leave	Provision for Long Service Leave	Total
	\$	\$	\$
<b>Opening balance at 1 July 2018</b>			
Current provisions	293,027	150,043	443,070
Non-current provisions	0	49,785	49,785
	<u>293,027</u>	<u>199,828</u>	<u>492,855</u>
Additional provision	29,051	50,508	79,558
Amounts used	(121,012)	(55,728)	(176,739)
<b>Balance at 30 June 2019</b>	<u>201,066</u>	<u>194,608</u>	<u>395,674</u>
<b>Comprises</b>			
Current	201,066	136,176	337,242
Non-current	0	58,432	58,432
	<u>201,066</u>	<u>194,608</u>	<u>395,674</u>

	2019	2018
	\$	\$
<b>Amounts are expected to be settled on the following basis:</b>		
Less than 12 months after the reporting date	337,242	443,070
More than 12 months from reporting date	45,701	22,860
Expected reimbursements from other shires	12,731	26,925
	<u>395,674</u>	<u>492,855</u>

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

### SIGNIFICANT ACCOUNTING POLICIES

#### Employee benefits

##### Short-term employee benefits

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

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

##### Other long-term employee benefits

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

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

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

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

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

##### Provisions

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

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

## 15. 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	Restated 2018 Actual
	\$	\$	\$
Cash and cash equivalents	3,434,026	2,505,739	2,086,905
<b>Reconciliation of Net Cash Provided By Operating Activities to Net Result</b>			
Net result	451,979	(2,246,557)	(1,489,434)
Non-cash flows in Net result:			
Fair value adjustments to financial assets at fair value through profit or loss	(70,068)	0	0
Depreciation	2,964,279	3,666,283	3,207,892
(Profit)/loss on sale of asset	(81,641)	18,093	25,197
Changes in assets and liabilities:			
(Increase)/decrease in receivables	601,653	550,000	(200,311)
(Increase)/decrease in inventories	137,971	420,000	(175,382)
Increase/(decrease) in payables	(328,645)	(181,888)	172,129
Increase/(decrease) in provisions	(97,181)	0	(67,265)
Grants contributions for the development of assets	(526,918)	(6,230,099)	(1,314,957)
Net cash from operating activities	3,051,429	(4,004,168)	157,869

## 16. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2019	Restated 2018
	\$	\$
Governance	68,651	5,711
General purpose funding	2,119,344	788,667
Law, order, public safety	241,523	453,865
Health	1,261,916	1,285,900
Education and welfare	1,037,943	1,072,535
Housing	4,228,198	4,267,473
Community amenities	3,041,685	3,132,485
Recreation and culture	13,667,043	13,624,381
Transport	120,528,175	119,285,000
Economic services	1,377,015	1,034,062
Other property and services	6,332,070	5,536,780
Unallocated	0	3,514,291
	153,903,564	154,001,150

## 17. 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	28,318	28,318	27,188
President's Allowance	7,500	7,500	7,500
Deputy President's Allowance	1,875	1,875	2,000
Travelling Expenses	896	1,000	896
Telecommunications Allowance	7,000	7,000	6,682
	<u>45,589</u>	<u>45,693</u>	<u>44,266</u>

### 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	252,524	246,063
Post-employment benefits	31,666	19,538
Other long-term benefits	5,534	0
Termination benefits	0	13,835
	<u>289,724</u>	<u>279,436</u>

#### *Short-term employee benefits*

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

#### *Post-employment benefits*

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

#### *Other long-term benefits*

These amounts represent long service benefits accruing during the year.

#### *Termination benefits*

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



## 17. 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	4,371	0
Purchase of goods and services	17,959	1,515

### 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.

18. JOINT ARRANGEMENTS

The Shire together with the Shires of Kondinin, Lake Grace, Narembeen and Kulin have a joint operation arrangement with regard to the provision of an environmental health service. The only asset is a motor vehicle. The Shire's one third share of this asset is included in Property, Plant and Equipment.

