



SHIRE OF WOODANILLING



**Unconfirmed Minutes
Of The Audit Committee
Meeting
19 July 2022**

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COUNCIL FORUM

1. DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS

Meeting opened at 1.00pm

1.1 DISCLOSURE OF INTEREST AFFECTING IMPARTIALITY

Division 6 Subdivision 1 of the *Local Government Act 1995* (the Act) requires Council Members and Employees to declare any direct or indirect financial interest or general interest in any matter listed in this Agenda.

The Act also requires the nature of the interest to be disclosed in writing before the meeting or immediately before the matter be discussed.

NB: A Council member who makes a disclosure must not preside or participate in, or be present during, any discussion or decision making procedure relating to the declared matter unless the procedures set out in Sections 5.68 or 5.69 of the Act have been complied with.

DISCLOSURE OF INTEREST AFFECTING IMPARTIALITY

Disclosures of Interest Affecting Impartiality are required to be declared and recorded in the minutes of a meeting. Councillors who declare such an interest are still permitted to remain in the meeting and to participate in the discussion and voting on the particular matter. This does not lessen the obligation of declaring financial interests etc. covered under the Local Government Act.

To help with complying with the requirements of declaring Interests Affecting Impartiality the following statement is recommended to be announced by the person declaring such an interest and to be produced in the minutes.

“I (give circumstances of the interest being declared, eg: have a long standing personal friendship with the proponent). As a consequence there may be a perception that my impartiality on this matter may be affected. I declare that I will consider this matter on its merits and vote accordingly”.

2. RECORD OF ATTENDANCE / APOLOGIES / LEAVE OF ABSENCE (PREVIOUSLY APPROVED)

Present:

Cr SJ Jefferies	Shire President	Kellie Bartley	Chief Executive Officer
Cr HR Thomson	Deputy Shire President	Gillian French	Special Projects Officer
Cr D Douglas		Cath Painter	Accountant
Cr P Morrell		Scott Hook	Works Coordinator
Cr T Brown			
Cr B Smith			

Apologies:

Nil

3. DECLARATIONS OF COUNCILLORS OR OFFICER'S INTEREST

Nil interests declared.

4. CONFIRMATION OF PREVIOUS MINUTES

4.1 AUDIT MEETING HELD 21 JUNE 2022

That the minutes of the Audit Committee meeting held in the Shire of Woodanilling Council Chambers, on 21 June 2022, be confirmed as true and correct record of the proceedings.

AUDIT COMMITTEE RESOLUTION ACM05/07/2022

Moved Cr Douglas

Seconded Cr Morrell

That The Minutes Of The Audit Committee Meeting Held In The Shire Of Woodanilling Council Chambers, On 21 June 2022, Be Confirmed As True And Correct Record Of The Proceedings.

CARRIED 6/0

5. REPORTS FOR CONSIDERATION

5.1. ANNUAL REPORT FOR THE 2019/2020 FINANCIAL YEAR

File Reference	ADM0017
Date of Report	7 July 2022
Responsible Officer	Kellie Bartley, Chief Executive Officer
Author of Report	Kellie Bartley, Chief Executive Officer
Disclosure of any Interest	No Officer involved in the preparation of this report has an interest to declare in accordance with the provisions of the <i>Local Government Act 1995</i> .
Voting Requirement	Simple Majority
Attachments	Attachment No. 5.1.1 – Annual Report 2019/2020 Attachment No. 5.1.2 – Management Letter for year ending 30 June 2020

BRIEF SUMMARY

The 2019/2020 Annual Report provides a summary of the Shire's performance in relation to the finance and governance responsibilities for the 2019/2020 financial year.

The Officer's recommendation is that the Audit Committee make a recommendation for Council to approval the 2019/2020 Annual Report, inclusive of the audited financials and set a date for the annual general meeting of electors as required by the *Local Government Act 1995*.

The 2019/2020 Annual Report is contained within **Attachment 5.1.1**

BACKGROUND/COMMENT

The Office of Auditor General (OAG) and Lincolns have conducted the Shire of Woodanilling's financial management functions.

In accordance with the *Local Government Act 1995* and the *Local Government (Audit) Regulations 1996*, an Audit Committee is to examine the Annual Financial Statements, review any significant matters raised by the auditor and ensure that appropriate action is taken in respect to those matters raised.

For the 2019/2020 financial year this involved an onsite presence plus follow up communications with the Shire's preceding Chief Executive Officer. It was identified that the 2019/2020 Annual Report had not been received by the Audit Committee for the period ending 30 June 2020, endorsed by Council or held the Annual Electors Meeting as per legislation. Therefore the 2019/2020 Annual Report will be addressed at the Annual Electors Meeting to be held for the current Annual Financial Report year ending 30 June 2021.

The Auditors had identified management issues during the auditor for the Shire of Woodanilling to address. Each finding is classified as Significant, Moderate or Minor and staff have provided the auditor with a response to each issue.

Base on the Auditor's opinion the Shire's financial report complies with the *Local Government Act 1995* together with the *Local Government (Financial Management) Regulations 1996*, and further:

- a) is based on property accounts and records;
- b) fairly represents, in all material respects, the results of the operations of the Shire for the year ended 30 June 2021 and its financial position at the end of that period in accordance with the Local Government Act 1885 and to the extent that they are not inconsistent with the Act, Australia Accounting Standards.

However, it is noted and accepted that the Auditors findings require further improvement in various operational areas, particularly to governance requirements, including:

1. Operating Surplus Ratio

The Operating Surplus Ratio as reported on Note 27 of the annual financial report is below the Department of Local Government, Sport and Cultural Industries standard for the past three financial years.

Officers Comments

The Operating surplus is a measure of a local government's ability to cover its operational costs and have money left for capital projects and other purposes.

The Shire always seeks to identify opportunities to increase revenue or reduce expenditure to sustainable levels. Without a significant expansion of revenue of the Shire, like most rural local governments, is likely to remain below the DLGSC's ratio standard.

2. Asset Renewal Funding Ratio

That the Shire has not reported on the Asset Renewal Funding Ratio for the current year in the Annual financial report as required by the *Local Government (Financial Management) Regulations 1996*, as planned capital renewals and required capital expenditure were not estimated in a long term financial plan and asset management plan.

Officers Comments

The Asset Renewal Funding Ratio is a measure of a local government's to have the financial capacity to fund asset renewal as required and can continue to provide existing levels of service in the future, without additional operating income, or reduction in operating expenses. The ratio is calculated from the information includes in the Long Term Financial Plan and the Asset Management Plan.

3. Review of Creditor Master File audit trail

It was noted during payment testing that the audit trail report for creditors batch payments made on the 2nd and 6th March were not able to be sighted. Consequently, we were unable to determine that it was reviewed by the appropriate person.

Officers Comments

The issued occurred during transfer of creditor functions to a new staff member. The files have since been reviewed with no concerns arising and training has been completed for the new officer reiterating the audit trail requirement at time of batch processing.

The Audit Committee considered an exit meeting and a copy of the draft management letter. The current Management Letter with the issues identified with action plans is contained in **ATTACHMENT 5.1.2**.

With Council adoption of the 2019/2020 Annual Report, a local public notice will advise of the availability of the Audit Committee with the date set for the Annual Electors Meeting as determined by Council.

STATUTORY/LEGAL IMPLICATIONS

Local Government Act 1995

5.27. *Electors' general meetings*

- (1) *A general meeting of the electors of a district is to be held once every financial year.*
- (2) *A general meeting is to be held on a day selected by the local government but not more than 56 days after the local government accepts the annual report for the previous financial year.*
- (3) *The matters to be discussed at general electors' meetings are to be those prescribed.*

5.53. *Annual reports*

- (1) *The local government is to prepare an annual report for each financial year.*
- (2) *The annual report is to contain —*
 - (a) *a report from the mayor or president; and*
 - (b) *a report from the CEO; and*

[(c), (d) deleted]

- (e) an overview of the plan for the future of the district made in accordance with section 5.56, including major initiatives that are proposed to commence or to continue in the next financial year; and*
- (f) the financial report for the financial year; and*
- (g) such information as may be prescribed in relation to the payments made to employees; and*
- (h) the auditor's report prepared under section 7.9(1) or 7.12AD(1) for the financial year; and*
- (ha) a matter on which a report must be made under section 29(2) of the Disability Services Act 1993; and*
- (hb) details of entries made under section 5.121 during the financial year in the register of complaints, including —*
 - (i) the number of complaints recorded in the register of complaints; and*
 - (ii) how the recorded complaints were dealt with; and*
 - (iii) any other details that the regulations may require; and*
 - (i) such other information as may be prescribed.*

5.54. Acceptance of annual reports

- (1) Subject to subsection (2), the annual report for a financial year is to be accepted* by the local government no later than 31 December after that financial year.*

** Absolute majority required.*

- (2) If the auditor's report is not available in time for the annual report for a financial year to be accepted by 31 December after that financial year, the annual report is to be accepted by the local government no later than 2 months after the auditor's report becomes available.*

7.2. Audit

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

7.9. Audit to be conducted

- (1) An auditor is required to examine the accounts and annual financial report submitted for audit and, by the 31 December next following the financial year to which the accounts and report relate or such later date as may be prescribed, to prepare a report thereon and forward a copy of that report to —*
 - (a) the mayor or president; and*
 - (b) the CEO of the local government; and*
 - (c) the Minister.*
- (2) Without limiting the generality of subsection (1), where the auditor considers that —*
 - (a) there is any error or deficiency in an account or financial report submitted for audit; or*
 - (b) any money paid from, or due to, any fund or account of a local government has been or may have been misapplied to purposes not authorised by law; or*
 - (c) there is a matter arising from the examination of the accounts and annual financial report that needs to be addressed by the local government, details of that error, deficiency, misapplication or matter, are to be included in the report by the auditor.*
- (3) The Minister may direct the auditor of a local government to examine a particular aspect of the accounts and the annual financial report submitted for audit by that local government and to —*

- (a) prepare a report thereon; and*
- (b) forward a copy of that report to the Minister, and that direction has effect according to its terms.*
- (4) If the Minister considers it appropriate to do so, the Minister is to forward a copy of the report referred to in subsection (3), or part of that report, to the CEO of the local government.*

7.12AB. Conducting a financial audit

The auditor must audit the accounts and annual financial report of a local government at least once in respect of each financial year.

7.12AD. Reporting on a financial audit

- (1) The auditor must prepare and sign a report on a financial audit.*
- (2) The auditor must give the report to —*
 - (a) the mayor, president or chairperson of the local government; and*
 - (b) the CEO of the local government; and*
 - (c) the Minister.*

7.12A. Duties of local government with respect to audits

- (1) A local government is to do everything in its power to —*
 - (a) assist the auditor of the local government to conduct an audit and carry out the auditor's other duties under this Act in respect of the local government; and*
 - (b) ensure that audits are conducted successfully and expeditiously.*
- (2) Without limiting the generality of subsection (1), a local government is to meet with the auditor of the local government at least once in every year.*
- (3) A local government must —*
 - (aa) examine an audit report received by the local government; and*
 - (a) determine if any matters raised by the audit report, require action to be taken by the local government; and*
 - (b) ensure that appropriate action is taken in respect of those matters.*
- (4) A local government must —*
 - (a) prepare a report addressing any matters identified as significant by the auditor in the audit report, and stating what action the local government has taken or intends to take with respect to each of those matters; and*
 - (b) give a copy of that report to the Minister within 3 months after the audit report is received by the local government.*
- (5) Within 14 days after a local government gives a report to the Minister under subsection (4)(b), the CEO must publish a copy of the report on the local government's official website.*

Local Government (Audit) Regulations 1996

9. Performance of audit

- (1) In this regulation —*

***Australian Accounting Standards** means the standards made and amended from time to time by the Australian Accounting Standards Board continued under the Australian Securities and Investments Commission Act 2001 (Commonwealth) section 261.*
- (2) An auditor must carry out an audit in accordance with the Australian Auditing Standards made or formulated and amended from time to time by the Auditing and Assurance Standards Board established by the Australian Securities and Investments Commission Act 2001 (Commonwealth) section 227A.*

(3) An auditor must carry out the work necessary to form an opinion whether the annual financial report

(a) is based on proper accounts and records; and

(b) fairly represents the results of the operations of the local government for the financial year and the financial position of the local government at 30 June in accordance with —

(i) the Act; and

(ii) the Australian Accounting Standards (to the extent that they are not inconsistent with the Act).

POLICY IMPLICATIONS

There is no policy associated with this item.

FINANCIAL IMPLICATIONS

Provision is made in the annual budget to undertake the audit function.

The Annual Financial Report presents the financial performance for the past financial year and is scrutinised by an independent auditor to ensure compliance with legislation and accounting standards. The financial impact upon the current financial year is that the audited net current assets position becomes the actual brought forward surplus/(deficit) for the Rate Setting Statement.

STRATEGIC IMPLICATIONS

THEME 3

Governance

OBJECTIVES

To promote continual improvement that is supported by efficient and effective governance structures and processes.

STRATEGIES

By ensuring legislation is used to effectively enable quality decision making.

CONSULTATION/COMMUNICATION

Consultation has been undertaken with the Chief Executive Officer, OAG and Lincolns in regards to the management letter and audit requirements for this report. Current Officers are unable to provide any further comment on further consultation that may have occurred.

RISK MANAGEMENT

There is a risk that should the Annual Report not be adopted within the timeframes outlined, Council has breached the timeframes required under the *Local Government Act 1995*, and applicable subsidiary legislation. Accordingly, the risk associated with this matter is considered as "High".

Consequence	Insignificant	Minor	Moderate	Major	Extreme
Likelihood					
Almost Certain	Medium	High	High	Severe	Severe
Likely	Low	Medium	High	High	Severe
Possible	Low	Medium	Medium	High	High
Unlikely	Low	Low	Medium	Medium	High
Rare	Low	Low	Low	Low	Medium

Risk Rating	Action
LOW	Monitor for continuous improvement.

MEDIUM	Comply with risk reduction measures to keep risk as low as reasonably practical.
HIGH	Review risk reduction and take additional measures to ensure risk is as low as reasonably achievable.
SEVERE	Unacceptable. Risk reduction measures must be implemented before proceeding.

VOTING REQUIREMENTS

Simple Majority

OFFICERS RECOMMENDATION

That the Audit Committee recommends that Council:

1. Pursuant to sections 5.53 and 5.54 of the Local Government Act 1995, endorses and accepts the Shire of Woodanilling 2019/2020 Annual Report as contained in **ATTACHMENT 5.1.1**;
2. Authorise the Chief Executive Officer to give public notice of the availability of the 2019/2020 Annual Report in accordance with Section 5.55 of the Local Government Act 1995;
3. Receives the Management Report from the Office of the Auditor General for the year ended 30th June 2020 as contained in **ATTACHMENT 5.1.2**; and
4. Authorises the Chief Executive Officer to advertise the Annual General Meeting of Electors to be held on 23 August 2022 commencing at **6.00pm** at the Shire Administration Office, 3316 Robinson Road, Woodanilling in the Council Chambers.

AUDIT COMMITTEE RESOLUTION ACM06/07/2022

Moved Cr Morrell, Seconded Cr Smith

That the Audit Committee recommends that Council:

- 1) Pursuant to sections 5.53 and 5.54 of the Local Government Act 1995, endorses and accepts the Shire of Woodanilling 2019/2020 Annual Report as contained in **amended ATTACHMENT 5.1.1**;
- 2) Authorise the Chief Executive Officer to give public notice of the availability of the 2019/2020 Annual Report in accordance with Section 5.55 of the Local Government Act 1995;
- 3) Receives the Management Report from the Office of the Auditor General for the year ended 30th June 2020 as contained in amended **ATTACHMENT 5.1.2**; and
- 4) Authorises the Chief Executive Officer to advertise the Annual General Meeting of Electors to be held on 23 August 2022 commencing at 6.00pm at the Shire Administration Office, 3316 Robinson Road, Woodanilling in the Council Chambers.

CARRIED 6/0



AMENDED ATTACHMENT 5.1.1

Annual Report

For the year ending 30 June 2020



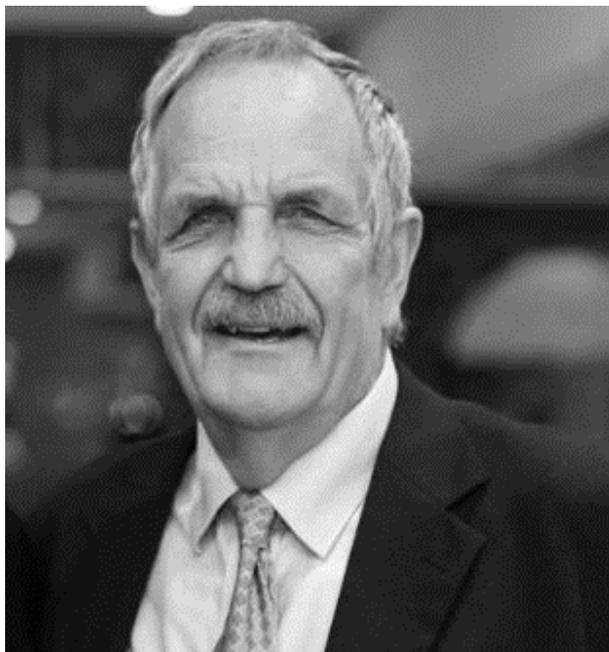
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OUR STATISTICS

2019-2020

 <p>409 Total number of residents* <i>*Based on 2016 Census</i></p>	 <p>380 Total number of rateable properties</p>	 <p>\$771,494 Rates levied</p>
 <p>\$390 Minimum general residential rate</p>	 <p>\$390 Minimum general rural rate</p>	 <p>0 Debt servicing ratio</p>
 <p>\$2,343,754 Operating revenue</p>	 <p>\$32,590,504 Net assets</p>	 <p>\$1,176,260 Operating grants revenue</p>
 <p>\$606,651 Specific purpose grants revenue</p>	 <p>76.4 km Length of sealed roads</p>	 <p>455.1 km Length of gravel roads</p>
	 <p>145 Number of garbage services provided</p>	



PRESIDENTS REPORT

The year has been one to remember with 2 major disruptions to the norm. In February we had a major fire covering several thousand hectares in both Woodanilling and Katanning with considerable property damage.

The fire lasted several days with major support from volunteers from both near and far including relief teams from the metropolitan area.

Apart from a major effort from the Community and shire staff during the fire the mop up and recovery process took many months.

Covid -19 was the next disruption with lock downs, closed offices, Zoom meetings, community wellbeing and the fear of the unknown. General productivity was greatly reduced.

The planning process was started for Fletchers Sheep Enterprise at Beaufort River with quite some time spent in Community Consultation.

Deputy President Trevor Young retired after 14 yrs. on Council with Stephen Jefferies joining the Council team.

I would like to thank Council, Staff and the greater community for all their efforts in a very confronting year.

A handwritten signature in cursive script, appearing to read 'Russell Thomson'.

Cr H R (Russel) THOMSON, JP
President

COUNCILLORS

CR. H R (RUSSEL) THOMSON JP
(Term expires Oct 2021)

SHIRE PRESIDENT

818 Robinson Road
Woodanilling WA 316
Phone: 08 9823 1549 Mobile: 0419 950 217
Email: kunmallup@bigpond.com

CR T P (TREVOR) YOUNG
(Term ceases Oct 2019)

DEPUTY PRESIDENT

595 Johnston Road
Woodanilling WA 6316
Phone: 08 9823 1536 Mobile: 0417 950 512
Email: trejay@bigpond.com

CR M W (MORRIS) TRIMMING
(Term expires Oct 2021)

1408 Onslow Road
Westwood WA 6316
Phone: 08 9821 1827 Mobile: 0407 774 624
Email: lesleytrimming@bigpond.com

CR P G (PETER) MORRELL
(Term expires Oct 2021)

457 Ways Road
Beaufort River WA 6394
Phone: 08 9862 5015 Mobile: 0429 625 054
Email: pjmorrell@bigpond.com

CR TJ (TIMOTHY) BROWN
(Term expires Oct 2021)

PO Box 76
Woodanilling WA 6316
Phone: 08 9823 1115 Mobile: 0418 470 920

CR D S (DALE) DOUGLAS
(Term expires Oct 2021)

1525 Ashwell Road
Woodanilling WA 6316
Phone: 08 9823 1586 Mobile: 0429 231 586
Email: adadalefarm@bigpond.com

CR S J (STEPHEN) JEFFERIES
(Oct 2019 – Term expires 2021)

PO Box 40
Woodanilling WA 6316
Mobile: 0427 479 423
Freoboy61@gmail.com

COMPLAINTS

No complaints were made against Councillors under Section 5.121 of the *Local Government Act 1995* during the reporting period.

PUBLIC INTEREST DISCLOSURES (PIDS)

The Public Interest Disclosure Act 2003 facilitates the disclosure of public interest information, and provides protection for those making such disclosure and those who are the subject of disclosures. The Act provides a system for the matters disclosed to be investigated and for appropriate action to be taken. Council has complied with all obligations under the Act including:

- a. Appointing the Chief Executive Officer as the PID Officer for the organisation and publishing an internal procedure relating to the Shire's obligations.
- b. Providing protection from detrimental action or the threat of detrimental action for any employee of the Shire who makes an appropriate disclosure of public interest information.

The Shire of Woodanilling did not receive any public interest disclosures during 2018/2019.

EMPLOYEES REMUNERATION

Set out below, in bands of \$10,000, is the number of employees of the Shire of Woodanilling

Entitled to an annual salary of \$100,000 or more:

Salary Range	2018/19	2019/20
\$100,000 - \$110,000	0	1
\$110,000 - \$120,000	2	0
\$120,000 - \$130,000	0	0
\$130,000 - \$140,000	1	0
\$140,000 - \$150,000	0	1



CEO'S OVERVIEW

THE YEAR AT A GLANCE

July 2019

- Continue support to Great Southern Treasures

August 2019

- 2019/20 Annual Budget Adopted
- Local Government Convention.

September 2019

- Council funded Community Events – Hidden Treasures-Bloom Festival Barn Dance
- Community Long Service Award approved as an additional award for Australia Day.

October 2019

- Swearing in of New Councillors. Cr Douglas elected as Deputy Shire President.
- Woodanilling CBH bin closed for future seasons with exception of large production years and used as a surge bin.

November 2019

- Quarterly Financial Review

December 2019

January 2020

- Community Australia Day breakfast and community awards hosted by Council.

February 2020

- Draft 10 Year Plant Replacement Program
- Bushfires in district

March 2020

- Adoption of 2018/2019 Annual Report

April 2020

- 2019 Compliance Audit Review Adopted

May 2020

- OSH Policy Review
- Draft Financial Hardship Policy

June 2020

- Adoption of Volunteer Bush Fire Brigade Guidelines and Operations Procedures.

Stephen Gash

Chief Executive Officer





X Blanche Wilson
WOODANILLING HALL 1905



INTEGRATED PLANNING

The *Local Government (Administration) Regulations 1996* has been amended to require each local government to adopt a Strategic Community Plan and a Corporate Business Plan.

This Integrated Strategic Planning Framework provides the basis for improving the practice of strategic planning in local government. It addresses the minimum requirements to meet the intent of the Act and outlines processes and activities to achieve an integrated strategic plan at the individual local government level.

There are three major parties to the development of an integrated strategic plan:

1. The Community – participates in a community planning process to determine major vision or intended big picture directions and also participates in regular reviews of those directions.
2. The Council – signs off the Strategic Community Plan resulting from the community planning process, the four year reviews updating that plan, and the annual budget.
3. The Local Government Administration – supports delivery of the Strategic Community Plan, the 4-yearly reviews, and annual budget through its corporate business planning.
4. Shire activities contained within the Corporate Business Plan for each year are noted within the Budget papers, and are reviewed within the Annual Report for that year.
5. The following is a snapshot of identified projects from the Corporate Business Plan including their progress for 2019/20 and proposed course of action for 2020/21.





COMMUNITY STRATEGIC PLAN

Community

Townsite

Reforming of Woodanilling Town Enhancement Group – reviewing existing Woodanilling Town Centre Enhancement plans entry statements and town signage

Trails

With the development of GSCORE Trails Master Plan project for the Great Southern, it has been undertaking advocacy and development activities to develop and attract funding as required to enhance a drive trail through Woodanilling.

Sports

Holding quarterly community barbeques at the Sports Precinct encouraging sporting activities and community engagement.

Historical Buildings

Ensure significant heritage buildings and places under Council's care are preserved and where possible restored.

Waste Management

The Tip Shop and recycling is in place, comply with single use plastic bags and support the progress of the Container Deposit Scheme through a donation point in the town.

Cemetery

Develop and implement an upgrade plan for the Woodanilling Cemetery that is sensitive to denominational and indigenous groups.

Environment

Maintain the natural environment and landscape, weed control on roadsides and reserves. Continue working towards a bush fire compliant town through mitigation works and burn studies on Casuarina Obesa with DFES and UWA.

Water

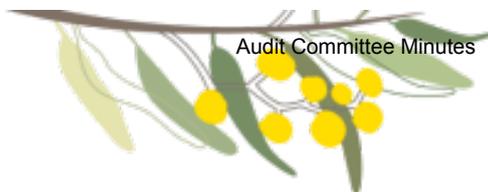
Protecting the built environment and resources by reducing water and non-water threats – Standpipe charges increased but meter sizes remain after consultation by Water Corp with Local Governments.

