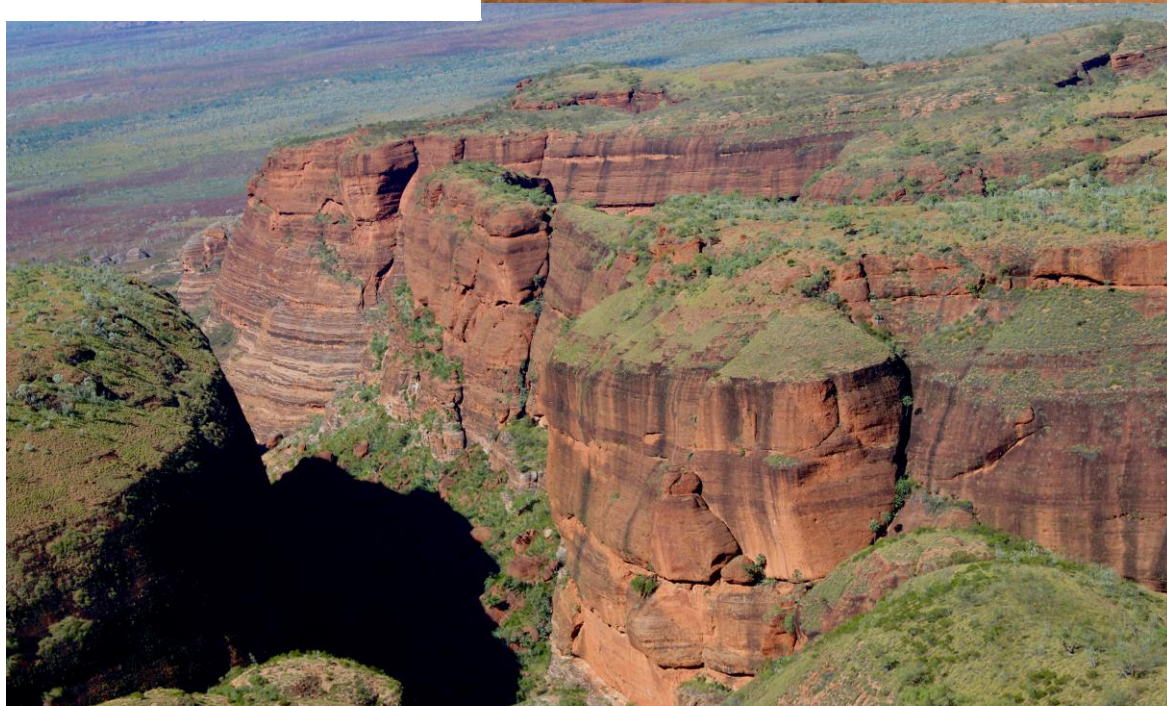


# SHIRE OF HALLS CREEK



## ANNUAL REPORT

for the year ended 30 June 2018



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## 1.0 SHIRE PRESIDENT'S MESSAGE



As President for the Shire of Halls Creek, I am proud to present the Shire of Halls Creek Annual report for 2017/18.

I would like to thank my fellow Councillors for their support and dedication to the Shire. I would further like to thank the Acting Chief Executive Officer, management team and all the staff for their commitment and hard work in delivering the projects and services needed for the community.

The 2017/18 year has been one of unexpected turbulence. The recent CCC events can be viewed as an opportunity for learning and progress as well as a strengthening of governance and administrative practices. All Councillors and staff have united around ensuring our continued improvement makes for a positive future. Despite the former CEO, Rodger Kerr Newell leaving suddenly in April this year, the Council acknowledges the achievements during his term as CEO. I would also like to extend a welcome to Mr Steven Deckert as Acting CEO until a new CEO commences.

The Shire has made some good progress with many projects undertaken over the last year. The installation of a 50kW solar power system at the Aquatic Centre was completed in June 2018 with the Shire introducing free entry for children earlier in the year, with the cost savings in power offsetting the reduced revenue from free entry. The two covered basketball courts were re-surfaced with a quality and safe playing surface and delivered well within budget.

Our town streets renewal program was completed in May 2018 with the re-sealing of the Duncan Road, Bedford Road and Neighbour Streets. These improvements have made these key roads and others safer and more user friendly.

The sealing of the Tanami Road continues to be a key focus area. The Shire is working with the Western Australia, Northern Territory and Australian Governments, as well as the Kimberley Zone and a number of business stakeholders in a bid to develop a business case to help bring about the long held vision for this important road.

The Olabud Doogethu program has entered into an MOU with the Australian Defence Force to support a local NORFORCE Army Reserve in Halls Creek. The team have further engaged with Community Development Consultant Peter Kenyon of the Bank of I.D.E.A.S to develop a Justice Reinvestment/Alternative Education project for Halls Creek and surrounding communities. These very worthwhile projects and more can be found within this report, along with the key initiatives and capital projects planned for the Shire in 2018/19.

This report is a snapshot of what has been achieved in the past year through the hard work of the Councillors, Shire of Halls Creek staff and the wider community, and I would encourage everyone to take the time to read the report to discover what has been achieved.



**Cr Malcolm Edwards, Shire President**

## 2.0 MESSAGE FROM THE ACTING CHIEF EXECUTIVE OFFICER



The 2017/18 year has been a very busy and productive year, but also one of renewal and change. My fixed term with the Shire commenced in June 2018 following the departure of the previous Chief Executive Officer in April and will continue until early December when the new CEO arrives.

Following the recent CCC investigations the Council administration have worked hard to address the issues raised within the Commission's report and have made some real progress in ensuring that the Shire of Halls Creek continues to improve around corporate compliance. This has been assisted by the Shire voluntarily undertaking compliance audits including the Regulation 17 audit which has provided areas of focus, and Shire staff are working hard to ensure that our systems and processes are more robust.

The 2017/18 financial year was another solid year with surplus funds of \$3.6 million carried forward to 2018/19 as per the Rate Setting Statement on page 8 of the Financial Report. This included an advanced payment of the Financial Assistance Grant of \$2.2 million for the 2018/19 year. The balance is made up of unspent capital projects carried forward of \$450k, unspent grants carried forward of \$120k and the balance is savings through staff vacancies and cost efficiencies. There was approximately \$3 million spent on Shire assets including:

- CCTV system which is being monitored by the police
- Resurface of basketball court at the Recreation centre and solar power
- New gazebo at the cemetery
- Echo toilet at Palm Springs, Caroline Pool and Sawpit Gorge
- Roads

The loan balance was reduced to just under \$1 million and reserves increased by approximately \$1.1 million. The use of reserves helps even out the cost of major capital projects over a number of years rather than having to use loans or having to raise a significant amount in one year. This has left the Shire in good shape for the coming 2018/19 year.

The Shire continues to improve around Integrated Planning and Reporting with the Shire engaging consultants to undertake a full review of the Asset Management plans; this has resulted in a full suite of plans being adopted by the Council in August 2017. The Council also adopted the Workforce Plan. The Strategic Community Plan is due for review next year. This review will provide an opportunity to produce the Corporate Business Plan, as well as the Long Term Financial Plan.

I would like to congratulate all staff for their dedication in ensuring the many great projects have been delivered, as you will see in this report, and the Shire has many capital projects planned for the coming year that will bring great results for the community. The President, elected members and staff work well as a team to ensure that the Shire continues to achieve the community's vision.

A handwritten signature in blue ink, reading 'Steven Deckert', written over a horizontal line.

**Steven Deckert, Acting Chief Executive Officer**

### 3. INTRODUCTION

#### 3.1 WHAT IS THE ANNUAL REPORT?

As required by the Local Government Act 1995 and associated regulations the Annual Report for 2016/17 provides an overview of the operations, activities and major projects undertaken by the Shire for that period, and includes major initiatives proposed to commence or continue in the next financial year. The performance of the Council is assessed against the vision, Mission, Strategic Goals, Outcomes and Strategies as set out in the Shire of Halls Creek Strategic Community Plan, and Corporate Business Plan.

These plans provide strategic focus for elected members and the organisation and they affirm our commitments to the community.

#### 3.2 Vision

##### **Our Vision**

***The Shire of Halls Creek town and remote communities are economically diverse, caring, and proactive with a strong sense of responsibility and pride.***

#### 3.3 Our Values

Values of the organisation and the community are demonstrated through the way employees behave, interact and think. Defining values and clearly articulating what these values look and feel like is very important and are the building blocks to ensuring a consistent customer and staff experience is delivered at all times. Values and the behaviour they influence are also essential when creating a strong and well respected Corporate Brand both internally and externally.



Halls Creek Lookout

### 3.4 Community Aspirations and Values

Aspiration or Value	Benefits
<b>Respect for, and engagement with the traditional owners of the land.</b>	Ensuring pace and level of development impacting Indigenous communities is guided by the Traditional Owners.
<b>Social inclusiveness</b>	Promotes a future for all residents, actively strengthens the social fabric of the community, values diversity and responds to special needs and disadvantage.
<b>Community involvement</b>	Values the contributions of all groups and ages and generates opportunities for active participation by residents in planning and action.
<b>Positive Mindset</b>	Fosters community attitudes that embrace change, proactive 'can do' behaviours, optimism, hopefulness and the belief in the community being architects and builders of their social and economic future.
<b>Respect for the Environment, Cultures and Sustainable Practices</b>	Respects the natural environment, cultures, heritage and town character and commits to ensuring that the needs of the present are met without compromising the ability of future generations to meet their needs.
<b>Access and Equity</b>	Provides all residents with adequate health, educational, learning, housing and recreational opportunities, facilities and programs.
<b>Mutual Responsibility and Respect</b>	Encourages attitudes and behaviours that foster harmony, equity before the law, personal accountability and respect for the ideas, potential and contributions of all residents.
<b>Celebration</b>	Encourages pride and times of celebration relating to the town's heritage, uniqueness, cultures and achievements.
<b>Collaboration, Partnership and Networking</b>	Creating and strengthening stakeholder collaboration, coordination, networking and cross-promotion to ensure maximum positive outcomes for the residents of the town.
<b>Asset and Opportunity Focus</b>	Focussing upon local assets, opportunities and creativity, and building upon and strengthening existing initiatives and groups.
<b>Commitment to Excellence in Performance and Customer Service</b>	Ensuring strong dedication to quality experiences and outstanding customer service where everyone experiences respect, hospitality and friendliness.



#### 4. About our Shire

Located in the Kimberley region, the Shire of Halls Creek is one of Australia's iconic outback regions with a unique cultural and heritage environment. Predominantly Aboriginal populations live in a number of remote communities around the district and the town site of Halls Creek.

The Shire of Halls Creek covers 142,908 square kilometres of the Kimberley is located approximately 2,850 kilometres to the North East of Perth and 362 kilometres south of Kununurra. The Northern Territory forms the Eastern boundary of the Shire with the Shire of Wyndham-East Kimberley to the North, the Shire of Derby West Kimberley to the West and the Shire East Pilbara to the South and West.

The remote communities of Balgo (Wirrimanu), Billiluna (Mindibungu), Mulan, Kundat Djaru (Ringer Soak), Warmun (Turkey Creek) and Yiyili are an integral part of the district with around 3,000 people residing outside of the Halls Creek town site. Throughout the Shire there are a number of smaller communities. The Region is connected by 391km of sealed roads and 1,449km of unsealed roads, which require extensive maintenance work due to seasonal flooding.

#### 2017/18 Quick Facts

Budget Revenue \$14.8 M	Revenue from Rates - \$2.2M	Grants Income \$2.2 M	600 Ratepayers
Reserves \$5.5M	Population 3,269	Size of Shire 142,908km <sup>2</sup>	Distance from Perth 2,850km
Male 49%	Female 51%	Identify as Aboriginal 74.2%	Median Age of Population-28

Source – ABS Sensis data 2016  
2017/18 SoHC Budget Actuals

#### 4.1 Kimberley Aboriginal Language Groups

The following map illustrates the distribution of Aboriginal Language Groups in the Kimberley. Languages play an important role in supporting Aboriginals in connecting with their culture and country. They are also an important consideration for non-Indigenous people and organisations that engage or work with Aboriginal people in the Kimberley region.



#### 4.2 History

The land now known as Halls Creek has been occupied for thousands of years. The land is crossed by songlines and trading paths stretching from the coasts to the deserts, some passing near the modern town.

The story of that long occupation remains alive today and it is revealed in the culture of the Jaru, Kija, Kukatja, Walmajarri, Gooniyandi and other indigenous people who live in the Shire of Halls Creek.

That ancient world changed late in the 1800's with the arrival of Europeans, searching for minerals for wealth and land for cattle. On Christmas Day 1885 prospector Charlie Hall found a huge 28-ounce (nearly 1 kilogram) gold nugget at a site that would eventually be named after him.

News of the discovery drew more than 15,000 people to what is now Old Halls Creek to try their luck. It proved an inhospitable land for these people and the graves of some can be found in Old Town's small cemetery.

The gold rush lasted less than three months and Halls Creek became a trading centre for cattle stations, aboriginal communities and miners who stayed in the area. The post office with its telegraph line that terminated here, the police station, government office, racecourse and stores gave the town a purpose.

In 1918 the Australian Inland Mission built a hospital and the old town struggled on, short of inhabitants and water. In 1948 an airfield was built near the site of the present town and over the next decade the old town moved nearer to this new site. Except for the police station, which finally relocated in 1961, the old town was abandoned by 1954.

The new town of Halls Creek is one of the largest predominantly indigenous communities in Australia. It is a friendly, welcoming place and offers travelers an ideal stop on their journeys. The old town is worth a visit, nestled in spectacular country.

### Remote Aboriginal Communities

Community	Population	Languages Spoken
Balgo Hills	460	Kukatja, Ngardi, Northern Territory languages
Billiluna	144	Kukatja, Eastern Walmajarri, Jaru, Ngardi
Mulan	194	Kukatja, Eastern Walmajarri, Jaru, Ngardi
Ringer Soak	160	Jaru, Kukatja, Ngardi, Northern Territory languages
Warmun	196	Gija
Yiyili		Goonyandi



Mulan community

## 5.0 ABOUT OUR ORGANISATION

### 5.1 Role of Local Government

The function of a local government organisation is to provide good governance for its community members, involving efficient and effective decision making, community participation, operational transparency and accountability.

All local governments in Western Australia are independent corporate bodies constituted under the Local Government Act 1995 (the Act). The Act requires each local government to meet the needs of current and future generations by integrating environmental protection, social advancement and economic prosperity.

## 5.2 Shire Executive

The role of the Chief Executive Officer is to advise the Council in relation to the functions of the local government; ensure advice and information is available for Council to make informed decisions; implement Council decisions; manage daily operations; liaise with the Shire President regarding performance and management of staff.

During the 2017/18 period, the Council organisation was led by Chief Executive Officer Mr Rodger Kerr-Newell up until the end of April 2018. Mr Steven Deckert joined the Shire as Acting Chief Executive Officer on the 25 June 2018 for a fixed term and continues in the role until the new appointed Chief Executive Officer commences.

The Shire' Executive consisted of Chief Financial Officer Ms Teresa Foster, and Directors Mr Lloyd Barton (Corporate Services), Ms Kellie Gill (Executive Services), Ms Bronwyn Little (Strategic Planning up until the end of April 2018), Mr Musa Mono (Health & Regulatory Services), Mr Phil Burgess (Infrastructure Assets), and Ms Margaret Glass (Youth & Community Development).

## 5.3 Our Elected Members

The Council of the Shire of Halls Creek consists of seven (7) elected members. Council Ordinary Elections are held in October every second year, and Councillors are appointed for a four year term.

Following the Council Ordinary elections on the 21 October 2017, Cr Chris Loessl was returned to council along with Councillor Virginia O'Neil. Cr Rosemary Stretch, Cr Bonnie Edwards, and Cr Brett Perkins were welcomed as our newest councillors. The election of the Shire President and Deputy Shire President was held on 16 November 2017 where Cr Malcolm Edwards was returned unopposed as Shire President and Cr Chris Loessl elected as Deputy Shire President.

