

# 2020/21 ANNUAL REPORT

"Life as rich as the landscape"

## FROM THE PRESIDENT

Cr Rod Forsyth

The 2020/21 year sees me continue my third and final term as your Shire President, a role in which I'm very proud and honoured to serve the Kellerberrin community.

COVID-19 continues to challenge many aspects of our lives. Whilst we have been fortunate to escape the ravaging physical effects seen in other parts of the world, we have not been immune to the economic and social effects. Financial hardship, the loss of freedom to travel and the snap lockdowns are some of the effects we continue to deal with today.



Council has undertaken some significant capital projects this year including but not limited to;

- Construction of three bushfire located in Baandee, North Kellerberrin and Mt Caroline which are nearing completion, and due to be completed by December 2021.
- Construction of a new Exhibition Hall at the Kellerberrin Recreation and Leisure Centre. This is due to be completed by October 2021 in readiness for the Kellerberrin Agriculture Society 100 year Show.
- The commencement of Phase One of the Kellerberrin Memorial Pool Redevelopment, with the installation of a new Plant and Pump room. This project is planned to be completed in readiness for the 2021/22 summer. Phase Two of this project, which involves the construction of a new Amenities Building, is due to commence in 2021/22.

## ACKNOWLEDGEMENT

The Shire of Kellerberrin acknowledges the Traditional Custodians, the Ballardong people, on whose land we are living and pay our respects to their Elders, past and present.

Council has completed significant works on Capital Road Renewals/Upgrades being;

- Bedford Street
- Hammond Street
- Scott Street
- Forrest Street and
- Doodlakine-Kunonoppion Road

Council also continued to focus on and complete as much as possible Gravel Sheetting and Road Maintenance to ensure our residents are provided with a safe and efficient road network.

Council did not enact a rate increase for 2020/21 due to the COVID-19 outbreak. Despite this, council was still able to allocate funds into its reserves for future projects, increasing the healthy reserve balance that council currently maintains.

I would like to thank all residents, visitors and stakeholders for their contribution in ensuring Kellerberrin remains a wonderful community to live, and would like to wish everybody a safe and prosperous 2021/22.



Shire President



## EXTERNAL STAKEHOLDERS:

- Macri Partners
- Buttler Settineri
- National Australia Bank
- AMPAC
- Local Government Insurance Services
- McLeods
- DLA Piper Australia
- Western Australian Local Government Association (WALGA)
- Local Government Managers Association (WA) (LGMWA)

## FROM THE CHIEF EXECUTIVE OFFICER

### Mr Raymond Griffiths

The 2020/21 reporting period has again been busy with the State and rest of Australia still operating under the COVID Pandemic. The COVID situation has provided Council's with additional funding through the Local Community Roads and Infrastructure Program (LCRIP) as an economic injection into communities.

This financial year also commenced the new regulations and recognition of income to ensure the income is only recognised once the income is expended.

Council with the injection of LCRIP funding continued the upgrade of town streets to assist with drainage and aesthetics of the town. This work included the upgrades to Scott Street and Forrest Street.

These works were in addition to Council's 2020/2021 Construction/Upgrades and Maintenance with Capital Road upgrades (Including Gravel Sheetting) costs exceeding \$3.9 Million and \$700,000 on road maintenance. Council's Capital road infrastructure upgrade remained higher than normal financial years with the additional funding of \$401,837 provided through the LCRIP funding as described above.

Council within the 2020/2021 reporting period commenced the following major capital projects:

- Kellerberrin Memorial Swimming Pool Upgrade. The upgrade is proposed to be conducted in three (3) stages to ensure that Council maximises its opportunity for funding. Stage One has commenced being the construction of a new Pool Pump and Plant room which has been funded through Drought Communities funding.
- On behalf of the Agricultural Society Council project managed the construction of the Exhibition Hall at the Recreation Centre. The project was estimated to cost approximately \$700K with Council's contribution being \$50K of in-kind works.
- DFES provided \$1,551,000 of funding for Council to construct three (3) Bush Fire Sheds to be located at Baandee, Mount Caroline and North Kellerberrin. All three sheds construction commenced in the reported financial year.





## COMMUNITY APPRECIATION

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I would like to pass on my sincere appreciation to the community members within the Shire of Kellerberrin for their diligence and assistance throughout the year. The COVID-19 pandemic has created a raft of challenges across the world.

Thanks to the cooperation and understanding shown from the community, we have been able to continue with the way of life that we all love.

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**- Raymond Griffiths**  
**Chief Executive**  
**Officer**

## APPRECIATION

### **Shire President**

Firstly as this will be my final report as your Shire President I would like to thank all Councillors that have served during my time as your President making the role and the experience a positive one.

To the current Council group you have displayed positive leadership in the face of challenging circumstances and a changing environment that I believe has been of considerable benefit to the Community. Without your support much of what was achieved over the reporting period could not have been; to all elected members, a huge Thank you.

All the Staff led by the Chief Executive Officer. Thank you for your dedication to improving our Community in cooperation with the community and elected members.

A massive thank you also to all our volunteers within the Community and District. A huge vote of confidence and appreciation for your investment of personal time in the best interests of our Community, where you have once again provided services that may not otherwise be available.

### **Chief Executive Officer**

I would like to pass on my sincere appreciation to the community members within the Shire of Kellerberrin as without your assistance and patience throughout the year, we as a Council would not have been able to perform to the level we have this year.

Council's employee's would like to pass on its sincere thanks to the current Council for their support over the reporting period and for those that are retiring at election thank you for your services to the community.

I would like to sincerely thank all of the dedicated and committed staff employed by the Shire of Kellerberrin who continue to work diligently for the Community. Council is fortunate to have a number of hard working and community minded employees across all levels of the organisation who continue to perform beyond the capacity required of such individuals.

Council will continue to strive to promote the communities within the Shire of Kellerberrin to attract/retain community members through provision of high class facilities and service provision.

I would also like to pass on y personal thanks and gratitude to Cr Forsyth who is retiring as Shire President, your leaderships, guidance & dedication has been exceptional over your term as Shire President.





## VALUER GENERAL

Council annually receives revaluations undertaken by the Valuer General's Office (VGO) on Unimproved Valuations (UV) (Rural). The GRV (townsite) valuations only occur every five (5) years, a valuation was to occur in 20/21 though due to the COVID-19 pandemic the State Government postponed all Valuations.

## FEDERAL ASSISTANCE GRANTS (FAGS)

General Purpose Grants and Local Road Grants

\$2,049,514

## FINANCE

The financial position of the Shire of Kellerberrin has improved consistent with the Long Term Financial Plan and Council has demonstrated its ability to meet the Department of Local Governments financial ratios, consistent with the stated opinion of the Office of the Auditor General in respect of our Annual Financial Report.

Increasing own source revenue through Rates revenue remains the main means to achieving the Department's ratios, along with the rationalisation of Shire services. Council maintains that Rate increases should be incremental over the long term and every effort continues to be made to maintain services and facilities critical to the Kellerberrin community. The Long Term Financial Plan continues to provide the Shire of Kellerberrin with renewed infrastructure and development to facilitate the continued growth, sustainability of Kellerberrin.

Council within this financial year was able to have \$88 Thousand allocated to its reserve balance to ensure Council has capacity into the future to provide for new/upgrading infrastructure and replacement of Plant and Equipment.

## RATES

Council's Long Term Financial Plan provided for a 4.5% increase in rates for 2020/21. Due to the COVID-19 outbreak, this was reviewed, and no rating increase was applied. This resulted in a shortfall of \$51,737 in rating income as opposed to the Long Term Financial Plan. Council believes the freezing of rates will be isolated to 2019/20 and intends to apply the 4.5% increase forecast in the Long Term Financial Plan for 2020/21.

## EMERGENCY SERVICES LEVY

The Shire's 2020/21 Emergency Services Levy made a collection of \$73,600 on behalf of the Department of Fire and Emergency Services.

## ROAD MAINTENANCE

Council expended \$700,000 on Road Maintenance within the Shire of Kellerberrin, with \$3,530 provided for Footpath Maintenance and \$7,621 allocated to Culverts and Floodways for drainage. This maintenance is in addition to the funds expended on Gravel sheeting of \$279,000 to demonstrate Council's endeavour to ensure its Gravel network is maintained to a satisfactory level going forward.





## HIGHLIGHT: LOCAL ROADS COMMUNITY INFRASTRUCTURE PROGRAM (LCRIP)

Scott St

Total Cost: \$212,527

Funding Received: \$122,572

Cost to Council: \$89,955

Forrest St

Total Cost: \$289,120

Funding Received: \$279,265

Cost to Council: \$9,855

## HIGHLIGHT: ROADS TO RECOVERY PROGRAM (RTR)

Bedford St

Total Cost: \$526,946

Funding Received: \$365,020

Cost to Council: \$161,926

## HIGHLIGHT: REGIONAL ROAD GROUP PROGRAM (RRG)

Doodlakine - Kunonoppin Rd

Total Cost: \$452,472

Funding Received: \$269,000

Cost to Council: \$183,472

## 2020/21 CAPITAL PROJECTS

The Shire provided for capital programs amounting to \$5,789,522 in value, funded from a variety of sources including Grants, General Revenue and Reserve funds.

## HIGHLIGHT: CONSTRUCTION OF BUSHFIRE SHEDS

Baandee, North Kellerberrin and Mt Caroline

Total Cost: \$1,128,831

Funding Received: \$1,128,831

Cost to Council: NIL

*These projects will be completed in 2021/2022 financial year.*

## HIGHLIGHT: POOL STAGE 1

Kellerberrin Memorial Swimming Pool Upgrade:  
Construction of a new Pool Pump and Plant Room.