**Non-current assets**

Light vehicles-Management Valuation 2016  
 Less accumulated depreciation

2019	2018
\$	\$
61,304	61,304
(37,547)	(26,153)
23,757	35,151

**SIGNIFICANT ACCOUNTING POLICIES**

**Interests in joint arrangements**

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

**Interests in joint arrangements (Continued)**

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

## **19 MAJOR LAND TRANSACTIONS**

Council had no major land transactions during the 2018/2019 financial year.

## **20. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS**

Council had no trading undertakings or major trading undertakings during the 2018/2019 financial year.

## **21. CONTINGENT LIABILITIES**

The Shire had no contingent liabilities as at 30 June 2019.

## **22. CAPITAL AND LEASE COMMITMENTS**

The Shire did not have any capital and lease commitments as at 30 June 2019.

## **23. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD**

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Shire.

## 24. CONDITIONS OVER GRANTS/CONTRIBUTIONS

Grant/Contribution	Opening	Received <sup>(2)</sup>	Expended <sup>(3)</sup>	Closing	Received <sup>(2)</sup>	Expended <sup>(3)</sup>	Closing
	Balance <sup>(1)</sup>			Balance <sup>(1)</sup>			Balance
	1/07/17	2017/18	2017/18	30/06/18	2018/19	2018/19	30/06/19
	\$	\$	\$	\$	\$	\$	\$
<b>Education and welfare</b>							
CRC Traineeship Grant	0	0	0	0	30,000	0	30,000
<b>Total</b>	0	0	0	0	30,000	0	30,000

**Notes:**

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

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

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

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

25. RATING INFORMATION

(a) Rates

RATE TYPE	Rate in \$	Number of Properties	2018/19 Actual Rateable Value \$	2018/19 Actual Rate Revenue \$	2018/19 Actual Interim Rates \$	2018/19 Actual Back Rates \$	2018/19 Actual Total Revenue \$	2018/19 Budget Rate Revenue \$	2018/19 Budget Interim Rate \$	2018/19 Budget Back Rate \$	2018/19 Budget Total Revenue \$	2017/18 Actual Total Revenue \$
<b>Differential general rate / general rate</b>												
<b>Gross rental valuations</b>												
GRV - Corrigin	0.092221	410	4,263,240	393,160	(155)	0	393,005	393,160	0	0	393,160	391,978
GRV - Other Townsites	0.092221	6	28,600	2,638	0	0	2,638	2,638	0	0	2,638	2,635
<b>Unimproved valuations</b>												
Rural	0.015372	341	139,871,500	2,150,105	1,750	0	2,151,855	2,150,105	0	0	2,150,105	2,105,485
<b>Sub-Total</b>		757	144,163,340	2,545,903	1,595	0	2,547,498	2,545,903	0	0	2,545,903	2,500,098
<b>Minimum payment</b>												
<b>Gross rental valuations</b>												
GRV - Corrigin	390	41	84,086	15,990	0	0	15,990	15,990	0	0	15,990	14,250
GRV - Other Townsites	273	7	2,610	1,911	0	0	1,911	1,911	0	0	1,911	1,400
<b>Unimproved valuations</b>												
Rural	390	12	89,318	4,680	0	0	4,680	4,680	0	0	4,680	4,500
<b>Sub-Total</b>		60	176,014	22,581	0	0	22,581	22,581	0	0	22,581	20,150
		817	144,339,354	2,568,484	1,595	0	2,570,079	2,568,484	0	0	2,568,484	2,520,248
Discounts/concessions (refer Note 25( c ) )							(41,000)				(35,958)	(41,220)
<b>Total amount raised from general rate</b>							2,529,079				2,532,526	2,479,028
Specified Area Rate (refer Note 25(b))							0				0	0
Ex-gratia rates							32,467				32,467	30,489
<b>Totals</b>							2,561,546				2,564,993	2,509,517

**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.

25. RATING INFORMATION (Continued)

(b) Specified Area Rate

The Shire did not raise specified area rates for the year ended 30th June 2019.