The next Local Government elections will be held in October 2019.

The role of a Councillor is to represent the community, provide leadership and guidance, facilitate communication between community and Council, make decisions on matters before Council, determine Council policy, govern finances and provide forward planning and evaluation of progress.



Shire of Halls Creek Councillors from Left: Cr Trevor Bedford, Cr Bonnie Edwards, Cr Virginia O'Neil, Cr Malcolm Edwards (President), Cr Rosemary Stretch, Cr Chris Loessl (Deputy President), and Cr Brett Perkins



## 5.4 The Role of the President and Councillors

Council is the governing body of the Local Government and is made up of seven Elected Members (also called Councillors). The role of Council is defined in the *Local Government Act 1995* (the Act):

- To direct and control the local government's affairs; and
- To be responsible for the performance of the local government's functions

Each Elected Member is elected for a four year term, however Local government elections take place every second year on the third Saturday in October, with half the Council retiring at each election. Retiring Council members are eligible for re-election. After each election Elected Members select a President and Deputy President from amongst themselves.

Councillors play a very important policy-making role, requiring the identification of community needs, setting objectives to meet those needs, establishing priorities between competing demands and allocating resources. Elected Members do not have authority to act or make decisions as individuals; they are members of an elected body (Council) that makes decisions on behalf of the local government through a formal meeting process.

The Council undertakes a range of roles which are put into practice by the Shire officers. These roles inform how the Shire will activate the Strategic Community Plan through new projects and operational activities.

## 5.5 Elected Member Conduct

Section 5.121 of the Local Government Act 1995 requires a local government to maintain a register of complaints that result in an action under section 5.110(6) (b) or (c) of the Local Government Act 1995. In the 2017/18 year there were no complaints lodged regarding elected members.

## 5.6 Code of Conduct

Section 5.103 of the *Local Government Act 1995* provides that every local government is to prepare a code of conduct which is to be observed by members of the Council and Shire employees, and provides consistent guidelines for an acceptable standard of professional conduct. The code of conduct was revised and updated in November 2017 and can be found on the Shire of Halls Creek website <http://www.hallscreek.wa.gov.au>



Lake Komaterpillar

## 5.7 Shire of Halls Creek Elected Members

Shire of Halls Creek Elected Members current as at 21 October 2017, (7) elected members.

### Shire of Halls Creek Councillors



#### Shire President

**Cr Malcolm Edwards**

Email: malcolm.edwards7@bigpond.com



#### Deputy Shire President

**Cr Chris Loessl**

Email: pcsdn@yyms.org.au



**Cr Virginia O'Neil**

Phone: 0474 467 135



**Cr Trevor Bedford**

Ph: 0437 284 953



**Cr Rosemary Stretch**

Email: rosemary.stretch@wunan.org.au



**Cr Bonnie Edwards**

Phone: 0488 225 636



**Cr Brett Perkins**

Email: brett@spinifexcontracting.com



## 5.8 Integrated Planning and Reporting Framework

Local Government in WA is continuously improving the way it undertakes strategic planning processes. In 2011 the Integrated Planning and Reporting Requirement was legislated. The Shire of Halls Creek is continuing to develop an Integrated Planning and Reporting Framework that will allow us to sustainably and strategically meet the needs of our community.

### 5.8.1 Framework Aims

Integrated planning and reporting gives local governments a framework for establishing local priorities and to link this information to operational functions. Three major parties are involved in the development of an integrated plan: the local government administration, the Council and the community. Each party has a unique role and responsibilities for effective and sustainable integrated planning and reporting, with the Local Government (Administration) Regulations 1996 requiring each local government to adopt a Strategic Community Plan and a Corporate Business Plan.

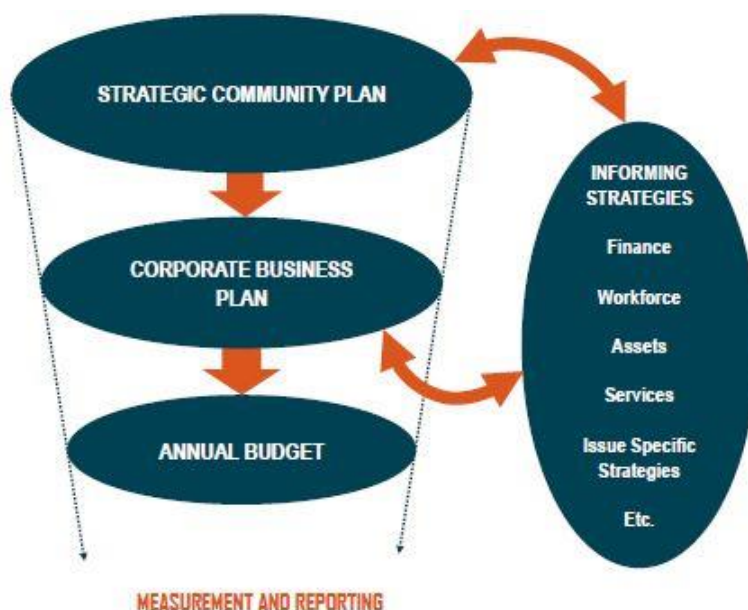
A successful integrated planning and reporting process will deliver the following outcomes:

- a Strategic Community Plan that clearly links the community's aspirations with the Council's vision and long term strategy
- a Corporate Business Plan that integrates resourcing plans and specific council plans with the Strategic Community Plan, and
- a clearly stated vision for the future viability of the local government area.

The Framework:

- recognises that planning for a local government is holistic in nature and driven by the community
- builds organisational and resource capability to meet community need
- optimises success by understanding the integration and interdependencies between the components, and
- emphasises performance monitoring so that local governments can adapt and respond to changes in community needs and the business environment.

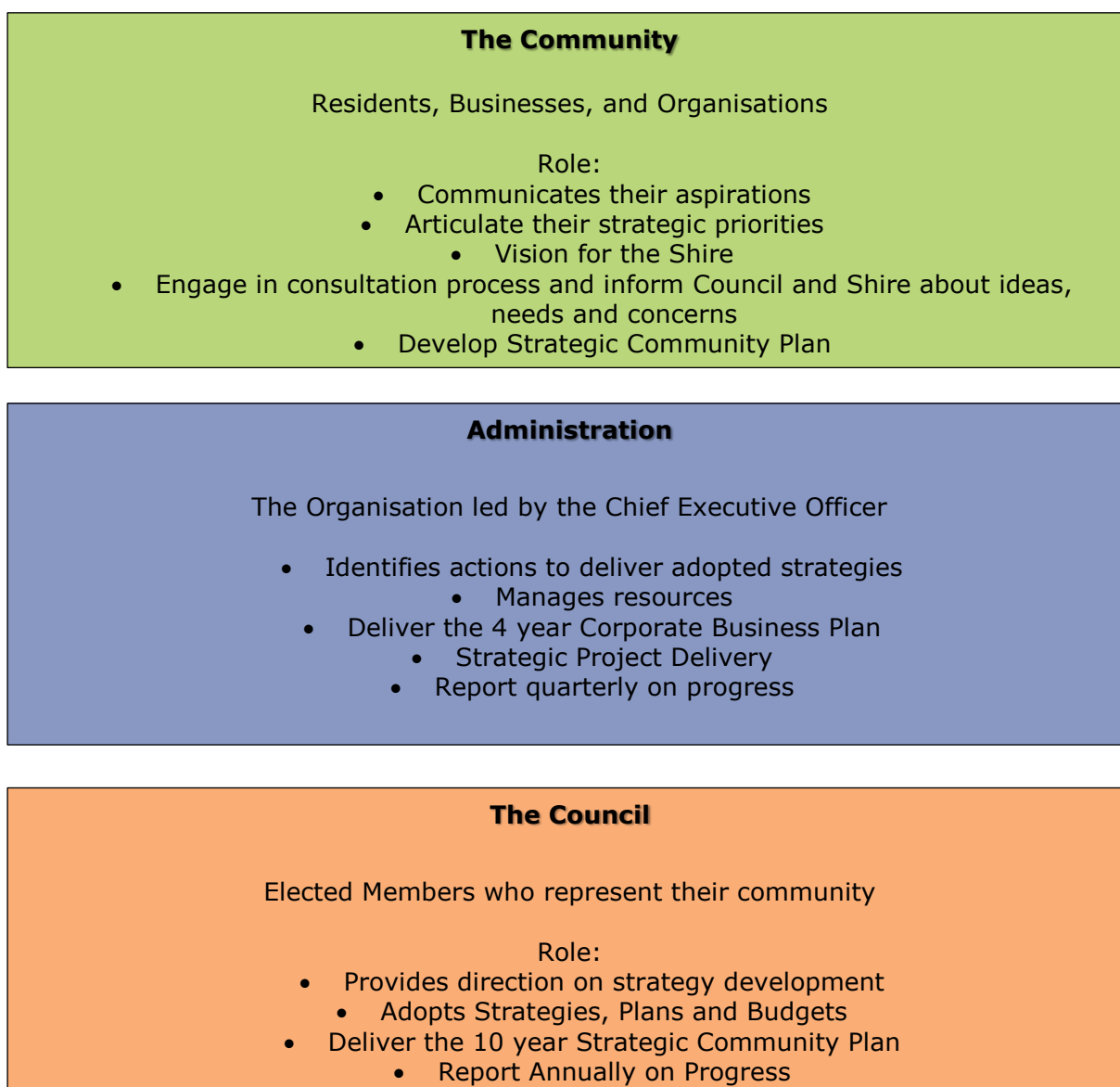
### 5.8.2 Key components of the framework



### 5.8.3 Framework Timelines

<b>Strategic Community Plan</b>	<b>10 year horizon and informed by community consultation; (Level 1)</b>
<b>Corporate Business Plan</b>	4 year horizon; (Level 2)
<b>Annual Budget</b>	1 year horizon; (Level 3)
<b>Supporting strategies</b>	Long Term Financial Plan, Asset Management Plan and Workforce Plan

### 5.8.4 Framework Roles and responsibilities





The Integrated Planning and Reporting Framework helps ensure Council's decisions look to the long- term future and consider the community's aspirations to deliver the best results possible with the resources available.

Before the legislative requirements to have an Integrated Planning and Reporting Framework the community had limited voice once Councillors were elected. The Framework is designed to put the community at the table through the Strategic Community Plan with the Council and CEO and ensure that the needs and aspirations of the community identified through the Strategic Community Plan are always considered. The framework helps to hold both Council and the CEO to account for delivering on the goals of the Strategic Community Plan.

### **5.8.5 Strategic Community Plan**

The Strategic Community Plan is the long-term overarching document that sets out our community's vision and aspirations for the future. It also sets out the key strategies and actions required to achieve these aspirations. The Strategic Community Plan identifies how we will get from where we are now, to where we want to be.

Achieving the identified aspirations will rely on the collective commitment and combined actions of the Shire of Halls Creek, government agencies, Aboriginal Corporations, non-government agencies, residents, the business community and community groups.

The 'Halls Creek Community Strategy 2008-2018' was adopted by Council on 17 December 2008. The pathway taken in the development of this Plan for the Future was documented in the Shire's 2008-2009 Annual Report. The Shire of Halls Creek Strategic Community Plan (SCP) was revised and adopted on 24 April 2015.

The Plan details the following community aspirations and values:

- Respect for, and engagement with, the Traditional Owners of the land;
- Social inclusiveness;
- Community involvement;
- Positive mindset;
- Respect for the Environment, Cultures and Sustainable Practices;
- Access and Equity;
- Mutual Responsibility and Respect;
- Celebration;
- Collaboration, Partnership and Networking;
- Asset and Opportunity Focus; and
- Commitment to Excellence in Performance and Customer Service.



The Strategic Community Plan identifies four focus areas (Goals) and associated Outcomes for the community, as follows:

## 1. Social

**Vibrant and connected communities -We support cultural and language diversity**

1. SOCIAL	Objectives	Desired Outcomes
	<b><i>Vibrant and connected communities. We support cultural and language diversity.</i></b>	<p><b>Priority:</b></p> <p><b>1.1 The quality of education and training opportunities (including early Childhood) are improved.</b></p> <p><b>1.2 Our people are empowered with a stronger sense of social responsibility and our communities are encouraged to work together.</b></p> <p><b>1.3 Improved access to communication technology, training and revitalization of Community Resource Centres</b></p> <p><b>1.4 Our community has access to appropriate transport networks and services, including a regional transport system.</b></p> <p>1.5 To recognise the importance of Aboriginal land, language and culture to social, emotional and economic well-being.</p> <p>1.6 To encourage and promote family responsibility</p> <p>1.7 Maintain a safe community and reduce crime levels.</p> <p>1.8 Our community has access to a wide range of passive and active recreation, cultural and sporting facilities, events, clubs and opportunities in particular football.</p> <p>1.9 The quantity, quality, suitability and affordability of local housing options are increased.</p> <p>1.10 The capacity and range of comprehensive, culturally relevant and quality community services are improved including services related to alcohol</p> <p>1.11 To improve and encourage the connection of young people to Country</p>



## 2. Economic

**Our town and remote communities are prosperous and viable**

2. ECONOMIC	Objectives	Desired Outcomes
	<i><b>Our town and remote communities are prosperous and viable.</b></i>	<p><b>Priority:</b></p> <p><b>2.1 Sealing of the Tanami.</b></p> <p><b>2.2 To raise the recognition of Halls Creek Shire as a significant tourism destination</b></p> <p><b>2.3 Promote and encourage the employment of local people in pastoral, mining and tourist activities.</b></p> <p><b>2.4 To increase the number, quality and variety of employment and on-the-job training opportunities for local residents and skilled staff.</b></p> <p>2.5 To improve signage throughout the Shire to improve access for the community and tourists</p> <p>2.6 Roads are maintained to a standard that meets the economic needs of local and regional economy.</p> <p>2.7 To encourage and promote local artists and art centres.</p> <p>2.8 To encourage pastoral and mining opportunities where appropriate</p> <p>2.9 To increase the number of tourism businesses and range of tourism products and facilities, including the potential of the Duncan Road and recreational fishing</p> <p>2.10 To increase and promote the range of Aboriginal tourist ventures on Country in collaboration with Traditional Owners</p> <p>2.11 To develop, retain, expand and diversify local enterprise throughout the Shire.</p> <p>2.12 To increase the number of skilled and experienced staff to meet the Shire's local employment needs.</p>





### 3. Environmental

#### Working together to care for country - Respecting the natural and built environment

3. ENVIRONMENT	Objectives	Desired Outcomes
	<p><i>Working together to care for country. Respecting the natural and built environment.</i></p>	<p><b>Priority:</b></p> <p><b>3.1 Protect Country for current and future generations</b></p> <p><b>3.2 Efficient and effective waste management.</b></p> <p><b>3.3 Caring for Country is an integral part of the Shire's natural and built environment</b></p> <p>3.4 Halls Creek is an attractive, comfortable and welcoming place to live and visit.</p> <p>3.5 Promote recognition of places of cultural importance and the stories of places on Country in consultation with Traditional Owners .</p> <p>3.6 Encourage and support the Ranger programs in remote communities</p> <p>3.7 Our natural and built environment is protected and respected to ensure it is ecologically sustainable, healthy, clean and safe.</p>



Palm Springs



## 4. Civic Leadership

Working together to strengthen leadership and effective governance

4. CIVIC LEADERSHIP	Objectives	Desired Outcomes
	<i>Working together to strengthen leadership and effective governance.</i>	<b>Priority</b>
		4.1 A local government that is respected and accountable.
		4.2 A customer focussed Council which welcomes inquiries and seeks positive outcomes for all residents and customers
		4.3 Genuine and culturally appropriate consultation with all residents on policies and projects affecting their communities
		4.4 Quality staff.
		4.5 Improved regional partnerships and effective collaboration to enhance service delivery.
		4.6 A well informed and engaged community that actively participates.
		4.7 A strong and professionally developed Council providing effective advocacy for the Shire's interests.
		4.8 Seek funding to achieve the desired outcomes of this plan from the full range of funding sources.
		4.9 Capacity for effective governance is established, maintained and enhanced.
		4.10 Improved business planning and performance

### 5.8.6 Corporate Business Plan

2019 will see a review of the Shire of Halls Creek Strategic Community Plan. As part of this review the Shire will take the opportunity to update the Corporate Business Plan. The plan outlines how new projects and operational services outlined in the Strategic Community Plan will be delivered.