Drainage

Review town site water drainage management – prepare drainage plan for town site by redesigning drainage to more effectively move stormwater from the town.

Neighbourhood Watch

A Neighbourhood Watch group was formed and ran for a short time but has since folded, waiting on a community member to facilitate meetings going forward.



Civic Leadership – Law and Order

Town site Fire Management

Stage 1 Town Mitigation work completed and stage 2 started around the town to safeguard from bushfires. Further works will be undertaken during the unrestricted fire period.

Emergency Management

A local door knock and R U Prepared Project was undertaken to gather information from community members so that the Shire has a better understanding of its residents and their needs when emergency incidents occur and to also upskill the community in preparedness.

Customer Service

Streamlining of staff and refinement of roles and work hours has enabled the office to operate effectively and offer the community good service and timely response to requests. Funding for a Traineeship was successfully achieved and we now have a Trainee in place. Staff training takes place as required and the shire looks to implement innovations that have direct benefit to the Shire and the Community.

Community Emergency Services Manager

Sharing with Katanning and Broomehill-Tambellup the services of a CESM. The CESM manages the delivery and implementation of preparedness, prevention, response and recovery services and has developed effective partnerships that adopt a best practice approach to emergency management delivery between Local Governments, DFES, Volunteer Bushfire Brigades and the community.

4WDL & VROC

The 4WDL VROC consists of the Shires of Wagin, West Arthur, Williams, Woodanilling, Dumbleyung and Lake Grace. This group works together to ensure quality decision making is supported by good policies, procedures and legislation, regular meetings are held to benchmark targets.

Fire Management Plan

In 2018 a Fire Management Plan was implemented. The strategy behind this project was to support the Bush Fire Advisory Committee and local Brigades and also an annual review of the Woodanilling Town site Fire Management Plan.

Civil Leadership

Governance

Policy 84 was developed to implement a community consultation process that links the Council and the community to ensure open and accountable governance.

Economic – Roads & Transport

Key expenditure items include:

\$876,214 in capital renewal including:

\$773,934 in roads and drainage including resealing parts of Robinson West Rd, Oxley Rd, Cartmeticup Rd, shoulder reinstatement on Robinson West Rd, gravel re-sheeting part of Youngs Rd, part of Ashwell Rd, and stabilising part of Harvey Rd.

Drainage reinstatement work will be done on McDonald Rd, Cartmeticup Rd, and Watson Rd and improvements made to town drainage to address localised flooding risks.

- \$20,814 is proposed for footpath reinstatement and infill
- \$81,466 in property, plant and equipment including the replacement of one vehicle, purchase of a second hand forklift, renewal of town entry signs, and rewiring the hall to take a back-up emergency generator.

Maintaining similar levels of road and building maintenance to previous years with road tree pruning nominated for Griffiths Rd, Flagstaff Rd, River Rd, and parts of several other roads to be allocated through the year





FREEDOM OF INFORMATION

This information statement is published in accordance with the *Freedom of Information Act 1992*.

STRUCTURE AND FUNCTIONS OF COUNCIL

The Shire of Woodanilling is established under the *Local Government Act 1995*, and has the responsibility for the administration of this Act within the municipality. Other major legislation, which creates a duty or an authority for Council to act, includes but is not limited to

- *Health Act 1911*
- *Cat Act 2011*
- *Town Planning and Development Act 2005*
- *Bush Fires Act 1954*
- *Dog Act 1976*
- *Cemeteries Act 1986*

COUNCIL

Council's affairs are managed by six people elected from the community who act in a voluntary capacity. The Council acts as a community board, establishing policies and making decisions within the requirements of the *Local Government Act 1995* on a wide range of issues affecting the community, and in keeping with the legislative requirements to:

- Determine policies to be applied by Council in exercising its discretionary powers
- Determine the type, range and scope of projects to be undertaken by Council

- Develop comprehensive management plans, budgets, financial controls and performance objectives and indicators for the operations of Council.
- The Council makes decisions which direct and/or determine its activities and functions. Such decisions include the approval of works and services to be undertaken, and the allocation of resources to works and services.
- Decisions are also made to determine whether or not approvals are to be granted for applications for residential and commercial development.
- Ordinary meetings of Council are held on the third Tuesday of each month commencing at 4.00pm except January. All members of the public are welcome to attend.

SERVICES TO THE COMMUNITY

Council provides an extensive variety of services for the community under a wide range of legislation. Services provided include:

- Building control
- Bush fire control
- Cemeteries
- Citizenship ceremonies
- Crossovers
- Demolition permits
- Dog control
- Cat control
- Drainage
- Environmental health
- Fire prevention
- Library services
- Street bins
- Media releases
- Parks and reserves
- Planning controls
- Playground equipment
- Public health services
- Public buildings for hire
- Public toilets
- Recreation/sporting facilities
- Roads, footpaths and kerbs
- Rubbish collection
- Storm water drainage
- Street lighting
- Traffic control works
- Playgroup
- LEMAC (Local Emergency Management Advisory Committee)
- Weed control on reserves
- Natural Resource Management/ Landcare
- Mosquito Management Plan

COUNCIL COMMITTEES

Shire Committees have been formed to manage specific areas of council. They include:

AUDIT COMMITTEE

The Audit Committee is the only compulsory committee of Council. It has specific functions including assisting with the annual audit of the financial statements, review of the Compliance Audit Return and assisting the CEO with various functions and reporting.

COMMUNITY DEVELOPMENT COMMITTEE

Consider matters relevant to public halls, recreation and sport, library, heritage (other than natural heritage), other cultural issues, housing, town planning, protection of the environment (natural heritage), sanitation and refuse, public conveniences, cemetery, rural services, tourism, building control, other economic services, governance issues, financial matters, health services, education, fire protection, animal control, other law order and public safety issues including local laws.

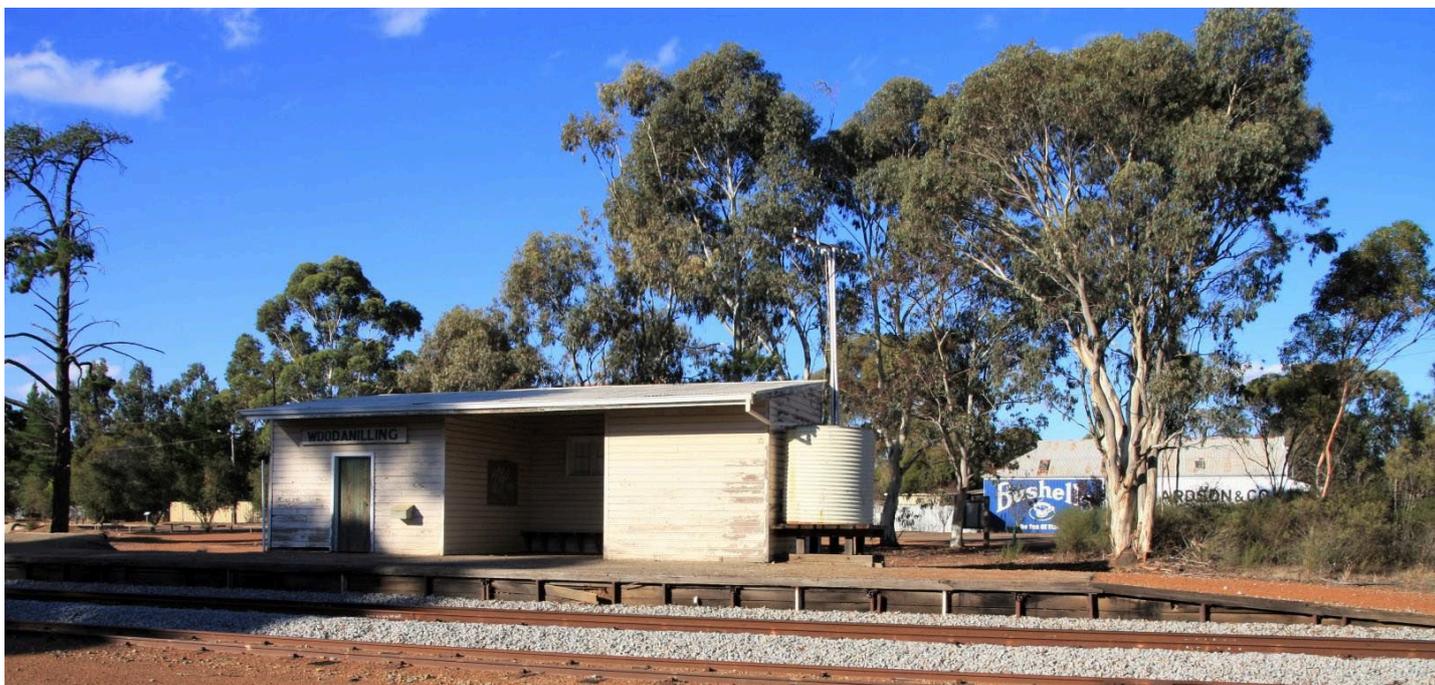
TOWN ENHANCEMENT GROUP

Objectives of the TEG are to enhance the streetscape of the Woodanilling town site to improve its useability for visitors and residents, including those in the other areas of the Shire. With the Ultimate goal of strengthening the town's sustainable future both socially as a community and physically as a place in the landscape as outlined in the Strategic Community Plan.

TRANSPORT PLANT AND WORKS COMMITTEE

Consider matters relative to transport issues, road works, plant replacement and repair.





EQUAL OPPORTUNITY STATEMENT

This Council recognises its legal obligations under the *Equal Opportunities Act, 1984* and will actively promote equal employment opportunity based solely on merit to ensure that discrimination does not occur on the grounds of gender, marital status, pregnancy, race, and disability, religious or political convictions.

All employment training with this Council will be directed towards providing equal opportunity to all employees providing their relevant experience, skills and ability meet the minimum requirements for such promotion.

All offers of employment within this Council will be directed towards providing equal opportunity to

prospective employees provided their relevant experience, skills and ability meet the minimum requirements for engagement.

This Council will not tolerate harassment within its workplace. Harassment is defined as any unwelcome, offensive action or remark concerning a person's race, colour, language, ethnicity, political or religious convictions, gender, marital status or disability.

The Equal Employment Opportunity goals of this Council are designed to provide an enjoyable, challenging, involving, harmonious work environment for all employees where each has the opportunity to progress to the extent of their ability.

OCCUPATIONAL HEALTH & SAFETY REPORT

The Shire of Woodanilling is committed to providing a safe and healthy work environment for all employees, contractors and visitors. To achieve this, the Council has allocated responsibilities and accountabilities to all employees to ensure the maintenance of the Occupational Safety and Health program is optimal.

Continuous improvement incentives have been incorporated into the Occupational Safety and Health Management Plan aimed at achieving the Shire of Woodanilling' safety objectives and targets.

The employer acknowledges a duty of care to:

- Provide and maintaining a safe working environment.
- Providing adequate training, instruction and supervision to enable employees to perform their work safely and effectively.
- Investigating all actual and potentially injurious occurrences in order to identify and control the cause to reduce the level of risk in the workplace
- Compliance with current *Occupational Safety and Health Act 1984*, and the Occupational Safety and Health Regulations 1996, relevant Australian Standards including AS/NZS ISO 31000, 2009 and relevant Approved Codes of Practice
- Engage and consult stakeholders and representatives (including Volunteers and contracted Service Providers) in matters regarding occupational safety and health in the workplace.

Employees have a duty of care to:

- Working with care for their own safety and that of other employees, contractors, volunteers and public who may be affected by their acts or omissions.
- Reporting hazards, accidents, incidents and near misses to their Line Manager
- Co-operating positively in the fulfillment of the obligations placed on their employer.
- Assisting in the reporting and investigation of any accidents with the objective of introducing and reviewing controls to prevent re-occurrence.

At the Shire of Woodanilling, a safe and efficient place of work is our goal and we must all be committed by working together to reach this outcome.





DISABILITY ACCESS & INCLUSION PLAN

OUTCOME 1 - Existing functions, facilities and services are adapted to meet the needs of people with disability.

- The annual Australia Day Breakfast is held at the Woodanilling Recreation Facility which provides easy wheelchair access. A public address system is always used to ensure all participants can hear speeches including people with hearing impairment.
- A priority bin service was developed to assist people who are unable to move their bin to and from the kerbside, upon request.
- Provide large print books for vision impaired community members in our Library.
- The Bloom Festival Bush Dance held in the Woodanilling Town Hall is becoming an annual event over the duration of the Hidden Treasures month of celebration (Sept to Oct). This event is an all-inclusive affair offering accessible entry and egress at the facility.

OUTCOME 2 - Access to buildings and facilities has been improved.

- The Woodanilling Recreation Centre building provides accessible toilet facilities and entrance doors are at ground level to enable easy wheelchair access.
- Improved access was provided to Council's administration building, including a paved and ramped entry path and relocation of easy access parking bays.
- Unisex accessible public toilets were built at the town's Centenary Park.
- Footpaths in the main street are continuing to be upgraded with the levelling of footpaths in areas that are effected by tree roots.

OUTCOME 3 - Information about functions, facilities and services is provided in formats which meet the communication needs of people with disability.

- Information is available in alternative formats by request through the shire website or over the counter.

OUTCOME 4 - Employee awareness of the needs of people with disability and skills in delivering services is improved.

- Administration and Works Crew staff underwent training through LGIS called "At the Coalface". This training provided staff with the basic skills to communicate with people who may have mental Health issues, also providing training around safety and security in the work place. Which gave practical advice on providing good customer service to people with a variety of disabilities.

OUTCOME 5 & 6 - Opportunities are provided for people with disability to participate in public consultations, grievance mechanisms and decision-making processes.

- Information on consultations was simplified and made available in alternative formats upon request.
- Municipal election voting was held in accessible buildings and some voting booths were modified to suit people using wheelchairs, and postal voting was accepted.

OUTCOME 7 - People with disability have the same opportunity as other people to obtain and maintain employment with the Shire of Woodanilling.

- Introduction of recruitment practices to ensure equal employment opportunities.
- The Shire office layout has been modified so that it is wheelchair accessible.



NATIONAL COMPETITION POLICY (NCP)

The Shire is required to report its progress in implementing the National Competition Policy in their annual report. There are a number of specific requirements placed on local government in the areas of competitive neutrality, legislation review and structural reform.

COMPETITIVE NEUTRALITY

The principle of competitive neutrality is that government business should not enjoy a competitive advantage or disadvantage, simply as a result of their public sector ownership. For local government this relates to user-pays income of over \$200,000.

In accordance with the Shire's responsibilities under Clause 7 of the statement relating to competitive neutrality, the Shire of Woodanilling has reviewed its

activities in line with advice from the Department of Local Government Circular No 806 and has found that none of its activities are "Significant Business Activity" for competitive neutrality requirements.

The Shire of Woodanilling did not privatise any activities in 2019/2020 consequently there were no obligations to report in this area.

LEGISLATIVE REVIEW

The Shire is required to assess which of its local laws might impact on competition and conduct a review to determine how restrictive practices might be overcome.

No new local laws were created or reviewed in 2019/2020.

RECORD KEEPING PLAN

Council's revised Record Keeping Plan was adopted by Council on 17 May 2016.

RECORD KEEPING POLICY

POLICY STATEMENT

The Shire of Woodanilling is committed to making and keeping full and accurate records of its business transactions and its official activities. Records created and received by Shire personnel and contractors, irrespective of format, are to be managed in accordance with the Shire's Recordkeeping Plan and this Records Management Policy and Procedures Manual. Records will not be destroyed except by reference to the General Disposal Authority for Local Government Records and the General Disposal Authority for Source Records.

RATIONALE

A systematic approach to records management within any organisation is vital to protect and preserve the information contained within the organisation's records. These policies and guidelines support recordkeeping in the Shire of Woodanilling by:

- Providing support for effective decision making, business efficiency, litigation protection, managed information flows and retention of the corporate memory;
- Managing the risks that may result from inadequate records practices;
- Providing uniform protection and controlled access for records in all formats;
- Ensuring that all employees and contractors understand and can comply with the legislative and business requirements of recordkeeping; and
- Ensuring that Shire of Woodanilling personnel understand that the records of the Shire are corporate assets and government records and do not belong to individuals.

GUIDELINES

The Shire of Woodanilling has implemented systematic records management policies, procedures and practices to ensure the capture and management of all its records, irrespective of format. All elected members and staff will ensure that full and accurate records are created to reflect business transactions and decisions.

The Shire uses a standard method to identify and retrieve the records it holds, through the use of a File Listing. The Shire currently uses the filing system within LOGIS Synergy Soft Central Records as its formal records management system.

Synergy Soft Central Records is an eDRMS. The Shire of Woodanilling has set up standards in accordance with the General Disposal Authority for Source Records which will be applied to all incoming and outgoing hard copies of records. All hard copy source records will undergo a digitisation process.

Source Records will only be disposed of in accordance with the State Records Office's General Disposal for Source Records.

Corporate records will only be disposed of in accordance with the State Records Office's General Disposal Authority for Local Government Records. The objectives of the Shire of Woodanilling RKP are to ensure:

- Compliance with Section 28 of the State Records Act 2000;
- Recordkeeping within the Local Government is moving towards compliance with State Records Commission Standards and Records Management Standard AS ISO 15489;
- Processes are in place to facilitate the complete and accurate record of business transactions and decisions;
- Recorded information can be retrieved quickly, accurately and cheaply when required; and the
- Protection and preservation of the Local Government's records.

STATE RECORDS COMMISSION

STANDARD 2: PRINCIPLE 6 COMPLIANCE

Government organizations ensure their employees comply with the record keeping plan.

6.1 STAFF TRAINING, INFORMATION SESSIONS

The Shire of Woodanilling has implemented the following activities to ensure that all staff are aware of their recordkeeping responsibilities and compliance with the Recordkeeping Plan:

Activities to ensure staff awareness and compliance	YES	NO
Presentations on various aspects of the Local Government's recordkeeping program are conducted. These are delivered to all staff on a regular basis.	✓	
In-house recordkeeping training sessions for staff are conducted.	✓	
From time to time an external consultant is brought in to run a recordkeeping training session for staff. Staff are also encouraged to attend training courses outside the organization whenever practicable.	✓	
Staff information sessions are conducted on a regular basis for staff as required.	✓	
The Local Government provides brochures or newsletters to publish recordkeeping information, highlight issues, or bring particular recordkeeping matters to staff attention.		
The Local Government's Intranet is used to publish recordkeeping information, highlight issues, or bring particular recordkeeping matters to staff attention.	✓	
The Local Government's Induction Program for new employees includes an introduction to the Local Government's recordkeeping system and program, and information on their recordkeeping responsibilities.	✓	

Coverage of the training/information sessions as detailed here extends to all staff. However, records management staff are offered more frequent and more specialised training where required.

Please refer to Appendix 8 for samples of training and induction information.

6.2 PERFORMANCE INDICATORS IN PLACE

The following performance indicators are being set in place to measure the efficiency and effectiveness of the Shire of Woodanilling's recordkeeping systems:

- IT Vision system upgrades are implemented annually
- Staff survey eliciting feedback on use, effectiveness or recordkeeping system/training annually; and
- Number of new staff attending Records induction

The Shire of Woodanilling aims to review these performance indicators and determine if further performance indicators should be put in place at the end of the 2018/19 financial year.

6.3 AGENCY'S EVALUATION

There is a need for some reviews of the Shire of Woodanilling's recordkeeping systems in the following areas records digitization. The Shire has continued to seek areas of improvement and based on consultation with staff a digitization program is to be implemented by July 2016.

6.4 ANNUAL REPORT

An excerpt from the Shire of Woodanilling's latest Annual Report is attached, demonstrating the organization's compliance with the State Records Act 2000, its Recordkeeping Plan and the training provided for staff. Please refer to Appendix 9.

6.5 IDENTIFIED AREAS FOR IMPROVEMENT

Whilst the Shire of Woodanilling's staff training and information sessions are adequate, further development of the staff induction procedure is ongoing. A formal schedule for staff training is being developed and will be completed by September 2016..

ANNUAL FINANCIAL REPORT 2019-2020

SHIRE OF WOODANILLING
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

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COMMUNITY VISION

The Shire will endeavour to provide community services and facilities to meet the needs of members of the community and enable them to enjoy a pleasant and healthy way of life.

Principal place of business:
3316 Robinson Road
Woodanilling WA 6316



**SHIRE OF WOODANILLING
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020**

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire of Woodanilling for the financial year ended 30 June 2020 is based on proper accounts and records to present fairly the financial position of the Shire of Woodanilling at 30 June 2020 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 16th day of April 2021



Chief Executive Officer

Stephen Gash

Name of Chief Executive Officer



SHIRE OF WOODANILLING
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30 JUNE 2020

	NOTE	2020 Actual \$	2020 Budget \$	2019 Actual \$
Revenue				
Rates	20(a)	771,494	768,499	736,579
Operating grants, subsidies and contributions	2(a)	1,176,260	541,225	1,739,993
Fees and charges	2(a)	389,536	456,973	402,368
Interest earnings	2(a)	5,939	8,664	13,017
Other revenue	2(a)	525	178,757	(227)
		2,343,754	1,954,118	2,891,730
Expenses				
Employee costs		(1,021,216)	(1,011,434)	(1,090,662)
Materials and contracts		(367,824)	(632,218)	(1,475,690)
Utility charges		(145,916)	(42,373)	(83,977)
Depreciation on non-current assets	11(b)	(869,477)	(978,337)	(838,898)
Insurance expenses		(81,178)	(96,747)	(75,875)
Other expenditure		(279,327)	(320,296)	(311,879)
		(2,764,938)	(3,081,405)	(3,876,981)
		(421,184)	(1,127,287)	(985,251)
Non-operating grants, subsidies and contributions	2(a)	606,651	556,333	75,200
Profit on asset disposals	11(a)	7,609	0	5,091
(Loss) on asset disposals	11(a)	(2,619)	(875)	(11,384)
Fair value adjustments to financial assets at fair value through profit or loss		4,677	0	0
		616,318	555,458	68,907
Net result for the period		195,134	(571,829)	(916,344)
Total comprehensive income for the period		195,134	(571,829)	(916,344)

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



SHIRE OF WOODANILLING
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30 JUNE 2020

	NOTE	2020 Actual \$	2020 Budget \$	2019 Actual \$
Revenue				
	2(a)			
Governance		745	8,200	153
General purpose funding		1,611,346	1,216,966	1,587,904
Law, order, public safety		107,696	34,910	71,989
Health		758	750	420
Education and welfare		95,410	113,500	64,079
Housing		16,026	19,300	6,858
Community amenities		37,234	32,850	30,824
Recreation and culture		1,613	2,250	2,079
Transport		372,757	367,102	1,011,233
Economic services		29,533	64,150	47,192
Other property and services		70,636	94,140	68,999
		2,343,754	1,954,118	2,891,730
Expenses				
	2(b)			
Governance		(226,829)	(229,142)	(360,744)
General purpose funding		(17,191)	(16,086)	(25,352)
Law, order, public safety		(226,007)	(159,529)	(185,401)
Health		(36,281)	(38,737)	(36,526)
Education and welfare		(45,231)	(44,434)	(41,645)
Housing		(84,120)	(62,010)	(72,885)
Community amenities		(130,761)	(134,226)	(128,880)
Recreation and culture		(235,129)	(147,746)	(200,260)
Transport		(1,369,554)	(2,183,892)	(2,702,410)
Economic services		(127,063)	(50,232)	(62,555)
Other property and services		(266,772)	(15,371)	(60,323)
		(2,764,938)	(3,081,405)	(3,876,981)
Finance Costs				
	2(b)			
		(421,184)	(1,127,287)	(985,251)
Non-operating grants, subsidies and contributions	2(a)	606,651	556,333	75,200
Profit on disposal of assets	11(a)	7,609	0	5,091
(Loss) on disposal of assets	11(a)	(2,619)	(875)	(11,384)
Fair value adjustments to financial assets at fair value through profit or loss		4,677	0	0
		616,318	555,458	68,907
Net result for the period		195,134	(571,829)	(916,344)
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Total comprehensive income for the period		195,134	(571,829)	(916,344)

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



SHIRE OF WOODANILLING
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	NOTE	2020	2019
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	3	1,248,273	1,151,176
Trade and other receivables	6	174,911	112,556
Inventories	7	8,521	18,904
Other assets	8	1,050	1,050
TOTAL CURRENT ASSETS		1,432,755	1,283,686
NON-CURRENT ASSETS			
Other financial assets	5(b)	35,703	31,026
Property, plant and equipment	9	6,703,189	7,133,168
Infrastructure	10	24,910,068	24,470,803
TOTAL NON-CURRENT ASSETS		31,648,960	31,634,997
TOTAL ASSETS		33,081,715	32,918,683
CURRENT LIABILITIES			
Trade and other payables	13	226,066	218,467
Contract liabilities	14	69,286	0
Employee related provisions	16	147,531	142,049
TOTAL CURRENT LIABILITIES		442,883	360,516
NON-CURRENT LIABILITIES			
Employee related provisions	16	48,328	58,397
TOTAL NON-CURRENT LIABILITIES		48,328	58,397
TOTAL LIABILITIES		491,211	418,913
NET ASSETS		32,590,504	32,499,770
EQUITY			
Retained surplus		12,970,290	12,855,109
Reserves - cash backed	4	628,751	628,198
Revaluation surplus	12	18,991,463	19,016,463
TOTAL EQUITY		32,590,504	32,499,770