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

Rates Discounts

Rate or Fee Discount Granted	Discount %	Discount \$	2019 Actual \$	2019 Budget \$	2018 Actual \$
Early Payment Discount	2.00%	41,000	41,000	35,958	41,220
			41,000	35,958	41,220

## 25. RATING INFORMATION (Continued)

### (d) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
<b>Option One</b>	15 Oct 2018		0%	11%
<b>Option Two</b>	15 Oct 2018	0	5.5%	11%
	14 Dec 2018	10	5.5%	11%
	14 Feb 2019	10	5.5%	11%
	15 Apr 2019	10	5.5%	11%

	2019 Actual \$	2019 Budget \$	2018 Actual \$
Interest on unpaid rates	19,476	8,500	13,819
Interest on instalment plan	4,656	4,500	4,249
Charges on instalment plan	3,270	2,800	2,880
	<b>27,402</b>	<b>15,800</b>	<b>20,948</b>

## 26. RATE SETTING STATEMENT INFORMATION

	2018/19 (30 June 2019 Carried Forward)	2018/19 Budget (30 June 2019 Carried Forward)	Restated 2018/19 (1 July 2018 Brought Forward)
Note	\$	\$	\$
<b>(a) Non-cash amounts excluded from operating activities</b>			
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .			
<b>Adjustments to operating activities</b>			
Less: Profit on asset disposals	10(a) (111,425)	(100,848)	(17,708)
Movement in pensioner deferred rates (non-current)	2,210	0	(2,304)
Movement in employee benefit provisions (non-current)	8,647	0	(3,289)
Add: Loss on disposal of assets	10(a) 29,784	118,941	42,905
Add: Depreciation on assets	10(d) 2,964,279	3,666,283	3,207,892
<b>Non cash amounts excluded from operating activities</b>	2,893,495	3,684,376	3,227,496
<b>(b) Surplus/(deficit) after imposition of general rates</b>			
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.			
<b>Adjustments to net current assets</b>			
Less: Reserves - restricted cash	3 (2,044,734)	(2,028,290)	(1,420,585)
Less: Land Held for Resale	(60,000)	0	(30,000)
Add: Borrowings	13(a) 78,572	123,743	123,743
<b>Total adjustments to net current assets</b>	(2,026,162)	(1,904,547)	(1,326,842)
<b>Net current assets used in the Rate Setting Statement</b>			
Total current assets	4,363,811	2,360,037	3,137,392
Less: Total current liabilities	(587,603)	(455,490)	(1,067,248)
Less: Total adjustments to net current assets	(2,026,162)	(1,904,547)	(1,326,842)
<b>Net current assets used in the Rate Setting Statement</b>	1,750,046	0	743,302



## 27. FINANCIAL RISK MANAGEMENT

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

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

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

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

### (a) Interest rate risk

#### Cash and cash equivalents

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

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

	Weighted Average Interest Rate	Carrying Amounts	Fixed Interest Rate	Variable Interest Rate	Non Interest Bearing
	%	\$	\$	\$	\$
<b>2019</b>					
Cash and cash equivalents	1.25%	3,434,026	2,358,028	1,075,098	900
Financial assets at amortised cost - term deposits	2.00%	586,704	586,704	0	0
<b>2018</b>					
Cash and cash equivalents	2.60%	2,086,405	665,417	1,420,088	900

#### 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
	\$	\$
	34,340	20,864

\* Holding all other variables constant

#### Borrowings

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

The Shire manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation. The Shire does not consider there to be any interest rate risk in relation to borrowings. Details of interest rates applicable to each borrowing may be found at Note 13(b).

## 27. 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 30 June 2019 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as the ability of ratepayers and residents to settle the receivables. Housing prices and unemployment rates have been identified as the most relevant factor in repayment rates, and accordingly adjustments are made to the expected credit loss rate based on these factors. There are no material receivables that have been subject to a re-negotiation of repayment terms.

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

	Current	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total
<b>30 June 2019</b>					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	3,012	67,770	37,967	34,597	143,346
Loss allowance	0	0	0	0	0
<b>01 July 2018</b>					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	2,097	65,140	21,380	39,406	128,023
Loss allowance	0	0	0	0	0

## 27. FINANCIAL RISK MANAGEMENT (Continued)

### (b) Credit Risk (Continued)

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

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
<b>30 June 2019</b>					
Sundry Receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	40,475	830	2,365	244	43,914
Loss allowance	0	0	0	0	0

There is no material expected credit loss for Sundry Debts and no provision made in the financials.