### 5.8.7 Workforce Plan

Workforce Planning is one of the four key components of the Integrated Planning and Reporting Framework. At the strategic level, the workforce plan takes into account the community aspirations, priorities and objectives identified in the Strategic Community Plan. The Strategic Community Plan sets out the longer term vision for the Shire and highlights workforce needs.

The Workforce Plan establishes the existing workforce resources and addresses the workforce strategies necessary to meet the future service needs of the local government outlined in the Strategic Community plan and to bridge any gaps in labour availability, human resource management, capacity and capability. The Shire of Halls Creek Workforce Plan was revised and adopted in August 2017.



### 5.8.8 Asset Management Plans

In early 2017 Assetivity consultants were engaged to undertake a review of the Asset Management Plans (AMP). The review was intended to ensure compliance and to make the plans more relevant to the Shire and useful to those managers with responsibility for asset management planning. Following this review, a full suite of Asset Management plans were produced and adopted by Council at the August 2017 Ordinary Council meeting.

#### Asset Management Framework

The Shire provides a range of services for residents, businesses and visitors, that are dependent on Shire owned and controlled asset that include:

- Access throughout the shire by roads and additionally in the Halls Creek town site, footpaths and street lighting.
- Access to and from the Shire by air through the Halls Creek airport.
- Drainage to protect property and roads during heavy rainfall.
- Recreation in the form of parks, gardens, playgrounds, ovals and an aquatic and recreation centre
- Accommodation as housing and single persons quarters for staff accommodation.
- Buildings for various services and civic purposes including Shire Offices, Works Depot, Post Office, Town Hall and others.
- Waste management through town-site waste collection, disposal and management of the disposal area.
- Various plant, equipment, furnishings and Information Technology (IT) to provide the above services.

#### Proposed Asset Management Strategy

The proposed Asset Management Strategy covers a ten year period and will be reviewed every year.

The Strategy describes and outlines:

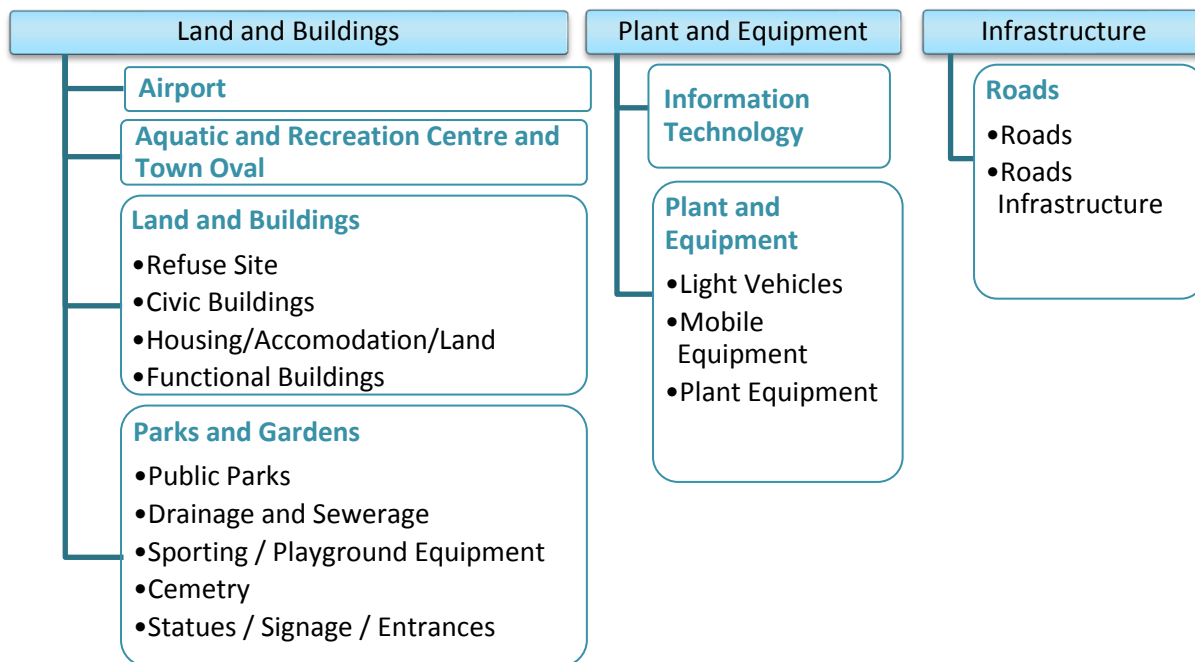
- the asset management process in general
- the asset hierarchy for the Shire
- Demand and financial constraints
- High level valuations
- Strategic Community Plan objectives and a set of related levels of service
- Management and responsibilities
- Processes and monitoring
- A summary of financial issues including operating costs, capital costs and funding sources

A total of seven individual Asset Management Plans (AMP's) have been developed as set out below:

Each of the plans addresses:

- Asset descriptions
- Asset Services, including levels of service and performance measures
- Demand forecasting
- Lifecycle – acquisition, operation and maintenance
- Operation Expenditure, capital spend and funding
- Improvement plans and monitoring

## Asset Management Plans (AMP's)



### 5.8.9 Long Term Financial Plan

The Long Term Financial Plan will be updated and implemented in conjunction with the review of the Strategic Community Plan and the Corporate Business Plan.

### Regular Review

The Integrated Planning and Reporting Framework requires a part review of the Strategic Community Plan every two years and a full review of the Strategic Community Plan every four years. The Shire will look to commencing a full review of the Strategic Community Plan in 2019.

## 6.0 YEAR IN REVIEW

This report summarises the Shire of Halls Creek progress during the 2017/18 financial year towards attaining the goals, strategies and outcomes from the Strategic Community Plan.

### 6.1 Strategic Planning

#### Integrated Planning and Asset Management Planning

The Strategic Community Plan continues to provide guidance to all the Shire's plans, policies and projects. This year we have been developing our Asset Management Policy, Strategy and individual Asset Management Plans. The Shire enlisted consultants to review and produce a full suite of asset management plans, resulting in the plans being produced and adopted by Council in August 2017.

## Local Planning Strategy and Scheme

Following on from the adoption of the Local Planning Strategy the Local Planning Scheme is under review in partnership with the Department of Planning. This document will give effect to the Strategy and set in place the zones, land uses and planning rules for all land within the Shire. Consultation will be undertaken on the draft in 2018 and submissions will be called for from the community and other stakeholders.

## 6.2 Health & Regulatory Services

### Health and Regulatory Services

The Department of Health and Regulatory Services continues to provide environmental health services in remote Aboriginal communities in partnership with the Department of Health. There has been an increase in health promotion and ranger services visits to the Aboriginal communities. The Environmental Health Action Plans for the communities have been completed and are now in the implementation stage.

### Health Sub-committee

Council established a health subcommittee in November 2017. The main goal of the health subcommittee is to bring together all stakeholders in the Shire that are working towards the improvement of health standards of the community. The Health Committee is currently working on a petition received by Council in June 2018, which had 35 signatures and requested for an investigation into the establishment of a renal dialysis unit in Halls Creek. The Health Committee is also in the early stages of working on a district wide public health plan as required by the *Public Health Act 2016*.

### Cemetery Advisory Committee

The second Gazebo at the Cemetery was constructed and Completed during the year. The advisory committee continues to work towards improve the aesthetic value of the cemetery. Some of the trees that were planted 4 years ago have grown and now provide shade for the residents during funerals. Efforts continue towards the beautification of the cemetery.

Residents were requested during NAIDOC week to come forward and identify the graves of their relatives that are unmarked at the cemetery. A number of elderly residents came forward and since NAIDOC week, 25 previously unidentified graves have since been identified and marked on the layout plan of the cemetery.



Cemetery Gazebo



## 6.3 Corporate Services

### Solar Power System at the Halls Creek Aquatic and Recreation Centre

The installation of a 50kW system was completed in June 2018 with the Shire introducing free entry for children earlier in the year in anticipation of the project being completed, with the costs savings in power offsetting the reduced revenue from free entry. Removing the fee barrier to accessing the pool will maximise the health benefits from children bathing in chlorinated water as well as encouraging general recreational activity.



Solar Power Panels – Aquatic Centre

### Re-surfacing of Basketball Courts – Halls Creek Aquatic and Recreation Centre

The two covered basketball courts were re-surfaced with a quality and safe playing surface to ensure the Recreation Centre can continue to host premier basketball competitions in the region such as the King of the Kimberley basketball competition. The project was delivered well within the budget and the Shire is continuing to advocate our funding partners for the surplus funding to be spent on other basketball improvements such as an electronic scoreboard, bleachers and improved lighting. The courts have also been marked to accommodate other sports such as volleyball, tennis and netball.



Resurfacing – Basketball Courts

### Improving Customer Service

Front line service staff completed training in April 2018 as part of continuously improving the delivery of services to customers.

### Improvements in Information Technology

A new cloud based information technology system has been procured to reduce the level of risk associated with the storage of electronic information on site. The new system will store information in an off-site data centre which is highly protected from natural hazards. This will provide a more robust and reliable IT system and will be implemented in 2018/19.

### Tourism Promotion

A new website for the Travel and Tourism Centre was developed and launched earlier this year to show case the best of what the Shire has to offer to our visitors. The new web site improves the promotion of local tourism products and attractions as well as the provision of general information to visitors.

## 6.4 Assets and Infrastructure

### Road Works

The road works repair and maintenance programme was conducted throughout the 2017/2018 year. The main areas of work included road formation, the replacement of gravel sheeting, repair of flood ways (sealed and unsealed), and restoration of drainage channels. The main locations of the road work repairs and maintenance were undertaken on the Duncan Road, Gordon Downs and Tanami Roads.

The flood work re-instatement work was conducted under WANDRRA AGRN 743 was carried out on various Shire Roads to combat the destruction of the 2016 event throughout the year. The three main roads being the Duncan, Gordon Downs and the Tanami.

The programme also saw Mt Pierre access road, Yiyli Community Road, Margaret River Road and several other roads within the Shire benefit from the re-instatement work. This re-instatement work is ongoing.



**Palm Springs April 2018** A series of work on the Duncan road, most notably the Palm Springs / Sawpit Gorge areas. All the culverts at Palm Springs have been replaced and the road sealed, it is now a very nice area to drive through.





**Tanami** the repairing flood damage and combing where they can the works programme for the Tanami and associated roads.



**Gordon Downs Road July 2017** is looking amazing and is fantastic to drive on, the troublesome floodway down there is an excellent piece of work as you will see in the photos.

### **Town Streets Renewal**

The Town Streets Renewal Program was completed in May 2018 with significant repair work being carried out on the Duncan Road and the removal of the grid just past Wellman Road. This also included Neighbour and Bedford Roads with Bedford Road into the Shire Depot essentially being rebuilt. This program also covered the re-sealing of the Duncan Road, Bedford Road and Neighbour Street along with several flood ways along the Duncan Road and Palm Springs.



**Neighbour Street** Within the Town boundary, the Duncan Road, Bedford Road, and Neighbour Streets were all re-sealed and again is has made a great difference to those roads.

### **Halls Creek Airport**

The Halls Creek Airport had a significant amount of work done through the period to address the drainage concerns and look to be very successful. The true test will be in the wet season but the drains have been re-vamped and/or replaced in anticipation of another good wet season later in the year.

### **Tourist Centre**

The Tourist Centre refurbishment continued with the replacement of the (Shire Park) facing steps and a new disability ramp placed at the front of the tourist centre for use. We also placed mesh on the tourist centre side to aid in security and safety.



Disability Ramp – Tourist Centre

### **Shire Office Building**

The Shire office received a much need upgrade this year with almost all of the offices and common areas receiving a much needed coat of paint to clean up, modernise and improve working conditions for staff and of course to ensure a welcoming environment for the many Shire visitors and Clients.

### **Excavator Shelter**

The Shire Town Crew undertook the building of a Shelter for the Excavator out at the Tip. This was the first time for the Crew in the area of work and it proved to be very successful and the Excavator Shelter is being used daily.



Shire Excavator Shelter



### **Recreation Centre Exterior Fence**

The Recreation Centre has also had the exterior fence re-vamped and strengthened by the Town Crew as it was getting a little dilapidated and damaged with the constant weather and environment. The fence is now solid and strong and expected to last several more years after the excellent work completed.

### **CCTV System**

The CCTV system has been installed and seems to have been widely accepted and is in constant use with the WA Police. The Cameras are predominately along the Great Northern Highway from the Shire Park through to the Duncan Road / Great Northern Highway Junction.

The Public Eco Toilets have been constructed at Sawpit Gorge, Palm Springs and Caroline Pool. They are in use and murals have been placed on the buildings to give a nice look and have been received well within the Community and Tourist/Travellers.

## **6.5 Olabud Doogethu**

### **Olabud Doogethu**


The Olabud Doogethu program has had an outstanding year, with many of the young people who are engaged with the program striving forward into greater realms. The Olabud Doogethu Halls Creek staff now have a minimum of four years' experience each in working with Halls Creek's youth contingency. This experience has allowed the program to enter new ground through the excellent rapport Olabud Doogethu staff have built with their clientele.

### **Leadership and Inspiring Confidence**

The Shire of Halls Creek, through the Olabud Doogethu program has entered an MOU with the Australian Defence Force to support a local NORFORCE Army Reserve unit in Halls Creek. Olabud Doogethu staff have been working with Halls Creek District High School in ensuring interested young people are prepared in attaining the entry standards for the Australian Defence Force. From 2017, the program has assisted seven young people from Halls Creek to become Australian soldiers. At present, there are a further seven young people in the application process.



Anzac Day 2018



The Olabud Doogethu program continues to host school holiday youth camps at Tablelands Station (Yulumbu) through the Right Step Tablelands Project. This involves Olabud Doogethu staff working alongside station workers in teaching outdoor skills to young people at risk of engaging in anti-social behaviours.

### **Dialogue with Community**

The Olabud Doogethu program has engaged with Community Development Consultant Peter Kenyon of the Bank of I.D.E.A.S to develop a Justice Reinvestment/Alternative Education project for Halls Creek and its surrounding communities. The project utilises the concepts of Asset-Based Community Development and Collective Impact in order to create an all-inclusive, community driven approach to youth justice and education issues. This initiative has seen the Olabud Doogethu team travel across the Shire of Halls Creek to consult individual communities respectively on their thoughts and ideas. The project looks to begin rollout in 2019.

### **Linking Youth to Employment**

The program has partnered with East Kimberley Job Pathways in gradually readying long-term disengaged youth into employment. This has been an intensive 5 day-a-week initiative in which young job seekers attend the Olabud Doogethu office to assist in youth programming. This partnership also assists these job seekers in acquiring correct identification and certificates for employment.

### **Introducing New Technology in a Remote Town**

Olabud Doogethu has invested into virtual reality hardware in an effort to expose Halls Creek youth to new multimedia technology. This hardware can be used for therapeutic, recreational and educational purposes and allows youth to become digitally competent.

Olabud Doogethu maintain a YouTube channel in which Halls Creek youth are encouraged to work on video content for public consumption.

### **Efforts to Outcomes**

Olabud Doogethu continues to employ a therapeutic approach to their case management of young people. This includes the utilisation of a built-for-purpose software in which Case Intervention Officers can track the progress of clients and coordinate case planning to coincide with therapeutic goals.

### **Building Skills in Remote Communities**

The program has shifted to a casual employment model in the communities of Mulan, Billiluna and Ringer Soak. Olabud Doogethu currently employs two casual Youth Workers in each community, who provide recreational and diversionary activities to the general youth populace. These employees are sourced by the community and have been mentored by existing Olabud Doogethu staff.