Total Cost: \$946,684

Funding Received: \$946,684

Cost to Council: NIL

*This project will be completed in 2021/2022 financial year*

## HIGHLIGHT: CONSTRUCTION OF EXHIBITION HALL

Total Cost: \$512,693

Funding Received: \$512,693

Cost to Council: NIL



# ELECTED MEMBERS



**Shire President**  
 Cr Rod Forsyth  
 PO Box 73  
 Kellerberrin WA 6410  
 Tel: (08) 9045 9017  
 Mob: 0427 459 017  
 Elected: 2009  
 Term Expires: 2021



**Deputy Shire President**  
 Cr Scott O'Neill  
 PO Box 60  
 Kellerberrin WA 6410  
 Tel: (08) 9045 4102  
 Mob: 0429 454 102  
 Elected: 2007  
 Term Expires: 2023



**Member**  
 Cr Wendy McNeil  
 PO Box 25  
 Kellerberrin WA 6410  
 Tel: (08) 9045 2042  
 Mob: 0427 199 566  
 Elected: 2013  
 Term Expires: 2021



**Member**  
 Cr Matt Steber  
 PO Box 13  
 Doodlakine WA 6411  
 Tel: (08) 9045 8296  
 Mob: 0427 458 296  
 Elected: 2013  
 Term Expires: 2021



**Member**  
 Cr Dennis Reid  
 201 West Road  
 Yorkrakine WA 6409  
 Tel: (08) 9638 1049  
 Mob: 0428 381 044  
 Elected: 2015  
 Term Expires: 2023



**Member**  
 Cr David Leake  
 664 North Woolundra Road  
 Kellerberrin WA 6410  
 Tel: (08) 9045 8282  
 Mob: 0428 458 202  
 Elected: 2015  
 Term Expires: 2023



**Member**  
 Cr Emily Ryan  
 403 Benderine North Road  
 Kellerberrin WA 6410  
 Tel: (08) 9045 8282  
 Mob: 0431 702 765  
 Elected: 2019  
 Term Expires: 2023

## COUNCIL MEETINGS

Council meets on a monthly basis with a seven Councillor Membership, to make decisions relating to Policy, Statutory and Forward Planning direction of the Shire. All Meetings are open to the Public excluding Confidential Items and the dates, times and venues are advertised annually as Public Information for the Community. Council meetings are held on the third Tuesday of every month excluding January.

Council Agenda & Minutes can be viewed at the Shire Office and are published on the Shire's website at <https://www.kellerberrin.wa.gov.au/council/agendas-minutes/>

## COUNCIL COMMITTEES

- |   |                           |
|---|---------------------------|
| Audit Committee   | Roads Advisory Committee  |
| Emergency Committee   | Regional Road Group       |
| Great Eastern Country Zone WALGA (GECZ)                     | Arts & Cultural Committee |
| Local Emergency Management Committee (LEMC)                 |                           |
| Wheatbelt Eastern Regional Organisation of Councils (WEROC) |                           |
| Sport & Recreation Steering Committee                       |                           |
| Local Hospital Advisory Group (L-HAG)                       |                           |
| Regional Development Assessment Panel (RDAP)                |                           |
| Central East Aged Care Committee (CEACA)                    |                           |

**2020/21 MEETINGS**  
**ORDINARY COUNCIL MEETING: 11**  
**Special Council Meeting: 1**





## GOVERNANCE REPORTING STANDARDS

Local Government is governed by a number of various Acts of Legislation including the following Compliance and Statutory Reporting activities required for our Annual reporting processes and accountability;

**Freedom of Information (FOI) Statement** (Freedom of Information Act 2003) – Council maintains a number of records and registers including but not exclusive of; Town Planning Scheme, Financial Interest Register, Delegated Authority Register, Cemetery Register, Rate Book, Electoral Roll, Policy Manual, Local Laws, Minute Book, Gifts Register, Asset Register, Insurance Register, Keys Register, etc. Nominated Documents can be inspected free of charge upon application at the Office of Council 110 Massingham Street, Kellerberrin during normal business hours. During the year of review, Council didn't receive any applications for Freedom of Information and any application received is considered on the basis of not to contravene the privacy rights of the individuals and may be subject to a small administrative/copy charge for the enquiry. The Shire of Kellerberrin received no applications for Freedom of Information during the reporting period.

**Public Interest Disclosure (PID)** – The Public Interest Disclosure Act was established by the Commissioner for Public Sector Standards under section 20 of the Public Interest Disclosure Act 2003. Local Government has been legislated with some responsibility under the mentioned Act including that any matters that relate to the Shire of Kellerberrin Staff or Councillors should be referred to the appointed Officer. One of the principles of this new legislation is not just to provide protection to those who make disclosures (and those who are the subject of disclosures) but also encourages a system of transparency and accountability in the way government (parliamentarians) or government officials (public servants) act and utilise public monies. The Shire of Kellerberrin had no Public Interest Disclosures during the reporting period.

**National Competition Policy (NCP)** – In 1995 the Council of Australian Government entered into a number of agreements known as the National Competition Policy. The policy is a whole of Government approach to bring about reform in the public sector to encourage Government to become more competitive. Local Government will mainly be affected where it operates significant business activities that compete or could compete with private sector business. Local Government will also be impacted where its local laws unnecessarily affect competition. Local Government and more particularly the Shire of Kellerberrin is required to comply with certain policies contained within the National Competition Policy Statement and report on progress in connection with Competitive Neutrality Principles and review of Local Laws. The Shire of Kellerberrin has completed the majority of its statutory requirement for reviewing its Local Laws in association with the Joint Parliamentary Standing Committee.

**Competitive Neutrality (CN)** – The principle of “competitive neutrality” is that government businesses should not enjoy a competitive advantage, or suffer a disadvantage, simply as a result of their public sector ownership. Measures should be introduced to effectively neutralise any net competitive advantage flowing from government ownership. Competitive Neutrality should apply to all business activities that generate a user pays income of over \$200,000 per annum, unless it can be shown it is not in the public interest. A public benefit test is used to determine if competitive neutrality is in the public interest. The Shire of Kellerberrin does not control any business activity with a user pays income in excess of \$200,000.



## GOVERNANCE REPORTING STANDARDS

**Record Keeping Plan (RKP)** – The State Records Act 2000 is an Act to provide for the keeping of State Records and for related purposes. Section 19 of the Act requires that every government organisation must have a record keeping plan (RKP) that has been approved by the State Records Commission. A government organisation including local government, record keeping plan sets out the matters about which records are to be created by the organisation and how it is to keep its records. The record keeping plan comprises of a range of documents which, when assessed as a whole, provides an accurate reflection of the record keeping program within the organisation. More specifically, documentation regarding the organisation's record keeping system/s, disposal arrangements, policies, practices and processes will be essential components of the record keeping plan held by a local government.

The inclusion of such documentation will constitute evidence of compliance. The Shire of Kellerberrin currently complies with the requirements of the State Records Act 2000 and its requirements for a Record Keeping Plan.

**Information on Payments to Employees** – In accordance with section 5.53(2)(g) of the Local Government Act 1995 as amended, the Annual Report of a Local Government for a financial year is to contain the following information;

- (i) the number of employees of the local government entitled to an annual salary of \$100,000 or more;
- (ii) the number of those employees with an annual salary entitlement that falls within each band of \$10,000 in excess of 100,000.

The Shire of Kellerberrin has one employee who receives an annual salary in the \$150,000 to \$160,000 band.

**Disability Service Plan (DSP)** – Local Government under section 29(2) of the Disability Services Act 1993 is required to provide a summary report on Councils approach to assisting people with disabilities in our community as part of its Inclusiveness Planning summarised here under;

- Existing functions, services and facilities are adopted to meet the needs of people with disabilities;
- Council continues to consider the needs of people with disabilities wherever possible;
- Access to buildings and facilities are improved;
- Current Public Buildings have modifications undertaken for improved access to Public Buildings;
- Information is provided in the appropriate communications format;
- Council remains mindful of communicating at the simplest and easy to read format for all of its residents;
- Staff awareness of the needs of people with disabilities in delivery of council service;
- Staff remain aware to offer the appropriate assistance and advice to its residents on all occasions; and
- Opportunities for people with disabilities to participate at public buildings owned by the Council.

Access standards to all of Council Public Buildings remain a priority for people with disabilities to access these Public Buildings including the free Bus Service for Business and Shopping needs of the Aged.





## SENIOR MANAGEMENT



Chief Executive Officer  
Mr Raymond Griffiths  
ceo@kellerberrin.wa.gov.au  
0417 927 637



Deputy Chief Executive Officer  
Mr Lenin Pervan  
dceo@kellerberrin.wa.gov.au  
0429 454 806



Manager of Works Services  
Mr Mick Jones  
mws@kellerberrin.wa.gov.au  
0428 454 619

## TEAM

### Chief Executive Officer

Town Planner  
Personal Assistant  
Community Development Officer

### Deputy Chief Executive Officer

Senior Finance Officer  
Finance Officer  
Administration Officer  
Customer Service Officer  
Media Officer

### Works Services

Road Maintenance Team Leader  
4 x Plant Operator  
Grader Operator  
Parks & Gardens Team Leader  
GSG Curator  
4 x General Hand  
Mechanic  
Apprentice Mechanic  
Waste Transfer Site Supervisor  
2 x Part time Cleaner  
Pool Manager  
Caravan Park Caretaker  
Builder/Contractor

## AT A GLANCE

### Shire Location

Centrally located in the Wheatbelt, just 204km east of Perth, Kellerberrin is a warm, charming community, steeped in a vibrant history dating back from its Indigenous people to European pioneers. Kellerberrin celebrated its centenary in 2008, Kellerberrin's longevity is attributed to the passion and commitment of its community, the beauty of its natural attractions and the fostering of new forms of artistic expression. Kellerberrin is a town where life is as rich as the landscape.

### History

In 1830, Ensign Dale led an exploration party from York which reached into the Shire of Kellerberrin. Through the years 1861-68, a number of grazing leases were taken up in the area. In 1864, an explorer named C.C. Hunt named a granite outcrop "Killaberrin", this was named after the Aboriginal name for a large ant colony "Keller" found in the vicinity of the hill. In 1877 four sheep stations in the district, Cuttening, Milligan, Mooranoppin and Mt Caroline, were established. The names of the first settlers were the Massingham, Ripper, Leake and Sewell.

### Roads and Area of the Shire

The Shire has a total area of 1916 square kilometres and has 877 kilometres of roads, of which 271 kms are sealed.

### Population

The Shire of Kellerberrin has a population of approximately 1221 as of 2016 census with 796 electors. The Council employs 32 people.

### Education

Kellerberrin has within the Shire a Playgroup, District High School to Year 10, Activ Foundation for the intellectually handicapped. A daily school bus service is provided for students opting to attend Year 11 and 12 at Merredin College.

## STAFF CHANGES

The Shire received the following staff resignations during the 2020/21 reporting period. We wish all staff that have moved on to other employment opportunities or stages in their lives the very best in their future and also extend a warm welcome to new staff members at the Shire of Kellerberrin.