### 01 July 2018

Sundry Receivables					
Expected credit loss	8.27%	12.49%	0.13%	12.49%	
Gross carrying amount	518,166	1,425	76	2,426	522,093
Loss allowance	42,899	178	10	303	43,390

## 27. FINANCIAL RISK MANAGEMENT (Continued)

### (c) Liquidity risk

#### Payables and borrowings

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The Shire manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required and disclosed in Note 13(c).

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

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
<b>2019</b>					
Payables	171,785	0	0	171,785	171,785
Borrowings	154,553	618,210	1,545,526	2,318,289	1,656,928
	<u>326,338</u>	<u>618,210</u>	<u>1,545,526</u>	<u>2,490,074</u>	<u>1,828,713</u>
<b>2018</b>					
Payables	500,430	0	0	500,430	500,430
Borrowings	204,763	618,210	1,700,078	2,523,051	1,780,666
	<u>705,193</u>	<u>618,210</u>	<u>1,700,078</u>	<u>3,023,481</u>	<u>2,281,096</u>

## 28. 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 to restricted cash (Note 3)	30 June 2019
	\$	\$	\$		\$
B.C.I.T.F	0	342	(242)	(100)	0
Building Services Levy	0	802	(789)	(13)	0
Single Units Bonds	6,560	0	0	(6,560)	0
Animal Trap	60	0	0	(60)	0
Facility Bonds	4,200	8,640	(7,524)	(5,316)	0
Kidsports	2,690	0	(2,690)	0	0
Bus Ticketing	234	1,272	(1,506)	0	0
Police Licensing	24,961	514,144	(534,713)	0	4,392
Corrigin Community Development Fund	39,518	22,415	(11,698)	0	50,235
Friends of Cemetery	2,510	0	0	0	2,510
Edna Stevenson Educational Trust	938,537	9,287	(7,573)	0	940,251
Corrigin Disaster Fund	10,929	0	0	0	10,929
Bendering Tip	0	16,707	0	0	16,707
	1,030,199	573,609	(566,734)	(12,049)	1,025,024

*All bonds and deposits transferred have now been included in Restricted Cash at Note 3 and shown as a Current liability at Note 12.*

## 29. 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. In 2018/19 Council reports that no differences arose from the adoption of AASB 9 so there has been no recognition in accumulated surplus/(deficit).

There was no effect of adopting AASB 9 as at 1 July 2018 for the following reasons:-

- No additional remeasurement needed to be done for the expected credit losses under AASB 9.
- The Shire does not have any available-for-sale financial assets.

#### (a) Classification and measurement

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 classified as trade receivables and other 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.

AASB 139 category	AASB 139 value	AASB 9 category amortised cost	Fair value through OCI	Fair value through P/L
	\$	\$	\$	\$
<b>Financial Assets</b>				
Trade receivables (Note 5)	606,726	606,726	0	0
	606,726	606,726	0	0

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

### (b) Impairment

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

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, the Shire did not recognise any additional impairment on the Shire's trade receivables as historical data indicates that any expected credit loss would be immaterial.

Set out below is the reconciliation of the ending impairment allowances in accordance with AASB 139 to the opening loss allowances determined, in accordance with AASB 9:

	Impairment under AASB 139 as at 30 June 2018	Remeasurement	ECL under AASB 9 as at 01 July 2018
	\$	\$	\$
Loans and receivables under AASB 139 / Financial assets at amortised cost under AASB 9	43,390	0	43,390
	43,390	0	43,390

### 30. CHANGE IN ACCOUNTING POLICY

Balances relating to the 2018 comparative period have been amended due to a change in accounting policy. These amendments have been adjusted as shown below and, in accordance with the requirements of AASB101, a statement of financial position as at the beginning of the earliest comparative period has been included (refer statement of financial position column labelled as at 1 July 2017).

On the 26 June 2018 Paragraph 17A (5) was inserted into Local Government (Financial Management) Regulations 1996.