## 6.6 Economic Development

### Business Case – Duncan Road

The Duncan Road Upgrade Options Business Case was completed in April 2018. The completed business case was endorsed by council and circulated to numerous Western Australian ministers. Communication has started between the SoHC and Main Roads WA in regards to potential upgrade options.

### Halls Creek Outdoor Art & Culture Project

The Shire has seen a continuation to the town upgrade and tourist product through the Halls Creek Outdoor Art & Culture Project. This collaborative project between the SoHC and Yarliyiil Art Centre will continue to develop throughout this financial year.

There have been 40 artworks put up around town during the 2017-2018 financial year. They include:

- 6 more painted bins through the main street and shire park
- 5 more bins have been installed around the football oval. All the bins around the oval are painted
- 2 new bonnets the football oval gate, 1 at the Post Office, 1 at the shire office entry, 2 at Old Halls Creek, 1 at Palm Springs, 1 at Sawpit Gorge and Duncan Road junction and 1 at Sawpit Gorge
- Murals on the walls of the 'Eco-toilets' that are being installed at Caroline Pool, Palm Springs and Sawpit Gorge (8 murals in total).
- 2 new artworks and plaques on the Poinciana Roadhouse as part of the outdoor museum
- 10 new artworks and plaques on Yarliyiil Art Centre fence as part of the outdoor museum

The SoHC is applying for a grant to do 70 square metres of murals through the town centre and if successful in the grant application this will be completed before June 2019. The SoHC and Yarliyiil will continue to collaborate to get more bins, bonnets and murals produced and installed during the coming year. The SoHC will also start work on developing a walking art trail for the town centre and a driving art trail which will encompass the artworks at our regional attractions.



Bonnet – Sawpitt Gorge

## Sealing of the Tanami

The sealing of the Tanami Road is considered to be the key to achieving the objectives of the *Closing the Gaps* Federal initiatives for the Aboriginal communities along its length – Billiluna, Balgo and Mulan - and boost employment and economic enterprise opportunities for these communities.

It will contribute significantly to the release of the economic development potential in the mining, agriculture and tourism sectors of Shire of Halls Creek, the Kimberley Region and the rest of Northern Australia. It will enhance liveability in all these areas and make it more attractive to live and work here, raising the levels of services provided and building up a workforce to take advantage of employment opportunities created by economic development. And it will enhance the defence forces capability to respond to the needs of our closest neighbours, enhance border security and participate in regional exercises.

The Shire has received many letters of support for the upgrade from both WA and NT politicians across the political spectrum, development organisations in both the State and the Territory, Aboriginal communities and those in the pastoral, resources and transport sectors. The Shire held a Tanami Road Roundtable Meeting in Halls Creek in February 2018 with participation from a variety of stakeholders. This meeting highlighted the substantial developments that are occurring along the Tanami Road corridor and emphasised the fact that it is important and timely that we revisit the business case. The SoHC is working with the Western Australia, Northern Territory and Australian Governments, as well as the Kimberley Zone and a number of business stakeholders in a bid to develop a business case.

## Eco-Toilets

The Eco-Toilets are installed and operating at Caroline Pool, Palm Springs and Sawpit Gorge. Each toilet block is adorned with two murals/painting reproductions which are part of the collaborative work between the SoHC and Yarliyl Art Centre.



Eco-Toilet

## Wild Kimberley Travel Guide

The new 'Wild Kimberley Travel Guide' was completed this financial year. It is available in hard copy and digital copy. Hard copy sales are raising money for the Royal Flying Doctors and the Halls Creek Outdoor Art & Culture Project.



## STATUTORY REPORTS

### 7.0 Plan for the Future

Council's Strategic Community Plan was adopted on 24 April 2015 and continued to operate as Council's key overall Strategic Planning document throughout the 2016/17 year.

Council's Asset Management Policy was adopted at the June Ordinary Council Meeting with a full suite of Asset Management Plans adopted at the August Ordinary Council meeting following a Councillor workshop held 16 August 2017.

Council's Workforce Plan was also adopted at the August Ordinary Council Meeting and will be a key referral document for Human Resource decisions and strategies.

#### 7.1 Planned initiatives and projects

The Shire of Halls Creek has a number of Capital projects and initiatives planned for the coming year, these initiatives have been adopted in the budget for 2018/19.

Priority Projects	Funded	Benefits to the community
<b>Gym Equipment (Youth Services)</b>	Grant Funded	
<b>COMMUNITY AMENITIES</b>		
<b>Civic Hall Power Board</b>	Council Funded	While the current system is compliant it is also old and cannot be added too. An upgrade will allow for a larger load on the electrical system and new fittings to be added which cannot be done at the moment. A new power board allows for this as it will be compliant to today's safety standards.
<b>Irrigation of Oval</b>	50% Council Funded	This will complete the 100% automation of the Oval irrigation in line with requirements for the Recycled Water Scheme as well as save around 3 hours of labour a day for the town crew currently doing this manually.
<b>RECREATION &amp; CULTURE</b>		
<b>Gym Equipment replaced</b>	Council Funded	Improve levels of service to gym members; replace non-functioning or unsafe equipment.
<b>Plant Room Equipment Refurbished</b>	Council Funded	Improve reliability in pool open hours, reduce operating costs.
<b>Shire Park Upgrade stage 1</b>	50% Funded	
<b>Oval Lighting</b>	50% Funded	The current system is old and damaged in places that cannot be reached by cockatoos. It is intensive in power use and very heavy in maintenance. A newer more modern system will give better light coverage, less maintenance and use a lot less power, hence reducing overall operating costs. This will likely lead

		to increased use by the Community.
<b>Hydro Slide</b>	Part Funded	Increase attendance at the pool and the number of children bathing in chlorinated water leading improved community health.
<b>Pool Hand Rail</b>	Council Funded	Improved swimmer safety and for regulatory compliance.
<b>Rodeo Grounds Water Meters</b>	Council Funded	This is intended to split the Shire buildings from the rodeo ground system and reduce costs for the Shire.
<b>TRANSPORT</b>		
<b>Tanami Road</b>	Part Funded	These four roads will be worked on over the first 3 months of the season after the wet. They will increase the durability and safety of the road as well as assisting in keeping it open longer for the public.
<b>Carranya Road</b>	Part Funded	As above
<b>Balgo Mission Road</b>	Part Funded	As above
<b>Lake Gregory</b>	Part Funded	As above
<b>Signs for SoHC Depot</b>	Council Funded	Upgrading the vandalised signs so they can be seen by the public and keep them safe.
<b>AIRPORT</b>		
<b>Airport Upgrades</b>	50% Funded	Shire and RADs 50% funding of a new electronic safety gate for the airport.
<b>PLANT PURCHASES</b>		
<b>Vehicle purchases x 3</b>	Plant Reserve	Continual vehicle upgrade programme to replace aging vehicles in the fleet. This will also reduce servicing, maintenance and fuel consumption, thus saving the Shire in operating costs.
<b>Ride on Mower</b>	Plant reserve	Replace aging equipment and allow for more efficient and effective time management of the larger surface areas like the Oval.
<b>OTHER PROPERTY AND SERVICES</b>		
<b>Civic (Main Office) Building – Floor Surface</b>	Council Funded	The Main Office has old carpet and will be a more pleasant place to visit and work without old carpet and the spores it produces.
<b>Shire Office Photocopier</b>	Council Funded	Improve reliability of equipment and reduce operating costs.
<b>VOIP phones router and PBX</b>	Council Funded	Improve reliability of IT services, improve internet speed and to reduce the vulnerability of data storage being compromised by natural hazards. Reduce communication costs.
<b>ADDITIONAL INITIATIVES</b>		
<b>Review of the Town Planning</b>	Council Funded	Compliance with the Planning and

<b>HRS Scheme and Local Planning Scheme 2.</b>		Development (Local Planning Schemes) Regulations 2015 LPS2 is consolidated and provides for orderly development throughout the district.
<b>Investigating the establishment of a light industrial subdivision on Airport Land adjacent to the power station.</b>	Seeking funding LandCorp	Establishment of light industrial subdivisions. Avoidance of incompatible activities in Halls Creek Town.
<b>The Waste Management Plan to be reviewed together with other Shires in the Kimberley.</b>	Zone Project funded	Develop a long term waste management plan. Conservation of void space to increase life of the tip Reduce waste to tip by increasing recycled waste
<b>Dog pound maintenance and upgrade.</b>	Council funded	Comply with requirement of the Local Government (Miscellaneous Provisions) Act 1960 Improve OSH standards for Rangers



Halls Creek Aquatic Centre



Halls Creek Aquatic Centre



## 7.2 Freedom of Information Statement

The Western Australian *Freedom of Information Act 1992* (the FOI Act) gives you the right to apply for access to documents held by State Public Sector agencies which includes: Government Departments; Local Authorities; Statutory Authorities and Ministers.

Agencies are required to assist the public obtain access to documents at the lowest reasonable cost, and to ensure that personal information held is accurate, complete, up to date and not misleading. Your right to apply is not affected by any reasons you have for wishing to obtain access, or the agency's belief as to what your reasons are for applying.

### Information Statement

The Information Statement published by the Shire of Halls Creek in accordance with the requirements of the Freedom of Information Act 1992. It is a requirement that the Shire prepare and publish an annual Information Statement outlining the means to access information, the types of information held by the Shire and if that information:

- Is Open Access information that is readily available? If it is, the statement will advise where and how you can source the information;
- Can be disclosed to you through 'informal release'. For example, where no third party personal information is involved; or
- Requires a 'formal access application'. For Example, when consultation with a third party is required.

The Information Statement includes information regarding the Shire's mission, structure, decision making functions and legislation administered, as well as documents held by the Shire and outlines the procedure for Freedom of Information (FOI) applications.

How to make a Freedom of Information Application to the Shire of Halls Creek:

- Apply in writing to the Chief Executive Officer, who acts as the FOI Coordinator.
- The FOI Coordinator will assist you if necessary. No special forms are required - a letter will do.
- Identify or describe the documents concerned, or if you apply for amendment of personal information about yourself you must provide details to show how or why the agency's records are inaccurate, incomplete, out of date or misleading. If you ask for 'everything' on a particular subject, the Shire may help you narrow the scope of your application to ensure that the work involved is reasonable.
- Provide an address in Australia where notices can be sent. If possible, include your telephone number/fax number/email address as this will help Shire staff to contact you if necessary, to assist in your application being dealt with efficiently.
- Pay an application fee of \$30 if the documents contain non-personal information. No fee is payable for access to personal information about yourself.

## 7.3 Costs

No fees or charges apply for information relating to personal information or the amendment of personal information. All other applications are subject to the prescribed application fee.

- A prescribed fee of \$30 will be applicable upon submission of the application in order for the Information Coordinator to begin the document assessment process. The identified documents will then be reviewed to determine if any exemptions apply. The response to the original application must be provided to



the applicant in the shortest possible time (or within 45 days) at the lowest reasonable cost.

### Schedule of Fees

<b>Application fee for personal information</b>	<b>No Fee</b>
<b>Application fee for non-personal information (Mandatory)</b>	\$30.00
<b>Charge for time dealing with the application (per hour, or pro rata)</b>	\$30.00
<b>Access time supervised by staff (per hour, or pro rata)</b>	\$30.00
<b>Photocopying staff time</b>	\$30.00
<b>Photocopying per page</b>	\$0.20
<b>Transcribing from tape, film or computer (per hour, or pro rata)</b>	\$30.00
<b>Duplicating a tape, film or computer information</b>	Actual Cost
<b>Delivery, packaging and postage</b>	Actual Cost

An estimate of charges will be provided if the cost is expected to exceed \$25.00. For financially disadvantaged applicants of those issued with prescribed pensioner concession cards, (apart from the application fee) the charge payable is reduced by 50%.

### Deposits

- An advance deposit may be required in respect of the estimate charges of 25%
- Further advance deposit may be required to meet the charges for dealing with the application of 75%

### 7.4 Reviews

If you disagree with a decision made on your FOI application, you can ask for that decision to be reviewed by someone else in the Shire. You must apply within 30 days of receiving the notice of decision from the Shire.

Within 15 days the Shire will advise you in writing of the outcome of the review, as well as your right to lodge a complaint with the Information Commissioner for an external review of the Shire's decision.

After internal review, if you still disagree with the Shire's decision, you can lodge a complaint with the Information Commissioner. If you make a complaint to the Information Commissioner, the complaint must:

- Be in writing and include your address.
- Give particulars of the decision to be reviewed including details of the part, or parts, of the decision you want the Commissioner to review.

Include a copy of the notice of decision sent to you by the Shire - this is the written notice of decision provided to you following the Shire's internal review.

### 7.5 Summary of FOI Requests received in the Year Ended 30 June 2018

For the year ended 30 June 2018, the Shire of Halls Creek had NIL FOI applications.

## 7.6 Register of Complaints

The Local Government Act 1995 s5.121 requires the complaints officer of the Local Government to maintain a register of complaints which records all complaints that result in action under the Local Government Act s5.121 (6)(b) or (c).

The register of complaints is to include, for each recorded complaint:

- Name of Council Member
- About whom the complaint is made;
- Name of the person who makes the complaint;
- A description of the minor breach that the Standards Panel finds has occurred; and
- Details of the action taken under LGA s5.110 (6)(b) or (c).

In the financial year ending 30 June 2018 no complaints were entered into the Register of Complaints under Section 5.121 of the Local Government Act 1995.

## 7.7 Annual Salaries

It is a requirement of the Local Government Act 1995, and related Administration Regulations, that the number of employees entitled to an annual salary of \$100,000 or more per annum, are disclosed in the Annual Report in bands of \$10,000. This information is set out below.

Salary Range \$	2016/17	2017/18
100,000 - 110,000	2	1
110,000 - 120,000	2	3
120,000 - 130,000	3	0
130,000 - 140,000	1	3
190,000 - 200,000	0	0
230,000 - 240,000	0	1
250,000 - 260,000	1	0


## 7.8 Staff Summary

	2016/17	2017/18
<b>Number of Full Time Staff (employed)</b>	49	55
<b>Total Number of Staff</b>	58	77
<b>% Male</b>	64%	58%
<b>% Female</b>	36%	42%
<b>% Indigenous Staff</b>	24%	41.5%

## 7.9 National Competition Policy

The National Competition Policy is a set of competition enhancing principles agreed to by the State and Federal Governments in 1995.

The intention of the policy is to promote competition for the benefit of businesses, consumers and the economy by eliminating any advantage received by government as a result of public



sector ownership. The result should be a more 'level playing field' between the public and private sectors.

All governments with business activities that generate in excess of \$200,000 per annum of user-pays income must assess these activities and, if necessary, introduce measures to eliminate any net advantages that may have arisen because of the public ownership of the activities.

During 2017-2018 financial year, the Shire of Halls Creek did not have any significant business activities that met this criterion, and is not required to complete this assessment.

The Shire is committed to ensuring full compliance with the principles of the National Competition Policy, and therefore monitors its business activities accordingly.

### 7.10 Review of Local Laws

The Local Government Act 1995 requires that the Local Laws be reviewed every 8 years. All the Shire local laws, except the health local law, have been reviewed in the past 3 years. These include the Cemeteries Local Law 2015, the Dogs Local Law 2015 and the Public Places and Local Government Property Local Law 2017. The Shire also gazetted two new local laws, these being the Standing Orders Local Law 2015 and the Fencing Local Law 2017. The review of the Health Local Law is awaiting the 5th Stage of implementation for the New Public Health Act 2016. Shire local laws can be accessed at the Shire of Halls Creek website.


Local Law Reviewed	Action (unchanged, re-pealed or amended)
<b>Cemeteries Local Law 2015</b>	Unchanged
<b>Dogs Local Law 2015</b>	Unchanged
<b>Standing Orders Local Law 2015</b>	Unchanged
<b>Local Government Act Local Law 2002</b>	Repealed
<b>Local Government Property Local Law 2017</b>	Amended
<b>Fencing Local Law 2017</b>	Amended
<b>Health Local Law 2002</b>	Unchanged and due for review

### 7.11 Disability Services Act

It is a requirement of the WA Disability Services Act that all local government authorities develop and implement a Disability Access and Inclusion Plan (DAIP) that outlines the ways in which the authority will ensure that people with disabilities have equal access to its facilities and services.

