

ANNUAL REPORT



2020/2021



SHIRE OF WAGIN

2 Arthur Road (PO Box 200) WAGIN WA 6315
shire@wagin.wa.gov.au
www.wagin.wa.gov.au
Tel: (08) 9861 1177

SHIRE STATISTICS

Population	1,852
Number of Electors	1,285
Number of Dwellings	965
Distance from Perth(km)	228
Area (sq.km)	1,956
Suburbs and Localities	Piesseville, Wagin
Length of Sealed Roads (km)	169
Length of Unsealed Roads (km)	628
Rates Income	\$2,349,891
Total Operating Revenue	\$6,495,604
Council Employees	35

TOURIST ATTRACTIONS

Giant Ram and Wetlands Park, Wagin Historical Village & Museum, Norring Lake, Heritage Walk Trail, Puntapin Rock and Mount Latham.

LOCAL INDUSTRIES

Sheep, Wool, Grains, Hay, Seed Working/Oat Milling, Engineering, Manufacturing and Extractive Industries.

SIGNIFICANT LOCAL EVENTS

Wagin Woolorama – Incorporates the State Sheep Show and Rodeo, Australia Day Breakfast – in Wetlands Park, WA Day Celebration – at Wagin Historical Village including the Vintage Car Club Rally, Christmas Street Carnival, Two Wheels to Wagin, Gymkhanarama and the Wagin Burnouts.



TABLE OF CONTENTS

Introduction

	Page
General Information	4-6
Shire President's Report	7-8
Chief Executive Officer's Report	9-10
Corporate Services Report	11-13
Community Services Report	14-22
Works & Services Report	23-24
Building & Health Report	25

Financial Report

Statement by Chief Executive Officer	26
Statement of Comprehensive Income by Nature or Type	27
Statement of Comprehensive Income by Program	28
Statement of Financial Position	29
Statement of Changes in Equity	30
Statement of Cash Flows	31
Rate Setting Statement	32

Notes to and Forming Part of the Financial Report

Note 1	Basis of Preparation	33
Note 2	Revenues and Expenses	34-37
Note 3	Cash and Cash Equivalents	38
Note 4	Reserves – Cash Backed	39
Note 5	Other Financial Assets	40
Note 6	Trade and Other Payables	41
Note 7	Inventories	42
Note 8	Property, Plant and Equipment	43-44
Note 9	Infrastructure	45-46
Note 10	Fixed Assets	47-49
Note 11	Revaluation Surplus	50
Note 12	Trade and Other Payables	51
Note 13	Other Liabilities	52
Note 14	Information on Borrowings	53-54
Note 15	Employee Provisions	55
Note 16	Notes to the Statement of Cash Flows	56
Note 17	Total Assets Classified by Function and Activity	57
Note 18	Elected Members Remuneration	58
Note 19	Related Party Transactions	59
Note 20	Rating Information	60-62
Note 21	Rate Setting Statement Information	63
Note 22	Financial Risk Management	64-67
Note 23	Trust Funds	68-69
Note 24	Other Significant Accounting Policies	70
Note 25	Activities/Programs	71
Note 26	Financial Ratios	72-74

GENERAL INFORMATION

VISION FOR THE FUTURE

“To have a community where individuals, families and businesses can invest and prosper, preserving the safe, affordable and inclusive country lifestyle and ensuring that Wagin is a place people like to live in and visit.”

OUR MISSION

“To be a focused Local Government providing progressive and innovative leadership that builds a Sustainable future while supporting a vibrant, healthy and caring community”

In order to achieve this Vision, the Council will commit to display;

Governance and Leadership

Honesty and Integrity

Innovation and Creativity

Community Focused

Environmentally Aware



ELECTED MEMBERS

Portfolios and Roles

The Shire of Wagin is a corporate body consisting of eleven elected Councillors. The Council members elect the Shire President and Deputy Shire President every two years.

The Shire of Wagin elected members as at 30 June 2021 are –



CR PHILLIP BLIGHT
SHIRE PRESIDENT
TERM EXPIRY 2023



CR GREG BALL
DEPUTY SHIRE PRESIDENT
TERM EXPIRY 2021



CR GEOFF WEST
TERM EXPIRY 2023



CR BRYAN KILPATRICK
TERM EXPIRY 2021



CR SHERRYL CHILCOTT
TERM EXPIRY 2023



CR LYN LUCAS
TERM EXPIRY 2021



CR BRONWYN HEGARTY
TERM EXPIRY 2023



CR JASON REED
TERM EXPIRY 2021



VACANT
TERM EXPIRY 2021



CR WADE LONGMUIR
TERM EXPIRY 2023



CR DAVID ATKINS
TERM EXPIRY 2021

Elections are held biannually on the second Saturday in October and are subject to electoral procedures as governed by the Local Government Act. Voting at Council elections is not compulsory, however participation by residents in elections is vital to the effectiveness of Local Government. Residents not included in the State Electoral Roll should contact the Western Australian Electoral Commission.

Council Meetings are generally held on the third Tuesday of each month except in January where no meeting is planned. All ordinary Council meetings commence at 7.00pm. Minutes of the meetings are available at the Council offices in Wagin, or by visiting our website www.wagin.wa.gov.au.

MANAGEMENT



BILL ATKINSON
CHIEF EXECUTIVE
OFFICER



BRIAN RODERICK
DEPUTY CHIEF
EXECUTIVE OFFICER



ALLEN HICKS
MANAGER OF WORKS



TEGAN HALL
MANAGER OF FINANCE

AUDITOR

Office of The Auditor General
Perth
469 Wellington Street
PERTH WA 6000

BANK

National Australia Bank
Tudor St
Wagin WA 6315



Annual Report 2020/2021

The financial year to the 30th June 2021 was one of continuing progress, challenge and community interaction for the Shire of Wagin. It gives me pleasure to report on the following matters:

Improvements to the Town Centre

The Town Square project on the corner of Tudhoe and Trent Streets was completed. This has transformed what was an expanse of bitumen with no structured parking, into an attractive area for visitors with landscaping, seating, shelters, lighting, designated areas for light vehicle parking and larger configurations, including single trailer trucks and vehicles towing caravans. A large LED sign has been installed which provides information on community events and local business advertising. This initiative along with additional landscaping and plantings has improved the appearance and useability of the CBD for locals and visitors alike.

Wetlands Park

Further improvements were made to "Wetlands Park" which has developed over the years as a favourite visitor stopover with its shade, shelters, toilets, lagoon with resident koi carp and native turtles. During the year under review, a new eco orientated playground and extensive planting of shrubs and flowering plants was carried out. Baart the giant ram was given a new coat of paint and continues to be one the most photographed icons in our region.

Community Initiatives:

- Betty Terry Community Theatre

Mr Frank Terry who was the picture show man of Wagin from 1963 until last year when he passed away opened what is now known as the Betty Terry Community Theatre some years ago. This operates from an Art Deco building in Trent Street which was recently gifted to the Shire. The cinema has been leased to an enthusiastic community group which screens movies on a regular basis. The cinema is a regional drawcard with more than half of its patrons coming from other towns within the region.