The regulation stated an asset is to be excluded from the assets of a local government if the fair value of the asset at the date of acquisition by the local government is under \$5 000.

Australian Accounting Standard AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors, requires this amendment to the asset values to be treated as a change in accounting policy. The standard requires balances to be adjusted retrospectively, unless it is impracticable to determine the period-specific or cumulative effects of the change.

The Shire has applied this change retrospectively, adjusting the Financial report opening balances as at 1 July 2017. Assets with a fair value at the date of acquisition of under \$5,000 and purchased prior to 30 June 2018 have been excluded from the assets of the Shire.

The impacts of the changes in the accounting policy on the prior year comparatives are disclosed below.

	2017 Original Balance	2017 Increase/ (Decrease)	2017 Restated Balance
	\$	\$	\$
<b>2017 Statement of Financial Position</b>			
<b>Non Current Assets</b>			
Property, Plant & Equipment	28,430,206	(204,172)	28,226,034
Infrastructure	119,030,768	(68,441)	118,962,327
<b>Equity</b>			
Retained Surplus	34,067,644	(272,613)	33,795,031
<b>Financial Ratios</b>			
Asset Consumption Ratio	0.85	0.10	0.95
	2018 Original Balance	2018 Increase/ (Decrease)	2018 Restated Balance
	\$	\$	\$
<b>Non Current Assets</b>			
Property, Plant & Equipment	27,545,279	(197,757)	27,347,522
Infrastructure	122,025,305	(88,900)	121,936,405
<b>Equity</b>			
Retained Surplus	32,545,477	(286,657)	32,258,820
<b>Statement of Comprehensive Income</b>			
<b>By Nature or Type</b>			
Depreciation	3,236,753	(28,861)	3,207,892
(Loss) on Asset Disposals	0	(42,905)	(42,905)
Net Result for the period	(1,475,390)	(14,044)	(1,489,434)
<b>By program</b>			
<b>Expenses</b>			
Governance	(654,198)	620	(653,578)
General purpose funding	(52,587)	0	(52,587)
Law, order, public safety	(128,353)	0	(128,353)
Health	(477,323)	3,745	(473,578)
Education and welfare	(312,030)	3,677	(308,353)
Housing	(135,117)	604	(134,513)
Community amenities	(508,504)	0	(508,504)
Recreation and culture	(1,496,514)	2,508	(1,494,006)
Transport	(6,003,019)	0	(6,003,019)
Economic services	(285,952)	901	(285,051)
Other property and services	(112,782)	16,804	(95,978)
	(10,166,379)	28,859	(10,137,520)



SHIRE OF CORRIGIN  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2019  
**30. CHANGE IN ACCOUNTING POLICY (Continued)**

	2018 Original Balance	2018 Increase/ (Decrease)	2018 Restated Balance
	\$	\$	\$
<b>Rate Setting Statement</b>			
Expenditure from operating activities:			
Governance	(654,198)	620	(653,578)
General Purpose Funding	(52,587)	0	(52,587)
Law, Order and Public Safety	(128,353)	0	(128,353)
Health	(477,323)	3,745	(473,578)
Education and Welfare	(312,030)	3,677	(308,353)
Housing	(135,117)	3,504	(131,613)
Community Amenities	(513,956)	0	(513,956)
Recreation and Culture	(1,585,408)	(17,950)	(1,603,358)
Transport	(6,003,019)	(25,003)	(6,028,022)
Economic Services	(285,952)	901	(285,051)
Other Property and Services	(112,782)	16,461	(96,321)
	<u>(10,260,725)</u>	<u>(14,045)</u>	<u>(10,274,770)</u>
Non Cash Items excluded from Operating Activities	3,241,541	(14,045)	3,227,496
Amount attributable to operating activities	<u>3,241,541</u>	<u>(14,045)</u>	<u>3,227,496</u>
<b>Rate Setting Statement Information</b>			
Add: Depreciation on Assets	(3,236,753)	28,861	(3,207,892)
<b>Financial Ratios</b>			
Asset Sustainability Ratio	0.50	0.09	0.59
Operating surplus Ratio	(0.54)	(0.42)	(0.96)
<b>Note 8 - Property, Plant and Equipment</b>			
Opening Balance as at 1 July 2017	28,430,206	(204,172)	28,226,034
Additions for the year ended 30 June 2018	280,523	0	280,523
Disposals for the year ended 30 June 2018	0	(22,446)	(22,446)
Depreciation for the year ended 30 June 2018	(1,165,450)	28,861	(1,136,589)
Closing balance at 30 June 2018	<u>27,545,279</u>	<u>(197,757)</u>	<u>27,347,522</u>
<b>Note 9 - Infrastructure</b>			
Opening Balance as at 1 July 2017	119,030,768	(68,441)	118,962,327
Additions for the year ended 30 June 2018	1,724,834	0	1,724,834
Disposals for the year ended 30 June 2018	0	(20,459)	(20,459)
Revaluation increments/(decrements transferred to revaluation surplus)	3,341,006	0	3,341,006
Depreciation for the year ended 30 June 2018	(2,071,303)	0	(2,071,303)
Closing balance at 30 June 2018	<u>122,025,305</u>	<u>(88,900)</u>	<u>121,936,405</u>