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



SHIRE OF WOODANILLING
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2018		14,175,484	224,167	19,016,463	33,416,114
Comprehensive income					
Net result for the period		(916,344)	0	0	(916,344)
Total comprehensive income		(916,344)	0	0	(916,344)
Transfers from reserves	4	520,000	(520,000)	0	0
Transfers to reserves	4	(924,031)	924,031	0	0
Balance as at 30 June 2019		12,855,109	628,198	19,016,463	32,499,770
Change in accounting policy	24	(79,400)	0	(25,000)	(104,400)
Restated total equity at 1 July 2019		12,775,709	628,198	18,991,463	32,395,370
Comprehensive income					
Net result for the period		195,134	0	0	195,134
Total comprehensive income		195,134	0	0	195,134
Transfers to reserves	4	(553)	553	0	0
Balance as at 30 June 2020		12,970,290	628,751	18,991,463	32,590,504

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



SHIRE OF WOODANILLING
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020

	NOTE	2020 Actual \$	2020 Budget \$	2019 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		761,579	768,499	725,224
Operating grants, subsidies and contributions		1,113,706	541,225	2,571,569
Fees and charges		389,536	456,973	402,368
Interest received		5,939	8,664	13,017
Goods and services tax received		50,456	67,133	206,898
Other revenue		525	178,757	(227)
		2,321,741	2,021,251	3,918,849
Payments				
Employee costs		(991,133)	(1,011,434)	(1,092,290)
Materials and contracts		(188,029)	(431,467)	(1,659,067)
Utility charges		(145,916)	(42,373)	(83,977)
Insurance paid		(81,178)	(96,747)	(75,875)
Goods and services tax paid		(246,939)	(67,133)	(206,898)
Other expenditure		(279,327)	(320,296)	(269,443)
		(1,932,522)	(1,969,450)	(3,387,550)
Net cash provided by (used in) operating activities	17	389,219	51,801	531,299
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	9(a)	(84,507)	(81,466)	(305,831)
Payments for construction of infrastructure	10(a)	(844,644)	(794,748)	(251,726)
Non-operating grants, subsidies and contributions	2(a)	606,651	556,333	75,200
Proceeds from sale of property, plant & equipment	11(a)	30,378	16,000	36,591
Net cash provided by (used in) investment activities		(292,122)	(303,881)	(445,766)
Net increase (decrease) in cash held		97,097	(252,080)	85,533
Cash at beginning of year		1,151,176	1,208,740	1,065,643
Cash and cash equivalents at the end of the year	17	1,248,273	956,660	1,151,176

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

SHIRE OF WOODANILLING
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2020

	NOTE	2020 Actual \$	2020 Budget \$	2019 Actual \$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)	21 (b)	215,572	1,080,167	1,292,687
		215,572	1,080,167	1,292,687
Revenue from operating activities (excluding rates)				
Governance		5,422	8,200	153
General purpose funding		839,852	448,467	851,325
Law, order, public safety		107,696	34,910	71,989
Health		758	750	420
Education and welfare		95,410	113,500	64,079
Housing		16,026	19,300	6,858
Community amenities		37,234	32,850	30,824
Recreation and culture		1,613	2,250	2,079
Transport		380,366	367,102	1,016,324
Economic services		29,533	64,150	47,192
Other property and services		70,636	94,140	68,999
		1,584,546	1,185,619	2,160,242
Expenditure from operating activities				
Governance		(226,829)	(229,142)	(360,744)
General purpose funding		(17,191)	(16,086)	(25,352)
Law, order, public safety		(226,007)	(159,529)	(185,401)
Health		(36,281)	(38,737)	(36,526)
Education and welfare		(45,231)	(44,434)	(41,645)
Housing		(84,120)	(62,010)	(72,885)
Community amenities		(130,761)	(134,226)	(128,880)
Recreation and culture		(235,129)	(147,746)	(200,260)
Transport		(1,372,173)	(2,184,767)	(2,713,794)
Economic services		(127,063)	(50,232)	(62,555)
Other property and services		(266,772)	(15,371)	(60,323)
		(2,767,557)	(3,082,280)	(3,888,365)
Non-cash amounts excluded from operating activities	21(a)	849,741	979,212	843,626
Amount attributable to operating activities		(117,698)	162,718	408,190
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	2(a)	606,651	556,333	75,200
Proceeds from disposal of assets	11(a)	30,378	16,000	36,591
Purchase of property, plant and equipment	9(a)	(84,507)	(81,466)	(305,831)
Purchase and construction of infrastructure	10(a)	(844,644)	(794,748)	(251,726)
Amount attributable to investing activities		(292,122)	(303,881)	(445,766)
FINANCING ACTIVITIES				
Transfers to reserves (restricted assets)	4	(553)	(627,336)	(924,031)
Transfers from reserves (restricted assets)	4	0	0	520,000
Amount attributable to financing activities		(553)	(627,336)	(404,031)
Surplus/(deficit) before imposition of general rates		(410,373)	(768,499)	(441,607)
Total amount raised from general rates	20(a)	771,494	768,499	736,579
Surplus/(deficit) after imposition of general rates	21(b)	361,121	0	294,972

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

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FOR THE YEAR ENDED 30 JUNE 2020**

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SHIRE OF WOODANILLING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

1. BASIS OF PREPARATION

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

AMENDMENTS TO LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996

The *Local Government (Financial Management) Regulations 1996* take precedence over Australian Accounting Standards. Prior to 1 July 2019, *Financial Management Regulation 16* arbitrarily prohibited a local government from recognising as assets Crown land that is a public thoroughfare, i.e. land under roads, and land not owned by but under the control or management of the local government, unless it is a golf course, showground, racecourse or recreational facility of State or regional significance. Consequently, some assets pertaining to vested land, including land under roads acquired on or after 1 July 2008, were not recognised in previous financial reports of the Shire. This was not in accordance with the requirements of AASB 1051 *Land Under Roads* paragraph 15 and AASB 116 *Property, Plant and Equipment* paragraph 7.

From 1 July 2019, the Shire has applied AASB 16 Leases which requires leases to be included by lessees in the statement of financial position. Also, the *Local Government (Financial Management) Regulations 1996* have been amended to specify that vested land is a right of use asset to be measured at cost. All right of use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost (i.e. not included in the statement of financial position) rather than at fair value. The exception is vested improvements on concessionary land leases such as roads, buildings or other infrastructure which continue to be reported at fair value, as opposed to the vested land which is measured at zero cost. The measurement of vested improvements at fair value is a departure from AASB 16 which would have required the Shire to measure any vested improvements at zero cost.

The Shire has accounted for the removal of the vested land values associated with vested land previously recognised by removing the land value and associated revaluation reserve as at 1 July 2019. The comparative year amounts have been retained as AASB 16 does not require comparatives to be restated in the year of transition.

Therefore the departure from AASB 1051 and AASB 16 in respect of the comparatives for the year ended 30 June 2019 remains.

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.

NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE YEARS

On 1 July 2020 the following new accounting standards are to be adopted:

- AASB 1059 *Service Concession Arrangements: Grantors*
- AASB 2018-7 *Amendments to Australian Accounting Standards - Materiality*

AASB 1059 Service Concession Arrangements: Grantors is not expected to impact the financial report.

Specific impacts of *AASB 2018-7 Amendments to Australian Accounting Standards - Materiality*, have not been identified.

CRITICAL ACCOUNTING ESTIMATES

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

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

THE LOCAL GOVERNMENT REPORTING ENTITY

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

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

SHIRE OF WOODANILLING

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2020

2. REVENUE AND EXPENSES

REVENUE RECOGNITION POLICY

Recognition of revenue is dependant on the source of revenue and the associated terms and conditions associated with each source of revenue and recognised as follows:

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Timing of revenue recognition
Rates	General Rates	Over time	Payment dates adopted by Council during the year	None	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Grant contracts with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants, subsidies or contributions for the construction of non-financial assets	Construction or acquisition of recognisable non-financial assets to be controlled by the local government	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants with no contract commitments	General appropriations and contributions with no reciprocal commitment	No obligations	Not applicable	Not applicable	Cash received	On receipt of funds	Not applicable	When assets are controlled
Licences/ Registrations/ Approvals	Building, planning, development and animal management, having the same nature as a licence regardless of naming.	Single point in time	Full payment prior to issue	None	Set by State legislation or limited by legislation to the cost of provision	Based on timing of issue of the associated rights	No refunds	On payment and issue of the licence, registration or approval
Pool inspections	Compliance safety check	Single point in time	Equal proportion based on an equal annually fee	None	Set by State legislation	Apportioned equally across the inspection cycle	No refunds	After inspection complete based on a 4 year cycle
Other inspections	Regulatory Food, Health and Safety	Single point in time	Full payment prior to inspection	None	Set by State legislation or limited by legislation to the cost of provision	Applied fully on timing of inspection	Not applicable	Revenue recognised after inspection event occurs
Property hire and entry	Use of halls and facilities	Single point in time	In full in advance	Refund if event cancelled within 7 days	Adopted by council annually	Based on timing of entry to facility	Returns limited to repayment of transaction price	On entry or at conclusion of hire
Fees and charges for other goods and services	Cemetery services, library fees, reinstatements and private works	Single point in time	Payment in full in advance	None	Adopted by council annually	Applied fully based on timing of provision	Not applicable	Output method based on provision of service or completion of works
Sale of stock	Aviation fuel, kiosk and visitor centre stock	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	Adopted by council annually, set by mutual agreement	Applied fully based on timing of provision	Returns limited to repayment of transaction price	Output method based on goods
Commissions	Commissions on licencing and ticket sales	Over time	Payment in full on sale	None	Set by mutual agreement with the customer	On receipt of funds	Not applicable	When assets are controlled
Reimbursements	Insurance claims	Single point in time	Payment in arrears for claimable event	None	Set by mutual agreement with the customer	When claim is agreed	Not applicable	When claim is agreed

SHIRE OF WOODANILLING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

2. REVENUE AND EXPENSES

(a) Grant revenue

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

	2020 Actual \$	2020 Budget \$	2019 Actual \$
Operating grants, subsidies and contributions			
Governance	520	0	181
General purpose funding	832,773	436,286	835,723
Law, order, public safety	47,000	29,837	66,216
Education and welfare	42,969	0	9,330
Housing	329	0	808
Transport	186,283	75,102	768,003
Other property and services	66,386	0	59,732
	1,176,260	541,225	1,739,993
Non-operating grants, subsidies and contributions			
Recreation and culture	52,551	0	0
Transport	554,100	556,333	75,200
	606,651	556,333	75,200
Total grants, subsidies and contributions	1,782,911	1,097,558	1,815,193
Fees and charges			
Governance	340	2,200	31
General purpose funding	500	1,900	1,940
Law, order, public safety	60,697	5,073	6,586
Health	758	750	420
Education and welfare	52,442	51,500	54,749
Housing	15,696	17,800	6,050
Community amenities	37,234	32,850	30,825
Recreation and culture	1,613	2,250	2,079
Transport	186,473	265,000	243,230
Economic services	29,533	64,150	47,191
Other property and services	4,250	13,500	9,267
	389,536	456,973	402,368

SIGNIFICANT ACCOUNTING POLICIES

Grants, subsidies and contributions

Operating grants, subsidies and contributions are grants, subsidies or contributions that are not non-operating in nature.

Non-operating grants, subsidies and contributions are amounts received for the acquisition or construction of recognisable non-financial assets to be controlled by the local government.

Fees and Charges

Revenue (other than service charges) from the use of facilities and charges made for local government services, sewerage rates, rentals, hire charges, fee for service, photocopying charges, licences, sale of goods or information, fines, penalties and administration fees.

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020**

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

**Contracts with customers and transfers
for recognisable non-financial assets**

Revenue from contracts with customers and transfers to enable the acquisition or construction of recognisable non-financial assets to be controlled by the Shire was recognised during the year for the following nature or types of goods or services:

	2020 Actual	2020 Budget	2019 Actual
	\$	\$	\$
Operating grants, subsidies and contributions	1,176,260	0	0
Fees and charges	389,536	0	0
Non-operating grants, subsidies and contributions	606,651	556,333	75,200
	<u>2,172,447</u>	<u>556,333</u>	<u>75,200</u>

Revenue from contracts with customers and transfers to enable the acquisition or construction of recognisable non-financial assets to be controlled by the Shire is comprised of:

Contracts with customers included as a contract liability at the start of the period	79,400		
Other revenue from contracts with customers recognised during the year	1,565,796	0	0
Other revenue from performance obligations satisfied during the year	527,251	556,333	75,200
	<u>2,172,447</u>	<u>556,333</u>	<u>75,200</u>

Information about receivables, contract assets and contract liabilities from contracts with customers along with financial assets and associated liabilities arising from transfers to enable the acquisition or construction of recognisable non financial assets is:

Trade and other receivables from contracts with customers	112,786	0	0
Contract liabilities from contracts with customers	(69,286)	0	0

Impairment of assets associated with contracts with customers are detailed at note 2 (b) under 'Other expenditure'.

Contract liabilities for contracts with customers primarily relate to grants with performance obligations received in advance, for which revenue is recognised over time as the performance obligations are met.

Information is not provided about remaining performance obligations for contracts with customers that had an original expected duration of one year or less.

Consideration from contracts with customers is included in the transaction price.

Performance obligations in relation to contract liabilities from transfers for recognisable non financial assets are satisfied as project milestones are met or completion of construction or acquisition of the asset. All associated performance obligations are expected to be met over the next 12 months.

SHIRE OF WOODANILLING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Revenue from statutory requirements

Revenue from statutory requirements was recognised during the year for the following nature or types of goods or services:

General rates

Other revenue

Reimbursements and recoveries

Other

Interest earnings

Interest on reserve funds

Rates instalment and penalty interest (refer Note 20(c))

Other interest earnings

	2020 Actual	2020 Budget	2019 Actual
	\$	\$	\$
General rates	771,494	768,499	736,579
	771,494	768,499	736,579
Other revenue			
Reimbursements and recoveries	0	178,140	0
Other	525	617	(227)
	525	178,757	(227)
Interest earnings			
Interest on reserve funds	71	515	712
Rates instalment and penalty interest (refer Note 20(c))	5,018	8,129	3,933
Other interest earnings	850	20	8,372
	5,939	8,664	13,017

SIGNIFICANT ACCOUNTING POLICIES

Interest earnings

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

Interest earnings (continued)

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

(b) Expenses

Auditors remuneration

- Audit of the Annual Financial Report

Other expenditure

Sundry expenses

Note	2020 Actual	2020 Budget	2019 Actual
	\$	\$	\$
Auditors remuneration	29,900	29,800	29,414
	29,900	29,800	29,414
Other expenditure			
Sundry expenses	279,327	320,296	311,879
	279,327	320,296	311,879

SHIRE OF WOODANILLING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

3. CASH AND CASH EQUIVALENTS

NOTE	2020	2019
	\$	\$
Cash at bank and on hand	1,248,273	1,151,176
Total cash and cash equivalents	1,248,273	1,151,176

Restrictions

The following classes of assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:

- Cash and cash equivalents	698,037	628,198
	698,037	628,198

The restricted assets are a result of the following specific purposes to which the assets may be used:

Reserves - cash backed	4	628,751	628,198
Contract liabilities from contracts with customers	14	69,286	0
Total restricted assets		698,037	628,198

SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

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

Restricted assets

Restricted asset balances are not available for general use by the local government due to externally imposed restrictions. Externally imposed restrictions are specified in an agreement, contract or legislation. This applies to reserves, unspent grants, subsidies and contributions and unspent loans that have not been fully expended in the manner specified by the contributor, legislation or loan agreement.

SHIRE OF WOODANILLING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

4. RESERVES - CASH

	2020 Actual Opening Balance	2020 Actual Transfer to	2020 Actual Transfer (from)	2020 Actual Closing Balance	2020 Budget Opening Balance	2020 Budget Transfer to	2020 Budget Transfer (from)	2020 Budget Closing Balance	2019 Actual Opening Balance	2019 Actual Transfer to	2019 Actual Transfer (from)	2019 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Plant replacement reserve	448,377	395	0	448,772	628	447,763	0	448,391	160,000	611,057	(322,680)	448,377
(b) Building reserve	42,036	37	0	42,073	59	41,977	0	42,036	15,000	53,865	(26,829)	42,036
(c) Affordable housing reserve	102,174	90	0	102,264	143	102,034	0	102,177	36,460	119,907	(54,193)	102,174
(d) Office equipment reserve	14,012	12	0	14,024	20	13,992	0	14,012	5,000	19,928	(10,916)	14,012
(e) Recreation reserve	0	0	0	0	0		0	0	0	35,520	(35,520)	0
(f) Road construction reserve	21,599	19	0	21,618	30	21,570	0	21,600	7,707	83,754	(69,862)	21,599
	628,198	553	0	628,751	880	627,336	0	628,216	224,167	924,031	(520,000)	628,198

All reserves are supported by cash and cash equivalents and are restricted within equity as Reserves - cash backed.

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

Name of Reserve	Anticipated date of use	Purpose of the reserve
(a) Plant replacement reserve	As per Plant Replacement Program	To be used to fund the net cost of plant and equipment purchases as determined in the 10 Year Plant Replacement Program
(b) Building reserve	As per Building Plan	To be used to meet requirements for providing new buildings for Council purposes, other than affordable housing or recreational facilities, or for major maintenance
(c) Affordable housing reserve	As per Building Plan	To be used to meet requirements for affordable housing, either new or major upgrades into the future
(d) Office equipment reserve	As required	To be used for the purchase of office equipment and future computer upgrades
(e) Recreation reserve	30/06/2019	To be used to fund capital improvements at recreational facilities, including sporting facilities or halls
(f) Road construction reserve	As required	To be used to fund road construction projects within the Woodanilling Shire, or to levy additional funding

SHIRE OF WOODANILLING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

5. OTHER FINANCIAL ASSETS

(b) Non-current assets

Financial assets at fair value through profit and loss

	2020	2019
	35,703	31,026
	35,703	31,026
Financial assets at fair value through profit and loss		
Units in Local Government House Trust	35,611	30,934
BWK Co-op Shares	92	92
	35,703	31,026

Financial assets at fair value through profit and loss

Units in Local Government House Trust
 BWK Co-op Shares

SIGNIFICANT ACCOUNTING POLICIES

Other financial assets at amortised cost

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

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

Financial assets at fair value through profit and loss

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

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

Impairment and risk

Information regarding impairment and exposure to risk can be found at Note 22.

SHIRE OF WOODANILLING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

6. TRADE AND OTHER RECEIVABLES

Current

Rates receivable
 Trade and other receivables

	2020	2019
	\$	\$
	62,125	52,210
	112,786	60,346
	<u>174,911</u>	<u>112,556</u>

SIGNIFICANT ACCOUNTING POLICIES

Trade and other receivables

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

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

Impairment and risk exposure

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 22.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Classification and subsequent measurement

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

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

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

SHIRE OF WOODANILLING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

7. INVENTORIES

Current

Fuel and materials

	2020	2019
	\$	\$
	8,521	18,904
	8,521	18,904
	18,904	16,210
	(107,642)	(93,004)
	97,259	95,698
	8,521	18,904

The following movements in inventories occurred during the year:

Carrying amount at beginning of period

Inventories expensed during the year

Additions to inventory

Carrying amount at end of period

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.

SHIRE OF WOODANILLING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

8. OTHER ASSETS

	2020	2019
	\$	\$
Accrued income	1,050	1,050
	1,050	1,050

Other assets - current

Accrued income

SIGNIFICANT ACCOUNTING POLICIES

Other current assets

Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

Accrued income

Accrued income is income which has been earned but not yet received. Income must be recorded in the accounting period in which it is earned. Therefore, accrued income must be recognised in the accounting period in which it arises rather than in a subsequent period in which it will be received.

9. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Carrying Amounts

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

	Land - freehold land	Land - vested in and under the control of Council	Total land	Buildings	Total land and buildings	Furniture and equipment	Plant and equipment	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2018	498,000	25,000	523,000	5,295,086	5,818,086	41,564	1,450,707	7,310,357
Additions	0	0	0	72,622	72,622	47,400	185,809	305,831
(Disposals)	0	0	0	0	0	(580)	(42,304)	(42,884)
Depreciation (expense)	0	0	0	(108,361)	(108,361)	(14,900)	(316,875)	(440,136)
Carrying amount at 30 June 2019	498,000	25,000	523,000	5,259,347	5,782,347	73,484	1,277,337	7,133,168
Comprises:								
Gross carrying amount at 30 June 2019	498,000	25,000	523,000	5,506,266	6,029,266	166,932	3,136,784	9,332,982
Accumulated depreciation at 30 June 2019	0	0	0	(246,919)	(246,919)	(93,448)	(1,859,447)	(2,199,814)
Carrying amount at 30 June 2019	498,000	25,000	523,000	5,259,347	5,782,347	73,484	1,277,337	7,133,168
Change in accounting policy	0	(25,000)	(25,000)	0	(25,000)	0	0	(25,000)
Carrying amount at 1 July 2019	498,000	0	498,000	5,259,347	5,757,347	73,484	1,277,337	7,108,168
Additions	0	0	0	0	0	0	84,507	84,507
(Disposals)	0	0	0	0	0	0	(25,388)	(25,388)
Depreciation (expense)	0	0	0	(109,814)	(109,814)	(26,529)	(327,755)	(464,098)
Carrying amount at 30 June 2020	498,000	0	498,000	5,149,533	5,647,533	46,955	1,008,701	6,703,189
Comprises:								
Gross carrying amount at 30 June 2020	498,000	0	498,000	5,506,266	6,004,266	166,932	3,177,957	9,349,155
Accumulated depreciation at 30 June 2020	0	0	0	(356,733)	(356,733)	(119,977)	(2,169,256)	(2,645,966)
Carrying amount at 30 June 2020	498,000	0	498,000	5,149,533	5,647,533	46,955	1,008,701	6,703,189

9. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Land and buildings					
Land - freehold land	2	Market approach using recent observable market data for similar properties/income approach using discounted cashflow methodology	Independent registered valuers	June 2017	Price per hectare/market borrowing rate
Buildings	2	Market approach using recent observable market data for similar properties/income approach using discounted cashflow methodology	Independent registered valuers	June 2017	Observable open market values of similar assets adjusted for condition and comparability at the highest and best use
Furniture and equipment	3	Cost approach using depreciated replacement cost	Management valuation	June 2016	Purchase costs and current condition, residual values and remaining useful life assessments
Plant and equipment					
- Independent valuation 2015	2	Market approach using recent observable market data for similar vehicles	Independent registered valuers	June 2016	Price per item

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

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

Following a change to *Local Government (Financial Management) Regulation 17A*, plant and equipment type assets (being plant and equipment and furniture and equipment) are to be measured under the cost model, rather than at fair value. This change is effective from 1 July 2019 and represents a change in accounting policy.

Revaluations carried out previously were not reversed as it was deemed fair value approximates cost at the date of change.

10. INFRASTRUCTURE**(a) Movements in Carrying Amounts**

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

	Infrastructure - roads	Other infrastructure - footpaths	Other infrastructure - bridges and drainage	Other infrastructure - parks and ovals	Total Infrastructure
	\$	\$	\$	\$	\$
Balance at 1 July 2018	18,820,513	120,718	5,591,898	84,710	24,617,839
Additions	251,726	0	0	0	251,726
Depreciation (expense)	(306,170)	(9,227)	(80,932)	(2,433)	(398,762)
Carrying amount at 30 June 2019	18,766,069	111,491	5,510,966	82,277	24,470,803
Comprises:					
Gross carrying amount at 30 June 2019	21,611,498	184,525	7,004,042	355,625	29,155,690
Accumulated depreciation at 30 June 2019	(2,845,429)	(73,034)	(1,493,076)	(273,348)	(4,684,887)
Carrying amount at 30 June 2019	18,766,069	111,491	5,510,966	82,277	24,470,803
Additions	814,692	19,271	10,681	0	844,644
Depreciation (expense)	(306,169)	(9,226)	(87,551)	(2,433)	(405,379)
Carrying amount at 30 June 2020	19,274,592	121,536	5,434,096	79,844	24,910,068
Comprises:					
Gross carrying amount at 30 June 2020	22,426,190	203,796	7,014,723	355,625	30,000,334
Accumulated depreciation at 30 June 2020	(3,151,598)	(82,260)	(1,580,627)	(275,781)	(5,090,266)
Carrying amount at 30 June 2020	19,274,592	121,536	5,434,096	79,844	24,910,068

SHIRE OF WOODANILLING NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2020

10. INFRASTRUCTURE (Continued)

(b) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Infrastructure - roads	3	Cost approach using depreciated replacement cost	Independent valuation	June 2018	Construction costs and current condition, residual values and remaining useful life assessments
Other infrastructure - footpaths	3	Cost approach using depreciated replacement cost	Independent valuation	June 2018	Construction costs and current condition, residual values and remaining useful life assessments
Other infrastructure - bridges and drainage	3	Cost approach using depreciated replacement cost	Independent valuation	June 2018	Construction costs and current condition, residual values and remaining useful life assessments
Other infrastructure - parks and ovals	3	Cost approach using depreciated replacement cost	Management valuation	June 2016	Construction costs and current condition, residual values and remaining useful life assessments

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

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

SHIRE OF WOODANILLING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

11. FIXED ASSETS

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

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

Initial recognition and measurement between mandatory revaluation dates

Assets for which the fair value as at the date of acquisition is under \$5,000 are not recognised as an asset in accordance with *Financial Management Regulation 17A (5)*. These assets are expensed immediately

Where multiple individual low value assets are purchased together as part of a larger asset or collectively forming a larger asset exceeding the threshold, the individual assets are recognised as one asset and capitalised.