Joanne Spillman (CSO) 10/02/2020 - 20/10/2020  
Keeley O'Neill (CDO) 29/06/2020 - 26/03/2021  
Anthony Scorza (Outside Crew Team Leader) 19/11/2018 - 26/05/2021



## HIGHLIGHTS:

Woodstock Country  
Muster

Kellerberrin Speedway  
CW Harness Racing  
Wheatbelt Medical  
Students

Kellerberrin & Agricultural  
District Show  
Golden Grains

LHAG Ladies Day  
LHAG Mens Night  
Australia Day Awards

## COMMUNITY CROPPING:

The Shire of Kellerberrin  
continues to support a  
number of community  
groups through the  
community cropping  
program

## COMMUNITY DONATIONS AND CONTRIBUTIONS

### Donations and Contributions

Kellerberrin Agricultural Society	\$ 10,000.00
Central Wheatbelt Harness Racing Club	\$ 3,000.00
Kellerberrin Community Mens Shed	\$ 1,500.00
Wheatbelt Agcare Community Support Service	\$ 550.00
Doodlakine Bowling Club	\$ 300.00
Kellerberrin Bowling Club	\$ 300.00
Kellerberrin Golf Club	\$ 300.00

### Law, Order and Public Safety

Brigade & Fire Prevention Expenses	\$ 178,602.00
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### Other Health

Medical Officer – Housing & Vehicle – Costs	\$ 37,967.00
Medical Centre & Gardens – Operating Maintenance Costs	\$ 8,473.00

### Education and Welfare

Kellerberrin's Children Centre – Operating Costs	\$ 9,017.00
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### Community Amenities

Community Bus	\$ 28,399.00
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### Recreation and Culture

Swimming Pool Maintenance	\$ 138,122.00
Councils Recreation Facilities (Inc ovals, park etc)	\$ 441,995.00
Community Resource Centre /Library Contribution	\$ 18,674.00
Information Bay Contribution	\$ 5,102.00





## COUNCILS VISION:

To welcome diversity,  
culture and industry;  
promote a safe and  
prosperous community  
with a rich, vibrant and  
sustainable lifestyle  
for all to enjoy.

## CORE DRIVERS:

Relationships that bring  
us tangible benefits (to  
the Shire and our  
community)

Our lifestyle and strong  
sense of community

We are prepared for  
opportunities and we  
are innovative to ensure  
our relevancy and  
destiny

## STRATEGIC COMMUNITY PLAN

In 2019 the Shire of Kellerberrin completed a major review on the Strategic Community Plan. This revised Plan is the product of considerable consultation with the Kellerberrin community, representing a minor though vital review of the journey were on so as to ensure needs continue to be met and voices heard.

The Strategic Community Plan is our long term strategy aimed at enhancing the community in which we live in. The Plan details our aspirations, where we want to go, what we want to become and how we plan to get there. Council has been mindful of including and engaging the thoughts, views and ideas that each of our community representatives have when developing this Plan; this is a community plan that is owned by the community, not just by the Council. Through surveys and community engagement, Council have come to understand that there is a focus and drive to:

- Find ways to boost and promote our local economy and employment opportunities;
- Identify how to maintain/renew our community infrastructure at a sustainable level; and
- Improve opportunities for our community members, particularly for our youth and the elderly.

Under the *Local Government (Administration) Regulations 1996*, state government legislated an integrated framework for corporate planning and reporting. This framework requires each Local Government in Western Australia to have two key plans for the future;

1. A Strategic Community Plan; and
2. A Corporate Business Plan

These plans are supported by informing strategies being;

1. A Workforce Plan;
2. An Asset Management Plan; and
3. A Long Term Financial Plan.



# 2020/21 FINANCIAL STATEMENT REPORT

Shire of Kellerberrin Administration Office  
110 Massingham Street Kellerberrin  
PO Box 145 Kellerberrin WA 6410  
Office Hours: 8.30am - 4.30pm Monday to Friday  
**P** (08) 9045 4006  
**E** [shire@kellerberrin.wa.gov.au](mailto:shire@kellerberrin.wa.gov.au)  
**W** [www.kellerberrin.wa.gov.au](http://www.kellerberrin.wa.gov.au)





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

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**COMMUNITY VISION**

To welcome diversity, culture and industry; promote a safe a prosperous community with a rich, vibrant and sustainable lifestyle for all to enjoy.

Principal place of business:  
110 Massingham Street  
Kellerberrin  
WA 6410

**SHIRE OF KELLERBERRIN  
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 Kellerberrin 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 Kellerberrin 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

8th day of

December 2021



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Chief Executive Officer

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Raymond Griffiths

Name of Chief Executive Officer



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

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
<b>Revenue</b>				
Rates	25(a)	2,254,950	2,251,616	2,239,577
Operating grants, subsidies and contributions	2(a)	2,435,844	1,246,710	2,297,426
Fees and charges	2(a)	725,703	709,833	875,326
Interest earnings	2(a)	15,432	28,020	52,009
Other revenue	2(a)	994,017	353,701	448,490
		6,425,946	4,589,880	5,912,828
<b>Expenses</b>				
Employee costs		(1,939,505)	(1,895,888)	(1,703,490)
Materials and contracts		(1,210,478)	(1,286,978)	(1,204,256)
Utility charges		(322,490)	(299,737)	(319,899)
Depreciation on non-current assets	11(b)	(2,788,708)	(2,702,042)	(2,711,683)
Interest expenses	2(b)	(104,149)	(91,126)	(112,863)
Insurance expenses		(172,238)	(185,165)	(193,196)
Other expenditure	2(b)	(102,285)	(114,910)	(138,920)
		(6,639,853)	(6,575,846)	(6,384,307)
		(213,907)	(1,985,966)	(471,479)
Non-operating grants, subsidies and contributions	2(a)	2,592,127	2,079,854	2,878,069
Profit on asset disposals	11(a)	40,417	16,977	14,930
(Loss) on asset disposals	11(a)	(14,968)	(18,000)	(16,402)
Fair value adjustments to financial assets at fair value through profit or loss		1,939	0	865
		2,619,515	2,078,831	2,877,462
<b>Net result for the period</b>		<b>2,405,608</b>	<b>92,865</b>	<b>2,405,983</b>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	13	4,002,037	0	0
<b>Total other comprehensive income for the period</b>		<b>4,002,037</b>	<b>0</b>	<b>0</b>
<b>Total comprehensive income for the period</b>		<b>6,407,645</b>	<b>92,865</b>	<b>2,405,983</b>

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

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

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
<b>Revenue</b>				
Governance		20,762	15,500	22,573
General purpose funding		4,322,462	3,405,676	4,495,289
Law, order, public safety		207,908	33,498	33,665
Health		16,456	13,444	15,102
Education and welfare		5,000	5,200	5,200
Housing		0	3,000	12,860
Community amenities		172,452	178,826	165,664
Recreation and culture		611,396	37,250	137,774
Transport		231,272	155,965	149,408
Economic services		464,945	431,601	428,130
Other property and services		373,293	309,920	447,163
		<b>6,425,946</b>	<b>4,589,880</b>	<b>5,912,828</b>
<b>Expenses</b>				
Governance		(666,712)	(761,402)	(659,708)
General purpose funding		(186,420)	(256,791)	(239,109)
Law, order, public safety		(299,277)	(159,305)	(192,138)
Health		(118,182)	(102,625)	(97,177)
Education and welfare		(13,425)	(33,367)	(17,417)
Housing		(16,240)	(42,191)	(20,186)
Community amenities		(473,176)	(564,466)	(481,328)
Recreation and culture		(1,071,761)	(1,277,297)	(1,194,737)
Transport		(2,692,741)	(2,449,702)	(2,435,096)
Economic services		(664,462)	(620,709)	(640,225)
Other property and services		(333,308)	(216,865)	(294,323)
		<b>(6,535,704)</b>	<b>(6,484,720)</b>	<b>(6,271,444)</b>
<b>Finance Costs</b>				
Housing		(22,743)	(16,986)	(23,356)
Recreation and culture		(71,263)	(66,040)	(78,079)
Other property and services		(10,143)	(8,100)	(11,428)
	2(b)	<b>(104,149)</b>	<b>(91,126)</b>	<b>(112,863)</b>
		<b>(213,907)</b>	<b>(1,985,966)</b>	<b>(471,479)</b>
Non-operating grants, subsidies and contributions	2(a)	2,592,127	2,079,854	2,878,069
Profit on disposal of assets	11(a)	40,417	16,977	14,930
(Loss) on disposal of assets	11(a)	(14,968)	(18,000)	(16,402)
Fair value adjustments to financial assets at fair value through profit or loss		1,939	0	865
		<b>2,619,515</b>	<b>2,078,831</b>	<b>2,877,462</b>
<b>Net result for the period</b>		<b>2,405,608</b>	<b>92,865</b>	<b>2,405,983</b>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	13	4,002,037	0	0
<b>Total other comprehensive income for the period</b>		<b>4,002,037</b>	<b>0</b>	<b>0</b>
<b>Total comprehensive income for the period</b>		<b>6,407,645</b>	<b>92,865</b>	<b>2,405,983</b>

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



**SHIRE OF KELLERBERRIN**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2021**

	NOTE	2021 \$	2020 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	3,765,250	3,462,143
Trade and other receivables	6	374,980	286,826
Inventories	7	1,632	13,241
Other assets	8	2,962	3,135
<b>TOTAL CURRENT ASSETS</b>		<b>4,144,824</b>	<b>3,765,345</b>
<b>NON-CURRENT ASSETS</b>			
Trade and other receivables	6	39,063	34,398
Other financial assets	5	55,354	53,416
Inventories	7	106,000	178,537
Property, plant and equipment	9	23,238,337	17,032,377
Infrastructure	10	72,916,997	72,369,697
Right-of-use assets	12	19,002	25,336
<b>TOTAL NON-CURRENT ASSETS</b>		<b>96,374,753</b>	<b>89,693,761</b>
<b>TOTAL ASSETS</b>		<b>100,519,577</b>	<b>93,459,106</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	14	1,081,359	354,645
Other liabilities	15	154,440	47,942
Lease liabilities	16(a)	10,279	10,868
Borrowings	17(a)	176,785	169,207
Employee related provisions	18	308,110	291,443
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,730,973</b>	<b>874,105</b>
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities	16(a)	0	10,252
Borrowings	17(a)	1,570,051	1,746,836
Employee related provisions	18	19,578	36,583
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>1,589,629</b>	<b>1,793,671</b>
<b>TOTAL LIABILITIES</b>		<b>3,320,602</b>	<b>2,667,776</b>
<b>NET ASSETS</b>		<b>97,198,975</b>	<b>90,791,330</b>
<b>EQUITY</b>			
Retained surplus		33,291,061	30,973,695
Reserves - cash backed	4	2,283,800	2,195,558
Revaluation surplus	13	61,624,114	57,622,077
<b>TOTAL EQUITY</b>		<b>97,198,975</b>	<b>90,791,330</b>