SHIRE OF CORRIGIN  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2019  
**30. CHANGE IN ACCOUNTING POLICY (Continued)**

	2018 Original Balance	2018 Increase/ (Decrease)	2018 Restated Balance
	\$	\$	\$
<b>Note 10d - Fixed Assets Depreciation</b>			
Buildings - specialised	769,226	(5,467)	763,759
Furniture and Equipment	24,400	(17,110)	7,290
Plant and Equipment	371,824	(6,284)	365,540
Infrastructure - Roads	1,347,918	0	1,347,918
Infrastructure - Footpaths	25,041	0	25,041
Infrastructure - Drainage	335,834	0	335,834
Infrastructure - Parks and Ovals	362,510	0	362,510
	3,236,753	(28,861)	3,207,892
<b>Note 15 - Notes to Statement of Cash Flows</b>			
Net Result	(1,475,390)	(14,044)	(1,489,434)
Non-cash flows in Net result:			
Depreciation	3,236,753	(28,861)	3,207,892
(Profit) / Loss on Disposal of Assets	(17,708)	42,905	25,197
<b>Note 16 - Total Assets Classified by Function &amp; Activity</b>			
Governance	5,711	0	5,711
General purpose funding	794,341	(5,674)	788,667
Law, order, public safety	456,265	(2,400)	453,865
Health	1,316,699	(30,799)	1,285,900
Education and welfare	1,083,734	(11,199)	1,072,535
Housing	4,265,228	2,245	4,267,473
Community amenities	3,136,771	(4,286)	3,132,485
Recreation and culture	13,737,938	(113,557)	13,624,381
Transport	119,388,561	(103,561)	119,285,000
Economic services	1,040,661	(6,599)	1,034,062
Other property and services	5,547,605	(10,825)	5,536,780
Unallocated	3,514,292	0	3,514,292
	154,287,806	(286,656)	154,001,150

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

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

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

#### (a) Revenue from Contracts with Customers

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

		AASB 118 carrying amount		AASB 15 carrying amount
	Note	30 June 2019	Reclassification	01 July 2019
		\$	\$	\$
<b>Contract liabilities - current</b>				
Unspent grants, contributions and reimbursements		0	30,000	30,000
Adjustment to retained surplus from adoption of AASB 15	31( e)	0	(30,000)	(30,000)

#### (b) Leases

The Shire does not have any operating leases as at 30 June 2019, therefore AASB16 will not have any impact as at 1 July 2019.

#### (c) Income For Not-For-Profit Entities

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

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

		AASB 1004 carrying amount		AASB 1058 carrying amount
	Note	30 June 2019	Reclassification	01 July 2019
		\$	\$	\$
Trade and other payables		171,785	15,911	155,874
Adjustment to retained surplus from adoption of AASB 1058	31( e)	0	(15,911)	0

**31 NEW ACCOUNTING STANDARDS AND INTERPRETATIONS FOR APPLICATION IN FUTURE YEARS (Continued)****(d) Income For Not-For-Profit Entities (Continued)**

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 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.