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 zero cost or otherwise significantly less than fair value, 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 that are land, buildings and infrastructure acquired between the 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 land, buildings and infrastructure is determined every five years in accordance with the regulatory framework.

This includes buildings and infrastructure items which were pre-existing improvements (ie vested improvements) on vested land acquired by the Shire. 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 the *Local Government (Financial Management) Regulation 17A(2)* which requires land, buildings, infrastructure and vested improvements to be shown at fair value.

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

AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY

Land under control

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

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

Land under roads

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

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

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.

Land under roads from 1 July 2019

As a result of amendments to the *Local Government (Financial Management) Regulations 1996*, effective from 1 July 2019, vested land, including land under roads, are treated as ROU assets, measured at zero cost. Therefore, the previous inconsistency with AASB 1051 in respect of non-recognition of land under roads acquired on or after 1 July 2008 has been removed, even though measurement at zero cost means that land under roads is still not included in the statement of financial position.

The Shire has accounted for the removal of vested land values associated with vested land by removing the land value and associated revaluation reserve as at 1 July 2019. The comparatives have not been restated.

SHIRE OF WOODANILLING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

11. FIXED ASSETS

(a) Disposals of Assets

	2020 Actual Net Book Value	2020 Actual Sale Proceeds	2020 Actual Profit	2020 Actual Loss	2020 Budget Net Book Value	2020 Budget Sale Proceeds	2020 Budget Profit	2020 Budget Loss	2019 Actual Net Book Value	2019 Actual Sale Proceeds	2019 Actual Profit	2019 Actual Loss
Furniture and equipment	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 580	\$ 0	\$ 0	\$ (580)
Plant and equipment	25,388	30,378	7,609	(2,619)	16,875	16,000	0	(875)	42,304	36,591	5,091	(10,804)
	25,388	30,378	7,609	(2,619)	16,875	16,000	0	(875)	42,884	36,591	5,091	(11,384)

The following assets were disposed of during the year.

	2020 Actual Net Book Value	2020 Actual Sale Proceeds	2020 Actual Profit	2020 Actual Loss
Plant and Equipment				
Transport				
Bartco Portable Solar Traffic	9,587	17,196	7,609	0
Toyota Camry (DCEO)	15,801	13,182	0	(2,619)
	25,388	30,378	7,609	(2,619)

SHIRE OF WOODANILLING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

11. FIXED ASSETS

(b) Depreciation

	2020 Actual	2020 Budget	2019 Actual
	\$	\$	\$
Buildings	109,814	65,574	108,361
Furniture and equipment	26,529	11,953	14,900
Plant and equipment	327,755	244,637	316,875
Infrastructure - roads	306,169	644,432	306,170
Other infrastructure - footpaths	9,226	9,291	9,227
Other infrastructure - bridges and drainage	87,551	0	80,932
Other infrastructure - parks and ovals	2,433	2,450	2,433
	869,477	978,337	838,898

SIGNIFICANT ACCOUNTING POLICIES

Depreciation

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

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

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

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

Depreciation rates

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

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

Depreciation on revaluation

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

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

(b) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

SHIRE OF WOODANILLING NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2020

12. REVALUATION SURPLUS

	2020 Opening Balance \$	2020 Change in Accounting Policy \$	2020 Revaluation Increment \$	2020 Revaluation (Decrement) \$	Total Movement on Revaluation \$	2020 Closing Balance \$	2019 Opening Balance \$	2019 Revaluation Increment \$	2019 Revaluation (Decrement) \$	Total Movement on Revaluation \$	2019 Closing Balance \$
Revaluation surplus - Land and Buildings	2,177,676	(25,000)	0	0	0	2,152,676	2,177,676	0	0	0	2,177,676
Revaluation surplus - Plant and equipment	439,679	0	0	0	0	439,679	439,679	0	0	0	439,679
Revaluation surplus - Infrastructure - roads	10,491,652	0	0	0	0	10,491,652	10,491,652	0	0	0	10,491,652
Revaluation surplus - Other infrastructure - footpaths	103,307	0	0	0	0	103,307	103,307	0	0	0	103,307
Revaluation surplus - Other infrastructure - bridges and drainage	5,804,149	0	0	0	0	5,804,149	5,804,149	0	0	0	5,804,149
	19,016,463	(25,000)	0	0	0	18,991,463	19,016,463	0	0	0	19,016,463

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

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2020

13. TRADE AND OTHER PAYABLES

Current

Sundry creditors
Accrued salaries and wages
ATO liabilities
Bonds and deposits held
Income received in advance

	2020	2019
	\$	\$
	129,790	160,124
	11,488	5,785
	28,967	0
	42,136	42,436
	13,685	10,122
	<u>226,066</u>	<u>218,467</u>

SIGNIFICANT ACCOUNTING POLICIES

Trade and other payables

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

The amounts are unsecured, are recognised as a current liability and are normally paid within 30 days of recognition

Prepaid rates

Prepaid rates are, until the taxable event has occurred (start of the next financial year), refundable at the request of the ratepayer. Rates received in advance are initially recognised as a financial liability. When the taxable event occurs, the financial liability is extinguished and the Shire recognises revenue for the prepaid rates that have not been refunded.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

14. CONTRACT LIABILITIES

Current

Contract liabilities from contracts with customers

2020	2019
\$	\$
69,286	0
<u>69,286</u>	<u>0</u>

Performance obligations from contracts with customers are expected to be recognised as revenue in accordance with the following time bands:

Less than 1 year

<u>69,286</u>
69,286

SIGNIFICANT ACCOUNTING POLICIES

Contract Liabilities

Contract liabilities represent the the Shire's obligation to transfer goods or services to a customer for which the Shire has received consideration from the customer.

With respect to transfers for recognisable non-financial assets, contract liabilities represent performance obligations which are not yet satisfied.

Contract liabilities are recognised as revenue when the performance obligations in the contract are satisfied.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2020

15. INFORMATION ON BORROWINGS (Continued)

	2020	2019
	\$	\$
(a) Undrawn Borrowing Facilities		
Credit Standby Arrangements		
Bank overdraft limit	0	0
Bank overdraft at balance date	0	0
Credit card limit	2,000	4,000
Credit card balance at balance date	(828)	(84)
Total amount of credit unused	1,172	3,916

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

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

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

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

Borrowing costs

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

Risk

Information regarding exposure to risk can be found at Note 22.

SHIRE OF WOODANILLING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

16. EMPLOYEE RELATED PROVISIONS

(a) Employee Related Provisions

	Provision for Annual Leave \$	Provision for Long Service Leave \$	Total \$
Opening balance at 1 July 2019			
Current provisions	82,574	59,475	142,049
Non-current provisions	0	58,397	58,397
	82,574	117,872	200,446
Additional provision	80,820	22,494	103,314
Amounts used	(78,274)	(29,627)	(107,901)
Balance at 30 June 2020	85,120	110,739	195,859
Comprises			
Current	85,120	62,411	147,531
Non-current	0	48,328	48,328
	85,120	110,739	195,859

Amounts are expected to be settled on the following basis:

	2020 \$	2019 \$
Less than 12 months after the reporting date	114,235	114,133
More than 12 months from reporting date	81,624	86,313
	195,859	200,446

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

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

Short-term employee benefits

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

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

Other long-term employee benefits

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

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

Other long-term employee benefits (Continued)

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

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

Provisions

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

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

SHIRE OF WOODANILLING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

17. 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. Cash at the end of the reporting period is reconciled to the related items in the Statement of Financial Position as follows:

	2020 Actual	2020 Budget	2019 Actual
	\$	\$	\$
Cash and cash equivalents	1,248,273	956,660	1,151,176

Reconciliation of Net Cash Provided By Operating Activities to Net Result

Net result	195,134	(571,829)	(916,344)
Non-cash flows in Net result:			
Adjustments to fair value of financial assets at fair value through profit and loss	(4,677)	0	0
Depreciation on non-current assets	869,477	978,337	838,898
(Profit)/loss on sale of asset	(4,990)	875	6,293
Changes in assets and liabilities:			
(Increase)/decrease in receivables	(62,355)	0	820,221
(Increase)/decrease in inventories	10,383	0	(2,694)
Increase/(decrease) in payables	7,599	200,751	(138,732)
Increase/(decrease) in provisions	(4,587)	0	(1,143)
Increase/(decrease) in contract liabilities	(10,114)	0	0
Non-operating grants, subsidies and contributions	(606,651)	(556,333)	(75,200)
Net cash from operating activities	389,219	51,801	531,299

SHIRE OF WOODANILLING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

18. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2020	2019
	\$	\$
Governance	35,703	46,902
General purpose funding	754,354	113,606
Law, order, public safety	306,797	336,135
Health	1,028	0
Education and welfare	1,317,163	1,343,207
Housing	1,024,934	937,600
Community amenities	138,250	155,986
Recreation and culture	2,855,551	2,925,063
Transport	25,417,244	24,715,950
Economic services	9,520	0
Other property and services	953,895	1,162,033
Unallocated	267,276	1,182,201
	<u>33,081,715</u>	<u>32,918,683</u>

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

19. RELATED PARTY TRANSACTIONS

Elected Members Remuneration

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

	2020 Actual	2020 Budget	2019 Actual
	\$	\$	\$
Meeting fees	21,748	3,500	21,000
President's allowance	5,925	11,850	5,925
Deputy President's allowance	3,703	9,875	4,938
Travelling expenses	283	1,050	495
Telecommunications allowance	5,474	0	6,300
	<u>37,133</u>	<u>26,275</u>	<u>38,658</u>

Key Management Personnel (KMP) Compensation Disclosure

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

	2020 Actual	2019 Actual
	\$	\$
Short-term employee benefits	218,407	280,819
Post-employment benefits	25,463	21,825
Other long-term benefits	3,739	1,873
	<u>247,609</u>	<u>304,517</u>

Short-term employee benefits

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

Post-employment benefits

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

Other long-term benefits

These amounts represent long service benefits accruing during the year.

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020**

19. RELATED PARTY TRANSACTIONS (Continued)

Transactions with related parties

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

The following transactions occurred with related parties:	2020 Actual	2019 Actual
	\$	\$
Purchase of goods and services	5,351	20,400
Short term employee benefits -other related parties	70,651	42,391

Related Parties

The Shire's main related parties are as follows:

i. Key management personnel

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

ii. Other Related Parties

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

iii. Entities subject to significant influence by the Shire

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

SHIRE OF WOODANILLING NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2020

20. RATING INFORMATION

(a) Rates

RATE TYPE	Rate in \$	Number of Properties	2019/20 Actual Rateable Value \$	2019/20 Actual Rate Revenue \$	2019/20 Actual Interim Rates \$	2019/20 Actual Back Rates \$	2019/20 Actual Total Revenue \$	2019/20 Budget Rate Revenue \$	2019/20 Budget Interim Rate \$	2019/20 Budget Back Rate \$	2019/20 Budget Total Revenue \$	2018/19 Actual Total Revenue \$
Differential general rate / general rate												
Gross rental valuations												
GRV	0.114403	99	880,800	100,766	(292)	0	100,474	100,623	0	0	100,623	89,517
Urban Farm	0	0	0	0	0	0	0	0	0	0	0	7,425
Unimproved valuations												
UV	0.005787	196	117,049,396	677,716	(334)		677,382	677,837	0	0	677,837	646,929
Sub-Total		295	117,930,196	778,482	(626)	0	777,856	778,460	0	0	778,460	743,871
Minimum payment												
			Minimum \$									
Gross rental valuations												
GRV	390	66	99,595	25,740	0	0	25,740	25,740	0	0	25,740	19,500
Unimproved valuations												
UV	390	19	770,959	7,410	0	0	7,410	7,020	0	0	7,020	5,625
Sub-Total		85	870,554	33,150	0	0	33,150	32,760	0	0	32,760	25,125
		380	118,800,750	811,632	(626)	0	811,006	811,220	0	0	811,220	768,996
Discounts (Note 20(b))							(39,512)				(36,742)	(32,417)
Total amount raised from general rate							771,494				774,478	736,579
Concessions (Note 20(b))							0				(7,425)	0
Ex-gratia rates							0				1,446	0
Totals							771,494				768,499	736,579

SIGNIFICANT ACCOUNTING POLICIES

Rates

Control over assets acquired from rates is obtained at the commencement of the rating period.

Prepaid rates are, until the taxable event has occurred (start of the next financial year), refundable at the request of the ratepayer. Rates received in advance are initially recognised as a financial liability. When the taxable event occurs, the financial liability is extinguished and the Shire recognises revenue for the prepaid rates that have not been refunded.

SHIRE OF WOODANILLING NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2020

20. RATING INFORMATION (Continued)

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

Rates Discounts

Rate or Fee Discount Granted	Discount %	Discount \$	2020 Actual \$	2020 Budget \$	2019 Actual \$	Circumstances in which Discount is Granted
General rates	5.00%		39,512	36,742	32,417	All rates and charges paid in full within 35 days of issue. In addition Council provides a 50% discount on general rates only to Lots 32, 33, 34, 35 & 38 DP 223222, Quartermaine & Shenton Roads, Woodanilling, and Lots 2, 3 & 4 DP 227523 Albany Highway due to Planning restrictions on these lots.
			39,512	36,742	32,417	

Waivers or Concessions

Rate or Fee and Charge to which the Waiver or Concession is Granted	Type	Discount %	Discount \$	2020 Actual \$	2020 Budget \$	2019 Actual \$
GRV - Urban Farm	Concession	50.00%		0	7,425	0
				0	7,425	0
Total discounts/concessions (Note 20(a))				39,512	44,167	32,417

Rate or Fee and Charge to which the Waiver or Concession is Granted	Circumstances in which the Waiver or Concession is Granted and to whom it was available	Objects of the Waiver or Concession	Reasons for the Waiver or Concession
GRV - Urban Farm	Assessments being land zoned "local rural" adjacent	In moving from differential rates	In moving from differential rates

SHIRE OF WOODANILLING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

20. RATING INFORMATION (Continued)

(c) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
Option One				
35 days from notice	3/10/2019	0	0.00%	11.00%
Option Two				
Instalment one	3/10/2019	0	0.00%	11.00%
Instalment two	7/02/2020	5	5.50%	11.00%
Option Three				
Instalment one	3/10/2019	0	0.00%	11.00%
Instalment two	6/12/2019	5	5.50%	11.00%
Instalment three	7/02/2020	5	5.50%	11.00%
Instalment four	16/04/2020	5	5.50%	11.00%

	2020 Actual \$	2020 Budget \$	2019 Actual \$
Interest on unpaid rates	3,936	7,203	3,079
Interest on instalment plan	1,082	926	854
Charges on instalment plan	500	500	645
	5,518	8,629	4,578

SHIRE OF WOODANILLING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

21. RATE SETTING STATEMENT INFORMATION

		2019/20 Budget	2019/20	2018/19
	2019/20 (30 June 2020 Carried Forward)	(30 June 2020 Carried Forward)	(1 July 2019 Brought Forward)	(30 June 2019 Carried Forward)
Note	\$	\$	\$	\$
(a) Non-cash amounts excluded from operating activities				
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .				
Adjustments to operating activities				
Less: Profit on asset disposals	11(a)	(7,609)	0	(5,091)
Less: Fair value adjustments to financial assets at fair value through profit and loss		(4,677)	0	0
Movement in employee benefit provisions (non-current)		(10,069)	0	(1,565)
Add: Loss on disposal of assets	11(a)	2,619	875	11,384
Add: Depreciation on non-current assets	11(b)	869,477	978,337	838,898
Non cash amounts excluded from operating activities		849,741	979,212	843,626
(b) Surplus/(deficit) after imposition of general rates				
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.				
Adjustments to net current assets				
Less: Reserves - cash backed	4	(628,751)	(628,216)	(628,198)
Total adjustments to net current assets		(628,751)	(628,216)	(628,198)
Net current assets used in the Rate Setting Statement				
Total current assets		1,432,755	1,226,511	1,283,686
Less: Total current liabilities		(442,883)	(598,295)	(439,916)
Less: Total adjustments to net current assets		(628,751)	(628,216)	(628,198)
Net current assets used in the Rate Setting Statement		361,121	0	215,572
(c) Adjustments to current assets and liabilities at 1 July 2019 on application of new accounting standards				
Total current liabilities at 30 June 2019				(360,516)
- Contract liabilities from contracts with customers	23(a)			(79,400)
Total current liabilities at 1 July 2019				(439,916)

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2020

22. FINANCIAL RISK MANAGEMENT

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

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

(a) Interest rate risk

Cash and cash equivalents

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

	Weighted Average Interest Rate %	Carrying Amounts \$	Fixed Interest Rate \$	Variable Interest Rate \$	Non Interest Bearing \$
2020					
Cash and cash equivalents	0.05%	1,248,273	0	1,247,823	450
2019					
Cash and cash equivalents	1.82%	1,151,176	0	1,150,726	450

Sensitivity

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

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

	2020 \$	2019 \$
	12,483	11,512

* Holding all other variables constant

Borrowings

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

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

22. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

Payables

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

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
<u>2020</u>					
Payables	226,066	0	0	226,066	226,066
	<u>226,066</u>	<u>0</u>	<u>0</u>	<u>226,066</u>	<u>226,066</u>
<u>2019</u>					
Payables	176,516	0	0	176,516	218,467
	<u>176,516</u>	<u>0</u>	<u>0</u>	<u>176,516</u>	<u>218,467</u>

SHIRE OF WOODANILLING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

23. INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS

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

(a) AASB 15: Revenue from Contracts with Customers

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

Note	AASB 118 carrying amount		AASB 15 carrying amount
	30 June 2019	Reclassification	01 July 2019
	\$	\$	\$
Contract liabilities - current			
Contract liabilities from contracts with customers	14	0	(79,400)
Adjustment to retained surplus from adoption of AASB 15	24(b)	(79,400)	

(b) AASB 1058: Income For Not-For-Profit Entities

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

In accordance with the Shire's accounting policies, prepaid rates were recognised as a liability at 30 June 2019. Therefore the initial application of AASB 1058 at 1 July 2019 did not have an impact on the recognition and classification of prepaid rates.

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

SHIRE OF WOODANILLING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

23. INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS (Continued)

The table below provides details of the amount by which each financial statement line item is affected in the current reporting period by the application of this Standard as compared to AASB 118 and 1004 and related Interpretations that were in effect before the change.

		2020 \$		2020 \$
	Note	As reported under AASB 15 and AASB 1058	Adjustment due to application of AASB 15 and AASB 1058	Compared to AASB 118 and AASB 1004
Statement of Comprehensive Income				
Revenue				
Operating grants, subsidies and contributions	2(a)	1,176,260	69,286	1,245,546
Net result		195,134	69,286	264,420
Statement of Financial Position				
Contract liabilities	14	69,286	(69,286)	0
Net assets		32,590,504	69,286	32,659,790
Statement of Changes in Equity				
Net result		195,134	69,286	264,420
Retained surplus		12,970,290	69,286	13,039,576

Refer to Note 2(a) for new revenue recognition accounting policies as a result of the application of AASB 15 and AASB 1058.

(c) AASB 16: Leases

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

The initial application of AASB 1058 at 1 July 2019 did not have an impact, as the Shire did not have any operating leases at 30 June 2019.

24. CHANGE IN ACCOUNTING POLICIES

(a) Change in Accounting Policies due to regulation changes

Effective 6 November 2020, *Local Government (Financial Management) Regulation 16* was deleted and *Local Government (Financial Management) Regulation 17A* was amended with retrospective application. The changes were effective for financial years ending on or after 30 June 2020 so are required to be applied retrospectively with cumulative effect applied initially on 1 July 2019.

In accordance with the changes, the Shire was required to remove the values attributable to certain crown land assets previously required to be recognised, as well as the associated revaluation surplus at 1 July 2019. These assets have been measured as concessionary lease right-of-use assets at zero cost in accordance with AASB 16. For further details relating to these changes, refer to Note 11.

In summary the following adjustments were made to the amounts recognised in the statement of financial position at the date of initial application (1 July 2019):

	Note	Carrying amount 30 June 2019 \$	Reclassification \$	Carrying amount 01 July 2019 \$
Property, plant and equipment	3	7,133,168	(25,000)	7,108,168
Revaluation surplus	5	19,016,463	(25,000)	18,991,463

Also, following changes to *Local Government (Financial Management) Regulation 17A*, plant and equipment type assets (being plant and equipment and furniture and equipment) are to be measured under the cost model, rather than at fair value. This change is effective from 1 July 2019 and represents a change in accounting policy. Revaluations carried out previously or during the year were not reversed as it was deemed fair value approximates cost at the date of the change.

(b) Changes in equity due to change in accounting policies

The impact on the Shire's opening retained surplus due to the adoption of AASB 15 and AASB 1058 as at 1 July 2019 was as follows:

	Note	Adjustments	2019 \$
Retained surplus - 30 June 2019			12,855,109
Adjustment to retained surplus from adoption of AASB 15	23(a)	(79,400)	(79,400)
Retained surplus - 1 July 2019			12,775,709

The impact on the Shire's opening revaluation surplus resulting from *Local Government (Financial Management) Regulation 16* being deleted and the amendments to *Local Government (Financial Management) Regulation 17A* as at 1 July 2019 was as follows:

	Note	Adjustments	2019 \$
Revaluation surplus - 30 June 2019			19,016,463
Adjustment to revaluation surplus from amendment to FM Reg 17A	24(a)	(25,000)	(25,000)
Revaluation surplus - 1 July 2019			18,991,463

SHIRE OF WOODANILLING

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2020

25. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

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

c) Rounding off figures

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

d) Comparative figures

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

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

e) Budget comparative figures

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

f) Superannuation

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

g) Fair value of assets and liabilities

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

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

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

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

h) Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

i) Impairment of assets

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

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

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

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

SHIRE OF WOODANILLING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

26. ACTIVITIES/PROGRAMS

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

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

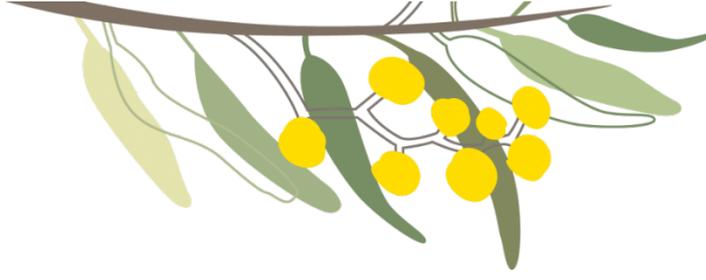
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

27. FINANCIAL RATIOS

	2020 Actual	2019 Actual	2018 Actual
Current ratio	1.97	1.68	3.52
Asset consumption ratio	0.80	0.82	0.77
Asset renewal funding ratio	N/A	1.00	1.00
Asset sustainability ratio	1.03	0.50	0.83
Debt service cover ratio	N/A	N/A	N/A
Operating surplus ratio	(0.35)	(0.86)	(0.42)
Own source revenue coverage ratio	0.42	0.30	0.25

The above ratios are calculated as follows:

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



SHIRE OF WOODANILLING**PERIOD OF AUDIT: 1 JULY 2019 – 30 JUNE 2020****FINDINGS IDENTIFIED DURING THE FINAL AUDIT**

INDEX OF FINDINGS	RATING		
	Significant	Moderate	Minor
1. Asset Renewal Funding Ratio	✓		
2. Bonds and Deposits Held			✓
3. Municipal Bank Reconciliation			✓

KEY TO RATINGS

The Ratings in this management letter are based on the audit team's assessment of risks and concerns with respect to the probability and/or consequence of adverse outcomes if action is not taken. We give consideration to these potential adverse outcomes in the context of both quantitative impact (for example financial loss) and qualitative impact (for example inefficiency, non-compliance, poor service to the public or loss of public confidence).

- Significant** - Those findings where there is potentially a significant risk to the entity should the finding not be addressed by the entity promptly.
- Moderate** - Those findings which are of sufficient concern to warrant action being taken by the entity as soon as practicable.
- Minor** - Those findings that are not of primary concern but still warrant action being taken.

SHIRE OF WOODANILLING**PERIOD OF AUDIT: 1 JULY 2019 – 30 JUNE 2020****FINDINGS IDENTIFIED DURING THE FINAL AUDIT****1. Asset Renewal Funding Ratio****Finding**

The Shire has not reported the Asset Renewal Funding Ratio for 2020 in the annual financial report, as required by Regulation 50(1)(c) of the Local Government (Financial Management) Regulations 1996. This is because the Asset Management Plan and Long Term Financial Plan have not been recently updated, as a result of which the ratios would not be current and accurate.

We note that the Shire has commenced a review of these plans.

Rating: Significant**Implication**

The financial report does not comply with Regulation 50(1)(c) of the Local Government (Financial Management) Regulations 1996.