The Shire adopted its first Disability Service Plan (DSP) in December 1995 to address the barriers within the community for people with disabilities and to address its statutory requirements under the WA Disability Services Act (1993).

An updated DAIP was developed in 2004 following consultation with the community. In 2008, the Shire undertook to review its DAIP, consult with stakeholders and draft a new Disability Access and Inclusion Plan to guide further improvements to access and inclusion and meet the requirements of the amended WA Disability Services Act.



The Shire contracted an independent disability consultancy firm, E-QUAL, to review existing documentation, conduct the consultation and draft a DAIP for the Shire. The Disability Access and Inclusion Draft Plan received input from individuals and groups in the community.

As required by the WA Disability Services Act, the Shire is required to review the progress of the DAIP, to compare proposed outcomes to achievements. A review was completed and submitted to the Disability Services Commission before being endorsed by Council at the Ordinary Council Meeting in February 2018.

The following 7 outcomes are the focus of the SoHC Disability Access and Inclusion Plan.

**Outcome 1:** 'People with disability have the same opportunities as other people to access the services of, and any events organised by, a public authority.'

**Outcome 2:** 'People with disability have the same opportunities as other people to access the buildings and other facilities of a public authority'.

**Outcome 3:** 'People with disability receive information from a public authority in a format that will enable them to access the information as readily as other people are able to access it'.

**Outcome 4:** 'People with disability receive the same level and quality of service from the staff of a public authority as other people receive from the staff of that public authority'.

**Outcome 5:** 'People with disability have the same opportunities as other people to make complaints to a public authority'.

**Outcome 6:** 'People with disability have the same opportunities as other people to participate in any public consultation by a public authority'.

**Outcome 7:** 'People with disability have the same opportunities as other people to obtain and maintain employment with a public authority'.

### Outcomes Completed


Disability Access and Inclusion initiatives planned and undertaken during 2017/18 linked to Outcomes:

Outcome Area	No. of Initiatives	Initiatives Completed
Services and events	6	5
Building and facilities	3	3
Information	5	3
Level and quality of service	2	2
Complaints	1	1
Consultation	4	2
Employment	3	1

### 7.12 Council Meetings Held

In 2017/18, Council held 11 Ordinary Council meetings, 3 Special Council Meeting, 1 General Electors meeting and 1 Audit Committee meeting.





<b>Elected member</b>	<b>Ordinary Council Meeting (11)</b>	<b>Special Council Meeting (3)</b>	<b>General Electors Meeting (1)</b>	<b>Audit Committee (1)</b>
<b>Cr Edwards (President)</b>	10	3	1	1
<b>Cr Loessl (Deputy)</b>	9	1	1	1
<b>Cr Bedford</b>	9	3	0	*NA
<b>Cr B. Edwards</b>	6	3	1	*NA
<b>Cr O'Neil</b>	9	3	1	1
<b>Cr Perkins</b>	6	3	1	1
<b>Cr Stretch</b>	4	3	1	*NA

\*NA – Councillor not a representative of Committee.

Crs Stretch, Perkins and Bonnie Edwards were elected 21 October 2017.

### **7.13 Council Committees**

Other than the Audit Committee which has been delegated by the Council to meet annually with the Shire of Halls Creek's Auditors, all remaining Committees have no standing delegations and decision-making authority. Their meetings are therefore closed to the public, with decision being made by the Council.

### **7.14 Records Management and the State Records Act 2000**

The Shire of Halls Creek maintains a Record Keeping Plan approved by the State Records Commission in 2014, as per the requirements of the State Records Act. It is also a requirement of the Commission that the Shire includes information about the Shire's Records Management in its Annual Report each year.

Following improvements to record keeping practice in 2016/17 a risk management plan was prepared and submitted to State Records to bring the system into line with revisions to the Local Government General Disposal Authority 2015.

State Records sought further information in relation to the risk management plan which will be provided in the next financial year along with a review of the Records Management Plan which is due in March 2019.

## **8. Audited Annual Financial Report**

The following pages constitute the Shire of Halls Creek Financial Reporting for the year ending 30 June 2018. The Audited Annual Financial report is provided as (Appendix 1) to this report.

# APPENDIX 1

## SHIRE OF HALLS CREEK

### FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2018

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#### COMMUNITY VISION

The Vision for the Shire of Halls Creek is that the town and remote communities are economically diverse, caring and proactive with a strong sense of responsibility and pride.

Principal place of business:  
7 Thomas Street  
Halls Creek  
WA 6770

**SHIRE OF HALLS CREEK  
FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018**

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

**STATEMENT BY CHIEF EXECUTIVE OFFICER**

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

Signed on the

5<sup>th</sup> day of November 2018



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Steven Deckert  
Acting Chief Executive Officer

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

	NOTE	2018 Actual \$	2018 Budget \$	2017 Actual \$
<b>Revenue</b>				
Rates	19(a)	2,288,935	2,156,748	2,180,677
Operating grants, subsidies and contributions	2(a)	8,509,147	4,327,983	9,036,745
Fees and charges	2(a)	1,521,591	1,669,899	1,785,946
Service charges	19(b)	4,077	3,900	3,928
Interest earnings	2(a)	181,263	125,000	176,405
Other revenue	2(a)	203,693	70,000	95,784
		12,708,706	8,353,530	13,279,485
<b>Expenses</b>				
Employee costs		(4,205,152)	(4,674,424)	(4,481,200)
Materials and contracts		(5,876,424)	(3,884,442)	(3,015,002)
Utility charges		(523,234)	(482,133)	(553,926)
Depreciation on non-current assets	9(b)	(6,278,697)	(3,959,770)	(5,931,968)
Interest expenses	2(b)	(73,885)	(116,948)	(73,721)
Insurance expenses		(325,747)	(288,734)	(302,031)
Other expenditure		(422,949)	(452,061)	(308,001)
		(17,706,088)	(13,858,512)	(14,665,849)
		(4,997,382)	(5,504,982)	(1,386,364)
Non-operating grants, subsidies and contributions	2(a)	2,492,066	2,262,195	2,684,519
Profit on asset disposals	9(a)	40,082	9,321	0
(Loss) on asset disposals	9(a)	(14,862)	(11,745)	(44,198)
<b>Net result</b>		<b>(2,480,096)</b>	<b>(3,245,211)</b>	<b>1,253,957</b>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	10	16,442,177	0	(3,640,271)
<b>Total other comprehensive income</b>		<b>16,442,177</b>	<b>0</b>	<b>(3,640,271)</b>
<b>Total comprehensive income</b>		<b>13,962,081</b>	<b>(3,245,211)</b>	<b>(2,386,314)</b>

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



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

	NOTE	2018 Actual \$	2018 Budget \$	2017 Actual \$
<b>Revenue</b>				
General purpose funding	2(a)	6,659,595	4,308,459	8,778,507
Law, order, public safety		7,226	11,500	6,082
Health		305,503	271,219	370,175
Education and welfare		1,122,336	1,226,796	1,268,135
Housing		186,357	180,286	176,926
Community amenities		502,548	509,000	501,073
Recreation and culture		197,766	316,068	355,780
Transport		2,431,019	218,992	646,476
Economic services		805,553	1,012,704	867,981
Other property and services		490,803	298,505	308,350
		<b>12,708,706</b>	<b>8,353,529</b>	<b>13,279,485</b>
<b>Expenses</b>				
Governance	2(a)	(637,906)	(708,579)	(556,432)
General purpose funding		(244,890)	(329,407)	(192,170)
Law, order, public safety		(387,584)	(387,639)	(375,007)
Health		(555,683)	(526,134)	(544,811)
Education and welfare		(1,160,871)	(1,306,016)	(1,344,316)
Housing		(9,121)	(113,338)	0
Community amenities		(1,055,491)	(1,345,797)	(1,184,530)
Recreation and culture		(1,847,554)	(2,011,087)	(2,031,281)
Transport		(9,160,252)	(4,208,497)	(6,076,241)
Economic services		(1,829,809)	(1,781,282)	(1,595,095)
Other property and services		(743,042)	(1,023,787)	(692,245)
		<b>(17,632,203)</b>	<b>(13,741,563)</b>	<b>(14,592,128)</b>
<b>Finance Costs</b>				
Housing	2(a)	(73,885)	(66,948)	(73,721)
Transport		0	(50,000)	0
		<b>(73,885)</b>	<b>(116,948)</b>	<b>(73,721)</b>
		<b>(4,997,382)</b>	<b>(5,504,982)</b>	<b>(1,386,364)</b>
Non-operating grants, subsidies and contributions	2(a)	2,492,066	2,262,195	2,684,519
Profit on disposal of assets	9(a)	40,082	9,321	0
(Loss) on disposal of assets	9(a)	(14,862)	(11,745)	(44,198)
		<b>2,517,286</b>	<b>2,259,771</b>	<b>2,640,321</b>
<b>Net result</b>		<b>(2,480,096)</b>	<b>(3,245,211)</b>	<b>1,253,957</b>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	10	16,442,177	0	(3,640,271)
<b>Total other comprehensive income</b>		<b>16,442,177</b>	<b>0</b>	<b>(3,640,271)</b>
<b>Total comprehensive income</b>		<b>13,962,081</b>	<b>(3,245,211)</b>	<b>(2,386,314)</b>

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

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

	NOTE	2018 \$	2017 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	8,657,533	8,038,023
Trade and other receivables	5	950,487	695,285
Inventories	6	132,074	223,892
<b>TOTAL CURRENT ASSETS</b>		<b>9,740,094</b>	<b>8,957,200</b>
<b>NON-CURRENT ASSETS</b>			
Other receivables	5	9,970	0
Property, plant and equipment	7	34,347,664	35,077,134
Infrastructure	8	88,249,185	74,465,986
<b>TOTAL NON-CURRENT ASSETS</b>		<b>122,606,819</b>	<b>109,543,120</b>
<b>TOTAL ASSETS</b>		<b>132,346,913</b>	<b>118,500,320</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	11	581,425	565,771
Current portion of long term borrowings	12(a)	78,252	53,426
Provisions	13	627,909	703,270
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,287,586</b>	<b>1,322,467</b>
<b>NON-CURRENT LIABILITIES</b>			
Long term borrowings	12(a)	912,851	991,103
Provisions	13	119,786	122,141
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>1,032,637</b>	<b>1,113,244</b>
<b>TOTAL LIABILITIES</b>		<b>2,320,223</b>	<b>2,435,711</b>
<b>NET ASSETS</b>		<b>130,026,690</b>	<b>116,064,609</b>
<b>EQUITY</b>			
Retained surplus		31,473,000	35,062,378
Reserves - cash backed	4	5,542,627	4,433,345
Revaluation surplus	10	93,011,063	76,568,886
<b>TOTAL EQUITY</b>		<b>130,026,690</b>	<b>116,064,609</b>

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

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

			RESERVES		
	NOTE	RETAINED SURPLUS	- CASH BACKED	REVALUATION SURPLUS	TOTAL EQUITY
		\$	\$	\$	\$
<b>Balance as at 1 July 2016</b>		<b>34,142,012</b>	<b>4,099,754</b>	<b>80,209,157</b>	<b>118,450,923</b>
Comprehensive income					
Net result		1,253,957	0	0	1,253,957
Changes on revaluation of assets	10	0	0	(3,640,271)	(3,640,271)
Total comprehensive income		1,253,957	0	(3,640,271)	(2,386,314)
Transfers from/(to) reserves		(333,591)	333,591	0	0
<b>Balance as at 30 June 2017</b>		<b>35,062,378</b>	<b>4,433,345</b>	<b>76,568,886</b>	<b>116,064,609</b>
Comprehensive income					
Net result		(2,480,096)	0	0	(2,480,096)
Changes on revaluation of assets	10	0	0	16,442,177	16,442,177
Total comprehensive income		(2,480,096)	0	16,442,177	13,962,081
Transfers from/(to) reserves		(1,109,282)	1,109,282	0	0
<b>Balance as at 30 June 2018</b>		<b>31,473,000</b>	<b>5,542,627</b>	<b>93,011,063</b>	<b>130,026,690</b>

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

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

	NOTE	2018 Actual	2018 Budget	2017 Actual
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		\$	\$	\$
<b>Receipts</b>				
Rates		2,217,485	2,336,748	2,327,675
Operating grants, subsidies and contributions		8,141,485	4,427,983	9,345,162
Fees and charges		1,521,591	1,669,899	1,785,946
Service charges		4,077	3,900	3,928
Interest earnings		181,263	125,000	176,405
Goods and services tax		173,940	0	474,107
Other revenue		203,693	70,000	95,784
		12,443,534	8,633,530	14,209,007
<b>Payments</b>				
Employee costs		(4,285,020)	(4,674,424)	(4,424,241)
Materials and contracts		(5,529,373)	(3,761,996)	(3,591,779)
Utility charges		(523,234)	(482,133)	(553,926)
Interest expenses		(79,937)	(116,948)	(44,087)
Insurance expenses		(325,747)	(288,734)	(302,031)
Goods and services tax		(231,375)	0	(356,139)
Other expenditure		(422,949)	(452,060)	(308,001)
		(11,397,635)	(9,776,295)	(9,580,204)
<b>Net cash provided by (used in) operating activities</b>	14	1,045,899	(1,142,765)	4,628,803
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for purchase of property, plant & equipment		(620,621)	(535,850)	(1,065,181)
Payments for construction of infrastructure		(2,469,663)	(3,154,688)	(3,592,691)
Non-operating grants, subsidies and contributions		2,492,066	2,262,195	2,684,519
Proceeds from sale of fixed assets		225,255	157,200	58,855
<b>Net cash provided by (used in) investment activities</b>		(372,963)	(1,271,143)	(1,914,498)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of long term borrowings		(53,426)	(53,426)	(69,894)
<b>Net cash provided by (used in) financing activities</b>		(53,426)	(53,426)	(69,894)
<b>Net increase (decrease) in cash held</b>		619,510	(2,467,334)	2,644,411
Cash at beginning of year		8,038,023	8,037,601	5,393,612
<b>Cash and cash equivalents at the end of the year</b>	3	8,657,533	5,570,267	8,038,023

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



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

	NOTE	2018 Actual	2018 Budget	2017 Actual
		\$	\$	\$
<b>OPERATING ACTIVITIES</b>				
<b>Net current assets at July 1 b/fwd - surplus/(deficit)</b>		3,958,084	4,001,228	1,711,871
		3,958,084	4,001,228	1,711,871
<b>Revenue from operating activities (excluding rates)</b>				
General purpose funding		4,370,660	2,151,711	6,597,830
Law, order, public safety		7,226	11,500	6,082
Health		305,503	271,219	370,175
Education and welfare		1,122,336	1,226,796	1,268,135
Housing		186,357	180,286	176,926
Community amenities		502,548	509,000	501,073
Recreation and culture		197,766	316,068	355,780
Transport		2,431,019	218,992	646,476
Economic services		805,553	1,012,704	867,981
Other property and services		530,885	307,826	308,350
		10,459,853	6,206,102	11,098,808
<b>Expenditure from operating activities</b>				
Governance		(637,906)	(708,579)	(556,432)
General purpose funding		(244,890)	(329,407)	(192,170)
Law, order, public safety		(387,584)	(387,639)	(375,007)
Health		(555,683)	(526,134)	(544,811)
Education and welfare		(1,160,871)	(1,306,016)	(1,344,316)
Housing		(83,006)	(180,286)	(73,721)
Community amenities		(1,055,491)	(1,345,797)	(1,184,530)
Recreation and culture		(1,847,554)	(2,011,087)	(2,031,281)
Transport		(9,160,252)	(4,258,497)	(6,076,241)
Economic services		(1,829,809)	(1,781,282)	(1,595,095)
Other property and services		(757,904)	(1,035,533)	(736,443)
		(17,720,950)	(13,870,257)	(14,710,047)
<b>Operating activities excluded</b>				
(Profit) on disposal of assets	9(a)	(40,082)	(9,321)	0
Loss on disposal of assets	9(a)	14,862	11,745	44,198
Movement in deferred pensioner rates (non-current)		(9,970)	0	0
Movement in employee benefit provisions (non-current)		(77,716)	0	18,592
Depreciation and amortisation on assets	9(b)	6,278,697	3,959,770	5,931,968
<b>Amount attributable to operating activities</b>		2,862,778	299,267	4,095,390
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions		2,492,066	2,262,195	2,684,519
Proceeds from disposal of assets	9(a)	225,255	157,200	58,855
Purchase of property, plant and equipment	7(b)	(620,621)	(535,850)	(1,065,181)
Purchase and construction of infrastructure	8(b)	(2,469,663)	(3,154,688)	(3,592,691)
<b>Amount attributable to investing activities</b>		(372,963)	(1,271,143)	(1,914,498)
<b>FINANCING ACTIVITIES</b>				
Repayment of long term borrowings	12(a)	(53,426)	(53,426)	(69,894)
Transfers to reserves (restricted assets)	4	(1,139,542)	(1,174,446)	(786,420)
Transfers from reserves (restricted assets)	4	30,260	43,000	452,829
<b>Amount attributable to financing activities</b>		(1,162,708)	(1,184,872)	(403,485)
<b>Surplus(deficiency) before general rates</b>		1,327,107	(2,156,748)	1,777,407
<b>Total amount raised from general rates</b>	19	2,288,935	2,156,748	2,180,677
<b>Net current assets at June 30 c/fwd - surplus/(deficit)</b>	20	<b>3,616,042</b>	<b>0</b>	<b>3,958,084</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 to the extent they are not in-consistent with the *Local Government Act 1995* and accompanying regulations.), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the *Local Government Act 1995* and accompanying regulations. Accounting policies which have been adopted in the preparation of this financial report have been consistently applied unless stated otherwise.