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

**(e) Impact of changes to Retained Surplus**

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

	<u>Note</u>	<u>Adjustments</u>	<u>2019</u>
			\$
Retained surplus - 30 June 2019			32,086,650
Adjustment to retained surplus from adoption of AASB 15	31(a)	(30,000)	
Adjustment to retained surplus from adoption of AASB 16	31(b)	0	
Adjustment to retained surplus from adoption of AASB 1058	31(c)	(15,911)	(45,911)
Retained surplus - 01 July 2019			<u>32,040,739</u>

### 32. OTHER SIGNIFICANT ACCOUNTING POLICIES

#### a) Goods and services tax (GST)

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

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

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

#### b) Current and non-current classification

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

#### c) Rounding off figures

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

#### d) Comparative figures

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

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

#### e) Budget comparative figures

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

#### f) Superannuation

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

#### g) Fair value of assets and liabilities

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

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

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

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

#### h) Fair value hierarchy

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

##### Level 1

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

##### Level 2

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

##### Level 3

Measurements based on unobservable inputs for the asset or liability.

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

#### Valuation techniques

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

##### Market approach

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

##### Income approach

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

##### Cost approach

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

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

#### i) Impairment of assets

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

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

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

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

### 33. ACTIVITIES/PROGRAMS

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

<b>PROGRAM NAME AND OBJECTIVES</b>	<b>ACTIVITIES</b>
<p><b>GOVERNANCE</b>            To provide a decision making process for the efficient allocation of scarce resources</p>	Administration and operation of facilities and services to members of council; other costs that relate to the tasks of assisting elected members and ratepayers on matters which do not concern specific Council services.
<p><b>GENERAL PURPOSE FUNDING</b>            To collect revenue to allow for the provision of services</p>	Rates, general purpose government grants and interest revenue
<p><b>LAW, ORDER, PUBLIC SAFETY</b>            To collect revenue to allow for the provision of services</p>	Supervision and enforcement of various Acts, regulations and by-laws relating to fire prevention, animal control and other aspects of public safety including emergency services
<p><b>HEALTH</b>            To provide an operational framework for environmental and community health</p>	Inspection of food outlets and their control, provision of meat inspection services, noise control and waste disposal compliance. Administration of the RoeROC health scheme and provision of various medical facilities.
<p><b>EDUCATION AND WELFARE</b>            Provide services to the elderly, children, youth and disadvantaged</p>	Maintenance of the child minding and playgroup facility. Assistance with the occasional Day care centre and playgroup as well as donations to other voluntary services. Provision and/or support of community care programs and youth services and provision of services provided by the Community Resource Centre
<p><b>HOUSING</b>            To provide and maintain staff and rental housing</p>	Provision and maintenance of staff, aged, rental and joint venture housing
<p><b>COMMUNITY AMENITIES</b>            To provide services required by the community</p>	Rubbish collection services, operation of rubbish disposal sites, litter control, administration of town planning schemes. Administration and maintenance of cemetery and public conveniences and Shire water drainage and community bus.
<p><b>RECREATION AND CULTURE</b>            To establish and effectively manage infrastructure and resources which will help the social wellbeing of the community</p>	Maintenance of public halls, aquatic centres, recreation centres and various sporting facilities. Provision and maintenance of parks, gardens, reserves and playgrounds. Provision of library services and the support of other heritage and cultural facilities and services.
<p><b>TRANSPORT</b>            To provide safe, effective and efficient transport services to the community.</p>	Construction and maintenance of roads, streets, footpaths, depots, airstrip, bridges and traffic control. Cleaning of streets and maintenance of street trees, street lighting, etc. Provision of police licensing services.
<p><b>ECONOMIC SERVICES</b>            To help promote the shire and its economic wellbeing.</p>	The regulation and provision of tourism, area promotion, building control and noxious weeds.
<p><b>OTHER PROPERTY AND SERVICES</b>            To monitor and control council's overhead operating accounts</p>	Private works, plant repair and operation costs, public works overheads and administration costs.