Recommendation

We recommend that the Shire prepares, reviews and updates the Asset Management Plan and the Long Term Financial Plan annually, to ensure that 10 year projections are available as required by the regulations, in order for the asset renewal funding ratio to be calculated based on verifiable information and reasonable assumptions.

Management Comment

Noted and Accepted. Will be completed by 30 June 2021.

Responsible Person: Chief Executive Officer

Completion Date: 30 June 2021

SHIRE OF WOODANILLING**PERIOD OF AUDIT: 1 JULY 2019 – 30 JUNE 2020****FINDINGS IDENTIFIED DURING THE FINAL AUDIT****2. Bonds and Deposits Held****Finding**

Audit testing determined that “Bond and Deposit” accounts had numerous minor outstanding entries dating back many years. Given the historical nature of these entries, it is difficult to determine whether these entries are in fact liabilities of the Shire or are now Municipal revenue. Outstanding bonds and deposits totalled \$42,136 at 30 June 2020.

Rating: Minor**Implication**

There is a possibility that the liability may require refund, recognition as revenue or transfer to the Receiver of Public Monies.

Recommendation

The Shire undertake a full investigation of all outstanding bonds and deposits and implement actions to resolve or correct as required.

Management Comment

Will be addressed in March 2021 budget review to be completed by 30 April 2021. Most relate to previous items held in trust but transferred out during the previous regulation change. These will now be reflected in reserve accounts if they were for a specific purpose.

Responsible Person: Chief Executive Officer

Completion Date: 30 April 2021

SHIRE OF WOODANILLING**PERIOD OF AUDIT: 1 JULY 2019 – 30 JUNE 2020****FINDINGS IDENTIFIED DURING THE FINAL AUDIT****3. Municipal Bank Reconciliation****Finding**

The Municipal bank reconciliation at 30 June 2020 was not supported by a complete and detailed listing of reconciling items.

Rating: Minor**Implication**

Whilst the list of reconciling items was able to be regenerated for audit purposes, it indicates a weakness in the review and approval process. This increases the risk of errors, omissions or fraud remaining undetected.

Recommendation

The responsible officers should ensure that a complete review is undertaken, which includes ensuring that the bank reconciliation is supported by a detailed listing of all reconciling items.

Management Comment

A complete listing of reconciling items will be produced to support the figures in the bank reconciliation.

Responsible Person: Chief Executive Officer

Completion Date: 30 April 2021

5.2. ANNUAL REPORT FOR THE 2020/2021 FINANCIAL YEAR

File Reference	ADM0017
Date of Report	7 July 2022
Responsible Officer	Kellie Bartley, Chief Executive Officer
Author of Report	Kellie Bartley, Chief Executive Officer
Disclosure of any Interest	No Officer involved in the preparation of this report has an interest to declare in accordance with the provisions of the <i>Local Government Act 1995</i> .
Voting Requirement	Simple Majority
Attachments	Attachment No. 5.2.1 – Annual Report 2020/2021 Attachment No. 5.2.2 – Management Letter for year ending 30 June 2021

BRIEF SUMMARY

The 2020/2021 Annual Report provides a summary of the Shire's performance in relation to the finance and governance responsibilities for the 2020/2021 financial year.

The Officer's recommendation is that the Audit Committee make a recommendation for Council to approve the 2020/2021 Annual Report, inclusive of the audited financials and set a date for the annual general meeting of electors as required by the *Local Government Act 1995*.

The Annual Report is contained within **Attachment 5.2.1**

BACKGROUND/COMMENT

The Office of Auditor General (OAG) and Lincolns have conducted the Shire of Woodanilling's financial management functions.

In accordance with the *Local Government Act 1995* and the *Local Government (Audit) Regulations 1996*, an Audit Committee is to examine the Annual Financial Statements, review any significant matters raised by the auditor and ensure that appropriate action is taken in respect to those matters raised.

The Audit Committee held an exit meeting with the OAG and Lincolns on 21 June 2022 via zoom. The auditors reviewed their findings along with the forward plan for the 2021/2022 financial year.

For the 2020/2021 financial year this involved an onsite presence in, plus follow up communications with the Shire's preceding and current Chief Executive Officer's and the Accountant.

The Auditor has identified management issues during the auditor for the Shire of Woodanilling to address. Each finding is classified as Significant, Moderate or Minor and staff have provided the auditor with a response to each issue.

Base on the Auditor's opinion the Shire's financial report complies with the *Local Government Act 1995* together with the *Local Government (Financial Management) Regulations 1996*, and further:

- c) is based on property accounts and records;
- d) fairly represents, in all material respects, the results of the operations of the Shire for the year ended 30 June 2021 and its financial position at the end of that period in accordance with the Local Government Act 1885 and to the extent that they are not inconsistent with the Act, Australia Accounting Standards.

However, it is noted and accepted that the Auditors findings require further improvement in various operational areas, particularly to governance requirements, including:

4. Operating Surplus Ratio

The Operating Surplus Ratio as reported on Note 28 of the annual financial report is below the Department of Local Government, Sport and Cultural Industries standard of 0.01 for the last three financial years.

Officers Comments

The Operating surplus is a measure of a local government's ability to cover its operational costs and have money left for capital projects and other purposes.

The Shire always seeks to identify opportunities to increase revenue or reduce expenditure to sustainable levels. Without a significant expansion of revenue of the Shire, like most rural local governments, is likely to remain below the DLGSC's ratio standard.

5. Asset Renewal Funding Ratio

The Asset Renewal Funding Ratio for 2021 in the Annual financial report as required by the *Local Government (Financial Management) Regulations 1996*, as required information for planned capital renewals in the long term financial plan was not available as required by the *Local Government (Financial Management) Regulations 1996*.

Officers Comments

The Asset Renewal Funding Ratio is a measure of a local government's to have the financial capacity to fund asset renewal as required and can continue to provide existing levels of service in the future, without additional operating income, or reduction in operating expenses. The ratio is calculated from the information includes in the Long Term Financial Plan and the Asset Management Plan.

The Shire will be reviewing both plans in the 2022/2023 financial year to be able to provide an updated ratio to report on for the shire.

6. Month End Reconciliation Review

It was identified that no evidence that the bank, creditors or receivables reconciliations for July 2020 to May 2021 had been reviewed by an authorised officer.

Officers Comment

The finding has been acknowledged and accepted. The CEO and relevant offices will be responsible to perform the review of the month end reconciliation with a procedure and month end checklist to be activated and utilised by all responsible officers. This includes responsible officers and Management to be fully aware of the month end reconciliation process and procedure.

7. Bonds and Deposits held

This item has been an outstanding matter since the initial finding in 2020. Audit testing determined that "Bond and Deposit" accounts had numerous minor outstanding entries dating back many years. Given the historical nature of these entries, it is difficult to determine whether these entries were in fact liabilities of the Shire or now Municipal revenue. Outstanding bonds and deposits totalling \$42,136 at 30 June 2020.

Officers Comment

The Shire accepts the findings and the current staff are new to this item identified and will address and finalise the corrections of monies held in trust/bond accounts held by the Shire. The timing will be aligned with the forthcoming budget and end of year processes therefore enabling the completion and correction of these items.

8. Municipal Bank Reconciliation

This item has been outstanding since the initial finding in 2020. The municipal bank reconciliation at 30 June 2020 was not supported by a complete and detailed listing of reconciling items.

Officers Comments

The Shire accepts the findings and the CEO and Accountant will review the process and procedure. A more financial review approach along with approval process will be implemented and updated. Review against SynergySoft system and bank statements will be more independently reviewed along with maintaining this on an end month process. Processes and procedures will be updated and maintained accordingly by the CEO and staff.

The Audit Committee considered an exit meeting and a copy of the draft management letter in June 2022. The current Management Letter with the issues identified with action plans is contained in **ATTACHMENT 5.2.2**.

With Council adoption of the 2020/2021 Annual Report, a local public notice will advise of the availability of the Audit Committee with the date set for the Annual Electors Meeting as determined by Council.

STATUTORY/LEGAL IMPLICATIONS

Local Government Act 1995

5.27. *Electors' general meetings*

- (1) *A general meeting of the electors of a district is to be held once every financial year.*
- (2) *A general meeting is to be held on a day selected by the local government but not more than 56 days after the local government accepts the annual report for the previous financial year.*
- (3) *The matters to be discussed at general electors' meetings are to be those prescribed.*

5.53. *Annual reports*

- (1) *The local government is to prepare an annual report for each financial year.*
- (2) *The annual report is to contain —*
 - (a) *a report from the mayor or president; and*
 - (b) *a report from the CEO; and*
 - [(c), (d) deleted]*
 - (e) *an overview of the plan for the future of the district made in accordance with section 5.56, including major initiatives that are proposed to commence or to continue in the next financial year; and*
 - (f) *the financial report for the financial year; and*
 - (g) *such information as may be prescribed in relation to the payments made to employees; and*
 - (h) *the auditor's report prepared under section 7.9(1) or 7.12AD(1) for the financial year; and*
 - (ha) *a matter on which a report must be made under section 29(2) of the Disability Services Act 1993; and*
 - (hb) *details of entries made under section 5.121 during the financial year in the register of complaints, including —*
 - (i) *the number of complaints recorded in the register of complaints; and*
 - (ii) *how the recorded complaints were dealt with; and*
 - (iii) *any other details that the regulations may require; and*
 - (i) *such other information as may be prescribed.*

5.54. *Acceptance of annual reports*

- (1) *Subject to subsection (2), the annual report for a financial year is to be accepted* by the local government no later than 31 December after that financial year.*

** Absolute majority required.*

- (2) *If the auditor's report is not available in time for the annual report for a financial year to be accepted by 31 December after that financial year, the annual report is accepted by the local government no later than 2 months after the auditor's report becomes available.*

7.2. Audit

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

7.9. Audit to be conducted

- (1) An auditor is required to examine the accounts and annual financial report submitted for audit and, by the 31 December next following the financial year to which the accounts and report relate or such later date as may be prescribed, to prepare a report thereon and forward a copy of that report to —
- (a) the mayor or president; and
 - (b) the CEO of the local government; and
 - (c) the Minister.
- (2) Without limiting the generality of subsection (1), where the auditor considers that —
- (a) there is any error or deficiency in an account or financial report submitted for audit; or
 - (b) any money paid from, or due to, any fund or account of a local government has been or may have been misapplied to purposes not authorised by law; or
 - (c) there is a matter arising from the examination of the accounts and annual financial report that needs to be addressed by the local government, details of that error, deficiency, misapplication or matter, are to be included in the report by the auditor.
- (3) The Minister may direct the auditor of a local government to examine a particular aspect of the accounts and the annual financial report submitted for audit by that local government and to —
- (a) prepare a report thereon; and
 - (b) forward a copy of that report to the Minister,
- and that direction has effect according to its terms.
- (4) If the Minister considers it appropriate to do so, the Minister is to forward a copy of the report referred to in subsection (3), or part of that report, to the CEO of the local government.

7.12AB. Conducting a financial audit

The auditor must audit the accounts and annual financial report of a local government at least once in respect of each financial year.

7.12AD. Reporting on a financial audit

- (1) The auditor must prepare and sign a report on a financial audit.
- (2) The auditor must give the report to —
- (a) the mayor, president or chairperson of the local government; and
 - (b) the CEO of the local government; and
 - (c) the Minister.

7.12A. Duties of local government with respect to audits

- (1) A local government is to do everything in its power to —
- (a) assist the auditor of the local government to conduct an audit and carry out the auditor's other duties under this Act in respect of the local government; and
 - (b) ensure that audits are conducted successfully and expeditiously.
- (2) Without limiting the generality of subsection (1), a local government is to meet with the auditor of the local government at least once in every year.
- (3) A local government must —
- (aa) examine an audit report received by the local government; and
 - (a) determine if any matters raised by the audit report, require action to be taken by the local government; and

(b) ensure that appropriate action is taken in respect of those matters.

(4) A local government must —

(a) prepare a report addressing any matters identified as significant by the auditor in the audit report, and stating what action the local government has taken or intends to take with respect to each of those matters; and

(b) give a copy of that report to the Minister within 3 months after the audit report is received by the local government.

(5) Within 14 days after a local government gives a report to the Minister under subsection (4)(b), the CEO must publish a copy of the report on the local government's official website.

Local Government (Audit) Regulations 1996

9. Performance of audit

(1) In this regulation —

Australian Accounting Standards means the standards made and amended from time to time by the Australian Accounting Standards Board continued under the Australian Securities and Investments Commission Act 2001 (Commonwealth) section 261.

(2) An auditor must carry out an audit in accordance with the Australian Auditing Standards made or formulated and amended from time to time by the Auditing and Assurance Standards Board established by the Australian Securities and Investments Commission Act 2001 (Commonwealth) section 227A.

(3) An auditor must carry out the work necessary to form an opinion whether the annual financial report

(a) is based on proper accounts and records; and

(b) fairly represents the results of the operations of the local government for the financial year and the financial position of the local government at 30 June in accordance with —

(i) the Act; and

(ii) the Australian Accounting Standards (to the extent that they are not inconsistent

with

the Act).

POLICY IMPLICATIONS

There is no policy associated with this item.

FINANCIAL IMPLICATIONS

Provision is made in the annual budget to undertake the audit function.

The Annual Financial Report presents the financial performance for the past financial year and is scrutinised by an independent auditor to ensure compliance with legislation and accounting standards. The financial impact upon the current financial year is that the audited net current assets position becomes the actual brought forward surplus/(deficit) for the Rate Setting Statement.

STRATEGIC IMPLICATIONS

THEME 3

Governance

OBJECTIVES

To promote continual improvement that is supported by efficient and effective governance structures and processes.

STRATEGIES

By ensuring legislation is used to effectively enable quality decision making.

CONSULTATION/COMMUNICATION

Consultation has been undertaken with the Chief Executive Officer, Accountant, OAG and Lincolns in regards to the management letter and audit requirements for this report. The Exit Meeting occurred with the Audit Committee on 21 June 2022.

RISK MANAGEMENT

There is a risk that should the Annual Report not be adopted within the timeframes outlined, Council may be in breach of the *Local Government Act 1995*, and applicable subsidiary legislation. Accordingly, the risk associated with this matter is assessed as “High”.

Consequence	Insignificant	Minor	Moderate	Major	Extreme
Likelihood					
Almost Certain	Medium	High	High	Severe	Severe
Likely	Low	Medium	High	High	Severe
Possible	Low	Medium	Medium	High	High
Unlikely	Low	Low	Medium	Medium	High
Rare	Low	Low	Low	Low	Medium

Risk Rating	Action
LOW	Monitor for continuous improvement.
MEDIUM	Comply with risk reduction measures to keep risk as low as reasonably practical.
HIGH	Review risk reduction and take additional measures to ensure risk is as low as reasonably achievable.
SEVERE	Unacceptable. Risk reduction measures must be implemented before proceeding.

VOTING REQUIREMENTS

Simple Majority

OFFICERS RECOMMENDATION

That the Audit Committee recommends that Council:

1. Pursuant to sections 5.53 and 5.54 of the *Local Government Act 1995*, endorses and accepts the Shire of Woodanilling 2020/2021 Annual Report as contained in amended **ATTACHMENT 5.2.1**;
2. Authorise the Chief Executive Officer to give public notice of the availability of the 2020/2021 Annual Report in accordance with Section 5.55 of the *Local Government Act 1995*;
3. Receives the Management Report from the Office of the Auditor General for the year ended 30th June 2021 as contained in **ATTACHMENT 5.2.2**; and
4. Authorises the Chief Executive Officer to advertise the Annual General Meeting of Electors to be held on **23 August 2022** commencing at **6pm** at the Shire Administration Office, 3316 Robinson Road, Woodanilling in the Council Chambers.

AUDIT COMMITTEE RESOLUTION ACM07/07/2022

Moved Cr Smith, Seconded Cr Morrell

That the Audit Committee recommends that Council:

- 1) Pursuant to sections 5.53 and 5.54 of the *Local Government Act 1995*, endorses and accepts the Shire of Woodanilling 2020/2021 Annual Report as contained in **amended ATTACHMENT 5.2.1**;

- 2) *Authorise the Chief Executive Officer to give public notice of the availability of the 2019/2020 Annual Report in accordance with Section 5.55 of the Local Government Act 1995;*
- 3) *Receives the Management Report from the Office of the Auditor General for the year ended 30th June 2020 as contained in amended **ATTACHMENT 5.2.2**; and*
- 4) *Authorises the Chief Executive Officer to advertise the Annual General Meeting of Electors to be held on 23 August 2022 commencing at 6.00pm at the Shire Administration Office, 3316 Robinson Road, Woodanilling in the Council Chambers.*

CARRIED 6/0



AMENDED ATTACHMENT 5.2.1

Annual Report

For the year ending 30 June 2021



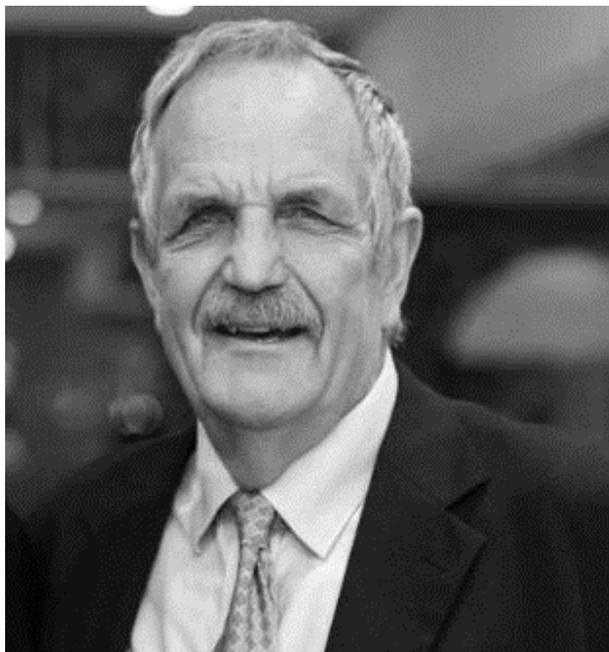
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OUR STATISTICS

2020-2021

 <p>409 Total number of residents* <i>*Based on 2016 Census</i></p>	 <p>465 Total number of rateable properties</p>	 <p>\$772,376 Rates levied</p>
 <p>\$390 Minimum general residential rate</p>	 <p>\$390 Minimum general rural rate</p>	 <p>0 Debt servicing ratio</p>
 <p>\$2,233,218 Operating revenue</p>	 <p>\$32,465,661 Net assets</p>	 <p>\$1,107,657 Operating grants revenue</p>
 <p>\$358,825 Specific purpose grants revenue</p>	 <p>76.4 km Length of sealed roads</p>	 <p>455.1 km Length of gravel roads</p>
	 <p>145 Number of garbage services provided</p>	



PRESIDENTS REPORT

I am pleased to present the 2020/2021 Woodanilling Annual Report.

The Shire has been progressing with the roads and the infrastructure during what the current times of COVID 19 has presented worldwide, which in effect has taken our state into some uncharted waters for us all.

The Katanning Bushfires presented challenges along with the heavy rains to the regions. The Shire was successful in Local Roads and Community Infrastructure Grants program. This has given the opportunity to upgrade Youngs Road, and the balance of funds spent within the townsite of Woodanilling by enhancing the Town Enhancement.

The Councillors and I would like to continue to support our residents and ratepayers in the coming year.

A handwritten signature in black ink, appearing to read 'Russel Thomson'.

Cr H R (Russel) THOMSON, JP
President

COUNCILLORS

CR. H R (RUSSEL) THOMSON JP
(Term expires Oct 2021)

SHIRE PRESIDENT
818 Robinson Road
Woodanilling WA 316
Mobile: 0419 950 217
Email: kunmallup@bigpond.com

CR DS (DALE) DOUGLAS
(Term expires Oct 2021)

DEPUTY PRESIDENT
PO Box 105
Woodanilling WA 6316
Phone: 08 9823 1586 Mobile: 0429 231 586
Email: adadalefarm@bigpond.com

CR M W (MORRIS) TRIMMING
(Term expires Oct 2021)

1408 Onslow Road
Westwood WA 6316
Phone: 08 9821 1827 Mobile: 0407 774 624
Email: lesleytrimming@bigpond.com

CR P G (PETER) MORRELL
(Term expires Oct 2023)

457 Ways Road
Beaufort River WA 6394
Phone: 08 9862 5015 Mobile: 0429 625 054
Email: pjmorrell@bigpond.com

CR TJ (TIMOTHY) BROWN
(Term expires Oct 2023)

PO Box 76
Woodanilling WA 6316
Phone: 08 9823 1115 Mobile: 0418 470 920

CR SJ (STEPHEN) JEFFERIES
(Term expires Oct 2023)

PO Box 40
Woodanilling WA 6316
Mobile: 0427 479 423
Freoboy61@gmail.com

COMPLAINTS

No complaints were made against Councillors under Section 5.121 of the *Local Government Act 1995* during the reporting period.

PUBLIC INTEREST DISCLOSURES (PIDS)

The Public Interest Disclosure Act 2003 facilitates the disclosure of public interest information, and provides protection for those making such disclosure and those who are the subject of disclosures. The Act provides a system for the matters disclosed to be investigated and for appropriate action to be taken. Council has complied with all obligations under the Act including:

- a. Appointing the Chief Executive Officer as the PID Officer for the organisation and publishing an internal procedure relating to the Shire's obligations.
- b. Providing protection from detrimental action or the threat of detrimental action for any employee of the Shire who makes an appropriate disclosure of public interest information.

The Shire of Woodanilling did not receive any public interest disclosures during 2018/2019.

EMPLOYEES REMUNERATION

Set out below, in bands of \$10,000, is the number of employees of the Shire of Woodanilling

Entitled to an annual salary of \$100,000 or more:

Salary Range	2019/20	2020/21
\$100,000 - \$110,000	1	1
\$110,000 - \$120,000	0	0
\$120,000 - \$130,000	0	0
\$130,000 - \$140,000	0	0
\$140,000 - \$150,000	1	1



CEO'S OVERVIEW

THE YEAR AT A GLANCE

July 2020

- BFAC AGM
- Street Tree Planting Carlton Street

August 2020

- CEO Performance Review

September 2020

- Cool Burn southern side Golf Course

October 2020

- 2020/21 Annual Budget Review
- BFAC Meeting
- Community BBQ

November 2020

- Initiation of Review of Town Planning Scheme No. 1 Part 3 – Local Planning Strategies

December 2020

- Nil to report

January 2021

- Council hosted the Australia Day breakfast and Community Awards for our community.

February 2021

- Great Southern Treasures Strategic Plan Adopted

March 2021

- Annual Compliance Return.
- Adopted Code of Conduct for Council Members, Committee Members and Candidates.

April 2021

- Nil to report

May 2021

- Local Emergency Management Arrangements endorsed

June 2021

- New Policies – Attendance at Events Elected Members and CEO
- New Policy – CEO Standards – Recruitment, Performance and Termination
- New Policy – Elected Members Continuing Professional Development
- New Policy – Significant Accounting Policies – Material Variance Reporting
- Review Policy 54 – Purchasing
- BFAC AGM appointment of Bushfire Office Bearers

Stephen Gash

Chief Executive Officer





INTEGRATED PLANNING

The *Local Government (Administration) Regulations 1996* has been amended to require each local government to adopt a Strategic Community Plan and a Corporate Business Plan.

This Integrated Strategic Planning Framework provides the basis for improving the practice of strategic planning in local government. It addresses the minimum requirements to meet the intent of the Act and outlines processes and activities to achieve an integrated strategic plan at the individual local government level.

There are three major parties to the development of an integrated strategic plan:

1. The Community – participates in a community planning process to determine major vision or intended big picture directions and also participates in regular reviews of those directions.
2. The Council – signs off the Strategic Community Plan resulting from the community planning process, the four year reviews updating that plan, and the annual budget.
3. The Local Government Administration – supports delivery of the Strategic Community Plan, the 4-yearly reviews, and annual budget through its corporate business planning.
4. Shire activities contained within the Corporate Business Plan for each year are noted within the Budget papers, and are reviewed within the Annual Report for that year.
5. The following is a snapshot of identified projects from the Corporate Business Plan including their progress for 2019/20 and proposed course of action for 2020/21.



COMMUNITY STRATEGIC PLAN

Community

Townsite

Reforming of Woodanilling Town Enhancement Group – reviewing existing Woodanilling Town Centre Enhancement plans, entry statements and town signage.

Trails

With the development of GSCORE Trails Master Plan project for the Great Southern, it has been undertaking advocacy and development activities to develop and attract funding as required to enhance a drive trail through Woodanilling.

Sports

Holding annual community barbeques at the Sports Precinct encouraging sporting activities and community engagement.

Historical Buildings

Ensure significant heritage buildings and places under Council's care are preserved and where possible restored.

Waste Management

The Tip Shop and recycling is in place, comply with single use plastic bags and support the progress of the Container Deposit Scheme through a donation point in the town.

Cemetery

Develop and implement an upgrade plan for the Woodanilling Cemetery that is sensitive to denominational and indigenous groups.

Environment

Maintain the natural environment and landscape, weed control on roadsides and reserves. Continue working towards a bush fire compliant town through mitigation works and burn studies on Casuarina Obesa with DFES and UWA.