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

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

		RETAINED SURPLUS	RESERVES CASH BACKED	REVALUATION SURPLUS	TOTAL EQUITY
		\$	\$	\$	\$
<b>Balance as at 1 July 2019</b>		<b>29,840,518</b>	<b>922,752</b>	<b>57,622,077</b>	<b>88,385,347</b>
Comprehensive income					
Net result for the period (restated)		2,405,983	0	0	2,405,983
Total comprehensive income		2,405,983	0	0	2,405,983
Transfers to reserves	4	(1,272,806)	1,272,806	0	0
<b>Balance as at 30 June 2020</b>		<b>30,973,695</b>	<b>2,195,558</b>	<b>57,622,077</b>	<b>90,791,330</b>
Comprehensive income					
Net result for the period		2,405,608	0	0	2,405,608
Other comprehensive income	13	0	0	4,002,037	4,002,037
Total comprehensive income		2,405,608	0	4,002,037	6,407,645
Transfers from reserves	4	290,751	(290,751)	0	0
Transfers to reserves	4	(378,993)	378,993	0	0
<b>Balance as at 30 June 2021</b>		<b>33,291,061</b>	<b>2,283,800</b>	<b>61,624,114</b>	<b>97,198,975</b>

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



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

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Rates		2,246,067	2,255,871	2,234,973
Operating grants, subsidies and contributions		2,569,090	1,203,818	2,028,989
Fees and charges		725,703	709,833	875,326
Interest received		15,432	28,020	52,009
Goods and services tax received		439,069	352,171	352,171
Other revenue		994,012	353,701	448,490
		6,989,373	4,903,414	5,991,958
<b>Payments</b>				
Employee costs		(1,907,802)	(1,895,888)	(1,617,005)
Materials and contracts		(472,748)	(1,181,773)	(1,321,986)
Utility charges		(322,490)	(299,737)	(319,899)
Interest expenses		(104,149)	(91,126)	(112,863)
Insurance paid		(172,238)	(185,165)	(193,196)
Goods and services tax paid		(592,273)	(352,171)	(333,946)
Other expenditure		(102,283)	(114,910)	(138,920)
		(3,673,983)	(4,120,770)	(4,037,815)
<b>Net cash provided by (used in) operating activities</b>	19	3,315,390	782,644	1,954,143
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for purchase of property, plant & equipment	9(a)	(3,412,050)	(596,000)	(498,396)
Payments for construction of infrastructure	10(a)	(2,377,472)	(3,205,004)	(4,296,083)
Non-operating grants, subsidies and contributions	2(a)	2,592,127	2,079,854	2,878,069
Proceeds from sale of property, plant & equipment	11(a)	365,160	295,000	265,817
<b>Net cash provided by (used in) investment activities</b>		(2,832,235)	(1,426,150)	(1,650,593)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of borrowings	17(b)	(169,207)	(169,208)	(186,291)
Payments for principal portion of lease liabilities	16(b)	(10,841)	(10,842)	(10,549)
<b>Net cash provided by (used in) financing activities</b>		(180,048)	(180,050)	(196,840)
<b>Net increase (decrease) in cash held</b>		303,107	(823,556)	106,710
Cash at beginning of year		3,462,143	3,462,143	3,355,433
<b>Cash and cash equivalents at the end of the year</b>	19	3,765,250	2,638,587	3,462,143

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

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

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
<b>OPERATING ACTIVITIES</b>				
<b>Net current assets at start of financial year - surplus/(deficit)</b>	26 (b)	1,167,201	1,155,609	1,950,946
		1,167,201	1,155,609	1,950,946
		0		
<b>Revenue from operating activities (excluding rates)</b>				
Governance		46,055	27,538	25,689
General purpose funding		2,097,053	1,181,663	2,284,180
Law, order, public safety		207,908	33,498	33,665
Health		16,456	13,444	15,102
Education and welfare		5,000	5,200	5,200
Housing		0	3,000	12,860
Community amenities		172,452	178,826	165,664
Recreation and culture		611,396	37,250	137,774
Transport		234,299	158,879	157,357
Economic services		464,945	431,601	428,130
Other property and services		385,390	311,945	451,028
		4,240,954	2,382,844	3,716,649
<b>Expenditure from operating activities</b>				
Governance		(667,700)	(761,402)	(669,610)
General purpose funding		(186,420)	(256,791)	(239,109)
Law, order, public safety		(299,277)	(159,305)	(192,138)
Health		(118,182)	(102,625)	(97,177)
Education and welfare		(13,425)	(33,367)	(17,417)
Housing		(38,983)	(59,177)	(43,542)
Community amenities		(473,176)	(564,466)	(481,328)
Recreation and culture		(1,143,025)	(1,343,337)	(1,272,816)
Transport		(2,695,749)	(2,467,702)	(2,435,096)
Economic services		(664,462)	(620,709)	(640,225)
Other property and services		(354,423)	(224,965)	(312,251)
		(6,654,822)	(6,593,846)	(6,400,709)
Non-cash amounts excluded from operating activities	26(a)	2,745,067	2,703,065	2,808,580
<b>Amount attributable to operating activities</b>		1,498,400	(352,328)	2,075,466
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions	2(a)	2,592,127	2,079,854	2,878,069
Proceeds from disposal of assets	11(a)	365,160	295,000	265,817
Purchase of property, plant and equipment	9(a)	(3,412,050)	(596,000)	(498,396)
Purchase and construction of infrastructure	10(a)	(2,377,472)	(3,205,004)	(4,296,083)
<b>Amount attributable to investing activities</b>		(2,832,235)	(1,426,150)	(1,650,593)
<b>FINANCING ACTIVITIES</b>				
Repayment of borrowings	17(b)	(169,207)	(169,208)	(186,291)
Payments for principal portion of lease liabilities	16(b)	(10,841)	(10,842)	(10,549)
Transfers to reserves (restricted assets)	4	(378,993)	(465,483)	(1,272,806)
Transfers from reserves (restricted assets)	4	290,751	200,000	0
<b>Amount attributable to financing activities</b>		(268,290)	(445,533)	(1,469,646)
<b>Surplus/(deficit) before imposition of general rates</b>		(1,602,125)	(2,224,011)	(1,044,773)
<b>Total amount raised from general rates</b>	25(a)	2,227,348	2,224,013	2,211,974
<b>Surplus/(deficit) after imposition of general rates</b>	26(b)	<b>625,223</b>	<b>2</b>	<b>1,167,201</b>

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

**SHIRE OF KELLERBERRIN**  
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**FOR THE YEAR ENDED 30 JUNE 2021**

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## 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 measurement 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 30 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.

The balances, transactions and disclosures impacted by accounting estimates are as follows:

- Employee expenses
- Land held for resale
- Other financial assets
- Property, Plant and Equipment
- Infrastructure
- Intangible assets
- Right-of-use assets
- Lease liabilities
- Borrowing liabilities
- Provisions

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

**2. REVENUE AND EXPENSES**

(a)

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
	\$	\$	\$
<b>Operating grants, subsidies and contributions</b>			
Governance	5,000	6,500	1,500
General purpose funding	2,019,159	1,025,592	2,096,313
Law, order, public safety	199,293	29,348	29,347
Housing	697	0	0
Community amenities	26,033	36,305	11,951
Recreation and culture	23,800	0	15,477
Transport	161,862	148,965	142,838
	<b>2,435,844</b>	<b>1,246,710</b>	<b>2,297,426</b>
<b>Non-operating grants, subsidies and contributions</b>			
Law, order, public safety	775,500	0	8,238
Community amenities	5,700	0	0
Recreation and culture	771,554	1,000,000	0
Transport	1,039,373	1,079,854	2,869,831
	<b>2,592,127</b>	<b>2,079,854</b>	<b>2,878,069</b>
<b>Total grants, subsidies and contributions</b>	<b>5,027,971</b>	<b>3,326,564</b>	<b>5,175,495</b>
<b>Fees and charges</b>			
Governance	4,000	4,000	4,000
General purpose funding	2,820	75,448	78,315
Law, order, public safety	5,097	4,150	4,319
Health	16,456	13,444	15,102
Education and welfare	5,000	5,200	5,200
Housing	164,301	161,720	164,644
Community amenities	146,418	142,521	153,622
Recreation and culture	26,568	17,250	19,448
Transport	4,829	7,000	6,569
Economic services	198,868	184,100	204,777
Other property and services	151,346	95,000	219,330
	<b>725,703</b>	<b>709,833</b>	<b>875,326</b>

There were no changes to the amounts of fees or charges detailed in the original budget.

**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.

**SHIRE OF KELLERBERRIN**  
**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	2,435,844	1,246,710	2,297,426
Fees and charges	688,864	709,833	875,326
Other revenue	34,664	30,500	448,490
Non-operating grants, subsidies and contributions	2,592,127	2,079,854	2,878,069
	5,751,499	4,066,897	6,499,311

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

	47,942	47,942	40,101
Revenue from contracts with customers recognised during the year	3,111,430	1,939,101	3,581,141
Revenue from transfers intended for acquiring or constructing recognisable non financial assets during the year	2,592,127	2,079,854	2,878,069
	5,751,499	4,066,897	6,499,311

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:

Contract liabilities from contracts with customers	(154,440)	(47,942)
--	-----------	----------

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 KELLERBERRIN**  
**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

Statutory permits and licences

Fines

**Other revenue**

Reimbursements and recoveries

Other

**Interest earnings**

Interest on reserve funds

Rates instalment and penalty interest (refer Note 25(c))

Other interest earnings

	2021 Actual \$	2021 Budget \$	2020 Actual \$
General rates	2,227,348	2,224,013	2,211,974
Statutory permits and licences	31,277	0	32,601
Fines	5,562	0	5,720
	<b>2,264,187</b>	<b>2,224,013</b>	<b>2,250,295</b>
Other revenue			
Reimbursements and recoveries	959,353	323,201	354,389
Other	34,664	30,500	94,101
	<b>994,017</b>	<b>353,701</b>	<b>448,490</b>
Interest earnings			
Interest on reserve funds	11,069	12,000	13,017
Rates instalment and penalty interest (refer Note 25(c))	3,916	3,000	26,133
Other interest earnings	447	13,020	12,859
	<b>15,432</b>	<b>28,020</b>	<b>52,009</b>

**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.

# SHIRE OF KELLERBERRIN

## NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

**FOR THE YEAR ENDED 30 JUNE 2021**

## 2. REVENUE AND EXPENSES (Continued)

### (b) Expenses

## Auditors remuneration

- Audit of the Annual Financial Report
- Other services
- Reg 17 of Local Government (Audit) Regulations 1996

### Interest expenses (finance costs)

- |                   |       |         |        |         |
|-------------------|-------|---------|--------|---------|
| Borrowings        | 17(b) | 103,639 | 90,616 | 112,060 |
| Lease liabilities | 16(b) | 510     | 510    | 803     |

## Other expenditure

- |                 |         |         |         |
|-----------------|---------|---------|---------|
| Sundry expenses | 102,285 | 114,910 | 138,920 |
|                 | 102,285 | 114,910 | 138,920 |