### 34. FINANCIAL RATIOS

	2019 Actual	Restated 2018 Actual	Restated 2017 Actual
Current ratio	5.24	1.84	2.38
Asset consumption ratio	0.97	0.72	0.95*
Asset renewal funding ratio	0.59	0.84	N/A**
Asset sustainability ratio	0.21	0.59*	0.96
Debt service cover ratio	14.51	2.09	9.28
Operating surplus ratio	(0.01)	(0.96)*	(0.32)
Own source revenue coverage ratio	0.74	0.51	0.41

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

\* Restated

\*\* The Council are unable to provide an Asset Renewal Funding ratio for 2017 as the information was not available



## Auditor General

### INDEPENDENT AUDITOR'S REPORT

To the Councillors of the Shire of Corrigin

Report on the Audit of the Financial Report

#### **Opinion**

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

- (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 (Regulations), does not allow a local government to recognise some categories of land, including land under roads, as assets in the annual financial report. My opinion is not modified in respect of this matter.

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

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

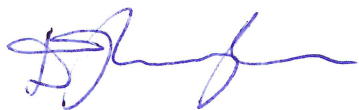
- (i) In my opinion, the following material matters indicate significant adverse trends in the financial position of the Shire:
  - a. The Asset Sustainability Ratio as reported in Note 34 of the annual financial report has been below the Department of Local Government, Sport and Cultural Industries' standard for the last two financial years.
  - b. The operating surplus ratio as reported in Note 34 of the annual financial report has been below the Department of Local Government, Sport and Cultural Industries' standard for the last three financial years.
- (ii) All required information and explanations were obtained by me.
- (iii) All audit procedures were satisfactorily completed.
- (iv) In my opinion, the Asset Consumption Ratio and the Asset Renewal Funding Ratio included in the annual financial report were supported by verifiable information and reasonable assumptions.

### **Other Matter**

The annual financial report of the Shire for the year ended 30 June 2018 was audited by another auditor who expressed an unmodified opinion on that annual financial report. The financial ratios for 2017 and 2018 in Note 34 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 Corrigin for the year ended 30 June 2019 included on the Shire's website. The Shire's management is responsible for the integrity of the Shire's website. This audit does not provide assurance on the integrity of the Shire's website. The auditor's report refers only to the annual financial report described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this annual financial report. If users of the annual financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited annual financial report to confirm the information contained in this website version of the annual financial report.



DON CUNNINGHAME  
ASSISTANT AUDITOR GENERAL FINANCIAL AUDIT  
Delegate of the Auditor General for Western Australia  
Perth, Western Australia  
18 December 2019



Our Ref: 8288

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President  
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Dear President

### **ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2019**

The Office has completed the audit of the annual financial report for your local government. In accordance with section 7.12AD (2) of the *Local Government Act 1995*, we enclose the Auditor General's auditor's report, together with the audited annual financial report.

We have also forwarded the reports to the CEO and the Minister, as required by the Act. The CEO is required to publish the annual report, including the auditor's report and the audited financial report, on your Shire's official website within 14 days after the annual report has been accepted by your Council.

#### **Management Control Issues**

While the result of the audit was generally satisfactory, I would like to draw your attention to the attached other matter that was identified during the audit. This matter has been discussed with management and their comments have been included in the attachment. Issues arising from the interim audit were reported in my interim management letter dated 10 July 2019.

Please note that the purpose of our audit was to express an opinion on the financial report. The audit included consideration of internal control relevant to the preparation of the financial report in order to design audit procedures that were appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control.

An audit is not designed to identify all internal control deficiencies that may require management attention. The matters being reported are limited to those deficiencies that have been identified during the audit that are of sufficient importance to warrant being reported. It is possible that other irregularities and deficiencies may have occurred and not been identified as a result of our audit.

This letter has been provided for the purposes of the Shire and the Minister for Local Government and may not be suitable for other purposes.

I would like to take this opportunity to thank you, the management and the staff of the Shire for their cooperation with the audit team during our audit.

Feel free to contact me on 6557 7620 if you would like to discuss these matters further.

Yours faithfully

STEVEN HOAR  
DIRECTOR FINANCIAL AUDIT  
18 December 2019

Attach