Wagin Courthouse Building

The Shire has recently taken possession of the old Courthouse building with the intentions of relocating the Shire Library and Wagin Homecare to operate out of the premises after some renovation and fit-out work has been completed. This will bring a notable Federation building back to life and will promote some activity in Tudor Street.



SHIRE PRESIDENT REPORT

- Wagin "Conversations" Project
In order to capture and learn more about the history of Wagin, the Shire embarked on interviewing and recording the life and times of several of our older residents. Valuable insights were given into their experiences over the decades and the changes that Wagin has undergone, from the horse and cart days right through to the present time. A pleasing common thread that most participants shared was "That we would not want to live anywhere else other than Wagin".



SHIRE PRESIDENT REPORT CONT.

Planning for the Sportsground Precinct Redevelopment

Progress on the Sportsground Precinct Redevelopment continued with the creation of a new Steering Committee. This group is made up of representatives of the relevant sporting clubs, Wagin Agricultural Society and interested community members.

The Committee is guided by a Terms of Reference document and has completed a review of the Wagin Sportsground and

Recreation Precinct Masterplan - Feasibility Study. It will continue to meet and make recommendations to Council regarding the progress of this very important development.

The Community Through COVID-19

COVID-19 continued to present challenges for the whole community with the usual round of social and sporting activities significantly wound back. Families and businesses were impacted in various degrees by regional lockdowns. Special acknowledgement is made of the (successful) efforts of the Woolorama Committee in organising and hosting the 50th Woolorama in March 2021. This required a lot of additional work and expense in satisfying the COVID-19 prevention requirements. It was very pleasing to note that one of Australia's premier agricultural shows was able to be held without interruption notwithstanding the challenges presented.

The Shire received \$348,962 in Federal Government stimulus funding which was allocated to help communities and their local economies stay viable through the COVID-19 crisis. Council enthusiastically embraced the opportunity to apply these funds to a range of projects including further development of the Wetlands Park, additional footpaths and kerbing, Community Centre Park development, CCTV upgrade and others.

Parliamentary Representation and Electoral Reform

The Shire values its working relationship with the region's Federal and State Parliamentary representatives and ensures that they are briefed on a range of issues affecting the Shire of Wagin and the electorate at large. Council remains concerned that Parliamentary representation in the rural and remote areas of Western Australia will be diminished if a One Vote, One Value criteria is applied to the representation in the Legislative Council in this State. The Shire has forwarded a submission to the Expert Committee on Electoral Reform in Western Australia to the effect that it would be of detriment to electors living and working in the rural and remote regions of the State if representation was reduced.

Staffing

The Shire is fortunate to have a stable and multiskilled workforce in all areas of its operations. Council carried out a recruitment process for the position of Chief Executive Officer during the year under review and Mr Bill Atkinson was appointed to the position.

The collaborative working relationship between Council and its staff ensures that carefully assessed community priorities are taken through to successful implementation in providing services and facilities.

Our Volunteers

Our volunteers carry out many vital tasks in attending to emergency situations and in organising recreational and community-based activities and events. On behalf of Council and the community, I extend sincere appreciation to our volunteers for their selfless efforts and their commitment towards helping make the Shire a great place in which to live.

A handwritten signature in black ink, appearing to read 'P. Blight'.

Cr. Phillip Blight
President



CHIEF EXECUTIVE OFFICER REPORT

The 2020/21 financial year was a busy and productive one for the Shire of Wagin. In addition to carrying out a substantial roadworks program and maintaining the usual range of services, attention was given to progressing several long-standing projects and in taking on new projects funded through the Federal Governments stimulus funding.

I am pleased to report on the following achievements and activities relating to the year under review:

Town Beautification Initiatives

The work carried out by the Shire's Gardening Crew saw an explosion of color from mid-winter to early summer with massed plantings of petunias and portulacas. This generated much positive comment from locals and visitors alike and there is support for this to continue this on an annual rotational basis. The completion of the Town Square and the upgrade of RSL Park has helped to clearly identify a "Town Centre" precinct with both areas being heavily used since completion. Work has also been done on improving the surrounds of the War Memorial with the planting of roses and flowers and plans afoot to install lighting and seating.

Review of Councillor Representation

A review of Councillor representation was undertaken in consultation with the community with the result that the number of elected members will reduce from 11 to 9 as from the October 2021 elections.

Review of Local Laws

A review of the Shire's Local Laws was completed during the year.

Wagin Aerial Landing Ground

Leasing arrangements for the occupiers of hangars at the airfield were reviewed and new lease agreements were drawn up which have provided greater security of tenure for Lessees.

Roads and Outside Works

Upgrading and maintaining the Shires road network continued to be the principal priority of the Shire. This has become increasingly challenging due to the Shires road network accommodating more heavy haulage configurations transporting grain and hay. The scarcity of gravel remains a concern as costs increase if gravel has to be sourced from long distances to where it is required. Appreciation is extended to those property owners who provide access to gravel on their properties. The Shire has embarked on a program of upgrading older wooden culverts with concrete ones to better sustain the weight and volume of heavier traffic.



Addressing Water Deficiencies:

The long dry summer which followed a winter of less than average rainfall accentuated the need to secure and/or improve water storage facilities to service the towns parks and gardens and to provide emergency water supplies for stock purposes. The Shire has been working with the Department of Water and Environmental Regulation and the Water Corporation to identify opportunities to improve the situation. The future of Puntapin Dam remains very much in focus with the objective of the Shire taking ownership of this asset in due course.

Employment and Accommodation Issues

Whilst there are many employment opportunities within the Shire, many businesses are finding it difficult to recruit staff and to find accommodation for them. COVID-19 has exacerbated the situation with the supply of workers from overseas being severely curtailed. The Shire has engaged with some major employers, other Shires and Parliamentary representatives to explore options to alleviate the situation.

Regional Cooperation

The Shire of Wagin is a member of the 4WDL Group (which is comprised of the Shires of Wagin, Woodanilling, Williams, West Arthur, Dumbleyung and Lake Grace). The group meets on a quarterly basis to discuss matters that may be better approached on a collective basis and also interacts with State Government agencies and Parliamentarians. Additionally, the Shire is represented at the WA Local Government Association Central Zone meetings and partners with the Shire of Woodanilling in administering the Wagin Woodanilling Landcare Zone.

Shire Staffing

The 2020/21 financial year provided significant challenges to the Shire's staff in managing and completing major projects which had been planned for, as well as new projects through the Federal Governments Local Roads and Community Infrastructure (Stimulus) Program. All projects were completed on schedule and acknowledgment is made of the efforts of staff in bringing about successful outcomes. The Shire is fortunate in being able to retain a committed and dedicated workforce, especially in the current competitive employment environment.

Appreciation

This opportunity is taken to thank Councillors for their assistance and cooperation throughout the year. This high level of cohesiveness results in consistently good outcomes for the community. Appreciation is also extended to the many volunteers who serve our community so well and help to maintain the Shire as a good and safe place in which to live.

CORPORATE SERVICES REPORT

ANNUAL FINANCIALS AND AUDIT REPORT

Council's Annual Financial Report for 30 June 2021 was audited by the Office of Auditor General. A copy of the Annual Financial Report and Audit Report is tabled later in this report.