**SHIRE OF KELLERBERRIN**  
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**2. REVENUE AND EXPENSES**

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
Specified area rates	Rates charge for specific defined purpose	Over time	Payment dates adopted by Council during the year	Refund in event monies are unspent	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Service charges	Charge for specific service	Over time	Payment dates adopted by Council during the year	Refund in event monies are unspent	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
Waste management collections	Kerbside collection service	Over time	Payment on an annual basis in advance	None	Adopted by council annually	Apportioned equally across the collection period	Not applicable	Output method based on regular weekly and fortnightly period as proportionate to collection service
Waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	Adopted by council annually	Based on timing of entry to facility	Not applicable	On entry to facility
Airport landing charges	Permission to use facilities and runway	Single point in time	Monthly in arrears	None	Adopted by council annually	Applied fully on timing of landing/take-off	Not applicable	On landing/departure event
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
Memberships	Gym and pool membership	Over time	Payment in full in advance	Refund for unused portion on application	Adopted by council annually	Apportioned equally across the access period	Returns limited to repayment of transaction price	Output method Over 12 months matched to access right
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 KELLERBERRIN**  
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**3. CASH AND CASH EQUIVALENTS**

	NOTE	2021 \$	2020 \$
Cash at bank and on hand		3,765,250	3,462,143
<b>Total cash and cash equivalents</b>		<b>3,765,250</b>	<b>3,462,143</b>
<b>Restrictions</b>			
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		2,476,188	2,278,461
		<b>2,476,188</b>	<b>2,278,461</b>
The restricted assets are a result of the following specific purposes to which the assets may be used:			
Reserves - cash backed	4	2,283,800	2,195,558
Contract liabilities from contracts with customers	15	154,440	47,942
Bonds and deposits held		37,948	34,961
<b>Total restricted assets</b>		<b>2,476,188</b>	<b>2,278,461</b>

**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 KELLERBERRIN**  
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**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 Budget 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	420,992	2,218	(200,000)	223,210	420,992	102,301	(200,000)	323,293	217,794	203,198	0	420,992
(b) Community Bus Reserve	67,402	355	0	67,757	67,402	368	0	67,770	66,426	976	0	67,402
(c) Housing Reserve	191,319	1,008	0	192,327	191,319	1,046	0	192,365	60,432	130,887	0	191,319
(d) Swimming Pool Reserve	1,250,688	361,970	0	1,612,658	1,250,688	360,319	0	1,611,007	394,754	855,934	0	1,250,688
(e) Sport and Recreation Reserve	92,831	13,038	(90,751)	15,118	92,831	507	0	93,338	81,840	10,991	0	92,831
(f) Long Service Leave Reserve	76,682	404	0	77,086	76,682	419	0	77,101	55,862	20,820	0	76,682
(g) Pathways Reserve	51,056	0	0	51,056	51,056	279	0	51,335	1,056	50,000	0	51,056
(h) Special Projects Reserve	44,588	0	0	44,588	44,588	244	0	44,832	44,588	0	0	44,588
	2,195,558	378,993	(290,751)	2,283,800	2,195,558	465,483	(200,000)	2,461,041	922,752	1,272,806	0	2,195,558

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	Ongoing	To be used for the future purchase of plant and machinery
(b) Community Bus Reserve	Ongoing	To subsidise the replacement of community bus
(c) Housing Reserve	Ongoing	To be used for the provision of staff housing
(d) Swimming Pool Reserve	2022/2023	To be used to improve the swimming pool facilities
(e) Sport and Recreation Reserve	Ongoing	To provide sporting and recreation amenities
(f) Long Service Leave Reserve	Ongoing	To be used to fund employees long service leave
(g) Pathways Reserve	Ongoing	To be used for the construction of new pathways
(h) Special Projects Reserve	Ongoing	To be used in the funding of special projects

## 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

2021	2020
\$	\$
55,354	53,416
55,354	53,416
55,354	53,416
55,354	53,416

## 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 27.



## 6. TRADE AND OTHER RECEIVABLES

Rates receivable  
Trade and other receivables  
GST receivable

### Non-current

Pensioner's rates and ESL deferred

2021	2020
\$	\$
125,425	146,032
114,046	140,794
135,509	0
374,980	286,826
39,063	34,398
39,063	34,398

### SIGNIFICANT ACCOUNTING POLICIES

#### Trade and other receivables

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

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

#### Impairment and risk exposure

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

### 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.

## 7. INVENTORIES

Fuel and materials  
Land held for resale - cost  
Cost of acquisition

### Non-current

Land held for resale - cost  
Cost of acquisition / net realisable value

The following movements in inventories occurred during the year:

### Balance at beginning of year

Write down of inventories to net realisable value

Disposal of land held for resale  
Inventory movement during the year

### Balance at end of year

	2021	2020
	\$	\$
Fuel and materials	1,632	1,991
Land held for resale - cost		
Cost of acquisition	0	11,250
	1,632	13,241
Non-current		
Land held for resale - cost		
Cost of acquisition / net realisable value	106,000	178,537
	106,000	178,537
Balance at beginning of year	191,778	182,100
Write down of inventories to net realisable value	(72,537)	0
Disposal of land held for resale	(11,250)	0
Inventory movement during the year	(359)	9,678
Balance at end of year	107,632	191,778

## SIGNIFICANT ACCOUNTING POLICIES

### General

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

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

### Land held for resale

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

### Land held for resale (Continued)

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

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

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

8. OTHER ASSETS

Other assets - current

Accrued income

2021	2020
\$	\$
2,962	3,135
2,962	3,135

## 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.

	Land	Buildings - non- specialised	Buildings - specialised	Total land and buildings	Furniture and equipment	Plant and equipment	Work In Progress (WIP)	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Carrying amount at 1 July 2019</b>	1,460,500	2,498,786	10,404,536	14,363,822	191,294	3,123,642	0	17,678,758
Additions	0	34,400	33,501	67,901	6,750	423,745	0	498,396
(Disposals)	(6,500)	(76,497)	(5,144)	(88,141)	0	(179,148)	0	(267,289)
Depreciation (expense)	0	(53,969)	(240,045)	(294,014)	(27,611)	(593,132)	0	(914,757)
Transfers	(11,250)	(530)	530	(11,250)	48,519	0	0	37,269
<b>Carrying amount at 30 June 2020</b>	1,442,750	2,402,190	10,193,378	14,038,318	218,952	2,775,107	0	17,032,377
<b>Comprises:</b>								
Gross balance amount at 30 June 2020	1,442,750	2,529,290	10,909,173	14,881,213	264,669	3,876,856	0	19,022,738
Accumulated depreciation at 30 June 2020	0	(127,100)	(715,795)	(842,895)	(45,717)	(1,101,749)	0	(1,990,361)
<b>Carrying amount at 30 June 2020</b>	1,442,750	2,402,190	10,193,378	14,038,318	218,952	2,775,107	0	17,032,377
Additions	26,794	0	2,400,225	2,427,019	24,647	960,384	0	3,412,050
(Disposals)	(20,200)	0	0	(20,200)	0	(308,261)	0	(328,461)
Revaluation increments / (decrements)	(167,344)	(99,440)	4,341,358	4,074,574	0	0	0	4,074,574
Depreciation (expense)	0	(53,750)	(241,435)	(295,185)	(34,454)	(615,163)	0	(944,802)
Transfer to Infrastructure	0	0	(7,400)	(7,400)	0	0	0	(7,400)
Transfer to Work in Progress	0	0	(1,700,620)	(1,700,620)	0	0	1,700,620	0
<b>Carrying amount at 30 June 2021</b>	1,282,000	2,249,000	14,985,505	18,516,505	209,145	2,812,067	1,700,620	23,238,337
<b>Comprises:</b>								
Gross balance amount at 30 June 2021	1,282,000	2,249,000	14,985,505	18,516,505	289,316	4,454,627	1,700,620	24,961,068
Accumulated depreciation at 30 June 2021	0	0	0	0	(80,171)	(1,642,560)	0	(1,722,731)
<b>Carrying amount at 30 June 2021</b>	1,282,000	2,249,000	14,985,505	18,516,505	209,145	2,812,067	1,700,620	23,238,337



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

(b)

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
<b>(i) Fair Value</b>					
<b>Land and buildings</b>					
Land	2	Market approach using recent observable market data for similar properties / income approach using discounted cashflow methodology	Independent registered valuer	June 2021	Price per hectare / market borrowing rate
Buildings - non-specialised	3	Cost approach and current replacement cost	Independent registered valuer	June 2021	Construction costs and current condition, residual values and remaining useful life assessments inputs
Buildings - specialised	3	Cost approach and current replacement cost	Independent registered valuer	June 2021	Construction costs and current condition, residual values and remaining useful life assessments inputs

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

During the period, Buildings non-specialised were valued utilising the cost approach and current replacement costs.

### (ii) Cost

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.

## 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	Drainage	Footpaths	Public Facilities	Total Infrastructure
	\$	\$	\$	\$	\$
<b>Carrying amount at 1 July 2019</b>	56,598,297	6,930,914	709,037	5,674,477	69,912,725
Additions	3,736,357	150,169	22,113	387,444	4,296,083
Depreciation (expense)	(1,372,460)	(136,456)	(51,655)	(230,021)	(1,790,592)
Transfers	0	0	0	(48,519)	(48,519)
<b>Carrying amount at 30 June 2020</b>	<b>58,962,194</b>	<b>6,944,627</b>	<b>679,495</b>	<b>5,783,381</b>	<b>72,369,697</b>
<b>Comprises:</b>					
Gross balance at 30 June 2020	87,901,938	10,421,895	1,828,255	6,325,476	106,477,564
Accumulated depreciation at 30 June 2020	(28,939,744)	(3,477,268)	(1,148,760)	(542,095)	(34,107,867)
<b>Carrying amount at 30 June 2020</b>	<b>58,962,194</b>	<b>6,944,627</b>	<b>679,495</b>	<b>5,783,381</b>	<b>72,369,697</b>
Additions	2,065,423	0	188,006	124,043	2,377,472
Depreciation (expense)	(1,407,199)	(138,272)	(52,181)	(239,920)	(1,837,572)
Transfers	0	0	0	7,400	7,400
<b>Carrying amount at 30 June 2021</b>	<b>59,620,418</b>	<b>6,806,355</b>	<b>815,320</b>	<b>5,674,904</b>	<b>72,916,997</b>
<b>Comprises:</b>					
Gross balance at 30 June 2021	89,967,361	10,421,895	2,016,261	6,456,919	108,862,436
Accumulated depreciation at 30 June 2021	(30,346,943)	(3,615,540)	(1,200,941)	(782,015)	(35,945,439)
<b>Carrying amount at 30 June 2021</b>	<b>59,620,418</b>	<b>6,806,355</b>	<b>815,320</b>	<b>5,674,904</b>	<b>72,916,997</b>

**SHIRE OF KELLERBERRIN**  
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**10. INFRASTRUCTURE (Continued)**

(b)

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

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

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

11. FIXED ASSETS

**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 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 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 12 that details the significant accounting policies applying to leases (including right-of-use assets).