Except for cash flow and rate setting information, the report has been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

### 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.

### THE LOCAL GOVERNMENT REPORTING ENTITY (Continued)

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 22 to these financial statements.

### AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY

#### 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.

## 2. REVENUE AND EXPENSES

### (a) Revenue

#### Significant revenue

During the year the Shire received a reimbursement in relation to flood damage to roads under the Western Australia Natural Disaster Relief and Recovery Arrangements (WANDRRA)

#### Other revenue

Reimbursements and recoveries  
Other

#### Fees and Charges

General purpose funding  
Law, order, public safety  
Health  
Housing  
Community amenities  
Recreation and culture  
Transport  
Economic services  
Other property and services

	2018 Actual	2017 Actual
	\$	\$
	2,231,712	0
	148,719	82,235
	54,974	13,549
	203,693	95,784
	13,798	2,068
	6,026	1,976
	57,251	21,010
	186,358	176,126
	502,548	500,901
	138,977	275,142
	92,630	155,598
	453,006	543,284
	70,997	109,841
	1,521,591	1,785,946

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

## 2. REVENUE AND EXPENSES (Continued)

### (a) Revenue (Continued)

#### Grant Revenue

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

	2018	2017
	\$	\$
<b>Operating grants, subsidies and contributions</b>		
General purpose funding	4,147,411	6,409,000
Law, order, public safety	0	4,106
Health	248,253	349,165
Education and welfare	1,118,713	1,266,573
Housing	0	800
Community amenities	0	172
Recreation and culture	54,713	58,417
Transport	2,338,388	490,878
Economic services	337,562	300,793
Other property and services	264,107	156,841
	8,509,147	9,036,745
<b>Non-operating grants, subsidies and contributions</b>		
Law, order, public safety	122,125	100,725
Community amenities	124,816	0
Recreation and culture	246,543	396,000
Transport	1,998,582	2,148,794
Economic services	0	39,000
	2,492,066	2,684,519
<b>Total grants, subsidies and contributions</b>	<b>11,001,213</b>	<b>11,721,264</b>

#### SIGNIFICANT ACCOUNTING POLICIES

##### Grants, Donations and Other Contributions

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

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

##### Grants, Donations and Other Contributions (Continued)

a particular period, and those conditions were undischarged as at the reporting date, the nature of and amounts pertaining to those undischarged conditions are disclosed in Note 18. That note also discloses the amount of contributions recognised as revenues in a previous reporting period which were obtained in respect of the local government's operations for the current period.

#### Interest earnings

- Loans receivable - clubs/institutions
  - Reserve funds
  - Other funds
- Other interest revenue (refer note 19(c))

2018 Actual	2018 Budget	2017 Actual
\$	\$	\$
92,139	80,000	89,760
28,227	10,000	11,280
60,897	35,000	75,365
181,263	125,000	176,405



## 2. REVENUE AND EXPENSES (Continued)

### (b) Expenses

#### Significant expense

During the year the Shire incurred materials and contracts expenditure to reinstate roads as a result of flood damage. The expenditure was subject to a reimbursement from WANDRRA

#### Auditors remuneration

- Audit of the Annual Financial Report
- Aquittals Audits

#### Interest expenses (finance costs)

Long term borrowings (refer Note 12(a))

	2018	2017
	\$	\$
	2,602,377	161,906
	23,207	25,956
	14,597	9,460
	37,804	35,416
	73,885	73,721
	73,885	73,721

### 3. CASH AND CASH EQUIVALENTS

	NOTE	2018 \$	2017 \$
Unrestricted		2,993,625	3,048,273
Restricted		5,663,908	4,989,750
		8,657,533	8,038,023
The following restrictions have been imposed by regulations or other externally imposed requirements:			
Leave Reserve	4	667,368	556,988
Computer Upgrade	4	136,097	15,804
Office Redevelopment	4	795,251	731,617
Refuse Site Rehabilitation	4	40,741	20,360
Airport Works	4	485,536	476,653
Plant Replacement	4	2,273,354	1,636,018
Staff Housing	4	515,043	427,084
Re-broadcasting	4	63,632	62,089
Aquatic	4	365,369	280,148
Energy Developments	4	90,319	88,666
Yarliyil Surplus	4	109,917	137,918
Unspent grants	18	121,281	556,405
		5,663,908	4,989,750

#### SIGNIFICANT ACCOUNTING POLICIES

##### Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks and other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk

##### Cash and cash equivalents (Continued)

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

#### 4. RESERVES - CASH BACKED

	2018 Actual Opening Balance	2018 Actual Transfer to	2018 Actual Transfer (from)	2018 Actual	2018 Budget Opening Balance	2018 Budget Transfer to	2018 Budget Transfer (from)	2018 Budget Closing Balance	2017 Actual Opening Balance	2017 Actual Transfer to	2017 Actual Transfer (from)	2017 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Leave Reserve	556,988	110,380	0	667,368	556,988	112,909	0	669,897	448,379	108,609	0	556,988
Computer Upgrade	15,804	120,293	0	136,097	15,803	120,285	0	136,088	15,472	332	0	15,804
Office Redevelopment	731,617	63,634	0	795,251	731,618	62,684	0	794,302	617,751	113,866	0	731,617
Refuse Site Rehabilitation	20,360	20,381	0	40,741	20,360	20,367	0	40,727	10,081	10,279	0	20,360
Airport Works	476,653	8,883	0	485,536	476,653	8,600	0	485,253	551,830	11,273	(86,450)	476,653
Plant Replacement	1,636,018	637,336	0	2,273,354	1,636,017	671,624	0	2,307,641	1,677,952	324,066	(366,000)	1,636,018
Staff Housing	427,084	87,959	0	515,043	427,084	87,706	0	514,790	356,810	70,274	0	427,084
Re-broadcasting	62,089	1,543	0	63,632	62,469	1,127	0	63,596	61,159	1,309	(379)	62,089
Aquatic	280,148	85,221	0	365,369	280,148	85,055	0	365,203	273,513	6,635	0	280,148
Energy Developments	88,666	1,653	0	90,319	88,666	1,600	(43,000)	47,266	86,807	1,859	0	88,666
Yarliyiil Surplus	137,918	2,259	(30,260)	109,917	137,918	2,489	0	140,407	0	137,918	0	137,918
	4,433,345	1,139,542	(30,260)	5,542,627	4,433,724	1,174,446	(43,000)	5,565,170	4,099,754	786,420	(452,829)	4,433,345

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

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

Name of Reserve	Anticipated date of use	Purpose of the reserve
Leave Reserve	Ongoing	To be used to fund long service leave and/or other significant payments that may be required upon termination of an employee.
Computer Upgrade	Ongoing	To be used to fund the upgrade and/or replacement of the Shire's electronic and network operating system or any of the administrative or financial management computer operating programs.
Office Redevelopment	Ongoing	To be used for the extension/major re-development of the Administration office building and assoc buildings.
Refuse Site Rehabilitation	Ongoing	Funds to be set aside for the rehabilitation of the refuse site upon closure.
Airport Works	Ongoing	To be used to fund major operational or major capital works required at the Shire of Halls Creek Airport.
Plant Replacement	Ongoing	To be used for the purchase or major capital upgrade of plant items.
Staff Housing	Ongoing	To be used to fund the construction, renovation, development or purchase of residential housing and land utilised by the Shire of Halls Creek for the provision of staff housing.
Re-broadcasting	Ongoing	To be used to fund the upgrade, new purchase or replacement of re-broadcasting equipment, for both television and radio, as per the Shire's re-broadcasting commitments.
Aquatic	Ongoing	To be used to fund any major repairs, upgrade, replacement or capital requirements for the Shire of Halls Creek Aquatic and Recreation Centre.
Energy Developments	Ongoing	To distribute monies to members or organisations in the Shire of Halls Creek (other than the Shire itself) to be used solely for not-for-profit projects or activates that benefit the Shire of Halls Creek's community and in accordance with MOU between Shire of Halls Creek and EDL NGD (WA) PTY LTD.
Yarliyiil Surplus	Ongoing	To be used for Yarliyiil expenditure requirements.

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

**5. TRADE AND OTHER RECEIVABLES**

**Current**

Rates outstanding
Sundry debtors
GST receivable
Less provision for doubtful debts

**Non-current**

Rates outstanding - pensioners
--------------------------------

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

**Rates outstanding**

Includes:

Past due and not impaired
Impaired

**Sundry debtors**

Includes:

Past due and not impaired
Impaired

2018	2017
\$	\$
500,285	438,805
506,991	359,869
122,349	64,914
(179,138)	(168,303)
950,487	695,285
9,970	0
9,970	0
394,528	335,937
115,727	102,868
399,221	51,379
63,411	65,435

**SIGNIFICANT ACCOUNTING POLICIES**

**Trade and other receivables**

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

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

Collectability of trade and other receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that they will not be collectible.

**Classification and subsequent measurement**

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

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



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

## 6. INVENTORIES

### Current

Stock on hand

2018	2017
\$	\$
132,074	223,892
132,074	223,892

### 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.

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

**7 (a). PROPERTY, PLANT AND EQUIPMENT**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Land and buildings		
Land - freehold land at:		
- Independent valuation 2017 - level 2	2,600,000	2,600,000
- Independent valuation 2017 - level 3	2,510,000	2,510,000
	5,110,000	5,110,000
Total land	5,110,000	5,110,000
Buildings - non-specialised at:		
- Independent valuation 2017 - level 2	9,408,000	9,408,000
Less: accumulated depreciation	(235,199)	0
	9,172,801	9,408,000
Buildings - specialised at:		
- Independent valuation 2017 - level 3	18,478,318	18,380,050
Less: accumulated depreciation	(627,232)	0
	17,851,086	18,380,050
Total buildings	27,023,887	27,788,050
Total land and buildings	32,133,887	32,898,050
Furniture and equipment at:		
- Independent valuation 2016 - level 3	345,450	122,600
- Management valuation 2016 - level 3	17,784	17,784
Less: accumulated depreciation	(77,459)	(38,729)
	285,775	101,655
Plant and equipment at:		
- Independent valuation 2016 - level 2	2,280,442	2,431,874
- Independent valuation 2016 - level 3	0	52,050
Less: accumulated depreciation	(678,113)	(406,495)
	1,602,329	2,077,429
Work in progress at:		
- Cost	325,673	0
	325,673	0
<b>Total property, plant and equipment</b>	<b>34,347,664</b>	<b>35,077,134</b>

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

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Movements in Carrying Amounts

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

	Land - freehold land	Total land	Buildings - non- specialised	Buildings - specialised	Total buildings	Total land and buildings	Furniture and equipment	Plant and equipment	Work in progress	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2016</b>	5,152,372	5,152,372	22,698,064	9,218,147	31,916,211	37,068,583	140,384	1,789,550	192,404	39,190,921
Additions	0	0	0	263,776	263,776	263,776	0	801,405	0	1,065,181
(Disposals)	0	0	0	0	0	0	0	(103,053)	0	(103,053)
Revaluation increments/ (decrements) transferred to revaluation surplus	(42,372)	(42,372)	(13,020,277)	9,422,378	(3,597,899)	(3,640,271)	0	0	0	(3,640,271)
Depreciation (expense)	0	0	(269,787)	(628,445)	(898,232)	(898,232)	(38,729)	(412,442)	0	(1,349,403)
Transfers	0	0	0	104,194	104,194	104,194	0	1,969	(192,404)	(86,241)
<b>Carrying amount at 30 June 2017</b>	5,110,000	5,110,000	9,408,000	18,380,050	27,788,050	32,898,050	101,655	2,077,429	0	35,077,134
Additions	0	0	0	78,305	78,305	78,305	122,125	94,518	325,673	620,621
(Disposals)	0	0	0	0	0	0	0	(200,035)	0	(200,035)
Depreciation (expense)	0	0	(235,199)	(627,232)	(862,431)	(862,431)	(38,730)	(369,583)	0	(1,270,744)
Transfers	0	0	0	19,963	19,963	19,963	100,725	0	0	120,688
<b>Carrying amount at 30 June 2018</b>	5,110,000	5,110,000	9,172,801	17,851,086	27,023,887	32,133,887	285,775	1,602,329	325,673	34,347,664

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

### (c) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
<b>Land and buildings</b>					
Land - freehold land	2 & 3	Market approach using recent observable market data for similar properties.	Independent registered valuer	June 2017	Price per hectare, with reference to current zonings of land. Market values were used unless there were some restrictions or other factors associated with the land which resulted in land.
Buildings - non-specialised	2	Market approach using recent observable market data for similar assets.	Independent registered valuer	June 2017	Price per square metre.
Buildings - specialised	3	Cost approach using depreciated replacement cost.	Independent registered valuer	June 2017	Construction costs based on recent contract prices and current condition, residual values and remaining useful life assessments.
<b>Furniture and equipment</b>					
- Independent valuation 2016	3	Cost approach using depreciated replacement cost.	Independent registered valuer	June 2016	Purchase costs of similar assets adjusted for current condition and comparability, residual values and useful life assessments.
- Management valuation 2016	3	Cost approach using depreciated replacement cost.	Management valuation	June 2016	Purchase costs of similar assets adjusted for current condition and comparability, residual values and useful life assessments.
<b>Plant and equipment</b>					
- Independent valuation 2016	2	Market approach using recent observable market data for similar assets.	Independent registered valuer	June 2016	Market price per item.
- Independent valuation 2016	3	Cost approach using depreciated replacement cost.	Independent registered valuer	June 2016	Purchase costs of similar assets adjusted for current condition and comparability, residual values and useful life assessments.