Water

Protecting the built environment and resources by reducing water and non-water threats – Standpipe charges increased but meter sizes remain after consultation by Water Corp with Local Governments.

Drainage

Review town site water drainage management – prepare drainage plan for town site by redesigning drainage to more effectively move stormwater from the town.



Civic Leadership – Law and Order

Town site Fire Management

Stage 1 Town Mitigation work completed and stage 2 started around the town to safeguard from bushfires. Further works will be undertaken during the unrestricted fire period.

Emergency Management

A local door knock and R U Prepared Project was undertaken to gather information from community members so that the Shire has a better understanding of its residents and their needs when emergency incidents occur and to also upskill the community in preparedness.

Customer Service

Streamlining of staff and refinement of roles and work hours has enabled the office to operate effectively and offer the community good service and timely response to requests. Staff training takes place as required and the Shire looks to implement innovations that have direct benefit to the Shire and the Community.

Community Emergency Services Manager

Sharing with Katanning and Broomehill-Tambellup the Shire has secured the services of a CESM. The CESM manages the delivery and implementation of preparedness, prevention, response and recovery services and has developed effective partnerships that adopt a best practice approach to emergency management delivery between Local Governments, DFES, Volunteer Bushfire Brigades and the community.

4WDL & Voluntary Regional Organisation of Councils

The 4WDL VROC consists of the Shires of Wagin, West Arthur, Williams, Woodanilling, Dumbleyung and Lake Grace. This group works together to ensure quality decision making is supported by good policies, procedures and legislation, regular meetings are held to benchmark targets.

Fire Management Plan

In 2018 a Fire Management Plan was implemented. The strategy behind this project was to support the Bush Fire Advisory Committee and local Brigades and also an annual review of the Woodanilling Town site Fire Management Plan.

Civil Leadership

Governance

Policy 84 was developed to implement a community consultation process that links the Council and the community to ensure open and accountable governance.

Economic – Roads & Transport

The budget proposed \$791,800 in infrastructure capital projects and renewal with:

- Approximately \$630,000 on roads
- \$60,000 Culvert replacement
- \$20,000 Footpath renewal
- \$80,000 Town centre enhancement

\$233,000 of the above is funded by Federal Stimulus Funding grant in response to COVID 19.





FREEDOM OF INFORMATION

This information statement is published in accordance with the *Freedom of Information Act 1992*.

STRUCTURE AND FUNCTIONS OF COUNCIL

The Shire of Woodanilling is established under the *Local Government Act 1995*, and has the responsibility for the administration of this Act within the municipality. Other major legislation, which creates a duty or an authority for Council to act, includes but is not limited to

- *Health Act 1911*
- *Cat Act 2011*
- *Town Planning and Development Act 2005*
- *Bush Fires Act 1954*
- *Dog Act 1976*
- *Cemeteries Act 1986*

COUNCIL

Council's affairs are managed by six people elected from the community who act in a voluntary capacity. The Council acts as a community board, establishing policies and making decisions within the requirements of the Local Government Act on a wide range of issues affecting the community, and in keeping with the legislative requirements to:

- Determine policies to be applied by Council in exercising its discretionary powers
- Determine the type, range and scope of projects to be undertaken by Council
- Develop comprehensive management plans, budgets, financial controls and performance objectives and indicators for the operations of Council.
- The Council makes decisions which direct and/or determine its activities and functions. Such decisions include the approval of works and services to be undertaken, and the allocation of resources to works and services.
- Decisions are also made to determine whether or not approvals are to be granted for applications for residential and commercial development.
- Ordinary meetings of Council are held on the second last Tuesday of each month except January and commence at 4.00pm. All members of the public are welcome to attend.

SERVICES TO THE COMMUNITY

Council provides an extensive variety of services for the community under a wide range of legislation. Services provided include:

- Building control
- Bush fire control
- Cemeteries
- Citizenship ceremonies
- Crossovers
- Demolition permits
- Dog control
- Cat control
- Drainage
- Environmental health
- Fire prevention
- Library services
- Street bins
- Media releases
- Parks and reserves
- Planning controls
- Playground equipment
- Public health services
- Public buildings for hire
- Public toilets
- Recreation/sporting facilities
- Roads, footpaths and kerbs
- Rubbish collection
- Storm water drainage
- Street lighting
- Traffic control works
- Playgroup
- LEMAC (Local Emergency Management Advisory Committee)
- Weed control on reserves
- Natural Resource Management/ Landcare
- Mosquito Management Plan

COUNCIL COMMITTEES

Shire Committees have been formed to manage specific areas of council. They include:

AUDIT COMMITTEE

The Audit Committee is the only compulsory committee of Council. It has specific functions including assisting with the annual audit of the financial statements, review of the Compliance Audit Return and assisting the CEO with various functions and reporting.

COMMUNITY DEVELOPMENT COMMITTEE

Consider matters relevant to public halls, recreation and sport, library, heritage (other than natural heritage), other cultural issues, housing, town planning, protection of the environment (natural heritage), sanitation and refuse, public conveniences, cemetery, rural services, tourism, building control, other economic services, governance issues, financial matters, health services, education, fire protection, animal control, other law order and public safety issues including local laws.

TOWN ENHANCEMENT GROUP

Objectives of the TEG are to enhance the streetscape of the Woodanilling town site to improve its useability for visitors and residents, including those in the other areas of the Shire. With the Ultimate goal of strengthening the town's sustainable future both socially as a community and physically as a place in the landscape as outlined in the Strategic Community Plan.

TRANSPORT PLANT AND WORKS COMMITTEE

Consider matters relative to transport issues, road works, plant replacement and repair.





EQUAL OPPORTUNITY STATEMENT

This Council recognises its legal obligations under the *Equal Opportunities Act, 1984* and will actively promote equal employment opportunity based solely on merit to ensure that discrimination does not occur on the grounds of gender, marital status, pregnancy, race, and disability, religious or political convictions.

All employment training with this Council will be directed towards providing equal opportunity to all employees providing their relevant experience, skills and ability meet the minimum requirements for such promotion.

All offers of employment within this Council will be directed towards providing equal opportunity to

prospective employees provided their relevant experience, skills and ability meet the minimum requirements for engagement.

This Council will not tolerate harassment within its workplace. Harassment is defined as any unwelcome, offensive action or remark concerning a person's race, colour, language, ethnicity, political or religious convictions, gender, marital status or disability.

The Equal Employment Opportunity goals of this Council are designed to provide an enjoyable, challenging, involving, harmonious work environment for all employees where each has the opportunity to progress to the extent of their ability.

OCCUPATIONAL HEALTH & SAFETY REPORT

The Shire of Woodanilling is committed to providing a safe and healthy work environment for all employees, contractors and visitors. To achieve this, the Council has allocated responsibilities and accountabilities to all employees to ensure the maintenance of the Occupational Safety and Health program is optimal.

Continuous improvement incentives have been incorporated into the Occupational Safety and Health Management Plan aimed at achieving the Shire of Woodanilling' safety objectives and targets.

The employer acknowledges a duty of care to:

- Provide and maintaining a safe working environment.
- Providing adequate training, instruction and supervision to enable employees to perform their work safely and effectively.
- Investigating all actual and potentially injurious occurrences in order to identify and control the cause to reduce the level of risk in the workplace
- Compliance with current *Occupational Safety and Health Act 1984*, and the Occupational Safety and Health Regulations 1996, relevant Australian Standards including AS/NZS ISO 31000, 2009 and relevant Approved Codes of Practice
- Engage and consult stakeholders and representatives (including Volunteers and contracted Service Providers) in matters regarding occupational safety and health in the workplace.

Employees have a duty of care to:

- Working with care for their own safety and that of other employees, contractors, volunteers and public who may be affected by their acts or omissions.
- Reporting hazards, accidents, incidents and near misses to their Line Manager
- Co-operating positively in the fulfillment of the obligations placed on their employer.
- Assisting in the reporting and investigation of any accidents with the objective of introducing and reviewing controls to prevent re-occurrence.

At the Shire of Woodanilling, a safe and efficient place of work is our goal and we must all be committed by working together to reach this outcome.



DISABILITY ACCESS & INCLUSION PLAN

OUTCOME 1 - Existing functions, facilities and services are adapted to meet the needs of people with disability.

- The annual Australia Day Breakfast is held at the Woodanilling Recreation Facility which provides easy wheelchair access. A public address system is always used to ensure all participants can hear speeches including people with hearing impairment.
- A priority bin service was developed to assist people who are unable to move their bin to and from the kerbside, upon request.
- Provide large print books for vision impaired community members in our Library.
- The Bloom Festival Bush Dance held in the Woodanilling Town Hall is becoming an annual event over the duration of the Hidden Treasures month of celebration (Sept to Oct). This event is an all-inclusive affair offering accessible entry and egress at the facility.

OUTCOME 2 - Access to buildings and facilities has been improved.

- The Woodanilling Recreation Centre building provides accessible toilet facilities and entrance doors are at ground level to enable easy wheelchair access.
- Improved access was provided to Council's administration building, including a paved and ramped entry path and relocation of easy access parking bays.
- Unisex accessible public toilets were built at the town's Centenary Park.
- Footpaths in the main street are continuing to be upgraded with the levelling of footpaths in areas that are effected by tree roots.

OUTCOME 3 - Information about functions, facilities and services is provided in formats which meet the communication needs of people with disability.

- Information is available in alternative formats by request through the shire website or over the counter.

OUTCOME 4 - Employee awareness of the needs of people with disability and skills in delivering services is improved.

- Administration and Works Crew staff underwent training through LGIS called "At the

Coalface". This training provided staff with the basic skills to communicate with people who may have mental Health issues, also providing training around safety and security in the work place. Which gave practical advice on providing good customer service to people with a variety of disabilities.

OUTCOME 5 & 6 - Opportunities are provided for people with disability to participate in public consultations, grievance mechanisms and decision-making processes.

- Information on consultations was simplified and made available in alternative formats upon request.
- Municipal election voting was held in accessible buildings and some voting booths were modified to suit people using wheelchairs, and postal voting was accepted.

OUTCOME 7 - People with disability have the same opportunity as other people to obtain and maintain employment with the Shire of Woodanilling.

- Introduction of recruitment practices to ensure equal employment opportunities.
- The Shire office layout has been modified so that it is wheelchair accessible.



NATIONAL COMPETITION POLICY (NCP)

The Shire is required to report its progress in implementing the National Competition Policy in their annual report. There are a number of specific requirements placed on local government in the areas of competitive neutrality, legislation review and structural reform.

COMPETITIVE NEUTRALITY

The principle of competitive neutrality is that government business should not enjoy a competitive advantage or disadvantage, simply as a result of their public sector ownership. For local government this relates to user-pays income of over \$200,000.

In accordance with the Shire's responsibilities under Clause 7 of the statement relating to competitive neutrality, the Shire of Woodanilling has reviewed its

activities in line with advice from the Department of Local Government Circular No 806 and has found that none of its activities are "Significant Business Activity" for competitive neutrality requirements.

The Shire of Woodanilling did not privatise any activities in 2020/2021 consequently there were no obligations to report in this area.

LEGISLATIVE REVIEW

The Shire is required to assess which of its local laws might impact on competition and conduct a review to determine how restrictive practices might be overcome.

No new local laws were created or reviewed in 2020/2021.

RECORD KEEPING PLAN

Council's revised Record Keeping Plan was adopted by Council on 17 May 2016.

RECORD KEEPING POLICY

POLICY STATEMENT

The Shire of Woodanilling is committed to making and keeping full and accurate records of its business transactions and its official activities. Records created and received by Shire personnel and contractors, irrespective of format, are to be managed in accordance with the Shire's Recordkeeping Plan and this Records Management Policy and Procedures Manual. Records will not be destroyed except by reference to the General Disposal Authority for Local Government Records and the General Disposal Authority for Source Records.

RATIONALE

A systematic approach to records management within any organisation is vital to protect and preserve the information contained within the organisation's records. These policies and guidelines support recordkeeping in the Shire of Woodanilling by:

- Providing support for effective decision making, business efficiency, litigation protection, managed information flows and retention of the corporate memory;
- Managing the risks that may result from inadequate records practices;
- Providing uniform protection and controlled access for records in all formats;
- Ensuring that all employees and contractors understand and can comply with the legislative and business requirements of recordkeeping; and
- Ensuring that Shire of Woodanilling personnel understand that the records of the Shire are corporate assets and government records and do not belong to individuals.

GUIDELINES

The Shire of Woodanilling has implemented systematic records management policies, procedures and practices to ensure the capture and management of all its records, irrespective of format. All elected members and staff will ensure that full and accurate records are created to reflect business transactions and decisions.

The Shire uses a standard method to identify and retrieve the records it holds, through the use of a File Listing. The Shire currently uses the filing system within LOGIS Synergy Soft Central Records as its formal records management system.

Synergy Soft Central Records is an eDRMS. The Shire of Woodanilling has set up standards in accordance with the General Disposal Authority for Source Records which will be applied to all incoming and outgoing hard copies of records. All hard copy source records will undergo a digitisation process.

Source Records will only be disposed of in accordance with the State Records Office's General Disposal for Source Records.

Corporate records will only be disposed of in accordance with the State Records Office's General Disposal Authority for Local Government Records. The objectives of the Shire of Woodanilling RKP are to ensure:

- Compliance with Section 28 of the State Records Act 2000;
- Recordkeeping within the Local Government is moving towards compliance with State Records Commission Standards and Records Management Standard AS ISO 15489;
- Processes are in place to facilitate the complete and accurate record of business transactions and decisions;
- Recorded information can be retrieved quickly, accurately and cheaply when required; and the
- Protection and preservation of the Local Government's records.

STATE RECORDS COMMISSION

STANDARD 2: PRINCIPLE 6 COMPLIANCE

Government organizations ensure their employees comply with the record keeping plan.

6.1 STAFF TRAINING, INFORMATION SESSIONS

The Shire of Woodanilling has implemented the following activities to ensure that all staff are aware of their recordkeeping responsibilities and compliance with the Recordkeeping Plan:

Activities to ensure staff awareness and compliance	YES	NO
Presentations on various aspects of the Local Government's recordkeeping program are conducted. These are delivered to all staff on a regular basis.	✓	
In-house recordkeeping training sessions for staff are conducted.	✓	
From time to time an external consultant is brought in to run a recordkeeping training session for staff. Staff are also encouraged to attend training courses outside the organization whenever practicable.	✓	
Staff information sessions are conducted on a regular basis for staff as required.	✓	
The Local Government provides brochures or newsletters to publish recordkeeping information, highlight issues, or bring particular recordkeeping matters to staff attention.		
The Local Government's Intranet is used to publish recordkeeping information, highlight issues, or bring particular recordkeeping matters to staff attention.	✓	
The Local Government's Induction Program for new employees includes an introduction to the Local Government's recordkeeping system and program, and information on their recordkeeping responsibilities.	✓	

Coverage of the training/information sessions as detailed here extends to all staff. However, records management staff are offered more frequent and more specialised training where required.

Please refer to Appendix 8 for samples of training and induction information.

6.2 PERFORMANCE INDICATORS IN PLACE

The following performance indicators are being set in place to measure the efficiency and effectiveness of the Shire of Woodanilling's recordkeeping systems:

- IT Vision system upgrades are implemented annually
- Staff survey eliciting feedback on use, effectiveness or recordkeeping system/training annually; and
- Number of new staff attending Records induction

The Shire of Woodanilling aims to review these performance indicators and determine if further performance indicators should be put in place at the end of the 2018/19 financial year.

6.3 AGENCY'S EVALUATION

There is a need for some reviews of the Shire of Woodanilling's recordkeeping systems in the following areas records digitization. The Shire has continued to seek areas of improvement and based on consultation with staff a digitization program was undertaken in 2016.

6.4 ANNUAL REPORT

An excerpt from the Shire of Woodanilling's latest Annual Report is attached, demonstrating the organization's compliance with the State Records Act 2000, its Recordkeeping Plan and the training provided for staff. Please refer to Appendix 9.

6.5 IDENTIFIED AREAS FOR IMPROVEMENT

Whilst the Shire of Woodanilling's staff training and information sessions are adequate, further development of the staff induction procedure is ongoing.

ANNUAL FINANCIAL REPORT 2020/2021

SHIRE OF WOODANILLING
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

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COMMUNITY VISION

The Shire will endeavour to provide community services and facilities to meet the needs of members of the community and enable them to enjoy a pleasant and healthy way of life.

Principal place of business:
3316 Robinson Road
Woodanilling WA 6316

**SHIRE OF WOODANILLING
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021**

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire of Woodanilling for the financial year ended 30 June 2021 is based on proper accounts and records to present fairly the financial position of the Shire of Woodanilling at 30 June 2021 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

28th

day of

June

2022



Chief Executive Officer

Kellie Bartley

Name of Chief Executive Officer



SHIRE OF WOODANILLING
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30 JUNE 2021

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
Revenue				
Rates	21(a)	769,940	772,376	771,494
Operating grants, subsidies and contributions	2(a)	1,107,657	590,443	1,177,683
Fees and charges	2(a)	351,347	390,030	389,536
Interest earnings	2(a)	4,932	5,200	5,939
Other revenue	2(a)	(659)	600	525
		2,233,218	1,758,649	2,345,168
Expenses				
Employee costs		(1,053,023)	(1,078,324)	(1,021,216)
Materials and contracts		(501,809)	(263,000)	(367,824)
Utility charges		(95,040)	(95,912)	(145,916)
Depreciation on non-current assets	11(b)	(856,073)	(878,305)	(869,477)
Insurance expenses		(81,174)	(91,366)	(81,178)
Other expenditure		(132,473)	(75,000)	(279,327)
		(2,719,592)	(2,481,907)	(2,764,938)
		(486,374)	(723,258)	(419,770)
Non-operating grants, subsidies and contributions	2(a)	358,825	576,353	606,651
Profit on asset disposals	11(a)	0	60,960	7,609
(Loss) on asset disposals	11(a)	0	0	(2,619)
Fair value adjustments to financial assets at fair value through profit or loss		1,292	0	4,677
		360,117	637,313	616,318
Net result for the period		(126,257)	(85,945)	196,548
Total other comprehensive income for the period		0	0	0
Total comprehensive income for the period		(126,257)	(85,945)	196,548

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



SHIRE OF WOODANILLING
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30 JUNE 2021

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
Revenue				
Governance	2(a)	48	7,300	745
General purpose funding		1,629,184	1,170,845	1,611,346
Law, order, public safety		41,813	58,309	107,696
Health		0	800	758
Education and welfare		129,986	92,500	95,410
Housing		23,551	17,200	16,026
Community amenities		31,046	36,800	37,234
Recreation and culture		4,141	1,800	1,613
Transport		248,373	262,002	372,757
Economic services		49,931	53,500	29,533
Other property and services		75,144	57,593	72,050
		2,233,217	1,758,649	2,345,168
Expenses				
Governance	2(b)	(210,741)	(136,313)	(226,829)
General purpose funding		(19,228)	(4,820)	(17,191)
Law, order, public safety		(139,920)	(92,000)	(226,007)
Health		(37,904)	(38,737)	(36,281)
Education and welfare		(41,062)	(44,100)	(45,231)
Housing		(51,954)	(68,000)	(84,120)
Community amenities		(148,856)	(93,526)	(130,761)
Recreation and culture		(201,691)	(155,000)	(235,129)
Transport		(1,579,679)	(1,762,711)	(1,369,554)
Economic services		(98,404)	(65,000)	(127,063)
Other property and services		(190,154)	(21,700)	(266,772)
		(2,719,593)	(2,481,907)	(2,764,938)
		(486,376)	(723,258)	(419,770)
Non-operating grants, subsidies and contributions	2(a)	358,825	576,353	606,651
Profit on disposal of assets	11(a)	0	60,960	7,609
(Loss) on disposal of assets	11(a)	0	0	(2,619)
Fair value adjustments to financial assets at fair value through profit or loss		1,292	0	4,677
		360,117	637,313	616,318
Net result for the period		(126,257)	(85,945)	196,548
Total other comprehensive income for the period		0	0	0
Total comprehensive income for the period		(126,257)	(85,945)	196,548

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



SHIRE OF WOODANILLING
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	NOTE	2021	2020
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	3	1,663,683	1,248,273
Trade and other receivables	6	106,284	174,911
Inventories	7	22,098	8,521
Other assets	8	1,050	1,050
TOTAL CURRENT ASSETS		1,793,115	1,432,755
NON-CURRENT ASSETS			
Other financial assets	5	36,995	35,703
Property, plant and equipment	9	6,382,559	6,703,189
Infrastructure	10	24,758,204	24,910,068
TOTAL NON-CURRENT ASSETS		31,177,758	31,648,960
TOTAL ASSETS		32,970,873	33,081,715
CURRENT LIABILITIES			
Trade and other payables	13	219,528	224,652
Other liabilities	14	106,341	69,286
Employee related provisions	15	131,500	147,531
TOTAL CURRENT LIABILITIES		457,369	441,469
NON-CURRENT LIABILITIES			
Employee related provisions	15	47,842	48,328
TOTAL NON-CURRENT LIABILITIES		47,842	48,328
TOTAL LIABILITIES		505,212	489,797
NET ASSETS		32,465,661	32,591,918
EQUITY			
Retained surplus		12,625,287	12,971,704
Reserves - cash backed	4	848,911	628,751
Revaluation surplus	12	18,991,463	18,991,463
TOTAL EQUITY		32,465,661	32,591,918

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



SHIRE OF WOODANILLING
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2019		12,775,709	628,198	18,991,463	32,395,370
Comprehensive income					
Net result for the period		196,548	0	0	196,548
Other comprehensive income	12	0	0	0	0
Total comprehensive income		196,548	0	0	196,548
Transfers from reserves	4	0	0	0	0
Transfers to reserves	4	(553)	553	0	0
Balance as at 30 June 2020		12,971,704	628,751	18,991,463	32,591,918
Comprehensive income					
Net result for the period		(126,257)	0	0	(126,257)
Other comprehensive income	12	0	0	0	0
Total comprehensive income		(126,257)	0	0	(126,257)
Transfers from reserves	4	0	0	0	0
Transfers to reserves	4	(220,160)	220,160	0	0
Balance as at 30 June 2021		12,625,287	848,911	18,991,463	32,465,661

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



SHIRE OF WOODANILLING
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		756,240	787,376	761,579
Operating grants, subsidies and contributions		1,227,042	521,157	1,113,706
Fees and charges		351,347	390,030	389,536
Interest received		4,932	5,200	5,939
Goods and services tax received		(1,237)	0	50,456
Other revenue		(659)	600	525
		<u>2,337,665</u>	<u>1,704,363</u>	<u>2,321,741</u>
Payments				
Employee costs		(1,110,257)	(1,117,324)	(991,133)
Materials and contracts		(478,557)	(316,488)	(188,029)
Utility charges		(95,040)	(95,912)	(145,916)
Insurance paid		(81,174)	(91,366)	(81,178)
Goods and services tax paid		0	0	(246,939)
Other expenditure		(132,473)	(75,000)	(279,327)
		<u>(1,897,501)</u>	<u>(1,696,090)</u>	<u>(1,932,522)</u>
Net cash provided by (used in) operating activities	16	<u>440,164</u>	<u>8,273</u>	<u>389,219</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	9(a)	(110,611)	(569,000)	(84,507)
Payments for construction of infrastructure	10(a)	(272,968)	(791,800)	(844,644)
Non-operating grants, subsidies and contributions	2(a)	358,825	576,353	606,651
Proceeds from sale of property, plant & equipment	11(a)	0	100,000	30,378
Net cash provided by (used in) investment activities		<u>(24,754)</u>	<u>(684,447)</u>	<u>(292,122)</u>
Net increase (decrease) in cash held		<u>415,410</u>	<u>(676,174)</u>	<u>97,097</u>
Cash at beginning of year		1,248,273	1,248,273	1,151,176
Cash and cash equivalents at the end of the year	16	<u><u>1,663,683</u></u>	<u><u>572,099</u></u>	<u><u>1,248,273</u></u>

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



SHIRE OF WOODANILLING
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2021

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)	22 (b)	361,121	361,122	215,572
		361,121	361,122	215,572
Revenue from operating activities (excluding rates)				
Governance		1,340	7,300	5,422
General purpose funding		859,244	398,469	839,852
Law, order, public safety		41,813	58,309	107,696
Health		0	800	758
Education and welfare		129,986	92,500	95,410
Housing		23,551	17,200	16,026
Community amenities		31,046	36,800	37,234
Recreation and culture		4,141	1,800	1,613
Transport		248,373	322,962	380,366
Economic services		49,931	53,500	29,533
Other property and services		75,144	57,593	70,636
		1,464,569	1,047,233	1,584,546
Expenditure from operating activities				
Governance		(210,741)	(136,313)	(226,829)
General purpose funding		(19,228)	(4,820)	(17,191)
Law, order, public safety		(139,920)	(92,000)	(226,007)
Health		(37,904)	(38,737)	(36,281)
Education and welfare		(41,062)	(44,100)	(45,231)
Housing		(51,954)	(68,000)	(84,120)
Community amenities		(148,856)	(93,526)	(130,761)
Recreation and culture		(201,691)	(155,000)	(235,129)
Transport		(1,579,679)	(1,762,711)	(1,372,173)
Economic services		(98,404)	(65,000)	(127,063)
Other property and services		(190,154)	(21,700)	(266,772)
		(2,719,593)	(2,481,907)	(2,767,557)
Non-cash amounts excluded from operating activities	22(a)	854,295	817,345	849,741
Amount attributable to operating activities		(39,608)	(256,207)	(117,698)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	2(a)	358,825	576,353	606,651
Proceeds from disposal of assets	11(a)	0	100,000	30,378
Purchase of property, plant and equipment	9(a)	(110,611)	(569,000)	(84,507)
Purchase and construction of infrastructure	10(a)	(272,968)	(791,800)	(844,644)
		(24,754)	(684,447)	(292,122)
Amount attributable to investing activities		(24,754)	(684,447)	(292,122)
FINANCING ACTIVITIES				
Transfers to reserves (restricted assets)	4	(220,160)	(220,000)	(553)
Transfers from reserves (restricted assets)	4	0	389,000	0
Amount attributable to financing activities		(220,160)	169,000	(553)
Surplus/(deficit) before imposition of general rates		(284,522)	(771,654)	(410,373)
Total amount raised from general rates	21(a)	769,940	772,376	771,494
Surplus/(deficit) after imposition of general rates	22(b)	485,418	721	361,121

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



SHIRE OF WOODANILLING
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FOR THE YEAR ENDED 30 JUNE 2021

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SHIRE OF WOODANILLING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

1. BASIS OF PREPARATION

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

The *Local Government Act 1995* and accompanying Regulations take precedence over Australian Accounting Standards where they are inconsistent.