FREEDOM OF INFORMATION ACT

The Shire of Wagin has a requirement to comply with the Freedom of Information Act. During 2020/2021 no applications were received for information under the terms of this legislation.

EMPLOYEE REMUNERATION

In accordance with part 5 of the Local Government (Administration) Regulations 1996 the table below demonstrates the number of employees entitled to and receive an annual salary over \$100,000;

	2020/2021	2019/2020
Salary Range \$100,000 - \$110,000	2	2
Salary Range \$110,000 - \$120,000	0	0
Salary Range \$140,000 - \$149,999	0	0
Salary Range \$150,000 - \$159,999	1	0
Salary Range \$160,000 - \$169,999	0	1

REGISTER OF COMPLAINTS

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

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

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

During 2020/21 there were no reportable complaints.

PUBLIC INTEREST DISCLOSURE

In accordance with the Public Interest Disclosure Act 2003, procedures have been implemented to facilitate receiving, reporting and action on public interest disclosures.

During the 2020/2021 reporting period, no public interest disclosures were lodged.

CORPORATE SERVICES REPORT

COMPETITIVE NEUTRALITY

The principle of Competitive Neutrality is that government businesses should not enjoy a competitive advantage or disadvantage, simply as a result of their public sector ownership. Competitive Neutrality should apply to all significant business activities which generate a user-pays income of over \$200,000 per annum unless it can be shown it is in the public interest. A public benefit test is used to determine if Competitive Neutrality is in the public interest. This involves assessing the benefits of implementing Competitive Neutrality against the costs. If the benefits exceed the costs, Competitive Neutrality should be implemented.

In accordance with Council's responsibilities under the Clause 7 statement relating to Competitive Neutrality, the Shire of Wagin has reviewed its activities in line with advice from the Local Government Department Circular No 806 and has found that none of its activities have been found to fit the "Significant Business Activity" category for Competitive Neutrality requirements.

NATIONAL COMPETITION POLICY

Local Governments are required to report their progress in implementing National Competition Policy in their annual report. There are a number of specific requirements placed on local government in the areas of Competitive Neutrality, legislation review and structural reform.



STATE RECORDS ACT 2000

State Records Commission Standard 2 (Record Keeping Plan), Principle 6 (Compliance) states that the Government Organisations, including Local Government, should develop and implement strategies for ensuring that each employee is aware of the compliance responsibilities under their Record Keeping Plan.

Council is required to report progress with complying with this Principle in its Annual Report.

The Shire of Wagin Record Keeping Plan was endorsed by the Commission during 2003/2004. Staff are continually working on implementing the strategies outlined in this plan. As part of the refurbishment of the Administration Centre a dedicated archives area was established in 2008/2009. In 2014/2015 a further area off site was established to hold records in an effort to keep the Administration Centre clear of storage.

This plan will be reviewed in 2022/2023.

CORPORATE SERVICES REPORT

EQUAL OPPORTUNITY

The Shire of Wagin is committed to providing a workplace where every individual is treated with respect in an environment free of discrimination. In 2013/2014 the Shire adopted a Staff Equity and Diversity Framework outlining its obligations and expectations under the Western Australian Equal Opportunity Act 1984.

In the 2020/2021 year staff completed and submitted the Equal Employment Opportunity Annual Collection document. This included new activities that the Shire of Wagin had undertaken to support its commitment to Equal Opportunity in the workforce.

INTERGRATED PLANNING AND REPORTING FRAMEWORK

COMMUNITY STRATEGIC PLAN AND CORPORATE BUSINESS PLAN

Council adopted its Community Strategic Plan and Corporate Business Plan in July 2013. The last major review of the plans was carried out in the 2017/2018 financial year and in the reporting year 2019/2020, an internal desktop review was carried out by elected members and senior staff.

During 2020/2021 Council reviewed the Corporate Business plan in line with regulations. In 2021/2022 Council will undertake another major review of the Community Strategic and Corporate Business plans, with community consultation at the forefront of the review.

LEGISLATIVE REVIEW

All Local Governments are required to assess which of their Local Laws might impact on competition and conduct a review of each to determine how any restrictive practices might be overcome. The Annual Report is to include a statement of which Local Laws have been reviewed; the conclusions of those reviews and a forward strategy for all Local Laws, which were successfully reviewed and gazetted in the 2020/2021 year.

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

ASSET MANAGEMENT

Staff continued to carry out essential maintenance and upgrades on Council's asset base, this maintenance work is essential to ensure the asset's continue to service the community well into the future. Council employees a Building Maintenance Officer who carries out preventative, routine and emergency maintenance work on all Shire Building assets.



COMMUNITY SERVICES REPORT

TOWNSCAPE

The Townscape Enhancement Committee's focus in the reporting year was three major projects being the Town Square, Electronic Advertising Sign and the Wetlands Park Playground development. All three projects were completed in the financial year, with outstanding results.

The Community Centre garden area was developed, to include a shelter, dog friendly drink fountain, new paving, fencing and landscaping. This project, along with the new street furniture was possible due to the Federal Government's Local Roads and Community Infrastructure Program.

The gardening staff continued with the Annual Flowering Program and beautification of of key areas in the townsite. Staff and Councillors have received very positive feedback and comments regarding the program and the state of the town in general.



TOURISM, PROMOTION AND ECONOMIC DEVELOPMENT

The Shire had a significant presence at the Perth Caravan and Camping Show, operating a site in March this year. Again, Cr West, Cr Chilcott and Mr Norm Chilcott volunteered their time to man the site. It was a great opportunity to promote Wagin and surrounds, and to showcase the Shire's new Wagin tourism banners and video.



Health and Aged Care

WAGIN HOMECARE

Wagin Homecare had its most successful and busiest year to date with 120 clients being provided with services throughout the Wagin and West Arthur Shires. We provided 2,549 hours of Domestic Assistance, over 2,000 hours of Social Support – individually and in a group setting, and the gardening was in excess of 700 hours. We also became Home Care Package Providers allowing us to expand our Homecare program.



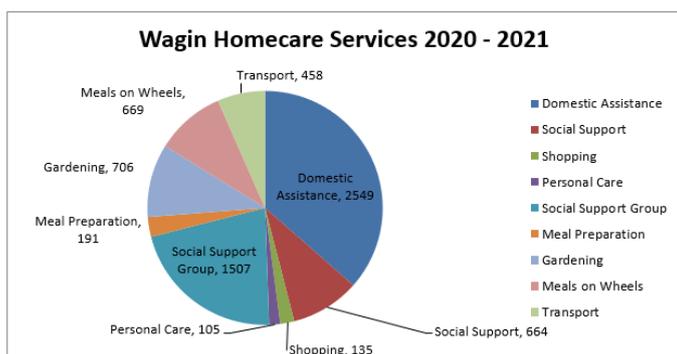
Our clients have had some wonderful functions and trips this year, starting with Christmas in July, lunch trips to Woodanilling, Williams, Kojonup, Nyabing, Tin Horse Highway Kulin, Narrogin and Katanning.