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**11. FIXED ASSETS**

(a)

	2021 Actual 0 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
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Land - freehold land	31,450	32,575	12,097	(10,972)	7,975	10,000	2,025	0	6,500	0	0	(6,500)
Buildings - non-specialised	0	0	0	0	0	0	0	0	76,497	80,362	3,865	0
Buildings - specialised	0	0	0	0	0	0	0	0	5,144	0	0	(5,144)
Plant and equipment	308,261	332,585	28,320	(3,996)	288,049	285,000	14,952	(18,000)	179,148	185,455	11,065	(4,758)
	339,711	365,160	40,417	(14,968)	296,024	295,000	16,977	(18,000)	267,289	265,817	14,930	(16,402)

The following assets were disposed of during the year.

	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss
	\$	\$	\$	\$
<b>Plant and Equipment</b>				
<b>Governance</b>				
Toyota Prado DSL Wagon	55,539	61,818	6,279	0
Toyota Hilux	37,352	36,364	0	(988)
Ford Wildtrak Ranger	38,265	42,727	4,462	0
Hino Street Sweeper Truck	42,866	39,858	0	(3,008)
Ford Wildtrak Ranger KE2	44,246	47,273	3,027	0
Isuzu MUX 2020 KE002	35,520	42,727	7,207	0
Toyota Prado DLS Wagon	54,473	61,818	7,345	0
	308,261	332,585	28,320	(3,996)
<b>Land</b>				
<b>Other Property and Services</b>				
Lot 54 Tiller Drive ( Formerly Lot 309)	5,200	11,000	5,800	0
Lot 8, Station St Doodlakine	5,000	1,343	0	(3,657)
Lot 9, Station St Doodlakine	5,000	1,343	0	(3,657)
Lot 10, Station St Doodlakine	4,000	1,074	0	(2,926)
Lot 67, Station St Doodlakine	1,000	268	0	(732)
	20,200	15,028	5,800	(10,972)
<b>Land Held for Resale</b>				
<b>Program</b>				
Lot 55 Tiller Drive (Formewrly Lot 309)	11,250	17,547	6,297	0
	11,250	17,547	6,297	0
	339,711	365,160	40,417	(14,968)

**SHIRE OF KELLERBERRIN**  
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**11. FIXED ASSETS**

(b)

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Buildings - non-specialised	53,750	53,777	53,969
Buildings - specialised	241,435	239,192	240,045
Furniture and equipment	34,454	27,513	27,611
Plant and equipment	615,163	591,023	593,132
Infrastructure - roads	1,407,199	1,367,580	1,372,460
Drainage	138,272	135,971	136,456
Footpaths	52,181	51,471	51,655
Public Facilities	239,920	229,203	230,021
Right-of-use assets - furniture and equipment	6,334	6,312	6,334
	<b>2,788,708</b>	<b>2,702,042</b>	<b>2,711,683</b>

**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 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.

**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	75 years
seal	
- bituminous seals	20 years
- asphalt surfaces	25 years
Gravel Roads	
- Formation	Not Depreciated
- Pavement	75 Years
- Gravel Sheet	12 Years
Formed Roads	
- Formation	Not Depreciated
- Pavement	75 Years
Footpaths - Slabs	20 Years
Footpaths - Concrete	50 Years
Sewerage Piping	100 Years
Water supply piping	75 Years
Drainage Systems	75 Years
Right of use (buildings)	Based on the remaining lease
Right of use (furniture and equipment)	Based on the remaining lease

## 12. LEASES

### (a) Right-of-Use Assets

Movement in the balance of each class of right-of-use asset between the beginning and the end of the current financial year.

#### Balance at 1 July 2019

Depreciation (expense)

#### Balance at 30 June 2020

Depreciation (expense)

#### Balance at 30 June 2021

Right-of-use assets - furniture and equipment	Right-of-use assets Total
\$	
31,670	31,670
(6,334)	(6,334)
25,336	25,336
(6,334)	(6,334)
19,002	19,002

The following amounts were recognised in the statement of comprehensive income during the period in respect of leases where the entity is the lessee:

Total cash outflow from leases

2021 Actual	2020 Actual
\$	\$
(11,352)	(11,352)

### SIGNIFICANT ACCOUNTING POLICIES

#### Leases

At inception of a contract, the Shire assesses if the contract contains or is a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the commencement date, a right-of-use asset is recognised at cost and lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Shire uses its incremental borrowing rate.

All contracts that are classified as short-term leases (i.e. a lease with a remaining term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Leases for right-of-use assets are secured over the asset being leased.

#### Right-of-use assets - valuation

Right-of-use assets are measured at cost. This means that 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). The exception is vested improvements on concessionary land leases such as roads, buildings or other infrastructure which are reported at fair value.

Refer to Note 10 for details on the significant accounting policies applying to vested improvements.

#### Right-of-use assets - depreciation

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest. Where a lease transfers ownership of the underlying asset, or the cost of the right-of-use asset reflects that the Shire anticipates to exercise a purchase option, the specific asset is amortised over the useful life of the underlying asset.

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**13. REVALUATION SURPLUS**

	2021 Opening Balance	2021 Revaluation Increment	2021 Revaluation (Decrement)	Total Movement on Revaluation	2021 Closing Balance	2020 Opening Balance	2020 Change in Accounting Policy	2020 Revaluation Increment	2020 Revaluation (Decrement)	Total Movement on Revaluation	2020 Closing Balance
	\$	\$	\$	\$	\$	\$		\$	\$	\$	\$
Revaluation surplus - Land - freehold land	768,672	0	(167,344)	(167,344)	601,328	921,672	(153,000)	0	0	0	768,672
Revaluation surplus - Buildings - specialised	3,635,414	4,241,918	0	4,241,918	7,877,332	3,635,414	0	0	0	0	3,635,414
Revaluation surplus - Land held for resale	178,537	0	(72,537)	(72,537)	106,000	178,537	0	0	0	0	178,537
Revaluation surplus - Furniture and equipment	32,881	0	0	0	32,881	32,881	0	0	0	0	32,881
Revaluation surplus - Plant and equipment	1,851,158	0	0	0	1,851,158	1,851,158	0	0	0	0	1,851,158
Revaluation surplus - Infrastructure - roads	42,841,502	0	0	0	42,841,502	42,841,502	0	0	0	0	42,841,502
Revaluation surplus - Drainage	6,275,922	0	0	0	6,275,922	6,275,922	0	0	0	0	6,275,922
Revaluation surplus - Footpaths	405,185	0	0	0	405,185	405,185	0	0	0	0	405,185
Revaluation surplus - Public Facilities	1,632,806	0	0	0	1,632,806	1,632,806	0	0	0	0	1,632,806
	57,622,077	4,241,918	(239,881)	4,002,037	61,624,114	57,775,077	(153,000)	0	0	0	57,622,077

#### 14. TRADE AND OTHER PAYABLES

Sundry creditors
Income in advance
Accrued salaries and wages
ATO liabilities
Bonds and deposits held
Accrued interest on loans
Payroll creditors
Accrued expenses

2021	2020
\$	\$
933,603	185,998
36,605	61,430
38,625	6,584
0	17,695
38,247	34,961
4,601	5,047
29,678	29,141
0	13,789
1,081,359	354,645

#### 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.



15. OTHER LIABILITIES

Current

Contract liabilities

2021	2020
\$	\$
154,440	47,942

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.

SHIRE OF KELLERBERRIN

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16. LEASE LIABILITIES

(a) Lease Liabilities					2021	2020
					\$	\$
Current					10,279	10,868
Non-current					0	10,252
					10,279	21,120

(b) Movements in Carrying Amounts																			
Lease		Lease Interest	Lease	Actual Lease Principal	30 June 2021 Actual New	30 June 2021 Actual Lease Principal	30 June 2021 Actual Lease Principal	30 June 2021 Actual Lease Interest	Budget Lease Principal	30 June 2021 Budget New	30 June 2021 Budget Lease Principal	30 June 2021 Budget Lease Principal	30 June 2021 Budget Lease Interest	Actual Lease Principal	30 June 2020 Actual New	30 June 2020 Actual Lease Principal	30 June 2020 Actual Lease Principal	30 June 2020 Actual Lease Interest	
Purpose	Number	Institution	Rate	Term	1 July 2020	Leases	Repayments	Outstanding	Repayments	1 July 2020	Leases	Repayments	Outstanding	Repayments	1 July 2019	Leases	Repayments	Outstanding	Repayments
					\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Recreation and culture					21,120	0	10,841	10,279	510	10,842		(10,842)	0	(803)	31,670		(10,550)	21,120	(803)
Gymnasium Equipment	1	MAIA Finance	2.99%	48 months	21,120	0	10,841	10,279	510	10,842	0	(10,842)	0	(803)	31,670	0	(10,550)	21,120	(803)

SHIRE OF KELLERBERRIN

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17. INFORMATION ON BORROWINGS

(a) Borrowings

	2021	2020
	\$	\$
Current	176,785	169,207
Non-current	1,570,051	1,746,836
	1,746,836	1,916,043

(b) Repayments - Borrowings

Particulars	Loan Number	Institution	Interest Rate	30 June 2021	30 June 2021	30 June 2021	30 June 2021	30 June 2021	30 June 2021	30 June 2021	30 June 2021	30 June 2021	30 June 2021	30 June 2021	30 June 2021	30 June 2021	30 June 2021	30 June 2021	30 June 2021	30 June 2021	30 June 2021	30 June 2021	30 June 2021	30 June 2021	30 June 2021	30 June 2021	30 June 2021	30 June 2021	30 June 2021	30 June 2021	30 June 2021	30 June 2021	30 June 2021	30 June 2021	30 June 2021	30 June 2021	30 June 2021	30 June 2021	30 June 2021	30 June 2021	30 June 2021	30 June 2021	30 June 2021	30 June 2021	30 June 2021	30 June 2021	30 June 2021	30 June 2021	30 June 2021	30 June 2021	30 June 2021	30 June 2021	30 June 2021	30 June 2021	30 June 2021	30 June 2021	30 June 2021	30 June 2021	30 June 2021	30 June 2021	30 June 2021	30 June 2021	30 June 2021	30 June 2021	30 June 2021	30 June 2021	30 June 2021	30 June 2021	30 June 2021	30 June 2021	30 June 2021	30 June 2021	30 June 2021	30 June 2021	30 June 2021	30 June 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\* WA Treasury Corporation