The *Local Government (Financial Management) Regulations 1996* specify that vested land is a right-of-use asset to be measured at cost. All right-of-use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost rather than at fair value. The exception is vested improvements on concessionary land leases such as roads, buildings or other infrastructure which continue to be reported at fair value, as opposed to the vested land which is measured at zero cost. The measurement of vested improvements at fair value is a departure from AASB 16 which would have required the Shire to measure any vested improvements at zero cost.

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 financial report has been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the at fair value of selected non-current assets, financial assets and liabilities.

THE LOCAL GOVERNMENT REPORTING ENTITY

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

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

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

INITIAL APPLICATION OF 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.

These were:

- AASB 1059 *Service Concession Arrangements: Grantors*
- AASB 2018-7 *Amendments to Australian Accounting Standards - Definition of Materiality*

The adoption of these standards had no material impact on the financial report.

NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE YEARS

The following new accounting standards will have application to local government in future years:

- AASB 2020-1 *Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current*
- AASB 2020-3 *Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments*
- AASB 2021-2 *Amendments to Australian Accounting Standards - Disclosure of Accounting Policies or Definition of Accounting Estimates*

It is not expected these standards will have an impact on the financial report.

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.

SHIRE OF WOODANILLING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

2. REVENUE AND EXPENSES

(a) Grant revenue

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

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Operating grants, subsidies and contributions			
Governance		1,000	520
General purpose funding	852,562	397,869	832,773
Law, order, public safety	27,823	31,279	47,000
Education and welfare	76,904	40,000	42,969
Housing	583	1,200	329
Transport	76,543	75,002	186,283
Other property and services	73,242	44,093	67,809
	1,107,657	590,443	1,177,683
Non-operating grants, subsidies and contributions			
General purpose funding	119,154	0	0
Recreation and culture	0	0	52,551
Transport	239,671	576,353	554,100
	358,825	576,353	606,651
Total grants, subsidies and contributions	1,466,482	1,166,796	1,784,334
Fees and charges			
Governance	200	500	340
General purpose funding	1,500	600	500
Law, order, public safety	14,746	27,030	60,697
Health	0	800	758
Education and welfare	53,082	52,500	52,442
Housing	22,968	16,000	15,696
Community amenities	31,046	36,800	37,234
Recreation and culture	4,141	1,800	1,613
Transport	171,831	187,000	186,473
Economic services	49,932	53,500	29,533
Other property and services	1,901	13,500	4,250
	351,347	390,030	389,536

SIGNIFICANT ACCOUNTING POLICIES

Grants, subsidies and contributions

Operating grants, subsidies and contributions are grants, subsidies or contributions that are not non-operating in nature.

Non-operating grants, subsidies and contributions are amounts received for the acquisition or construction of recognisable non-financial assets to be controlled by the local government.

Fees and Charges

Revenue (other than service charges) from the use of facilities and charges made for local government services, sewerage rates, rentals, hire charges, fee for service, photocopying charges, licences, sale of goods or information, fines, penalties and administration fees.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Contracts with customers and transfers for recognisable non-financial assets

Revenue from contracts with customers and transfers to enable the acquisition or construction of recognisable non-financial assets to be controlled by the Shire was recognised during the year for the following nature or types of goods or services:

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Operating grants, subsidies and contributions	1,069,162		1,176,260
Fees and charges	351,347	390,030	389,536
Non-operating grants, subsidies and contributions	358,825	576,353	606,651
	<u>1,779,334</u>	<u>966,383</u>	<u>2,172,447</u>

Revenue from contracts with customers and transfers to enable the acquisition or construction of recognisable non-financial assets to be controlled by the Shire is comprised of:

Revenue from contracts with customers included as a contract liability at the start of the period	69,286		79,400
Revenue recognised from contracts with customers during the year	1,351,221	390,030	1,565,796
Revenue from transfers intended for acquiring or constructing recognisable non-financial assets held as a liability at the start of the period	0		0
Revenue from transfers intended for acquiring or constructing recognisable non financial assets during the year	358,825	576,353	527,251
	<u>1,779,332</u>	<u>966,383</u>	<u>2,172,447</u>

Information about receivables, contract assets and contract liabilities from contracts with customers along with financial assets and associated liabilities arising from transfers to enable the acquisition or construction of recognisable non financial assets is:

Trade and other receivables from contracts with customers	31,870		112,786
Contract liabilities from contracts with customers	(106,341)		(69,286)

Contract liabilities for contracts with customers primarily relate to grants with performance obligations received in advance, for which revenue is recognised over time as the performance obligations are met.

Information is not provided about remaining performance obligations for contracts with customers that had an original expected duration of one year or less.

Consideration from contracts with customers is included in the transaction price.

Performance obligations in relation to contract liabilities from transfers for recognisable non financial assets are satisfied as project milestones are met or completion of construction or acquisition of the asset. All associated performance obligations are expected to be met over the next 12 months.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Revenue from statutory requirements

Revenue from statutory requirements was recognised during the year for the following nature or types of goods or services:

General rates

Other revenue

Other

Interest earnings

Interest on reserve funds

Rates instalment and penalty interest (refer Note 21(c))

Other interest earnings

	2021 Actual \$	2021 Budget \$	2020 Actual \$
General rates	769,940	772,376	771,494
	769,940	772,376	771,494
Other revenue			
Other	659	600	525
	659	600	525
Interest earnings			
Interest on reserve funds	160		71
Rates instalment and penalty interest (refer Note 21(c))	4,754	3,390	5,018
Other interest earnings	18	1,810	850
	4,932	5,200	5,939

SIGNIFICANT ACCOUNTING POLICIES

Interest earnings

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

Interest earnings (continued)

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

2. REVENUE AND EXPENSES (Continued)

(b) Expenses

Auditors remuneration

Audit of the Annual Financial Report

Other expenditure

Sundry expenses

Note	2021 Actual \$	2021 Budget \$	2020 Actual \$
	29,600	29,900	29,900
	29,600	29,900	29,900
	132,473	75,000	279,327
	132,473	75,000	279,327

SHIRE OF WOODANILLING

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

2. REVENUE AND EXPENSES

REVENUE RECOGNITION POLICY

Recognition of revenue is dependant on the source of revenue and the associated terms and conditions associated with each source of revenue and recognised as follows:

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Timing of revenue recognition
Rates	General Rates		Payment dates adopted by Council during the year.	None	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Grant contracts with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants, Subsidies or contributions for the construction of non-financial assets	Construction or acquisition of recognisable non-financial assets to be controlled by the local government	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants with no contract commitments.	General appropriations and contributions with no reciprocal commitment	No obligations	Not applicable	Not applicable	Cash received	On receipt of funds	Not applicable	When assets are controlled
Licences/Registrations/Approvals	Building, planning, development and animal management, having the same nature as a licence regardless of naming	Single point in time	Full payment prior to issue	None	Set by State Legislation or limited by legislation to the cost of provision	Based on timing of issue or the associated rights	No refunds	On payment and issue of the licence, registration or approval
Pool Inspections	Compliance safety check	Single point in time	Equal proportion based on an equal annual fee	None	Set by State Legislation	Apportioned equally across the inspection cycle	No refunds	After inspection complete based on a 4 year cycle
Other inspections	Regulatory food, health and safety	Single point in time	Full payment prior to inspection	None	Set by State Legislation or limited by legislation to the cost of provision	Applied fully on timing of inspection	Not applicable	Revenue recognised after inspection event occurs
Property Hire and entry	Use of halls and facilities	Single point in time	In full in advance	Refund if event cancelled withing 7 days	Adopted by council annually	Based on timing of entry to facility	Returns limited to repayment of transaction price	On entry or at conclusion of hire
Fees and charges for other goods and services	Cemetery services, library fees, reinstatements and private works	Single point in time	Payment in full in advance	None	Adopted by council annually	Applied fully based on timing of provision	Not applicable	Output method based on provision of service or completion of works
Sale of stock	Aviation fuel, kiosk and visitor centre stock	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	Adopted by council annually, set by mutual agreement	Applied fully based on timing of provision	Returns limited to repayment of transaction price	Output method based on goods
Commissions	Commissions on licencing and ticket sales	Over time	Payment in full on sale	None	Set by mutual agreement with the customer	On receipt of funds	Not applicable	When assets are controlled
Reimbursements	Insurance Claims	Single point in time	Payment in arrears for claimable event	None	Set by mutual agreement with the customer	When claim is agreed	Not applicable	When claim is agreed

SHIRE OF WOODANILLING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

3. CASH AND CASH EQUIVALENTS

NOTE	2021	2020
	\$	\$
Cash at bank and on hand	1,663,683	1,248,273
Total cash and cash equivalents	1,663,683	1,248,273

Restrictions

The following classes of assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:

- Cash and cash equivalents	955,252	698,038
	955,252	698,038

The restricted assets are a result of the following specific purposes to which the assets may be used:

Reserves - cash backed	4	848,911	628,752
Contract liabilities from contracts with customers	14	106,341	69,286
Total restricted assets		955,252	698,038

SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

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

Restricted assets

Restricted asset balances are not available for general use by the local government due to externally imposed restrictions. Externally imposed restrictions are specified in an agreement, contract or legislation. This applies to reserves, unspent grants, subsidies and contributions and unspent loans that have not been fully expended in the manner specified by the contributor, legislation or loan agreement.

SHIRE OF WOODANILLING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

4. RESERVES - CASH BACKED

	2021 Actual Opening Balance	2021 Actual Transfer to	2021 Actual Transfer (from)	2021 Actual Closing Balance	2021 Budget Opening Balance	2021 Budget Transfer to	2021 Transfer (from)	2021 Budget Closing Balance	2020 Actual Opening Balance	2020 Actual Transfer to	2020 Actual Transfer (from)	2020 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Plant Replacement Reserve	448,772	220,115	0	668,887	448,772	220,000	(389,000)	279,772	448,377	395	0	448,772
(b) Building Reserve	42,073	10	0	42,083	42,073	0	0	42,073	42,037	37	0	42,073
(c) Office Equipment Reserve	14,024	4	0	14,028	14,024	0	0	14,024	14,012	12	0	14,024
(d) Road Construction Reserve	21,618	5	0	21,623	21,618	0	0	21,618	21,599	19	0	21,618
(e) Affordable Housing Reserve	102,264	26	0	102,290	102,264	0	0	102,264	102,174	90	0	102,264
	628,751	220,160	0	848,911	628,751	220,000	(389,000)	459,751	628,199	553	0	628,751

All reserves are supported by cash and cash equivalents and are restricted within equity as Reserves - cash backed.

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

Name of Reserve	Anticipated date of use	Purpose of the reserve
(a) Plant Replacement Reserve	As per Plant Replacement Program	To be used to fund the net cost of plant and equipment purchases as determined in the 10 Year Plant Replacement Program
(b) Building Reserve	As per Building Plan	To be used to meet requirements for providing new buildings for Council purposes, other than affordable housing or recreational facilities, or for major maintenance
(c) Office Equipment Reserve	As required	To be used for the purchase of office equipment and future computer upgrades
(d) Road Construction Reserve	As required	To be used to fund road construction projects within the Woodanilling Shire, or to levy additional funding
(e) Affordable Housing Reserve	As per Building Plan	To be used to meet requirements for affordable housing, either new or major upgrades into the future

SHIRE OF WOODANILLING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

5 OTHER FINANCIAL ASSETS

Non-current assets

Financial assets at fair value through profit and loss

Financial assets at fair value through profit and loss

Units in Local Government House Trust

BWK Co-op Shares

	2021	2020
	\$	\$
	36,995	35,703
	36,995	35,703
	36,903	35,611
	92	92
	36,995	35,703

SIGNIFICANT ACCOUNTING POLICIES

Financial assets at fair value through profit and loss

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

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

Impairment and risk

Information regarding impairment and exposure to risk can be found at Note 23.

SHIRE OF WOODANILLING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

6. TRADE AND OTHER RECEIVABLES

Current

Rates receivable	
Trade and other receivables	
GST receivable	

2021	2020
\$	\$
73,177	62,125
31,870	112,786
1,237	0
106,284	174,911

SIGNIFICANT ACCOUNTING POLICIES

Trade and other receivables

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

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

Impairment and risk exposure

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 23.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Classification and subsequent measurement

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

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

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

SHIRE OF WOODANILLING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

7. INVENTORIES

Current

Fuel and materials

	2021	2020
	\$	\$
	22,098	8,521
	<u>22,098</u>	<u>8,521</u>
	8,521	18,904
	(70,099)	(107,642)
	83,676	97,259
	<u>22,098</u>	<u>8,521</u>

The following movements in inventories occurred during the year:

Balance at beginning of year

Inventories expensed during the year

Additions to inventory

Balance at end of year

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.

SHIRE OF WOODANILLING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

8. OTHER ASSETS

Other assets - current

Prepayments

	2021	2020
	\$	\$
	1,050	1,050
	1,050	1,050

SIGNIFICANT ACCOUNTING POLICIES

Other current assets

Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

SHIRE OF WOODANILLING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

9. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Balances

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

	Freehold Land	Buildings	Total land and buildings	Furniture and equipment	Plant and equipment	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2019	498,000	5,259,347	5,757,347	73,484	1,277,337	7,108,168
Additions	0	0	0	0	84,507	84,507
(Disposals)	0	0	0	0	(25,388)	(25,388)
Depreciation (expense)	0	(109,814)	(109,814)	(26,529)	(327,755)	(464,098)
Balance at 30 June 2020	498,000	5,149,533	5,647,533	46,955	1,008,701	6,703,189
Comprises:						
Gross balance amount at 30 June 2020	498,000	5,506,266	6,004,266	166,932	3,177,957	9,349,155
Accumulated depreciation at 30 June 2020	0	(356,733)	(356,733)	(119,977)	(2,169,256)	(2,645,966)
Balance at 30 June 2020	498,000	5,149,533	5,647,533	46,955	1,008,701	6,703,189
Additions	0	0	0	110,611	0	110,611
(Disposals)	0	0	0	0	0	0
Depreciation (expense)	0	(109,814)	(109,814)	(21,864)	(299,563)	(431,241)
Balance at 30 June 2021	498,000	5,039,719	5,537,719	135,702	709,138	6,382,559
Comprises:						
Gross balance amount at 30 June 2021	498,000	5,506,266	6,004,266	277,543	3,177,957	9,459,766
Accumulated depreciation at 30 June 2021	0	(466,547)	(466,547)	(141,841)	(2,468,819)	(3,077,207)
Balance at 30 June 2021	498,000	5,039,719	5,537,719	135,702	709,138	6,382,559

SHIRE OF WOODANILLING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

9. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Land and buildings					
Freehold Land	2	Market approach using recent observable market data for similar properties/income approach using discounted cashflow methodology	Independent registered valuers	June 2017	Price per hectare / market borrowing rate
Buildings	2	Market approach using recent observable market data for similar properties/income approach using discounted cashflow methodology	Independent registered valuers	June 2017	Improvements to buildings, using construction costs and current conditions, residual values and remaining useful life assessments
(ii) Cost					
Furniture and equipment	3	Cost approach using depreciated replacement cost	Management valuation	June 2016	Purchase costs and current conditions, residual values and remaining useful life assessments
Plant and equipment	3	Cost approach using depreciated replacement cost	Independent registered valuers	June 2016	Purchase costs and current conditions, residual values and remaining useful life assessments

Following a change to Local Government (Financial Management) Regulation 17A, plant and equipment type assets (being plant and equipment and furniture and equipment) are to be measured under the cost model, rather than at fair value. This change was effective from 1 July 2019 and represented a change in accounting policy. Revaluations carried out previously were not reversed as it was deemed fair value approximated cost at the date of change.

SHIRE OF WOODANILLING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

10. INFRASTRUCTURE

(a) Movements in Balances

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

	Infrastructure - roads	Infrastructure - Footpaths	Infrastructure - Bridges and Drainage	Infrastructure - Parks and Ovals	Total Infrastructure
	\$	\$	\$	\$	\$
Balance at 1 July 2019	18,766,069	111,491	5,510,966	82,277	24,470,803
Additions	814,692	19,271	10,681	0	844,644
(Disposals)	0	0	0	0	0
Depreciation (expense)	(306,169)	(9,226)	(87,551)	(2,433)	(405,379)
Balance at 30 June 2020	19,274,592	121,536	5,434,096	79,844	24,910,068
Comprises:					
Gross balance at 30 June 2020	22,426,190	203,796	7,014,723	355,625	30,000,334
Accumulated depreciation at 30 June 2020	(3,151,598)	(82,260)	(1,580,627)	(275,781)	(5,090,266)
Balance at 30 June 2020	19,274,592	121,536	5,434,096	79,844	24,910,068
Additions	266,588	0	6,380	0	272,968
(Disposals)	0	0	0	0	0
Depreciation (expense)	(325,097)	(9,674)	(87,628)	(2,433)	(424,832)
Balance at 30 June 2021	19,216,083	111,862	5,352,848	77,411	24,758,204
Comprises:					
Gross balance at 30 June 2021	22,692,777	203,796	7,021,103	355,625	30,273,301
Accumulated depreciation at 30 June 2021	(3,476,694)	(91,934)	(1,668,255)	(278,214)	(5,515,097)
Balance at 30 June 2021	19,216,083	111,862	5,352,848	77,411	24,758,204

SHIRE OF WOODANILLING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

10. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

(i) Fair Value	Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
	Infrastructure - roads	3	Cost approach using depreciated replacement cost	Independent valuation	June 2018	Construction costs and current condition, residual values and remaining useful life assessments
	Infrastructure - Footpaths	3	Cost approach using depreciated replacement cost	Independent valuation	June 2018	Construction costs and current condition, residual values and remaining useful life assessments
	Infrastructure - Bridges and Drainage	3	Cost approach using depreciated replacement cost	Independent valuation	June 2018	Construction costs and current condition, residual values and remaining useful life assessments
	Infrastructure - Parks and Ovals	3	Cost approach using depreciated replacement cost	Independent valuation	June 2018	Construction costs and current condition, residual values and remaining useful life assessments

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

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

SHIRE OF WOODANILLING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

11. FIXED ASSETS

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

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

Initial recognition and measurement between mandatory revaluation dates

Assets for which the fair value as at the date of acquisition is under \$5,000 are not recognised as an asset in accordance with *Financial Management Regulation 17A (5)*. These assets are expensed immediately

Where multiple individual low value assets are purchased together as part of a larger asset or collectively forming a larger asset exceeding the threshold, the individual assets are recognised as one asset and capitalised.

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 zero cost or otherwise significantly less than fair value, 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 that are land, buildings, infrastructure and investment properties 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 land, buildings, infrastructure and investment properties is determined at least every five years in accordance with the regulatory framework. This includes buildings and infrastructure items which were pre-existing improvements (i.e. vested improvements) on vested land acquired by the Shire.

AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY Revaluation (Continued)

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 land, buildings, infrastructure, investment properties and vested improvements 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 roads from 1 July 2019

As a result of amendments to the *Local Government (Financial Management) Regulations 1996*, effective from 1 July 2019, vested land, including land under roads, is treated as right-of-use assets measured at zero cost. Therefore, the previous inconsistency with AASB 1051 in respect of non-recognition of land under roads acquired on or after 1 July 2008 has been removed, even though measurement at zero cost means that land under roads is still not included in the statement of financial position.

Vested improvements from 1 July 2019

The measurement of vested improvements at fair value in accordance with *Local Government (Financial Management) Regulation 17A(2)(iv)* is a departure from AASB 16 which would have required the Shire to measure the vested improvements as part of the related right-of-use assets at zero cost.

Refer to Note 11 that details the significant accounting policies applying to leases (including right-of-use assets).

SHIRE OF WOODANILLING

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

11. FIXED ASSETS

(a) Disposals of Assets

	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss	2021 Budget Net Book Value	2021 Budget Sale Proceeds	2021 Budget Profit	2021 Budget Loss	2020 Actual Net Book Value	2020 Actual Sale Proceeds	2020 Actual Profit	2020 Actual Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Plant and equipment	0	0	0	0	39,040	100,000	60,960	0	25,388	30,378	7,609	(2,619)
	0	0	0	0	39,040	100,000	60,960	0	25,388	30,378	7,609	(2,619)

SHIRE OF WOODANILLING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

11. FIXED ASSETS

(b) Depreciation

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Buildings	109,814	109,850	109,814
Furniture and equipment	21,864	28,211	26,529
Plant and equipment	299,563	328,908	327,755
Infrastructure - roads	325,097	311,280	306,169
Infrastructure - Footpaths	9,674	9,318	9,226
Infrastructure - Bridges and Drainage	87,628	88,288	87,551
Infrastructure - Parks and Ovals	2,433	2,450	2,433
	856,073	878,305	869,477

SIGNIFICANT ACCOUNTING POLICIES

Depreciation

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

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

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

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

Depreciation rates

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

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

Depreciation on revaluation

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

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

SHIRE OF WOODANILLING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

12. REVALUATION SURPLUS

	2021 Opening Balance	2021 Closing Balance	2020 Opening Balance	2020 Change in Accounting Policy	2020 Closing Balance
	\$	\$	\$		\$
Revaluation surplus - Buildings	2,152,676	2,152,676	2,177,676	(25,000)	2,152,676
Revaluation surplus - Plant and equipment	439,679	439,679	439,679	0	439,679
Revaluation surplus - Infrastructure - roads	10,491,652	10,491,652	10,491,652	0	10,491,652
Revaluation surplus - Infrastructure - Footpaths	103,307	103,307	103,307	0	103,307
Revaluation surplus - Infrastructure - Bridges and Drainage	5,804,149	5,804,149	5,804,149	0	5,804,149
	<u>18,991,463</u>	<u>18,991,463</u>	<u>19,016,463</u>	<u>(25,000)</u>	<u>18,991,463</u>

SHIRE OF WOODANILLING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

13. TRADE AND OTHER PAYABLES

Current

Sundry creditors
Prepaid rates
Accrued salaries and wages
ATO liabilities
Bonds and deposits held

2021	2020
\$	\$
165,698	129,790
11,037	13,685
(263)	11,488
0	27,553
43,056	42,136
<u>219,528</u>	<u>224,652</u>

SIGNIFICANT ACCOUNTING POLICIES

Trade and other payables

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

Prepaid rates

Prepaid rates are, until the taxable event has occurred (start of the next financial year), refundable at the request of the ratepayer. Rates received in advance are initially recognised as a financial liability. When the taxable event occurs, the financial liability is extinguished and the Shire recognises revenue for the prepaid rates that have not been refunded.

SHIRE OF WOODANILLING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

14. OTHER LIABILITIES

Current

Contract liabilities

Performance obligations for each type of liability are expected to be recognised as revenue in accordance with the following time bands:

Less than 1 year

2021	2020
\$	\$
106,341	69,286
106,341	69,286
106,341	69,286

Liabilities under transfers to acquire or construct non-financial assets to be controlled by the entity

Contract liabilities	
\$	\$
106,341	0
106,341	0

SIGNIFICANT ACCOUNTING POLICIES

Contract liabilities

Contract liabilities represent the the Shire's obligation to transfer goods or services to a customer for which the Shire has received consideration from the customer.

With respect to transfers for recognisable non-financial assets, contract liabilities represent performance obligations which are not yet satisfied.

Contract liabilities are recognised as revenue when the performance obligations in the contract are satisfied.

Liabilities under transfers to acquire or construct non-financial assets to be controlled by the entity

Grant liabilities represent the the Shire's performance obligations to construct recognisable non-financial assets to identified specifications which are yet to be satisfied.

Grant liabilities are recognised as revenue when the performance obligations in the contract are satisfied.