We toured the Wellington Dam Mural on several occasions, then followed the mural trail right through Collie. A group of our garden enthusiasts went to Araluen to the Tulip Festival which was an absolute highlight from feedback. We continue to run fortnightly Day Centres at the Eric Farrow Pavilion, and monthly bingo at Darkan CRC, with both Darkan and Wagin clients mixing together for social connection.

Wagin Homecare also hosted the Seniors Christmas Luncheon again this year with over 120 local seniors attending the luncheon, this was made possible thanks to the generous financial donations from the local community.

We currently have a group of clients that attend Waratah Lodge fortnightly for games and morning tea. This is an initiative to bridge the gap between at home and residential care, and has been very well received, and enjoyed by clients and residents. In working with Waratah, they also hire our bus and staff member once a month to take their residents on trips around the surrounding areas.

Wagin Homecare Staff are to be commended for their incredible work, loyalty and enthusiasm displayed during this financial year, and the willingness to grow with the program. We look forward to again providing this valuable service to our clients the next year.





AUSTRALIA DAY AND AWARDS

A \$20,000 Commonwealth Government grant, through the National Australia Day Council, allowed the Shire to host a fantastic large-scale Australia Day event. The celebration included the traditional community breakfast and Australia Day Address/Awards but also continued on with awesome day of entertainment for the kids, fabulous food, coffee and ice-cream and great local and Australian music, highlighted with the performance of Monty Cotton. This was followed by a free Aussie movie at the Betty Terry Cinema and free entry into the Wagin pool.

Staff and Council have received positive feedback from the event. Acknowledgement is made of the staff who ensured that the event was successful.

The Australia Day Breakfast was another great success with the weather being just perfect for an early Sunday rise, a big thank you to the Wagin Lions Club, Wagin Rotary Club, Wagin Action Group and Shire of Wagin.

CHRISTMAS STREET CARNIVAL

Wagin's Annual Christmas Street Carnival was held on December 18th – in Tavistock Street.

This is the third time the event has been held in Tavistock street and again this proved to be an ideal location for the carnival.

The Wagin Action Group were once again pivotal in the planning process – and vital in the delivery of items and set up of the road on the night. This year the event was financially supported by Lotterywest and Roadwise, with local financial support from the Wagin Chamber of Commerce.

This year's crowd was bigger again than last year and were seen to be having a great time over the evening – enjoying the different side show entertainment, street performers and wider range of market options.

CONGRATULATIONS TO ALL OF THE 2021 AWARD WINNERS

COMMUNITY CITIZEN OF THE YEAR – BRIAN AND SHARON RODERICK

COMMUNITY CITIZEN OF THE YEAR, SENIOR – JOYCE TURNOR

COMMUNITY CITIZEN OF THE YEAR, YOUNG (16 TO 30) – CODY MCDERMOTT

WAGIN GIN

The Wagin Craft Gin was the first gin rolled out by Wise Winery in their Gins of the Outback Project. The project is producing seven different gins for towns that have the word gin in it.

The native botanical used for the Wagin Gin is the Melaleuca Acuminata, Wagin Gin is a refreshing citrus of lemon and lime on the palate with aromatic floral notes, creating a bright well-balanced botanical Gin representative of its origin

Wagin had a significant amount of exposure through this project and 1,000 bottles of Wagin Craft Gin has been produced that could only be purchased at Wise Winery in Margaret River or the Palace Hotel in Wagin.

GIANT RAM PAINTING

Bart had a significant upgrade, with a new clean and paint job. The painting contractors have done a very good job with Bart now looking his best. Painting of the Giant Ram was funded through the Federal Government's Local Roads and Infrastructure Program.

WOOLORAMA

Shire works staff assisted the Wagin Agricultural Society with hosting another successful Woolorama in a challenging environment due to Covid 19. The Shire's works staff carried all the rubbish and water provision tasks plus other adhoc jobs and assistance. They also did a great job in getting grounds prepared for the show.

Congratulations and credit must go the Wagin Ag Society in holding a truly fantastic agricultural show in what was difficult circumstances.



COMMUNITY PROJECTS

Work continued on the new Shire of Wagin Tourism video, there has been good community response to the video, however the Committee would like to see some changes to the current video and commission further Wagin tourism videos.

Upgrade works were carried out at the Wait-Jen Trail, this included clearing of the trail and new trail markers were installed to make the trail more user friendly and easier to navigate.

Again, there were a number of Model Jets events at the Wagin Airstrip and RV / Caravan Clubs staying in the RV park. All these events and visitors result in valuable dollars being spent in the town.

WAGIN TOWN SQUARE

The Town / Library Square area is made up of lots 64,31 and 30 Tudhoe Street and is considered key commercial land within the Wagin CBD and fronts the main street in town.

Planning of the development has taken a number of years with a final plan settled on in October last year. The Shire works staff completed the bulk of the work with the project completed in June.

It is now a fantastic place to stop and enjoy the amenities. It has transformed the town CBD and credit lies with Council, the Townscape Committee and Staff.

SPORTSGROUND TICKET BOX

The Sportsground Advisory committee recommended that a ticket box be built at the main entrance of the Sportsground. This was completed in time for Woolorama this year. This project was again funded by Local Roads and Community Infrastructure Program.

CRICKET PITCH UPGRADE

A new cricket pitch was built at the Sportsground oval. The old pitch had significantly deteriorated, and the concrete base cracked. A new concrete base was poured, and a wider and longer synthetic turf pitch was laid. The new improved pitch will provide cricketers with a top-class playing surface for many years to come.





ELECTRONIC SIGN

The electronic advertising sign has been some ten years in the making. . The sign was seen as key tool and avenue to advertise to the community what is happening in town, convey information to the community and to promote Wagin and events to tourists, visitors and people passing through town.

Council agreed the best place for the position of the new sign would be facing the main street both ways, so it was resolved to place the sign in its current spot as a key feature of the new Town Square development.

The sign was installed and commissioned in late February this year. Since then the sign has been used extensively by the Wagin Shire and community in advertising events, sporting fixtures and matches, Shire, community info and services and emergency information.

WETLANDS PARK PLAYGROUND DEVELOPMENT

Two stages of the three stage Wetlands Park playground development were undertaken and completed in the reporting year. The safe family friendly park caters for younger aged children and has wide variety of nature themed play equipment.

The works and admin staff involved in the project need to be congratulated on a fantastic joint effort. The park was funded by Federal Government's Local Roads and Community Infrastructure Program. The third and final stage of the playground development will be completed next financial year, this is a Ninja Park to cater for the older kids.