**SHIRE OF KELLERBERRIN**  
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**17. INFORMATION ON BORROWINGS (Continued)**

	2021	2020
	\$	\$
<b>(c) Undrawn Borrowing Facilities</b>		
<b>Credit Standby Arrangements</b>		
Bank overdraft limit	500,000	500,000
Bank overdraft at balance date	0	0
Credit card limit	15,000	15,000
Credit card balance at balance date	(1,187)	(3,488)
<b>Total amount of credit unused</b>	<b>513,813</b>	<b>511,512</b>
<b>Loan facilities</b>		
Loan facilities - current	176,785	169,207
Loan facilities - non-current	1,570,051	1,746,836
Lease liabilities - current	10,279	10,868
Lease liabilities - non-current	0	10,252
<b>Total facilities in use at balance date</b>	<b>1,757,115</b>	<b>1,937,163</b>
<b>Unused loan facilities at balance date</b>	<b>NIL</b>	<b>NIL</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**Financial liabilities**

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

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

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

**Borrowing costs**

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

**Risk**

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

## 18. EMPLOYEE RELATED PROVISIONS

(a)

### Opening balance at 1 July 2020

Current provisions  
Non-current provisions

Additional provision

### Balance at 30 June 2021

### Comprises

Current  
Non-current

### 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  
Expected reimbursements from other WA local governments

	Provision for Annual Leave	Provision for Long Service Leave	Total
	\$	\$	\$
Opening balance at 1 July 2020			
Current provisions	162,699	128,744	291,443
Non-current provisions	0	36,583	36,583
	162,699	165,327	328,026
Additional provision	5,866	(6,204)	(338)
Balance at 30 June 2021	168,565	159,123	327,688
Comprises			
Current	168,565	139,545	308,110
Non-current	0	19,578	19,578
	168,565	159,123	327,688
	2021	2020	
	\$	\$	
Less than 12 months after the reporting date	308,110	150,584	
More than 12 months from reporting date	19,578	179,990	
Expected reimbursements from other WA local governments	0	(2,548)	
	327,688	328,026	

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 560 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.



## 19. NOTES TO THE STATEMENT OF CASH FLOWS

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	3,765,250	2,638,587	3,462,143
<b>Reconciliation of Net Cash Provided By Operating Activities to Net Result</b>			
Net result	2,405,608	92,865	2,405,983
Non-cash flows in Net result:			
Adjustments to fair value of financial assets at fair value through profit and loss	(1,939)	0	(865)
Depreciation on non-current assets	2,788,708	2,702,042	2,711,683
(Profit)/loss on sale of asset	(25,449)	1,023	1,472
Changes in assets and liabilities:			
(Increase)/decrease in receivables	(154,249)	9,305	57,622
(Increase)/decrease in other assets	176	0	486
(Increase)/decrease in inventories	359	0	1,572
(Increase)/decrease in contract assets	0	(47,942)	0
Increase/(decrease) in payables	788,144	105,205	(111,250)
Increase/(decrease) in employee provisions	(338)	0	77,947
Increase/(decrease) in other liabilities	106,497	0	(312,438)
Non-operating grants, subsidies and contributions	(2,592,127)	(2,079,854)	(2,878,069)
Net cash from operating activities	3,315,390	782,644	1,954,143

## 20. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2021	2020
	\$	\$
Governance	1,402,967	888,952
General purpose funding	0	1,606,198
Law, order, public safety	1,625,597	371,567
Health	463,046	178,280
Education and welfare	280,000	177,346
Housing	2,471,000	4,226,046
Community amenities	837,997	799,288
Recreation and culture	16,001,136	12,990,430
Transport	73,777,979	68,001,242
Economic services	943,119	835,834
Other property and services	2,716,736	3,383,923
	<u>100,519,577</u>	<u>93,459,106</u>

## 21. CONTINGENT LIABILITIES

The Shire has no contingent liabilities at the end of the reporting period.

## 22. CAPITAL COMMITMENTS

The Shire has no capital commitments at the end of the reporting period.

## 23. ELECTED MEMBERS REMUNERATION

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
<b>Rodney Forsyth</b>			
President's annual allowance	5,000	5,000	5,000
Meeting attendance fees	4,200	3,850	3,850
Travel and accommodation expenses	600	550	550
	9,800	9,400	9,400
<b>Scott O'Neill</b>			
Meeting attendance fees	2,200	2,200	2,550
Travel and accommodation expenses	550	550	600
	2,750	2,750	3,150
<b>David Leake</b>			
Meeting attendance fees	2,200	2,200	2,000
Travel and accommodation expenses	550	550	500
	2,750	2,750	2,500
<b>Dennis Reid</b>			
Meeting attendance fees	2,400	2,200	2,200
Travel and accommodation expenses	600	550	550
	3,000	2,750	2,750
<b>Matthew Steber</b>			
Meeting attendance fees	2,400	2,200	2,000
Travel and accommodation expenses	600	550	500
	3,000	2,750	2,500
<b>Wendy McNeill</b>			
Meeting attendance fees	2,400	2,200	2,200
Travel and accommodation expenses	600	550	550
	3,000	2,750	2,750
<b>Emily Ryan</b>			
Meeting attendance fees	2,400	2,200	1,800
Travel and accommodation expenses	600	550	450
	3,000	2,750	2,250
	27,300	25,900	25,300
Fees, expenses and allowances to be paid or reimbursed to elected council members.			
President's allowance	5,000	5,000	5,000
Meeting attendance fees	18,200	17,050	16,600
Travel and accommodation expenses	4,100	3,850	3,700
	27,300	25,900	25,300



## 24. RELATED PARTY TRANSACTIONS

	2021 Actual	2020 Actual
	\$	\$
The total of remuneration paid to KMP of the Shire during the year are as follows:		
Short-term employee benefits	385,285	450,814
Post-employment benefits	48,337	54,802
Other long-term benefits	9,632	31,378
	<u>443,254</u>	<u>536,994</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.

## 24. RELATED PARTY TRANSACTIONS (Continued)

### Transactions with related parties

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

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

The following transactions occurred with related parties:

	2021 Actual	2020 Actual
	\$	\$
Purchase of goods and services	240,000	288,686
<b>Amounts payable to related parties:</b>		
Trade and other payables	13,254	3,009

### 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.

#### 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 KELLERBERRIN**  
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**25. RATING INFORMATION**

**(a) Rates**

**RATE TYPE**

**Differential general rate / general rate**

**Gross rental valuations**

	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 \$
GRV Kellerberrin Residential	0.13368	332	3,076,736	411,298	0	0	411,298
GRV Other Residential	0.13368	3	19,240	2,572	0	0	2,572
GRV Kellerberrin Commercial	0.1536	29	635,277	97,579	2,423	0	100,002
GRV Other Commercial	0.1536	3	27,976	4,297	0	0	4,297

**Unimproved valuations**

UV Mining Tenements	0.020356	2	0	0	0	0	0
UV Rural	0.020356	262	76,581,000	1,558,883	132	0	1,559,015
<b>Sub-Total</b>		631	80,340,229	2,074,629	2,555	0	2,077,184

**Minimum payment**

**Gross rental valuations**

GRV Kellerberrin Residential	782	58	69,644	45,356	0	0	45,356
GRV Other Residential	782	26	37,668	20,332	977	0	21,309
GRV Kellerberrin Commercial	859	25	72,194	21,475	0	0	21,475
GRV Other Commercial	859	2	170	1,718	0	0	1,718

**Unimproved valuations**

UV Mining Tenements	782	1	2,970	782	1,656	0	2,438
UV Rural	782	74	1,300,600	57,868	0	0	57,868
<b>Sub-Total</b>		186	1,483,806	147,531	2,633	0	150,164

**Total amount raised from general rate**

**Ex-gratia rates**

**Totals**

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 \$
409,873	0	0	409,873	397,713
2,572	0	0	2,572	2,572
99,216	0	0	99,216	97,136
4,297	0	0	4,297	4,297
0	0	0	0	0
1,558,883	0	0	1,558,883	1,564,994
2,074,841	0	0	2,074,841	2,066,712
46,138	0	0	46,138	47,702
20,332	0	0	20,332	20,332
22,334	0	0	22,334	22,334
1,718	0	0	1,718	1,718
782	0	0	782	782
57,868	0	0	57,868	52,394
149,172	0	0	149,172	145,262
2,224,013	0	0	2,224,013	2,211,974
			2,224,013	2,211,974
			27,603	27,603
			2,251,616	2,239,577

**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.

25. RATING INFORMATION (Continued)

(b)

The Shire has no specified area rates

## 25. RATING INFORMATION (Continued)

(c)

Instalment Options	Date	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
<b>Option One</b>				
Single full payment	27/08/2020	0	0.00%	8.00%
<b>Option Two</b>				
First instalment	27/08/2020	0	0.00%	8.00%
Second instalment	7/01/2021	0	0.00%	8.00%
<b>Option Three</b>				
First instalment	27/08/2020	0	0.00%	8.00%
Second instalment	29/10/2020	0	0.00%	8.00%
Third instalment	7/01/2021	0	0.00%	8.00%
Fourth instalment	11/03/2021	0	0.00%	8.00%
		<b>2021 Actual</b>	<b>2021 Budget</b>	<b>2020 Actual</b>
		\$	\$	\$
Interest on unpaid rates		3,560	3,000	26,133
		3,560	3,000	26,133

Due to COVID-19, council adopted not to apply an administrative charge or interest on instalment plans. The unpaid interest rate of 8% was not commenced until 1 March 2021.