### Work in progress

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

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

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

**8 (a). INFRASTRUCTURE**

Infrastructure - Roads

- Management valuation 2016 - level 3
- Management valuation 2018 - level 3
- Less: accumulated depreciation

Infrastructure - Other

- Management valuation 2015 - level 3
- Independent valuation 2018 - level 3
- Management valuation 2018 - level 3
- Less: accumulated depreciation

Infrastructure - work in progress

- Cost

**Total infrastructure**

2018	2017
\$	\$
0	75,018,587
82,501,105	0
0	(4,269,672)
82,501,105	70,748,915
0	8,637,598
5,687,100	0
17,000	0
0	(5,043,510)
5,704,100	3,594,088
43,980	122,983
43,980	122,983
88,249,185	74,465,986



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

## 8. INFRASTRUCTURE (Continued)

### (b) Movements in Carrying Amounts

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

	Infrastructure - Roads	Infrastructure - Other	Infrastructure - work in progress	Total Infrastructure
	\$	\$	\$	\$
<b>Balance at 1 July 2016</b>	72,003,450	3,325,382	40,786	75,369,618
Additions	3,015,137	454,570	122,984	3,592,691
Depreciation (expense)	(4,269,672)	(312,893)	0	(4,582,565)
Transfers	0	127,028	(40,787)	86,241
<b>Carrying amount at 30 June 2017</b>	70,748,915	3,594,087	122,983	74,465,985
Additions	2,255,978	172,000	41,685	2,469,663
Revaluation increments/ (decrements) transferred to revaluation surplus	14,166,204	2,275,973	0	16,442,177
Depreciation (expense)	(4,669,992)	(337,961)	0	(5,007,953)
Transfers	0	0	(120,688)	(120,688)
<b>Carrying amount at 30 June 2018</b>	82,501,105	5,704,100	43,980	88,249,185

## 8. INFRASTRUCTURE (Continued)

### (c) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Infrastructure - Roads	3	Cost approach using depreciated replacement cost	Management valuation	June 2018	Construction costs and current conditions, residual values and remaining useful life assessments inputs.
Infrastructure - Other	3	Cost approach using depreciated replacement cost	Independent registered valuer	June 2018	Construction costs and current conditions, residual values and remaining useful life assessments inputs.

### Infrastructure - work in progress

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.

## 9. FIXED ASSETS

### SIGNIFICANT ACCOUNTING POLICIES

#### Fixed assets

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

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

All assets are initially recognised at cost and subsequently revalued in accordance with the mandatory measurement framework.

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

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

#### Revaluation

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

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

#### Land under control

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

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

## 9. FIXED ASSETS (Continued)

### (a) Disposals of Assets

The following assets were disposed of during the year.

	Actual Net Book Value	Actual Sale Proceeds	Actual Profit	Actual Loss	Budget Net Book Value	Budget Sale Proceeds	Budget Profit	Budget Loss
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Plant and Equipment</b>								
<b>Other property and services</b>								
Vehicle - Plant no. P1037	19,567	16,818	0	(2,749)	20,471	23,900	3,429	0
Vehicle - Plant no. P1019	22,887	15,000	0	(7,887)	24,451	17,300	0	(7,151)
Vehicle - Plant no. P1043	21,101	17,273	0	(3,828)	21,649	20,400	0	(1,249)
Vehicle - Plant no. P1021	12,111	20,255	8,144	0	14,908	20,800	5,892	0
Vehicle - Plant no. P1047	37,216	36,818	0	(398)	38,170	37,900	0	(270)
Vehicle - Plant no. P1610	39,151	49,091	9,940	0	39,975	36,900	0	(3,075)
Vehicle - Plant no. P1041	26,905	34,500	7,595	0	0	0	0	0
Vehicle - Plant no. P1038	21,097	35,500	14,403	0	0	0	0	0
	200,035	225,255	40,082	(14,862)	159,624	157,200	9,321	(11,745)

### (b) Depreciation

	2018	2017
	\$	\$
Buildings - non-specialised	235,199	269,787
Buildings - specialised	627,232	628,445
Furniture and equipment	38,730	38,729
Plant and equipment	369,583	412,442
Infrastructure - Roads	4,669,992	4,269,672
Infrastructure - Other	337,961	312,893
	6,278,697	5,931,968

## 9. FIXED ASSETS (Continued)

### (b) Depreciation (Continued)

#### SIGNIFICANT ACCOUNTING POLICIES

##### Depreciation

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

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

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

##### Depreciation rates

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

Buildings	20 to 50 years
Furniture and Equipment	2 to 10 years
Plant and Equipment	4 to 15 years
Subgrade	Not depreciated
Basecourse Unsealed	10 years
Basecourse Sealed	40 years
Reseal	15 years
Asphalt	25 years
Sand Seal	5 years
Culverts	80 years
Stock Grids	80 years
Footpaths Concrete	40 years
Footpaths Slabs	30 Years
Footpaths Gravel	10 years
Floodways Unsealed	10 years
Floodways Sealed	30 Years
Floodways Concrete	80 years

##### Depreciation (Continued)

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

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

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



## 10. REVALUATION SURPLUS

	2018 Opening Balance	2018 Revaluation Increment	2018 Total Movement on Revaluation	2018 Closing Balance	2017 Opening Balance	2017 Revaluation (Decrement)	2017 Total Movement on Revaluation	2017 Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus -Furniture and equipment	19,625	0	0	19,625	19,625	0	0	19,625
Revaluation surplus -Plant and equipment	621,404	0	0	621,404	621,404	0	0	621,404
Revaluation surplus -Land and Buildings	8,755,135	0	0	8,755,135	12,395,406	(3,640,271)	(3,640,271)	8,755,135
Revaluation surplus - Infrastructure - Roads	65,104,907	14,166,204	14,166,204	79,271,111	65,104,907	0	0	65,104,907
Revaluation surplus - Infrastructure - Other	2,067,815	2,275,973	2,275,973	4,343,788	2,067,815	0	0	2,067,815
	76,568,886	16,442,177	16,442,177	93,011,063	80,209,157	(3,640,271)	(3,640,271)	76,568,886

Movements on revaluation of fixed assets are not able to be reliably attributed to a program as the assets were revalued by class as provided for by AASB 116 Aus 40.1.

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

**11. TRADE AND OTHER PAYABLES**

**Current**

Sundry creditors
Accrued interest on long term borrowings
Accrued salaries and wages
ATO liabilities
Accrued Expenses

2018	2017
\$	\$
303,614	282,265
32,983	39,035
114,236	114,727
74,462	76,123
56,130	53,621
581,425	565,771

**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.

## 12. INFORMATION ON BORROWINGS

### (a) Repayments - Borrowings

Particulars	Principal 1 July 2017	New Loans	Principal Repayments		Principal 30 June 2018		Interest Repayments	
	\$	\$	Actual	Budget	Actual	Budget	Actual	Budget
<b>Housing</b>								
Loan 23 Triplex	308,593	0	32,906	32,906	275,687	275,687	20,680	18,691
Loan 25 Housing Units	735,936	0	20,520	20,521	715,416	715,415	53,205	48,257
	1,044,529	0	53,426	53,427	991,103	991,102	73,885	66,948

### Borrowings

	2018	2017
	\$	\$
Current	78,252	53,426
Non-current	912,851	991,103
	991,103	1,044,529

## 12. INFORMATION ON BORROWINGS (Continued)

### (b) Undrawn Borrowing Facilities

#### Credit Standby Arrangements

Bank overdraft limit
Bank overdraft at balance date
Credit card limit
Credit card balance at balance date
<b>Total amount of credit unused</b>

2018	2017
\$	\$
1,000,000	2,000,000
0	0
200,000	200,000
0	0
1,200,000	2,200,000
78,252	53,426
912,851	991,103
991,103	1,044,529
NIL	NIL

#### Loan facilities

Loan facilities - current
Loan facilities - non-current
<b>Total facilities in use at balance date</b>

#### Unused loan facilities at balance date

### SIGNIFICANT ACCOUNTING POLICIES

#### Financial liabilities

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

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

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

#### 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.

## 13. PROVISIONS

### Opening balance at 1 July 2017

Current provisions  
Non-current provisions

Additional provision  
Amounts used

### Balance at 30 June 2018

### Comprises

Current  
Non-current

Provision for Annual Leave	Provision for Long Service Leave	Total
\$	\$	\$
610,473	92,797	703,270
0	122,141	122,141
610,473	214,938	825,411
232,315	54,018	286,333
(337,729)	(26,320)	(364,049)
505,059	242,636	747,695
505,059	122,850	627,909
0	119,786	119,786
505,059	242,636	747,695

## 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, time in lieu 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.



## 14. NOTES TO THE STATEMENT OF CASH FLOWS

### Reconciliation of Cash

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

	2018 Actual	2018 Budget	2017 Actual
	\$	\$	\$
<b>Reconciliation of Net Cash Provided By Operating Activities to Net Result</b>			
Net result	(2,480,096)	(3,245,211)	1,253,957
Non-cash flows in Net result:			
Depreciation	6,278,697	3,959,770	5,931,968
(Profit)/loss on sale of asset	(25,220)	2,424	44,198
Changes in assets and liabilities:			
(Increase)/decrease in receivables	(265,172)	280,000	573,383
(Increase)/decrease in inventories	91,818	50,000	(50,439)
Increase/(decrease) in payables	15,654	72,446	(458,337)
Increase/(decrease) in provisions	(77,716)	0	18,592
Grants contributions for the development of assets	(2,492,066)	(2,262,195)	(2,684,519)
Net cash from operating activities	1,045,899	(1,142,766)	4,628,803

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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**15. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
General purpose funding	394,527	335,936
Law, order, public safety	395,934	144,325
Health	17,989	20,255
Education and welfare	127,862	114,330
Housing	11,596,856	12,363,000
Community amenities	1,451,984	1,139,052
Recreation and culture	13,773,063	13,045,966
Transport	88,568,450	75,815,562
Economic services	3,924,452	3,371,600
Other property and services	3,321,334	4,112,271
Unallocated	8,774,462	8,038,023
	<b>132,346,913</b>	<b>118,500,320</b>

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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**16. CAPITAL COMMITMENTS**

**(a) Capital Expenditure Commitments**

Contracted for:

- capital expenditure projects

Payable:

- not later than one year

2018	2017
\$	\$
2,581,384	2,280,756
2,581,384	2,280,756

The capital expenditure project outstanding at the end of the current reporting period represents the amount remaining on the contract for the supply of hired road construction.

## 17. RELATED PARTY TRANSACTIONS

### Elected Members Remuneration

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

	2018 Actual	2018 Budget	2017 Actual
	\$	\$	\$
Meeting Fees	61,431	62,006	60,184
President's allowance	8,992	8,858	8,638
Deputy President's allowance	2,247	2,215	2,150
Travelling expenses	337	350	350
Telecommunications allowance	22,392	23,980	22,910
	95,399	97,409	94,232

### Key Management Personnel (KMP) Compensation Disclosure

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

	2018	2017
	\$	\$
Short-term employee benefits	363,055	372,154
Post-employment benefits	26,097	53,274
Other long-term benefits	5,302	9,371
	394,454	434,799

#### Short-term employee benefits

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

#### Post-employment benefits

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

#### Other long-term benefits

These amounts represent long service benefits accruing during the year.

### 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:

	2018	2017
	\$	\$
Purchase of goods and services	72,733	445,994

### 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.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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18. CONDITIONS OVER GRANTS/CONTRIBUTIONS

Grant/Contribution	Opening Balance <sup>(1)</sup> 1/07/16	Received <sup>(2)</sup> 2016/17	Expended <sup>(3)</sup> 2016/17	Closing Balance <sup>(1)</sup> 30/06/17	Received <sup>(2)</sup> 2017/18	Expended <sup>(3)</sup> 2017/18	Closing Balance 30/06/18
	\$	\$	\$	\$	\$	\$	\$
<b>Law, order, public safety</b>							
WA Police - CCTV Grant	0	100,725	(100,725)	0	122,125	(122,125)	0
<b>Health</b>							
Dept Health -AEHO Contribution	0	242,669	0	242,669	244,683	(487,352)	0
DeDept Health - Equipment Purchases	74,000	0	(74,000)	0	1,250	(1,250)	0
Dept Health - Training Program	0	56,400	0	56,400	0	0	56,400
Dept Health -Mosquito Chemicals	0	9,960	(9,960)	0	2,320	(2,320)	0
Dept Health -Moquito Cont Equip	0	27,345	(27,345)	0	0	0	0
Keep Aust Beautiful Litter Grant	0	12,000	(9,631)	2,369	0	(2,369)	0
<b>Education and welfare</b>							
DCS - Youth Program	0	258,913	(258,913)	0	129,457	(129,457)	0
DGP - Youth Diversion Program	0	142,883	(142,883)	0	144,077	(144,077)	0
Dept Sports & Rec - Halls Creek Sport & Fi	23,800	12,600	(36,400)	0	0	0	0
DPMC -Youth Diversion Program	0	825,000	(825,000)	0	825,000	(825,000)	0
Mental Health Comm-Suicide Prevention	0	20,000	0	20,000	0	(20,000)	0
EKJP Host Agreement Funding	0	0	0	0	20,179	(5,044)	15,135
<b>Community amenities</b>							
KDC Infrastructure Upgrades	0	0	0	0	124,816	(124,816)	0
<b>Recreation and culture</b>							
Dept Sports & Rec Grant - Acquatic Centre	0	32,000	(32,000)	0	0	0	0
Dept Sports & Rec Grant - Halls Creek Mol	5,000	0	(5,000)	0	0	0	0
Dept Sports & Rec Grant - Sport 4 All KidSp	6,500	0	0	6,500	0	0	6,500
KDC - Solar Power	0	116,000	0	116,000	116,000	(193,689)	38,311
KDC - Basketball Resurfacing	0	200,000	0	200,000	0	(61,398)	138,602
Dept of P M & C - Sola Lighting	0	80,000	(79,200)	800	0	(800)	0
Dept of Inf - Sola Power	0	0	0	0	130,000	(130,000)	0
<b>Transport</b>							
MRWA - Direct Grant	0	175,388	(175,388)	0	103,122	(103,122)	0
Remote Access FAG - Remote Access Ro	72,000	312,000	(384,000)	0	234,000	(234,000)	0
Main Roads WA - Remote Access Roads	36,000	201,000	(237,000)	0	115,143	(115,143)	0
Main Roads WA - Blackspot	0	120,747	(254,414)	(133,667)	129,265	(129,265)	(133,667)
Main Roads WA - Regional Road Group	0	612,770	(612,770)	0	588,809	(588,809)	0
Roads to Recovery - General	0	887,454	(887,454)	0	431,365	(431,365)	0
Roads to Recovery - Special Access	0	170,000	(170,000)	0	500,000	(500,000)	0
Dept of Transport - Airport Re-seal	0	156,823	(156,823)	0	0	0	0
<b>Economic services</b>							
WA Tourism - Regional Visitor Cente Susta	0	39,000	(39,000)	0	0	0	0
Dept of Ag - Grant Duncan Rd Upgrade	0	30,000	0	30,000	60,000	(90,000)	0
<b>Other property and services</b>							
Road Saftey commission Grant	0	15,334	0	15,334	0	(15,334)	0
OFTA - Yarliyl Arts Centre Operations	0	100,000	(100,000)	0	110,000	(110,000)	0
OFTA - Yarliyl National Jobs Program	33,215	33,215	(66,430)	0	70,000	(70,000)	0
EKJP Host Agreement Funding	0	0	0	0	51,997	(51,997)	0
<b>Total</b>	<b>250,515</b>	<b>4,990,226</b>	<b>(4,684,336)</b>	<b>556,405</b>	<b>4,253,608</b>	<b>(4,688,732)</b>	<b>121,281</b>

Notes:

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

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

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



NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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## 19. RATING INFORMATION

### (a) Rates

RATE TYPE	Rate in \$	Number of Properties	Value \$	Rate Revenue \$	Interim Rates \$	Total Revenue \$	Budget Rate Revenue \$	Budget Total Revenue \$
<b>Differential general rate / general rate</b>								
<b>Gross rental valuations</b>								
GRV - Town	0.0809	299	12,206,848	987,534	30,577	1,018,111	983,726	983,726
GRV - Town vacant	0.1365	3	64,264	8,772	2,756	11,528	10,352	10,352
<b>Unimproved valuations</b>								
UV - Rural/Pastoral	0.0456	26	7,958,158	362,892	4,316	367,208	366,052	366,052
UV - Mining	0.3870	32	1,559,863	603,667	(1,698)	601,969	583,940	583,940
UV - Prospecting/exploration	0.2321	92	697,148	161,807	54,287	216,094	131,848	131,848
<b>Sub-Total</b>		452	22,486,281	2,124,672	90,238	2,214,910	2,075,918	2,075,918
<b>Minimum payment</b>								
	\$							
<b>Gross rental valuations</b>								
GRV - Town	840	4	10,211	3,360	0	3,360	3,360	3,360
GRV - Town vacant	1,580	15	38,686	23,700	0	23,700	23,700	23,700
<b>Unimproved valuations</b>								
UV - Rural/Pastoral	790	19	49,862	15,010	0	15,010	4,740	4,740
UV - Mining	790	6	5,835	4,740	0	4,740	34,020	34,020
UV - Prospecting/exploration	540	61	86,862	32,940	0	32,940	15,010	15,010
<b>Sub-Total</b>		105	191,456	79,750	0	79,750	80,830	80,830
		557	22,677,737	2,204,422	90,238	2,294,660	2,156,748	2,156,748
Movement in excess rates						(5,725)		0
<b>Total amount raised from general rate</b>						2,288,935		2,156,748

### 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.

## 19. RATING INFORMATION (Continued)

### (b) Service Charges

Service Charges	Amount of Charge	Revenue Raised	Budget Revenue	Charges Applied to Costs	Charges Set Aside to Reserve	Reserve Applied to Costs	Budget Charges Applied to Costs	Budget Charges Set Aside to Reserve	Budget Reserve Applied to Costs
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Television & Rebroadcasting Services	10	4,077	3,900	4,562	0	485	5,562	0	1,662
		4,077	3,900	4,562	0	485	5,562	0	1,662

Nature of the Service Charge	Objects of the Charge	Reasons for the Charge	Area/Properties Charge Imposed
Television & Rebroadcasting Services	To maintain the provision of television rebroadcasting services	The proceeds of the service charge are applied in full to offset the cost of callout to the facility.	Owners and occupiers within the designated area surrounding the location of the broadcasting area.