WAGIN LIBRARY AND GALLERY

The library provides a great deal of options for the local community including, but not limited to:

- National Simultaneous Storytime
- National Science Week
- Adult Learner's Week
- Alzheimer's Week
- Garage Sale Trail
- Scribbler's Festival
- Special visiting celebrities to the library
- Reading Hour and
- Children's Book Week
- Story Time
- Better Beginnings
- Book Stall Historical Village W.A. Day

The other activities supported through the library by way of displays and pamphlets of information for patrons are:

- 16 days in W.A. - Stop Violence Against Women
- National Novel Writing Month
- Elder Abuse - there's no excuse
- Anzac Day
- Remembrance Day
- Great Dunny Hunt
- Stay on Your Feet
- Speech Pathology

The Wagin Library & Gallery receives numerous books donated by the community and often pass on some of these books to the following places:

- Salvos in Augusta
- Care & Share
- Salvos in Ellenbrook

Staff go to Waratah Lodge weekly to provide the residents with reading material or audio books. Members of the Wagin book club meet monthly, and Friends of the Wagin Library & Gallery also meet monthly. Book Club meets monthly alternating between the Wagin Library & Gallery and Cresswells

KEY LIBRARY YEARLY STATISTICS

- 2511 patron visits
- 34 new borrowers
- 287 inter-library loans requests undertaken for patrons
- 43 requests for information searches undertaken for patrons
- 5 Public access computer users
- 402 Community members enjoyed free coffee and tea
- 43 Community members & Library patrons reading and relaxing in the Library

The team at the Wagin Library and Gallery is looking forward to providing more options for the local community and encouraging our youth that "Reading is Cool"



DISABILITY ACCESS AND INCLUSION PLAN (DAIP)

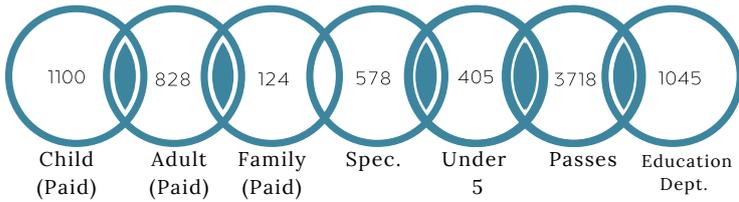
The DAIP yearly review was completed in accordance with Legislation. Staff and Council continue to adhere and monitor actions outlined in Council's DAIP that was reviewed in 2016.

Council again continued with footpath upgrades within the townsite. There was also significant work done to improve gopher and wheelchair access throughout the townsite, ensuring all footpaths had ramp access. Access to the Town Hall was improved with a new portable ramp.

The review of the Disability Access and Inclusion Plan will be carried out in conjunction with the Shire's Strategic Community Plan in the first half of 2022.

WAGIN SWIMMING POOL

2020/2021 Wagin Swimming Pool Attendance Numbers



It was another great season at the Wagin Memorial Swimming pool. The new basketball backboard and playing area was a great hit and the new shade cloth along the fencing improved the aesthetics of the centre.

Numbers have been slightly down this season, perhaps due to very windy weather even during the hot days making conditions in comfortable. Regional Swimming Carnival numbers were a touch-down. School swimming carnival numbers well down with only one third of the school competing. No pre-primary students at all and only children who were competing attended. Covid may also have disrupted attendances. Less children at school also as shown by the in-term swimming lessons.

EVENTS

- Great Southern Regional Swimming Carnival held by the Wagin Swimming Club
- Wagin District High School held its swimming carnival
- End of school parties galore in December
- 6 weeks of swimming lessons
- Swimming club Dolphins and training every week
- Baby swim lessons
- A lot of birthday parties utilising the bbq area
- Watch around Water Day
- Opening Day BBQ
- Australia Day free entry day
- Swimming Club wind up and inflatable
- Virtual swim to Rotto

WAGIN RECREATION CENTRE AND SPORTSGROUND

The Wagin Recreation Centre again had another solid year with a range of sports being made available for the community. Sports and activities included both Senior and Junior Netball, Indoor Soccer, AFL, Cricket, Volleyball, Tennis, Indoor and Outdoor Hockey, School sports, Fitness programs, Yoga, Stay on Your Feet and the Noongar sports program.

WAGIN COMMUNITY GYMNASIUM

The Wagin Community Gym continues to grow with increased members and operates with continued health and social benefits to the community of Wagin.

In the reporting year a new fob entry system was installed, this will allow easier access for users and simpler and more efficient administration of member access to the facility.

The gym membership hovers around the 110 mark. Last year a record \$15,490 was received in membership income. Income was used to fund the fob system, pay for replacement and new equipment, maintenance and other miscellaneous costs. Operating profits from the gym are transferred to the Community Gym Reserve. These funds are set aside for future replacement and new gym equipment.



EMERGENCY MANAGEMENT

BUSHFIRE BRIGADES

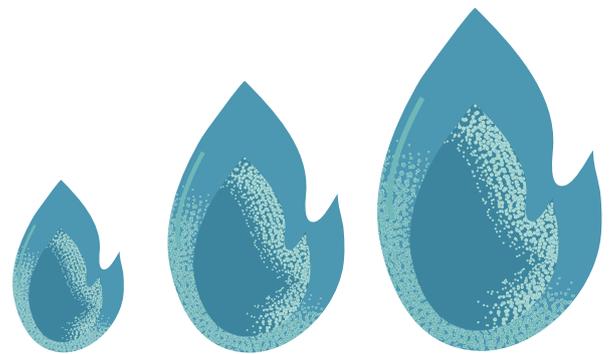
The Wagin Bushfire Brigade Annual General Meeting was held at the Wagin Shire Office on the 17th of March 2021 – with a turnout of 6 volunteers, 4 shire and 2 DFES representatives attending. The elections resulted in full capacity of members once again, with no changes to the elected officers.

The General meeting discussed many items including:

ESL funding overview

- A new 4 x 4 2.4 Fire Unit for the Ballaying Brigade – including a shed – to be located in Ballaying to house the new unit.
- Water Storage Tanks have been successfully applied for through DFES funding – with a new tank for Wedgecarrup and a collar tank for Piesseville which will be housed at the shire depot and utilised for firefighting where needed
- Funding for a tank at each brigade location was also applied for to ensure water access was viable for all areas of the LG. However only Wedgecarrup and Piesseville were successful – tanks for Ballaying, Badjarning, Lime Lake and Cancanning will be re-applied for when the round reopens.
- Upgrades to standpipe trailers is progressing well, with new stainless-steel fittings
- The brigades remain supportive of sourcing options for a mobile water tanker, to be stationed in key area – ESL will not cover this but potential of ongoing BFB contracted burn monies going toward the tanker.
- Water tank for Ballaying, funded in 2019 – still to be installed near Ballaying Road.

In 2019 the Shire was allocated a new town fire truck – a Broadacre 4.4 crew cab valued at \$440,000 which has yet to be received.



LOCAL EMERGENCY MANAGEMENT COMMITTEE

Two LEMC meetings were held during the 2020/21 year.

The main topic of conversation was about COVID 19 preparedness and how the services had altered their processes to work within the recommendations while still providing the service.

Works and Services Report

The Works and Services Division covers a diverse range of functions and service provision and is responsible for the management of the Towns infrastructure assets including roads, footpaths, parks, reserves, stormwater drainage, street trees and cemetery.

The division is run by long serving Manager of Works Allen Hicks, who again along with his works crew have done another outstanding job in the reporting year.

This year, the Shire undertook an unprecedented capital projects schedule with the Town Square development and Wetlands Park playground development. The works and town crews were instrumental in the development of these projects and the results are a credit to Allen and his staff.