**SHIRE OF KELLERBERRIN**  
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**26. RATE SETTING STATEMENT INFORMATION**

		2020/21 (30 June 2021 Carried Forward)	2020/21 Budget (30 June 2021 Carried Forward)	2020/21 (1 July 2020 Brought Forward)	2019/20 (30 June 2020 Carried Forward)
		\$	\$	\$	\$
<b>(a) Non-cash amounts excluded from operating activities</b>					
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .					
<b>Adjustments to operating activities</b>					
Less: Profit on asset disposals	11(a)	(40,417)	(16,977)	(14,930)	(14,930)
Less: Fair value adjustments to financial assets at fair value through profit and loss		(1,939)	0	(865)	(865)
Movement in pensioner deferred rates (non-current)		(4,665)	0	7,093	7,093
Movement in employee benefit provisions		(338)	0	77,947	77,947
Movement in land transferred to LHFR Current		(11,250)	0	11,250	11,250
Add: Loss on disposal of assets	11(a)	14,968	18,000	16,402	16,402
Add: Depreciation on non-current assets	11(b)	2,788,708	2,702,042	2,711,683	2,711,683
<b>Non cash amounts excluded from operating activities</b>		<b>2,745,067</b>	<b>2,703,065</b>	<b>2,808,580</b>	<b>2,808,580</b>
<b>(b) Surplus/(deficit) after imposition of general rates</b>					
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.					
<b>Adjustments to net current assets</b>					
Less: Reserves - cash backed	4	(2,283,800)	(2,461,041)	(2,195,558)	(2,195,558)
Add: Current liabilities not expected to be cleared at end of year					
- Current portion of borrowings	17(a)	176,785	(169,208)	169,207	169,207
- Current portion of lease liabilities		10,279	(10,816)	10,868	10,868
- Employee benefit provisions		308,110	291,443	291,443	291,443
<b>Total adjustments to net current assets</b>		<b>(1,788,628)</b>	<b>(2,349,622)</b>	<b>(1,724,040)</b>	<b>(1,724,040)</b>
<b>Net current assets used in the Rate Setting Statement</b>					
Total current assets		4,144,824	2,833,450	3,765,345	3,765,345
Less: Total current liabilities		(1,730,973)	(483,829)	(874,105)	(874,105)
Less: Total adjustments to net current assets		(1,788,628)	(2,349,622)	(1,724,040)	(1,724,040)
<b>Net current assets used in the Rate Setting Statement</b>		<b>625,223</b>	<b>2</b>	<b>1,167,201</b>	<b>1,167,201</b>

## 27. FINANCIAL RISK MANAGEMENT

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

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

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

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

### (a) Interest rate risk

#### Cash and cash equivalents

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

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

	Weighted Average Interest Rate %	Carrying Amounts \$	Fixed Interest Rate \$	Variable Interest Rate \$	Non Interest Bearing \$
<b>2021</b>					
Cash and cash equivalents	0.41%	3,765,250	2,066,176	1,698,514	560
<b>2020</b>					
Cash and cash equivalents	0.55%	3,462,143	2,055,157	1,406,426	560

#### 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*	16,985	14,064

\* 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 17(b).

## 27. FINANCIAL RISK MANAGEMENT (Continued)

### (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.

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
<b>30 June 2021</b>					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	1,311	41,220	34,252	48,642	125,425
Loss allowance	0	0	0	0	0
<b>30 June 2020</b>					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	2,176	20,952	33,362	89,542	146,032
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
<b>30 June 2021</b>					
Trade and other receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	93,568	5,958	1,864	12,656	114,046
Loss allowance	0	0	0	0	0
<b>30 June 2020</b>					
Trade and other receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	114,696	6,147	15,726	4,225	140,794
Loss allowance	0	0	0	0	0

## 27. FINANCIAL RISK MANAGEMENT (Continued)

(c)

### Payables and borrowings

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The Shire manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required and disclosed in Note 17(c).

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

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
<b>2021</b>					
Payables	1,051,681	0	0	1,051,681	1,051,681
Borrowings	259,823	1,039,292	886,303	2,185,418	1,746,836
Lease liabilities	10,279	0	0	10,279	10,279
	<u>1,321,783</u>	<u>1,039,292</u>	<u>886,303</u>	<u>3,247,378</u>	<u>2,808,796</u>
<b>2020</b>					
Payables	325,504	0	0	325,504	325,504
Borrowings	259,823	1,039,293	1,123,847	2,422,963	1,916,043
Lease Liabilities	11,352	10,406	0	21,758	21,121
	<u>596,679</u>	<u>1,049,699</u>	<u>1,123,847</u>	<u>2,770,225</u>	<u>2,262,668</u>

## 28. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

There were no significant events occurring after the end of the reporting period.

## **29. 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. The Shire has considered the requirements of AASB 1059 Service Concession Arrangements: Grantor and confirms that the Shire has no arrangements that fall within the scope of this standard.



### 30. TRUST FUNDS

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

	1 July 2020	Amounts Received	Amounts Paid	30 June 2021
	\$	\$	\$	\$
Community Bus Bond	4,000	2,100	(1,700)	4,400
BCITF Levy	0	3,477	(3,477)	0
Bush Fire Brigade Funds - Trust	3,327	0	0	3,327
Hall Bond	2,140	4,550	(3,500)	3,190
Building Registration Levy	195	5,193	(5,132)	257
Cuolahan/Cottle Room Bond	5,500	50	0	5,550
Housing Bond	3,044	640	(520)	3,164
Key Bond	11,765	4,450	(3,400)	12,815
Equipment Hire Bond Trust	50	850	(550)	350
Transport (CRC) Licencing Trust	3,641	741,180	(741,225)	3,596
Rec Centre Bonds	1,300	0	0	1,300
	34,962	762,490	(759,504)	37,948

# SHIRE OF KELLERBERRIN

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

### 31. OTHER SIGNIFICANT ACCOUNTING POLICIES

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

**32. ACTIVITIES/PROGRAMS**

<b>PROGRAM NAME AND OBJECTIVES</b>	<b>ACTIVITIES</b>
<b>GOVERNANCE</b> To provide a decision making process for the efficient allocation of scarce resources.	Administration and operation of facilities and services to members of Council. Other costs that relate to the task of assisting elected members and ratepayers on matters which do not concern specific Council services.
<b>GENERAL PURPOSE FUNDING</b> To collect revenue to allow for the provision of services.	Rates, general purpose government grants and interest revenue.
<b>LAW, ORDER, PUBLIC SAFETY</b> To provide services to help ensure a safer community.	Supervision of various by-laws, fire prevention, emergency services and animal control.
<b>HEALTH</b> To provide an operational framework for good community health.	Food quality and pest control, immunisation services.
<b>EDUCATION AND WELFARE</b> To meet the needs of the community in these	Provision of Pre-School facilities
<b>HOUSING</b> To provide and maintain housing for staff and the	Provision and maintenance of housing for staff and the community.
<b>COMMUNITY AMENITIES</b> To provide services required by the community.	Rubbish collection services, operation of tips, noise control, administration of town planning scheme, maintenance of cemetery and provision of Land Care services.
<b>RECREATION AND CULTURE</b> To establish and manage effectively infrastructure and resources which will help the social well being of the community.	Maintenance of halls, aquatic centre, recreation centre, reserves and parks, library.
<b>TRANSPORT</b> To provide effective and efficient transport services to the community.	Construction and maintenance of streets, roads, bridges; cleaning and lighting of streets, depot maintenance, licensing services and airstrip maintenance.
<b>ECONOMIC SERVICES</b> To help promote the Shire and improve its economic wellbeing.	The regulation and provision of tourism, area promotion, building control, sale yards, noxious weeds, vermin control and standpipes.
<b>OTHER PROPERTY AND SERVICES</b> To monitor and control council's overheads operating accounts.	Private works operations, plant repairs and operations costs.

### 33. FINANCIAL RATIOS

	2021 Actual	2020 Actual	2019 Actual
Current ratio	1.03	2.08	3.25
Asset consumption ratio	0.70	0.61	0.72
Asset renewal funding ratio	0.52	0.52	0.52
Asset sustainability ratio	0.98	1.14	0.75
Debt service cover ratio	9.92	7.60	6.30
Operating surplus ratio	(0.05)	(0.13)	(0.24)
Own source revenue coverage ratio	0.60	0.55	0.51

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



## Auditor General

### INDEPENDENT AUDITOR'S REPORT 2021 Shire of Kellerberrin

To the Councillors of the Shire of Kellerberrin

## Report on the audit of the annual financial report

### Opinion

I have audited the financial report of the Shire of Kellerberrin (Shire) which comprises:

- the Statement of Financial Position at 30 June 2021, the Statement of Comprehensive Income by Nature or Type, Statement of Comprehensive Income by Program, Statement of Changes in Equity, Statement of Cash Flows and Rate Setting Statement for the year then ended
- Notes comprising a summary of significant accounting policies and other explanatory information
- the Statement by the Chief Executive Officer.

In my opinion the financial report of the Shire of Kellerberrin:

- is based on proper accounts and records
- 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 1995* (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

### Basis for opinion

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

## **Responsibilities of the Chief Executive Officer and Council for the financial report**

The Chief Executive Officer (CEO) of the Shire is responsible for the preparation and fair presentation of the financial report in accordance with the requirements of the Act, the Regulations and Australian Accounting Standards. The CEO is also responsible for managing internal control (as required by the CEO) to ensure the financial report is free from material misstatement, whether due to fraud or error.

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

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

## **Auditor's responsibility for the audit of the financial report**

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial report. The objectives of my audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

A further description of my responsibilities for the audit of the financial report is located on the Auditing and Assurance Standards Board website. This description forms part of my auditor's report and can be found at [https://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf).



## Report on other legal and regulatory requirements

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

- (i) In my opinion, the following material matters indicate a significant adverse trend in the financial position of the Shire:
  - a) The Asset Renewal Funding Ratio as reported in Note 33 of the annual financial report is below the Department of Local Government, Sport and Cultural Industries' standard of 0.75 for the last three financial years; and
  - b) The Operating Surplus Ratio as reported in Note 33 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.
- (ii) The following material matters indicating non-compliance with Part 6 of the Act, the Regulations or applicable financial controls of any other relevant written law were identified during the course of my audit:
  - a) The Shire has not updated the Asset Management Plan and the Long-Term Financial Plan since September 2016.
  - b) Several instances of accounting journals were posted into the accounting system without being independently reviewed. Accounting journals can represent significant adjustments to previously approved accounting transactions and should therefore be appropriately reviewed and approved.
  - c) Payroll reconciliations were not performed since the introduction of the new payroll system in November 2020 until 27 May 2021; and
  - d) IT security – The Shire does not have a formal IT Security Policy and does not have a formal process to review user access rights and privileges in the system. This could lead to inappropriate use for the Shire's system or information going undetected, however our audit testing did not identify inappropriate use.
- (iii) All required information and explanations were obtained by me.
- (iv) All audit procedures were satisfactorily completed.
- (v) In my opinion, the Asset Consumption Ratio and the Asset Renewal Funding Ratio included in the financial report were supported by verifiable information and reasonable assumptions.

### Other information

The other information is the information in the entity's annual report for the year ended 30 June 2021, but not the financial report and my auditor's report. The CEO is responsible for the preparation and the Council for overseeing the other information.

My opinion does not cover the other information and, accordingly, I do not express any form of assurance conclusion thereon.

### **Matters relating to the electronic publication of the audited financial report**

This auditor's report relates to the financial report of the Shire of Kellerberrin for the year ended 30 June 2021 included on the Shire's website. The Shire's management is responsible for the integrity of the Shire's website. This audit does not provide assurance on the integrity of the Shire's website. The auditor's report refers only to the financial report described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this financial report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.

Grant Robinson  
Assistant Auditor General Financial Audit  
Delegate of the Auditor General for Western Australia  
Perth, Western Australia  
8 December 2021