Service concession liabilities

Service concession liabilities relate to the grant of right to an operator in respect of an asset controlled by the Shire. They represent the unearned revenue related to the grant of right, and is recognised as revenue according to the economic substance of the service concession arrangement.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

14 INFORMATION ON BORROWINGS

	2021	2020
(a) Undrawn Borrowing Facilities	\$	\$
Credit Standby Arrangements		
Bank overdraft limit		
Bank overdraft at balance date		
Credit card limit	2,000	2,000
Credit card balance at balance date	(1,007)	(828)
Total amount of credit unused	993	1,172

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

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

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

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

Borrowing costs

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

Risk

Information regarding exposure to risk can be found at Note 23.

SHIRE OF WOODANILLING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

15. EMPLOYEE RELATED PROVISIONS

(a) Employee Related Provisions

Opening balance at 1 July 2020

Current provisions

Non-current provisions

Additional provision

Amounts used

Balance at 30 June 2021

Comprises

Current

Non-current

	Provision for Annual Leave	Provision for Long Service Leave	Total
	\$	\$	\$
Opening balance at 1 July 2020			
Current provisions	85,120	62,411	147,531
Non-current provisions	0	48,328	48,328
	85,120	110,739	195,859
Additional provision	75,151	6,663	81,814
Amounts used	(75,340)	(22,991)	(98,331)
Balance at 30 June 2021	84,931	94,411	179,342
Comprises			
Current	84,931	46,569	131,500
Non-current	0	47,842	47,842
	84,931	94,411	179,342

Amounts are expected to be settled on the following basis

Less than 12 months after the reporting date

More than 12 months from reporting date

	2021	2020
	\$	\$
Less than 12 months after the reporting date	131,500	114,235
More than 12 months from reporting date	47,842	81,624
	179,342	195,859

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

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

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

Short-term employee benefits

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

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

Other long-term employee benefits

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.

SHIRE OF WOODANILLING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

16. NOTES TO THE STATEMENT OF CASH FLOWS

Reconciliation of Cash

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

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Cash and cash equivalents	1,663,683	572,099	1,248,273
Reconciliation of Net Cash Provided By Operating Activities to Net Result			
Net result	(126,257)	(85,945)	196,548
Non-cash flows in Net result:			
Adjustments to fair value of financial assets at fair value through profit and loss	(1,292)	0	(4,677)
Depreciation on non-current assets	856,073	878,305	869,477
(Profit)/loss on sale of asset	0	(60,960)	(4,990)
Changes in assets and liabilities:			
(Increase)/decrease in receivables	68,628	15,000	(62,355)
(Increase)/decrease in inventories	(13,577)		10,383
Increase/(decrease) in payables	(5,123)	(68,488)	6,185
Increase/(decrease) in employee provisions	(16,517)	(24,000)	(4,587)
Increase/(decrease) in other liabilities	37,055	(69,286)	(10,114)
Non-operating grants, subsidies and contributions	(358,825)	(576,353)	(606,651)
Net cash from operating activities	440,164	8,273	389,219

SHIRE OF WOODANILLING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

17. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2021	2020
	\$	\$
Governance	38,386	35,703
General purpose funding	895,600	754,354
Law, order, public safety	243,418	306,797
Health	1,050	1,028
Education and welfare	1,393,080	1,317,163
Housing	949,948	1,024,934
Community amenities	134,369	138,250
Recreation and culture	2,755,871	2,855,551
Transport	25,429,175	25,417,244
Economic services	17,594	9,520
Other property and services	732,855	953,895
Unallocated	379,527	267,276
	<u>32,970,873</u>	<u>33,081,715</u>

SHIRE OF WOODANILLING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

18. CONTINGENT LIABILITIES

The Shire is not aware of any reportable contingent liabilities as at the reporting date.

SHIRE OF WOODANILLING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

19. ELECTED MEMBERS REMUNERATION

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Mr Russell Thompson			
President's annual allowance	5,925	7,000	5,925
Meeting attendance fees	3,500	4,550	3,500
Annual allowance for ICT expenses	1,050	917	1,050
	10,475	12,467	10,475
Mr Dale Douglas			
Deputy President's annual allowance	4,938	4,000	3,703
Meeting attendance fees	3,500	4,550	3,574
Annual allowance for ICT expenses	1,050	917	1,073
	9,488	9,467	8,350
Mr Peter Morrell			
Meeting attendance fees	3,500	4,550	3,500
Annual allowance for ICT expenses	1,050	917	1,050
Travel and accommodation expenses	1,038		283
	5,588	5,467	4,833
Mr Morris Trimming			
Meeting attendance fees	3,500	4,550	3,500
Annual allowance for ICT expenses	1,050	917	1,050
	4,550	5,467	4,550
Mr Timothy Brown			
Meeting attendance fees	3,500	4,550	3,500
Annual allowance for ICT expenses	1,050	916	1,050
	4,550	5,466	4,550
Mr Stephen Jefferies			
Meeting attendance fees	3,500	4,550	4,173
Annual allowance for ICT expenses	1,050	916	202
	4,550	5,466	4,375
	39,201	43,800	37,133
Fees, expenses and allowances to be paid or reimbursed to elected council members.			
President's allowance	5,925	7,000	5,925
Deputy President's allowance	4,938	4,000	3,703
Meeting attendance fees	21,000	27,300	21,747
Annual allowance for ICT expenses	6,300	5,500	5,474
Travel and accommodation expenses	1,038	0	283
	39,201	43,800	37,132

SHIRE OF WOODANILLING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

20. RELATED PARTY TRANSACTIONS

Key Management Personnel (KMP) Compensation Disclosure

	2021 Actual	2020 Actual
The total of remuneration paid to KMP of the Shire during the year are as follows:	\$	\$
Short-term employee benefits	239,197	218,407
Post-employment benefits	27,581	25,463
Other long-term benefits	5,726	3,739
	<u>272,504</u>	<u>247,609</u>

Short-term employee benefits

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

Post-employment benefits

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

Other long-term benefits

These amounts represent long service benefits accruing during the year.

SHIRE OF WOODANILLING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

20. RELATED PARTY TRANSACTIONS (Continued)

Transactions with related parties

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

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

The following transactions occurred with related parties:

	2021 Actual	2020 Actual
	\$	\$
Sale of goods and services	14,287	0
Purchase of goods and services	2,158	5,351
Short term employee benefits -other related parties	71,971	70,651
Amounts outstanding from related parties:		
Trade and other receivables	6,767	0

Related Parties

The Shire's main related parties are as follows:

i. Key management personnel

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

ii. Other Related Parties

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

Any entity that is controlled by or over which KMP, or close family members of KMP, have authority and responsibility for planning, directing and controlling the activity of the entity, directly or indirectly, are considered related parties in relation to the Shire.

SHIRE OF WOODANILLING NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

21. RATING INFORMATION

(a) Rates

RATE TYPE	Rate in \$	Number of Properties	2020/21 Actual Rateable Value \$	2020/21 Actual Rate Revenue \$	2020/21 Actual Interim Rates \$	2020/21 Actual Back Rates \$	2020/21 Actual Total Revenue \$	2020/21 Budget Rate Revenue \$	2020/21 Budget Interim Rate \$	2020/21 Budget Back Rate \$	2020/21 Budget Total Revenue \$	2019/20 Actual Total Revenue \$
Differential general rate / general rate												
Gross rental valuations												
GRV	0.114403	165	880,800	100,766	292	0	101,058	100,438			100,438	100,474
Unimproved valuations												
UV	0.005392	215	125,612,000	677,300	76	0	677,376	677,300			677,300	677,382
Sub-Total		380	126,492,800	778,066	368	0	778,434	777,738	0	0	777,738	777,856
Minimum payment												
Gross rental valuations												
GRV	390	65	98,695	25,350	0	0	25,350	25,350			25,350	25,740
Unimproved valuations												
UV	390	20	772,338	7,800	0	0	7,800	7,800			7,800	7,410
Sub-Total		85	871,033	33,150	0	0	33,150	33,150	0	0	33,150	33,150
		465	127,363,833	811,216	368	0	811,584	810,888	0	0	810,888	811,006
Discounts/concessions (Note 21(b))							(41,644)				(38,512)	(39,512)
Total amount raised from general rate							769,940				772,376	771,494

SIGNIFICANT ACCOUNTING POLICIES

Rates

Control over assets acquired from rates is obtained at the commencement of the rating period.

Prepaid rates are, until the taxable event has occurred (start of the next financial year), refundable at the request of the ratepayer. Rates received in advance are initially recognised as a financial liability. When the taxable event occurs, the financial liability is extinguished and the Shire recognises revenue for the prepaid rates that have not been refunded.

SHIRE OF WOODANILLING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

21. RATING INFORMATION (Continued)

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

Rates Discounts

Rate or Fee Discount Granted	Discount %	Discount \$	2021 Actual \$	2021 Budget \$	2020 Actual \$	Circumstances in which Discount is Granted
General Rates	5.00%		41,644	31,087	39,512	All rates and charges paid in full within 35 days of issue. In addition Council provides a 50% discount on general rates only to Lots 32,33,34,35 & 38 DP 223222, Quartermaine & Shenton Roads, Woodanilling and Lots 2,3 & 4 DP 227523 Albany Highway due to planning restrictions on these lots.
			41,644	31,087	39,512	

Waivers or Concessions

Rate or Fee and Charge to which the Waiver or Concession is Granted	Type	Discount %	Discount \$	2021 Actual \$	2021 Budget \$	2020 Actual \$
GRV - Urban Farm	Concession	50.00%		0	7,425	0
				0	7,425	0
Total discounts/concessions (Note 21(a))				41,644	38,512	39,512

Rate or Fee and Charge to which the Waiver or Concession is Granted	Circumstances in which the Waiver or Concession is Granted and to whom it was available	Objects of the Waiver or Concession	Reasons for the Waiver or Concession
GRV - Urban Farm	Assessments being land zoned "local rural" adjacent	In moving from differential rates	In moving from differential rates

SHIRE OF WOODANILLING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

21. RATING INFORMATION (Continued)

(c) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
Option One				
Single full payment	11/11/2020	0.00	0.00%	8.00%
Option Two				
First instalment	11/11/2020	0.00	0.00%	8.00%
Second instalment	17/03/2021	5.00	5.50%	8.00%
Option Three				
First instalment	11/11/2020	0.00	0.00%	8.00%
Second instalment	13/01/2021	5.00	5.50%	8.00%
Third instalment	17/03/2021	5.00	5.50%	8.00%
Fourth instalment	12/05/2021	5.00	5.50%	8.00%

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Interest on unpaid rates	4,593	2,800	3,936
Interest on instalment plan	161	590	1,082
Charges on instalment plan	250	500	500
	5,004	3,890	5,518

SHIRE OF WOODANILLING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

22. RATE SETTING STATEMENT INFORMATION

Note	2020/21	2020/21	2020/21	2019/20
	(30 June 2021 Carried Forward)	Budget (30 June 2021 Carried Forward)	(1 July 2020 Brought Forward)	(30 June 2020 Carried Forward)
	\$	\$	\$	\$
(a) Non-cash amounts excluded from operating activities				
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .				
Adjustments to operating activities				
Less: Profit on asset disposals	11(a)	0	(60,960)	(7,609)
Less: Fair value adjustments to financial assets at fair value through profit and loss		(1,292)	0	(4,677)
Movement in employee benefit provisions (non-current)		(486)	0	(10,069)
Add: Loss on disposal of assets	11(a)	0	0	2,619
Add: Depreciation on non-current assets	11(b)	856,073	878,305	869,477
Non cash amounts excluded from operating activities		854,295	817,345	849,741
(b) Surplus/(deficit) after imposition of general rates				
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.				
Adjustments to net current assets				
Less: Reserves - cash backed	4	(848,911)	(459,751)	(628,750)
Less: Trade & Other Payables		(1,414)	0	0
Total adjustments to net current assets		(850,325)	(459,751)	(628,750)
Net current assets used in the Rate Setting Statement				
Total current assets		1,793,115	741,581	1,432,755
Less: Total current liabilities		(457,369)	(281,109)	(442,883)
Less: Total adjustments to net current assets		(850,325)	(459,751)	(628,750)
Net current assets used in the Rate Setting Statement		485,418	721	361,122

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

23. FINANCIAL RISK MANAGEMENT

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

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

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

(a) Interest rate risk

Cash and cash equivalents

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

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

	Weighted Average Interest Rate %	Carrying Amounts \$	Fixed Interest Rate \$	Variable Interest Rate \$	Non Interest Bearing \$
2021					
Cash and cash equivalents	0.02%	1,663,683	0	1,663,233	450
2020					
Cash and cash equivalents	0.05%	1,248,273	0	1,247,823	450

Sensitivity

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

	2021 \$	2020 \$
Impact of a 1% movement in interest rates on profit and loss and equity*	16,637	12,483

* Holding all other variables constant

(b) Credit risk

Trade and Other Receivables

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

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

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

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

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

The expected loss rates are based on the payment profiles of rates and fees and charges over a period of 36 months before 1 July 2020 or 1 July 2021 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as the ability of ratepayers and residents to settle the receivables. Housing prices and unemployment rates have been identified as the most relevant factor in repayment rates, and accordingly adjustments are made to the expected credit loss rate based on these factors.

The loss allowance as at 30 June 2021 for rates receivable was determined as follows:

	Current	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total
30 June 2021					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	1,800	28,326	12,848	30,203	73,177
Loss allowance	0	0	0	0	0
30 June 2022					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	28,310	9,749	5,064	19,002	62,125
Loss allowance	0	0	0	0	0

The loss allowance as at 30 June 2021 and 30 June 2020 was determined as follows for trade receivables.

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
30 June 2021					
Trade and other receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	30,197	0	547	1,125	31,870
Loss allowance	0	0	0	0	0
30 June 2020					
Trade and other receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	98,273	116	2,255	12,142	112,786
Loss allowance	0	0	0	0	0

SHIRE OF WOODANILLING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

23. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

Payables

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

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

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
2021					
Payables	219,528	0	0	219,528	219,528
	219,528	0	0	219,528	325,869
2020					
Payables	226,066	0	0	226,066	226,066
	226,066	0	0	226,066	226,066

24. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

The Shire of Woodanilling did not have any events occurring after the reporting date that have a significant effect on the financial statements.

SHIRE OF WOODANILLING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

25. INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS

During the 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.

(a) AASB 1059 Service Concession Arrangements: Grantors

Service concession assets are those assets where a third-party operator constructs assets for the Shire, upgrades existing assets of the Shire or uses existing assets of the Shire to operate and maintain the assets to provide a public service, for a specified period of time. Where, in these circumstances, the third-party operator provides a public service on behalf of the Shire and is deemed to manage at least some of the services under its own discretion, the assets are classified as service concession assets. Newly constructed or upgraded assets are measured at current replacement cost in accordance with the cost approach to fair value in AASB 13 *Fair Value Measurement*. In the case of existing assets, these are reclassified and treated in the same manner with any difference at the date of reclassification between the carrying amount of the assets and their fair value (current replacement cost) being treated as if it is a revaluation of the asset.

Subsequent to initial recognition or reclassification, service concession assets are accounted for by depreciating or amortising in accordance with AASB 116 *Property, Plant and Equipment* or AASB 138 *Intangible Assets*. Where appropriate, any impairment is recognised in accordance with AASB 136 *Impairment of Assets*. At the end of the term of any service concession arrangement, the Shire will reclassify the service concession asset based on its nature or function, and account for it in accordance with accounting standards and policies applicable to the relevant asset classification.

Where the Shire recognises a service concession asset in relation to a newly constructed or upgraded asset, it also recognises a liability. This liability is initially measured at the same amount as the service concession asset, adjusted by the amount of any other consideration provided by the Shire to the third-party operator or from the third-party operator to the Shire. The Shire does not recognise a liability in the circumstances where an existing asset of the Shire is reclassified as a service concession asset except in circumstances where additional consideration is provided by the third-party operator.

Subsequent to initial recognition, the Shire accounts for liability as an unearned portion of the revenue arising from the exchange of assets with the third-party operator and reduces the liability in accordance to the economic substance of the service concession arrangement.

The Shire adopted AASB 1059 *Service Concession Arrangements: Grantors* on 1 July 2020 and confirms that the Shire does not have any existing or new arrangements that fall within the scope of the standard.

SHIRE OF WOODANILLING

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

26. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Shire's 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 end of the reporting period.

SHIRE OF WOODANILLING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

27. ACTIVITIES/PROGRAMS

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

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

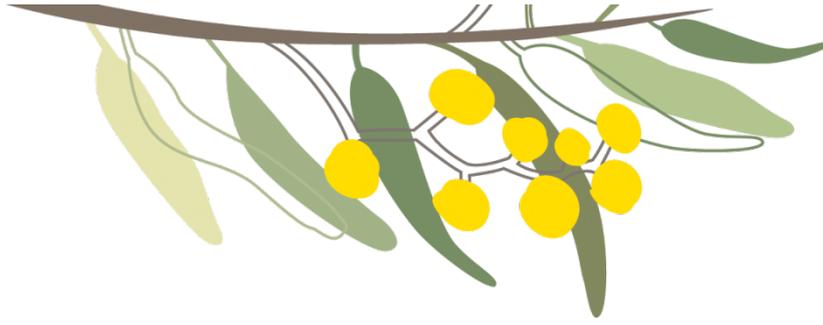
SHIRE OF WOODANILLING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

28. FINANCIAL RATIOS

	2021 Actual	2020 Actual	2019 Actual
Current ratio	2.39	1.97	1.68
Asset consumption ratio	0.78	0.80	0.82
Asset renewal funding ratio	N/A	N/A	1.00
Asset sustainability ratio	0.45	1.03	0.50
Debt service cover ratio	N/A	N/A	N/A
Operating surplus ratio	(0.43)	(0.35)	(0.86)
Own source revenue coverage ratio	0.41	0.42	0.30

The above ratios are calculated as follows:

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



SHIRE OF WOODANILLING**PERIOD OF AUDIT: 1 JULY 2020 – 30 JUNE 2021****FINDINGS IDENTIFIED DURING THE FINAL AUDIT**

INDEX OF FINDINGS	RATING		
	Significant	Moderate	Minor
Matters identified during the current year			
1. Month End Reconciliation Review	✓		
Matters outstanding from the previous year			
2. Asset Renewal Funding Ratio	✓		
3. Bonds and Deposits Held		✓	
4. Municipal Bank Reconciliation		✓	

KEY TO RATINGS

The Ratings in this management letter are based on the audit team's assessment of risks and concerns with respect to the probability and/or consequence of adverse outcomes if action is not taken. We give consideration to these potential adverse outcomes in the context of both quantitative impact (for example financial loss) and qualitative impact (for example inefficiency, non-compliance, poor service to the public or loss of public confidence).

- Significant** - Those findings where there is potentially a significant risk to the entity should the finding not be addressed by the entity promptly. A significant rating may be reported as a matter of non-compliance in the audit report in the current year, or in a subsequent reporting period if not addressed. However, even if the is not likely to impact the audit report, it should be addressed promptly.
- Moderate** - Those findings which are of sufficient concern to warrant action being taken by the entity as soon as practicable.
- Minor** - Those findings that are not of primary concern but still warrant action being taken.

SHIRE OF WOODANILLING**PERIOD OF AUDIT: 1 JULY 2020 – 30 JUNE 2021****FINDINGS IDENTIFIED DURING THE FINAL AUDIT****Matters identified during the current year****1. Month End reconciliation Review****Finding**

During our review of reconciliations, we noted there was no evidence that the bank, creditors or receivables reconciliations for July 2020 to May 2021 had been reviewed by an authorised officer.

Rating: Significant**Implication**

Reconciliations are a key control for ensuring financial data is completely and accurately reflected in the general ledger from which financial statements are derived. There is a risk that internal controls are not being fully applied and that unreconciled or unauthorised transactions may go undetected and/or unresolved.

Recommendation

We recommend reconciliations should be reviewed by an independent senior officer and evidence of this review is to be retained.

Management Comment

The recommendation is acknowledged and accepted. The Chief Executive Officer, Deputy Chief Executive Officer or the Accountant will be responsible to perform the review of the month end reconciliation with a procedure and month end checklist to be activated and utilised by all responsible officers. This includes responsible officers and Management to be fully aware of the month end reconciliation process and procedure.

Responsible Person: Chief Executive Officer/Accountant

Completion Date: July 2022

SHIRE OF WOODANILLING**PERIOD OF AUDIT: 1 JULY 2020 – 30 JUNE 2021****FINDINGS IDENTIFIED DURING THE FINAL AUDIT****Matters outstanding from the previous year****2. Asset Renewal Funding Ratio****Initial Finding - 2020**

The Shire has not reported the Asset Renewal Funding Ratio for 2020 or 2021 in the annual financial report, as required by Regulation 50(1)(c) of the Local Government (Financial Management) Regulations 1996. This is because the Asset Management Plan and Long-Term Financial Plan have not been recently updated, as a result of which the ratios would not be current and accurate.

We note that the Shire has commenced a review of these plans, although this has not yet been finalised and endorsed by Council.

Finding status - 2021

The Asset Management Plan and the Long-Term Financial Plan have not been updated. We understand that the Shire intends to engage a consultant to complete these plans in the 2021-22 financial period.

2021 Rating: Significant (2020 Rating: Significant)**Implication**

The financial report does not comply with Regulation 50(1)(c) of the Local Government (Financial Management) Regulations 1996.

Recommendation

We recommend that the Shire prepares, reviews and updates the Asset Management Plan and the Long-Term Financial Plan annually, to ensure that 10-year projections are available as required by the regulations, in order for the asset renewal funding ratio to be calculated based on verifiable information and reasonable assumptions.

Management Comment - 2020

Noted and Accepted. Will be completed by 30 June 2021.

Responsible Person: Chief Executive Officer**Completion Date:** 30 June 2021**Management Comment - 2021**

The non-compliance is noted and accepted. There is a desire to complete the Asset Management through a structured and meaningful approach that reflects the condition, required maintenance and retention of each asset that can be then accurately inform the Long-Term Financial Plan. This process will commence in the 2022/2023 financial year with current road conditions and input into RAMM to commence the process.

Responsible Person: Chief Executive Officer/Works Supervisor**Completion Date:** June 2023

SHIRE OF WOODANILLING**PERIOD OF AUDIT: 1 JULY 2020 – 30 JUNE 2021****FINDINGS IDENTIFIED DURING THE FINAL AUDIT****3. Bonds and Deposits Held****Initial Finding - 2020**

Audit testing determined that "Bond and Deposit" accounts had numerous minor outstanding entries dating back many years. Given the historical nature of these entries, it is difficult to determine whether these entries were in fact liabilities of the Shire or are now Municipal revenue. Outstanding bonds and deposits totalled \$42,136 at 30 June 2020.

Finding status - 2021

The accounts remain largely inactive. Investigation has been commenced and discussed with Council with the intention of resolving in the current year.

Rating: Moderate (2020 Rating: Minor)

Implication

There is a possibility that the liability may require refund, recognition as revenue or transfer to the Receiver of Public Monies.

Recommendation

The Shire undertake a full investigation of all outstanding bonds and deposits and implement actions to resolve or correct as required.

Management Comment - 2020

Will be addressed in March 2021 budget review to be completed by 30 April 2021. Most relate to previous items held in trust but transferred out during the previous regulation change. These will now be reflected in reserve accounts if they were for a specific purpose.

Responsible Person: Chief Executive Officer

Completion Date: 30 April 2021

Management Comment - 2021

The recommendation is accepted. Current staff are new to this item identified and will address and finalise the corrections of monies held in trust/bond accounts held by the Shire. The timing will be aligned with the forthcoming budget and end of year processes therefore enabling the completion and correction of these items.

Responsible Person: Chief Executive Officer/Accountant

Completion Date: September 2022

SHIRE OF WOODANILLING**PERIOD OF AUDIT: 1 JULY 2020 – 30 JUNE 2021****FINDINGS IDENTIFIED DURING THE FINAL AUDIT****4. Municipal Bank Reconciliation****Initial Finding - 2020**

The Municipal bank reconciliation at 30 June 2020 was not supported by a complete and detailed listing of reconciling items.

Finding status - 2021

The Municipal bank reconciliation at 30 June 2021 was not supported by a complete and detailed listing of reconciling items.

Rating: Moderate (2020 Rating: Minor)

Implication

Whilst the list of reconciling items was able to be regenerated for audit purposes, it indicates a weakness in the review and approval process. This increases the risk of errors, omissions or fraud remaining undetected.

Recommendation

The responsible officers should ensure that a complete review is undertaken, which includes ensuring that the bank reconciliation is supported by a detailed listing of all reconciling items.

Management Comment - 2020

A complete listing of reconciling items will be produced to support the figures in the bank reconciliation.

Responsible Person: Chief Executive Officer

Completion Date: 30 April 2021

Management Comment - 2021

The recommendation is acknowledged and accepted. The Chief Executive Officer and Accountant will review process and procedure. A more financial review approach along with approval process will be implemented and updated. Review against Synergysoft system and bank statements will be more independently reviewed along with maintaining this on an end month process. Processes and procedures will be updated and maintained accordingly by Chief Executive Officer.

Responsible Person: Chief Executive Officer/Accountant

Completion Date: September 2022

6. OTHER OFFICER'S REPORTS

Nil

7. ITEMS LISTED FOR DISCUSSION

Nil

8. CLOSURE OF MEETING

Meeting Closed at 1.11pm

I certify that these minutes were confirmed at the Ordinary Council Meeting held on the

.....Presiding Member – Councillor Jefferies

..... Date