CAPITAL WORKS

The Capital Roadwork's form a major portion of the Council's Annual Budget expenditure. Council has in recent years followed a stringent program of resealing works which is aimed at preserving Council's existing sealed road assets. A ten-year Road and Plant Replacement Program has been developed for future works. Major works that were completed for this year included:

- Reseals on Beaufort Road, Norring Road, Rifle Street and Unicorn Street
- Reconstruction, seal and widen on Bullocks Hill Road Jaloran Road, Donoglocking Road
- Extend Culverts on Beaufort Road, Bullocks Hill Road
- Clear, Widen and Form on Sprigg Road, Beaufort Road, Badgarining Road
- Gravel Sheeting on Buttfield Road, Gundaring Road, Piesseville-Jaloran Road, Robinson Road
- Upgrade and expansion to town footpaths on Arnott Street, Strickland Street and Trimdon Street
- Upgrade of town kerbing on Ballagin Street, Nalder Street and Strickland Street.
- Install Gopher Ramps.

Works and Services Report

ROAD MAINTENANCE

Grading, rolling, cleaning of drainage and culverts on Council's roads are performed throughout the Shire as part of the Council's maintenance program. Tar patching roads and replacing white posts were also a high priority as was street tree maintenance and weed spraying in both the town site and rural areas.

RANGER SERVICES

The Shire has maintained a high level of Ranger Services to the district. Regular patrols for stray animals, unregistered off-road vehicles, litter control and damage to nature reserves. WA Contract Ranger Services continued to assist our part-time Ranger with dog control, compliance and issues, this has resulted in good community compliance.

PLANT/MACHINERY

It was a busy year with Council's fleet of plant and machinery. There were minor break downs, this can be attributed to the ongoing regular servicing and maintenance of Council's plant and equipment. Major plant purchases included a new CAT Grader, MOW's Ute Replacement, 3 x Hilux Workmate Ute's

PARKS, GARDENS AND OVALS

A significant amount of resources and staff time goes into the up-keep and maintenance of the Shire's parks, gardens and sports oval facilities. Our Town crew have done a fantastic job ensuring these very important recreational areas look their best. The crew have done an outstanding job with the annual flowering program in the town site.



2020/2021

Health & Building

BUILDING WORKS THROUGHOUT

THE SHIRE

A total of 45 new constructions/demolitions were commenced during 2020/2021.

Total value of construction for the year ending 30 June 2021 is \$2,799,117

TYPE	QTY	VALUE
New Dwelling	5	\$1,141,977
Relocated Dwellings	1	\$50,000
Dwelling Ext Pools	5	\$65,649
Patios	6	\$67,000
Carpports	7	\$347,837
Sheds	13	\$341,085
Demolitions	2	\$9,000
Garage	1	\$2,500
Animal Shelter	1	\$3,300
Ground Mounted Solar System	1	\$704,769
Aircraft Hangar	1	\$75,000

WASTE MANAGEMENT

The current three-bin system is working very well and most residents doing their part with regards to recycling. The introduction of the container deposit system by the State Government has been a positive in terms of recycling and it was good to see a new local business in Wagin undertaking this service and process.

The refuse site continues to operate under the control of contractors Great Southern Waste. The contract operators have done another great job in the reporting year, they ensure the site operates efficiently and within current regulations.

Council continues to look at ways of improving the communities waste output, with the intention of extending the lifespan of Wagin's Refuse Site.



**SHIRE OF WAGIN
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 Wagin 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 Wagin 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 4th day of November 2021



Chief Executive Officer

William Thomas Atkinson
Name of Chief Executive Officer

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

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
Revenue				
Rates	20(a)	2,369,728	2,380,726	2,349,891
Operating grants, subsidies and contributions	2(a)	2,054,182	1,296,447	1,998,216
Fees and charges	2(a)	802,247	778,680	683,973
Interest earnings	2(a)	20,171	52,063	50,150
Other revenue	2(a)	231,980	430,860	242,585
		5,478,308	4,938,776	5,324,815
Expenses				
Employee costs		(2,417,005)	(2,533,808)	(2,390,267)
Materials and contracts		(1,059,284)	(1,281,814)	(1,065,049)
Utility charges		(372,713)	(372,039)	(357,007)
Depreciation on non-current assets	10(c)	(2,622,817)	(2,566,921)	(2,557,489)
Interest expenses	2(b)	(31,112)	(31,391)	(34,438)
Insurance expenses		(190,012)	(187,283)	(190,012)
Other expenditure		(145,928)	(174,987)	(152,257)
		(6,838,871)	(7,148,243)	(6,746,519)
		(1,360,563)	(2,209,467)	(1,421,704)
Non-operating grants, subsidies and contributions	2(a)	1,025,945	919,823	1,152,172
Profit on asset disposals	10(a)	7,969	17,992	5,744
(Loss) on asset disposals	10(a)	(19,204)	0	(13,368)
Fair value adjustments to financial assets at fair value through profit or loss		2,586	0	1,153
		1,017,296	937,815	1,145,701
Net result for the period		(343,267)	(1,271,652)	(276,003)
Total other comprehensive income for the period		0	0	0
Total comprehensive income for the period		(343,267)	(1,271,652)	(276,003)

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

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

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
Revenue				
	2(a)			
Governance		1,433	6,000	17,540
General purpose funding		3,882,261	3,280,412	3,846,243
Law, order, public safety		179,044	180,991	162,654
Health		60,503	60,132	66,305
Education and welfare		435,991	404,715	406,080
Community amenities		364,942	364,325	356,311
Recreation and culture		124,207	95,113	76,591
Transport		185,919	209,488	174,279
Economic services		135,397	226,700	129,943
Other property and services		108,611	110,900	88,869
		5,478,308	4,938,776	5,324,815
Expenses				
	2(b)			
Governance		(374,661)	(448,060)	(364,498)
General purpose funding		(283,390)	(386,202)	(281,048)
Law, order, public safety		(301,718)	(298,841)	(293,692)
Health		(258,375)	(244,376)	(274,490)
Education and welfare		(518,810)	(455,086)	(427,702)
Community amenities		(519,368)	(564,900)	(548,767)
Recreation and culture		(1,309,389)	(1,312,970)	(1,222,981)
Transport		(2,658,787)	(2,677,076)	(2,652,798)
Economic services		(315,166)	(388,758)	(311,618)
Other property and services		(268,095)	(340,583)	(334,487)
		(6,807,759)	(7,116,852)	(6,712,081)
Finance Costs				
	2(b)			
Recreation and culture		(17,630)	(17,761)	(19,437)
Other property and services		(13,482)	(13,630)	(15,001)
		(31,112)	(31,391)	(34,438)
		(1,360,563)	(2,209,467)	(1,421,704)
Non-operating grants, subsidies and contributions	2(a)	1,025,945	919,823	1,152,172
Profit on disposal of assets	10(a)	7,969	17,992	5,744
(Loss) on disposal of assets	10(a)	(19,204)	0	(13,368)
Fair value adjustments to financial assets at fair value through profit or loss		2,586	0	1,153
		1,017,296	937,815	1,145,701
Net result for the period		(343,267)	(1,271,652)	(276,003)
Total other comprehensive income for the period		0	0	0
Total comprehensive income for the period		(343,267)	(1,271,652)	(276,003)