## 19. RATING INFORMATION (Continued)

### (c) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge	Instalment Plan Interest Rate	Unpaid Rates Interest Rate
		\$	%	%
<b>Option One</b>				
Single full payment	31/08/2017	0	0.00%	11.00%
<b>Option Two</b>				
First instalment				
Second instalment				
<b>Option Three</b>				
First instalment	31/08/2017	0	0.00%	11.00%
Second instalment	30/10/2017	20	5.50%	11.00%
Third instalment	7/02/2018	20	5.50%	11.00%
Fourth instalment	13/04/2018	20	5.50%	11.00%

	2018	2018 Budget
	\$	\$
Interest on unpaid rates	53,160	30,000
Interest on instalment plan	7,737	5,000
Charges on instalment plan	3,000	3,000
	63,897	38,000

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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## 20. NET CURRENT ASSETS

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

	<b>2018 (30 June 2018 Carried Forward)</b>	<b>2018 (1 July 2017 Brought Forward)</b>	<b>2017 (30 June 2017 Carried Forward)</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Surplus/(Deficit)</b>	3,616,042	3,958,084	3,958,084
<b>CURRENT ASSETS</b>			
Cash and cash equivalents			
Unrestricted	2,993,625	3,048,273	3,048,273
Restricted	5,663,908	4,989,750	4,989,750
Receivables			
Rates outstanding	500,285	438,805	438,805
Sundry debtors	506,991	359,869	359,869
GST receivable	122,349	64,914	64,914
Less provision for doubtful debts	(179,138)	(168,303)	(168,303)
Inventories			
Stock on hand	132,074	223,892	223,892
<b>LESS: CURRENT LIABILITIES</b>			
Trade and other payables			
Sundry creditors	(303,614)	(282,265)	(282,265)
Accrued interest on long term borrowings	(32,983)	(39,035)	(39,035)
Accrued salaries and wages	(114,236)	(114,727)	(114,727)
ATO liabilities	(74,462)	(76,123)	(76,123)
Accrued Expenses	(56,130)	(53,621)	(53,621)
Current portion of long term borrowings	(78,252)	(53,426)	(53,426)
Provisions			
Provision for annual leave	(505,059)	(610,473)	(610,473)
Provision for long service leave	(122,850)	(92,797)	(92,797)
<b>Unadjusted net current assets</b>	<b>8,452,508</b>	<b>7,634,733</b>	<b>7,634,733</b>
<b>Adjustments</b>			
Less: Reserves - restricted cash	(5,542,627)	(4,433,345)	(4,433,345)
Add: Current portion of long term borrowings	78,252	53,426	53,426
Add: Employee provisions	627,909	703,270	703,270
<b>Adjusted net current assets - surplus/(deficit)</b>	<b>3,616,042</b>	<b>3,958,084</b>	<b>3,958,084</b>

### Difference

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

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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## 21. FINANCIAL RISK MANAGEMENT

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

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

Financial risk management is carried out by the finance area under policies approved by the Council.

The Shire held the following financial instruments at balance date:

	Carrying Value		Fair Value	
	2018	2017	2018	2017
	\$	\$	\$	\$
<b>Financial assets</b>				
Cash and cash equivalents	8,657,533	8,038,023	8,657,533	8,038,023
Receivables	960,457	695,285	960,457	695,285
	9,617,990	8,733,308	9,617,990	8,733,308
<b>Financial liabilities</b>				
Payables	581,425	565,771	581,425	565,771
Borrowings	991,103	1,044,529	1,124,306	1,044,529
	1,572,528	1,610,300	1,705,731	1,610,300

Fair value is determined as follows:

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

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

## 21. FINANCIAL RISK MANAGEMENT (Continued)

### (a) Cash and Cash Equivalents

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

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

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

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

	2018	2017
	\$	\$
Impact of a 1% <sup>(1)</sup> movement in interest rates on cash		
- Equity	86,575	80,380
- Statement of Comprehensive Income	86,575	80,380

**Notes:**

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



## 21. FINANCIAL RISK MANAGEMENT (Continued)

### (b) Receivables

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

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

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

The Shire makes suitable provision for doubtful receivables as required and carries out credit checks on most non-rate debtors.

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

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

	2018	2017
	%	%
Percentage of rates and annual charges		
- Current	0.00%	0.00%
- Overdue	100.00%	100.00%
Percentage of other receivables		
- Current	58.00%	59.00%
- Overdue	42.00%	41.00%

## 21. FINANCIAL RISK MANAGEMENT (Continued)

### (c) Payables and borrowings

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

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

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
<b>2018</b>	\$	\$	\$	\$	\$
Payables	581,425	0	0	581,425	581,425
Borrowings	142,692	616,142	619,273	1,378,107	991,103
	724,117	616,142	619,273	1,959,532	1,572,528
<b>2017</b>					
Payables	565,771	0	0	565,771	565,771
Borrowings	142,659	570,998	762,130	1,475,787	1,044,529
	708,430	570,998	762,130	2,041,558	1,610,300

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

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

Year ended 30 June 2018	<1 year	>1<2 years	>2<3 years	>3<4 years	>4<5 years	>5 years	Total	Weighted Average Effective Interest Rate
	\$	\$	\$	\$	\$	\$	\$	%
<b>Borrowings</b>								
<b>Fixed rate</b>								
Long term borrowings	0	0	0	0	0	991,103	991,103	6.63%
Weighted average Effective interest rate						6.63%		
<b>Year ended 30 June 2017</b>								
<b>Borrowings</b>								
<b>Fixed rate</b>								
Long term borrowings	0	0	0	0	0	1,114,422	1,114,422	6.62%
Weighted average Effective interest rate						6.62%		

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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## 22. TRUST FUNDS

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

	<b>1 July 2017</b>	<b>Amounts Received</b>	<b>Amounts Paid</b>	<b>30 June 2018</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Staff Housing Bonds	2,202	5,057	(4,552)	2,707
Facility Bond Hire	8,855	9,215	(8,015)	10,055
BCITF	13,657	24,599	(6,963)	31,293
Unclaimed Monies	38,984	0	0	38,984
Little Athletics	2,166	0	0	2,166
History Project	5,499	0	0	5,499
Tourism Operators	38,568	367,032	(304,825)	100,775
Library Memberships	4,310	0	(50)	4,260
DPI Vehicle Licencing	2,037	257,913	(252,690)	7,260
Telecentre Income	49,602	0	0	49,602
COAG & Other Govnts Funds	174,369	1,004	(1,004)	174,369
Yarliyl Art Gallery	2,429	102,367	(100,726)	4,070
Refuse kerb deposits	2,000	500	0	2,500
General Donations	235	0	0	235
Retention Funds	43,533	0	0	43,533
Election Nominations	0	800	0	800
	<b>388,446</b>			<b>478,108</b>

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

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

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

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

Notes:

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

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

<b>Title</b>	<b>Issued / Compiled</b>	<b>Applicable (1)</b>	<b>Impact</b>
(iv) AASB 1058 Income of Not-for-Profit Entities	December 2016	1 January 2019	<p>These standards are likely to have a significant impact on the income recognition for NFP's. Key areas for consideration are:</p> <ul style="list-style-type: none"> <li>- Assets received below fair value;</li> <li>- Transfers received to acquire or construct non-financial assets;</li> <li>- Grants received;</li> <li>- Prepaid rates;</li> <li>- Leases entered into at below market rates; and</li> <li>- Volunteer services.</li> </ul> <p>Whilst it is not possible to quantify the financial impact (or if it is material) of these key areas until the details of future transactions are known, they will all have application to the Shire's operations.</p>

Notes:

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

**Adoption of New and Revised Accounting Standards**

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

Whilst many reflected consequential changes associate with the amendment of existing standards, the only new standard with material application is as follows:

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

## 24. 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.



## 25. ACTIVITIES/PROGRAMS

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

PROGRAM NAME	OBJECTIVE	ACTIVITIES
<b>GOVERNANCE</b>	To provide a decision making process for the efficient allocation of scarce resources.	Administration and operation of facilities and services to members of Council; Other costs relating to tasks of assisting elected members and ratepayers on matters which do not concern specific services.
<b>GENERAL PURPOSE FUNDING</b>	To provide adequate funding for the Shire's operation by maximising income from Rates, general purpose purpose government grants, interest and other sources of revenue.	Raising of rates, collection of debts, general purpose funding and other funding activities.
<b>LAW, ORDER, PUBLIC SAFETY</b>	To provide services to help ensure a safer and environmentally conscious community.	Supervision of various by-laws, fire prevention, emergency services and animal control.
<b>HEALTH</b>	To provide an operational framework for good community health.	<p><b>Aboriginal Environmental Health Program</b> - This scheme is part funded by the Health Department of WA, with the main aim being to ensure the delivery of environmental health services to Aboriginal communities, addressing specific needs and requirements of such communities.</p> <p><b>Health Admin &amp; Inspection</b> - Expenditure related to the general administration and delivery of environmental services such as food inspections, issuing of licences such as stall-holder and hawkker licences, and the general administration role as required by the Shire in accordance with the Health Act.</p> <p><b>Pest Control and Analytical</b> - Allocation to enable the Environmental Health Officer to undertake food sampling and other testing with relevant testing authorities in Perth. Allocation also for actions required for mosquito control.</p>
<b>EDUCATION AND WELFARE</b>	collaborative partnership with the Department of Prime Minister and Cabinet that focuses on ensuring	Focuses on "breaking the cycle" for at-risk Aboriginal young people - ensuring they have a safe environment in which to make positive life choices.
<b>HOUSING</b>	Provision of adequate housing for Shire staff.	Maintenance and operations of staff housing, capital repairs and maintenance, as well as new construction.
<b>COMMUNITY AMENITIES</b>	Provide services required by the community.	Refuse collection services and refuse site maintenance, administration of the Shire's Town Planning function, maintenance and management of the Shire's Cemetery, public conveniences and certain community development projects.
<b>RECREATION AND CULTURE</b>	To establish and manage efficiently infrastructure and resources which will help the social development and well being of the community.	Maintenance and operation of Civic Halls, Sports Courts, Oval, Aquatic & Recreation Centre, Library, Rebroadcasting services and the culture background of Halls Creek such as the Trackers Hut.
<b>TRANSPORT</b>	To provide safe, effective transport services to the community.	Construction and maintenance of streets, roads, bridges, cleaning and lighting of streets and the operation of the airport.
<b>ECONOMIC SERVICES</b>	To help promote the Shire and improve its economic well being.	Travel & Tourism & Area Promotion, Building Control, Post Office services and Economic Development.
<b>OTHER PROPERTY AND SERVICES</b>	To monitor and control the Shire's overhead operating accounts.	<p><b>Public Works Overheads</b> - All costs associated with the employment of Works staff are assigned to this sub-program and are then re-allocated to the relevant programme during the course of the year through overheads recovery.</p> <p><b>Plant Operation Costs</b> - All costs associated with plant repair and operation costs are allocated to this sub program, and throughout the year are reallocated to relevant work jobs on which the plant worked, to obtain accurate costs of that job. items of plant which determine actual costs. Costs include fuels, oils, repairs and depreciation.</p> <p><b>Salaries &amp; Wages</b> - This sub Programme identifies the total salaries and wages costs expected for the year and these are also reallocated throughout all sub Programmes during the financial year to reflect true costs.</p> <p><b>Integrated Planning</b> - The framework ensures all of the Shire's strategic planning policies are aligned and conform with the requirements of the Local Government Act. The five strategies, which form the framework must be regularly reviewed and the outcomes monitored annually.</p> <p><b>Misc./Unclassified</b> - This sub programme records both income and expense for goods/services that cannot be allocated to a particular job or program.</p> <p>Administration - All costs associated with the Shire's Administration, including staff, are assigned to this program. They are then re-allocated to the relevant programs to represent the administrative cost of that program/sub program.</p> <p><b>Yartliyii</b> - All costs associated with the running of the Arts Centre.</p>

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

**26. FINANCIAL RATIOS**

	2018	2017	2016
Current ratio	6.18	5.18	1.86
Asset consumption ratio	0.99	0.92	0.95
Asset renewal funding ratio	1.04	1.09	1.20
Asset sustainability ratio	0.40	0.69	0.59
Debt service cover ratio	10.84	31.86	(0.07)
Operating surplus ratio	(1.19)	(0.34)	(1.36)
Own source revenue coverage ratio	0.24	0.29	0.23

The above ratios are calculated as follows:

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

**Notes:**

Three of the ratios disclosed above were distorted by the early receipt of Financial Assistance Grants. In addition, two of the ratios were impacted by revenue and expenses associated with flood damage re-instatement which is considered one-off in nature.

	2017/18	2016/17	2015/16
	\$	\$	\$
Amount of Financial Assistance Grant received during the year relating to the subsequent year.	2,203,249	2,210,562	0
Amount of Financial Assistance Grant received in prior year relating to current year.	2,210,562	0	2,134,494
Amount of reimbursement for flood damage received	2,231,712	0	0
Expenditure on flood damage re-instatement	2,602,377	0	0

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

	2018	2017	2016
Current ratio	2.84	2.30	3.45
Debt service cover ratio	13.81	16.47	12.96
Operating surplus ratio	(1.10)	(0.86)	(0.83)
Own source revenue coverage ratio	0.28	0.29	0.23

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**INDEPENDENT AUDITOR'S REPORT  
TO THE COUNCILLORS OF  
THE SHIRE OF HALLS CREEK**

**REPORT ON THE AUDIT OF THE FINANCIAL REPORT**

**Opinion**

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

In our opinion, the financial report of the Shire of Halls Creek:

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

**Basis for Opinion**

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

**Emphasis of Matter – Basis of Preparation**

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

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

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

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

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

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

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

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

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

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

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

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

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

**REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

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

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

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

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

MOORE STEPHENS  
CHARTERED ACCOUNTANTS



WEN-SHIEN CHAI  
PARTNER

Date: 5 November 2018  
Perth, WA