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

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

	NOTE	2021	2020
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	3	3,158,235	2,927,268
Trade and other receivables	6	241,721	200,211
Other financial assets	5(a)	19,925	19,333
Inventories	7	34,903	38,574
Contract assets	2(a)	34,896	29,241
TOTAL CURRENT ASSETS		3,489,680	3,214,627
NON-CURRENT ASSETS			
Trade and other receivables	6	51,932	57,223
Other financial assets	5(b)	171,298	188,637
Property, plant and equipment	8	19,590,362	19,740,522
Infrastructure	9	103,616,883	103,961,677
TOTAL NON-CURRENT ASSETS		123,430,475	123,948,059
TOTAL ASSETS		126,920,155	127,162,686
CURRENT LIABILITIES			
Trade and other payables	12	233,319	299,176
Other liabilities	13	244,213	107,308
Borrowings	14(a)	70,889	67,403
Employee related provisions	15	361,196	308,905
TOTAL CURRENT LIABILITIES		909,617	782,792
NON-CURRENT LIABILITIES			
Borrowings	14(a)	495,341	566,230
Employee related provisions	15	109,101	64,300
TOTAL NON-CURRENT LIABILITIES		604,442	630,530
TOTAL LIABILITIES		1,514,059	1,413,322
NET ASSETS		125,406,097	125,749,364
EQUITY			
Retained surplus		34,116,553	34,512,141
Reserves - cash backed	4	1,708,631	1,656,310
Revaluation surplus	11	89,580,913	89,580,913
TOTAL EQUITY		125,406,097	125,749,364

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

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

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2019		35,064,416	1,380,040	89,580,913	126,025,367
Comprehensive income					
Net result for the period		(276,003)	0	0	(276,003)
Total comprehensive income		(276,003)	0	0	(276,003)
Transfers from reserves	4	69,858	(69,858)	0	0
Transfers to reserves	4	(346,130)	346,130	0	0
Balance as at 30 June 2020		34,512,141	1,656,310	89,580,913	125,749,364
Comprehensive income					
Net result for the period		(343,267)	0	0	(343,267)
Total comprehensive income		(343,267)	0	0	(343,267)
Transfers from reserves	4	223,077	(223,077)	0	0
Transfers to reserves	4	(275,400)	275,400	0	0
Balance as at 30 June 2021		34,116,553	1,708,631	89,580,913	125,406,097

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

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

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		2,369,090	2,380,726	2,331,616
Operating grants, subsidies and contributions		2,002,091	1,246,087	2,856,745
Fees and charges		798,374	778,680	683,973
Interest received		20,171	52,063	50,150
Other revenue		231,980	430,860	242,585
		5,421,706	4,888,416	6,165,069
Payments				
Employee costs		(2,299,007)	(2,533,808)	(2,370,529)
Materials and contracts		(1,142,379)	(1,278,240)	(1,082,817)
Utility charges		(372,713)	(372,039)	(357,007)
Interest expenses		(31,112)	(31,391)	(34,438)
Insurance paid		(190,012)	(187,283)	(190,012)
Goods and services tax paid		0		26,967
Other expenditure		(145,928)	(174,987)	(152,257)
		(4,181,151)	(4,577,748)	(4,160,093)
Net cash provided by (used in) operating activities	16	1,240,558	310,668	2,004,976
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	8(a)	(699,727)	(716,837)	(410,383)
Payments for construction of infrastructure	9(a)	(1,607,100)	(1,914,676)	(1,667,318)
Non-operating grants, subsidies and contributions	2(a)	1,177,578	919,823	1,152,172
Proceeds from financial assets at amortised cost - self supporting loans		19,333	19,925	18,755
Net payments for financial assets at amortised cost		0		1,380,038
Proceeds from sale of property, plant & equipment	10(a)	167,729	195,000	91,788
Net cash provided by (used in) investment activities		(942,187)	(1,496,765)	565,052
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	14(b)	(67,403)	(67,403)	(64,098)
Net cash provided by (used in) financing activities		(67,403)	(67,403)	(64,098)
Net increase (decrease) in cash held		230,966	(1,253,500)	2,505,930
Cash at beginning of year		2,927,268	2,927,063	421,338
Cash and cash equivalents at the end of the year	16	3,158,235	1,673,563	2,927,268

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

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

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)	21 (b)	1,149,080	1,126,116	1,145,795
		1,149,080	1,126,116	1,145,795
Revenue from operating activities (excluding rates)				
Governance		4,019	6,000	20,337
General purpose funding		1,512,533	899,686	1,508,746
Law, order, public safety		179,044	180,991	162,654
Health		60,503	60,132	66,305
Education and welfare		435,991	404,715	406,080
Community amenities		364,942	364,325	356,311
Recreation and culture		124,207	95,113	76,591
Transport		193,888	227,480	178,379
Economic services		135,397	226,700	129,943
Other property and services		108,611	110,900	88,869
		3,119,135	2,576,042	2,994,215
Expenditure from operating activities				
Governance		(374,661)	(448,060)	(364,498)
General purpose funding		(283,390)	(386,202)	(281,048)
Law, order, public safety		(301,718)	(298,841)	(293,692)
Health		(258,375)	(244,376)	(274,490)
Education and welfare		(518,810)	(455,086)	(429,045)
Community amenities		(519,368)	(564,900)	(548,767)
Recreation and culture		(1,327,019)	(1,330,731)	(1,242,418)
Transport		(2,677,991)	(2,677,076)	(2,664,823)
Economic services		(315,166)	(388,758)	(311,618)
Other property and services		(281,577)	(354,213)	(349,488)
		(6,858,075)	(7,148,243)	(6,759,887)
Non-cash amounts excluded from operating activities	21(a)	2,681,558	2,548,929	2,574,418
Amount attributable to operating activities		91,698	(897,156)	(45,459)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	2(a)	1,025,945	919,823	1,152,172
Proceeds from disposal of assets	10(a)	167,729	195,000	91,788
Proceeds from financial assets at amortised cost - self supporting loans		19,333	19,333	18,755
Purchase of property, plant and equipment	8(a)	(699,727)	(716,837)	(410,383)
Purchase and construction of infrastructure	9(a)	(1,607,100)	(1,914,676)	(1,667,318)
		(1,093,820)	(1,497,357)	(814,986)
Amount attributable to investing activities		(1,093,820)	(1,497,357)	(814,986)
FINANCING ACTIVITIES				
Repayment of borrowings	14(b)	(67,403)	(67,403)	(64,098)
Transfers to reserves (restricted assets)	4	(275,400)	(186,088)	(346,130)
Transfers from reserves (restricted assets)	4	223,077	267,278	69,858
Amount attributable to financing activities		(119,726)	13,787	(340,370)
Surplus/(deficit) before imposition of general rates		(1,121,848)	(2,380,726)	(1,200,815)
Total amount raised from general rates	20(a)	2,369,728	2,380,726	2,349,891
Surplus/(deficit) after imposition of general rates	21(b)	1,247,880	0	1,149,077

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

1. BASIS OF PREPARATION

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

The *Local Government 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 23 to these financial statements.

INITIAL APPLICATION OF ACCOUNTING STANDARDS

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

These were:

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

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

NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE YEARS

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

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

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

CRITICAL ACCOUNTING ESTIMATES

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

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

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

2. REVENUE AND EXPENSES

(a) Grant revenue

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

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Operating grants, subsidies and contributions			
General purpose funding	1,422,839	674,932	1,422,294
Law, order, public safety	142,579	140,940	122,501
Education and welfare	319,469	317,000	318,614
Recreation and culture	44,578	8,800	12,801
Transport	124,717	154,775	122,006
	<u>2,054,182</u>	<u>1,296,447</u>	<u>1,998,216</u>
Non-operating grants, subsidies and contributions			
Community amenities	8,000	8,000	0
Recreation and culture	13,200	33,200	63,100
Transport	1,004,745	878,623	1,089,072
	<u>1,025,945</u>	<u>919,823</u>	<u>1,152,172</u>
Total grants, subsidies and contributions	<u>3,080,127</u>	<u>2,216,270</u>	<u>3,150,388</u>
Fees and charges			
General purpose funding	67,210	58,000	25,767
Law, order, public safety	19,096	20,350	15,104
Health	7,727	8,632	7,410
Education and welfare	95,586	76,472	73,602
Community amenities	345,262	344,825	339,633
Recreation and culture	66,714	71,408	56,660
Transport	15,572	8,713	8,684
Economic services	132,536	150,000	125,341
Other property and services	52,544	40,280	31,772
	<u>802,247</u>	<u>778,680</u>	<u>683,973</u>

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 WAGIN
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 \$
Fees and charges	802,247	778,680	683,973
Other revenue	105,133	218,473	101,578
Non-operating grants, subsidies and contributions	1,025,945	919,823	1,152,172
	<u>1,933,325</u>	<u>1,916,976</u>	<u>1,937,723</u>

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

Revenue from contracts with customers included as a contract liability at the start of the period	33,057		
Revenue from contracts with customers recognised during the year	874,323	997,153	785,551
Revenue from transfers intended for acquiring or constructing recognisable non financial assets held as a liability at the start of the period	74,251		
Revenue from transfers intended for acquiring or constructing recognisable non financial assets during the year	951,694	919,823	1,152,172
	<u>1,933,325</u>	<u>1,916,976</u>	<u>1,937,723</u>

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

Trade and other receivables from contracts with customers	173,764		138,901
Contract assets	34,896		29,241
Contract liabilities from contracts with customers	(18,329)		(33,057)
Financial assets held from transfers for recognisable financial assets	225,884		74,251
Grant liabilities from transfers for recognisable non financial assets	(225,884)		(74,251)

Contract assets primarily relate to the Shire's right to consideration for work completed but not billed at year end.

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

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)	2021 Actual \$	2021 Budget \$	2020 Actual \$
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	2,369,728	2,380,726	2,349,891
	<u>2,369,728</u>	<u>2,380,726</u>	<u>2,349,891</u>
Other revenue			
Reimbursements and recoveries	126,847	212,387	141,007
Other	105,133	218,473	101,578
	<u>231,980</u>	<u>430,860</u>	<u>242,585</u>
Interest earnings			
Interest on reserve funds	6,813	16,563	25,019
Rates instalment and penalty interest (refer Note 20(c))	11,569	15,500	15,154
Other interest earnings	1,789	20,000	9,977
	<u>20,171</u>	<u>52,063</u>	<u>50,150</u>

SIGNIFICANT ACCOUNTING POLICIES

Interest earnings

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

Interest earnings (continued)

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

(b) Expenses	Note	2021 Actual \$	2021 Budget \$	2020 Actual \$
Auditors remuneration				
- Audit of the Annual Financial Report		20,400	22,000	20,000
		<u>20,400</u>	<u>22,000</u>	<u>20,000</u>
Interest expenses (finance costs)				
Borrowings	14(b)	31,112	31,391	34,438
		<u>31,112</u>	<u>31,391</u>	<u>34,438</u>
Other expenditure				
Impairment loss on trade and other receivables		3,856	0	0
Sundry expenses		142,072	174,987	152,257
		<u>145,928</u>	<u>174,987</u>	<u>152,257</u>

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

2. REVENUE AND EXPENSES

REVENUE RECOGNITION POLICY

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Timing of revenue recognition
Rates	General Rates	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
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 funding body	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
Licenses/ 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 annual fee	None	Set by State legislation	Apportioned equally across the inspection cycle	No refunds	After inspection complete based on a 4 year cycle
Other inspections	Regulatory food, health and safety	Single point in time	Full payment prior to inspection	None	Set by State legislation or limited by legislation to the cost of provision	Applied fully on timing of inspection	Not applicable	Revenue recognised after inspection event occurs
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
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
Commissions	Commissions on licensing 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 WAGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

3. CASH AND CASH EQUIVALENTS

	NOTE	2021 \$	2020 \$
Cash at bank and on hand		1,449,604	1,270,958
Term deposits		1,708,631	1,656,310
Total cash and cash equivalents		3,158,235	2,927,268
Restrictions			
The following classes of assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:			
- Cash and cash equivalents		1,970,782	1,787,750
		1,970,782	1,787,750
The restricted assets are a result of the following specific purposes to which the assets may be used:			
Reserves - cash backed	4	1,708,631	1,656,310
Contract liabilities from contracts with customers	13	18,329	33,057
Grants for transfers for recognisable non financial assets	13	225,884	74,251
Bonds and Deposits Held		17,938	24,132
Total restricted assets		1,970,782	1,787,750

SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks and other short term highly liquid investments 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 WAGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

4. RESERVES - CASH BACKED

	2021 Actual Opening Balance	2021 Actual Transfer to	2021 Actual Transfer (from)	2021 Actual Closing Balance	2021 Budget Opening Balance	2021 Budget Transfer to	2021 Budget Transfer (from)	2021 Budget Closing Balance	2020 Actual Opening Balance	2020 Actual Transfer to	2020 Actual Transfer (from)	2020 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Leave Reserve	304,895	74,641	0	379,536	304,895	3,049	0	307,944	297,855	7,040	0	304,895
(b) Plant Replacement Reserve	302,669	13,077	(28,000)	287,746	302,669	3,027	(28,000)	277,696	233,073	69,596	0	302,669
(c) Recreation Centre Equipment Reserve	11,479	1,847	(400)	12,926	11,479	1,915	(2,000)	11,394	14,078	2,055	(4,654)	11,479
(d) Aerodrome Maintenance & Development Reserve	10,630	7,226	0	17,856	10,630	8,006	0	18,636	3,387	7,243	0	10,630
(e) Municipal Buildings Reserve	121,264	499	(50,000)	71,763	121,264	1,213	(50,000)	72,477	119,105	2,159	0	121,264
(f) Admin Centre Furniture, Equipment & IT Reserve	5,516	5,023	0	10,539	5,516	5,055	0	10,571	507	5,009	0	5,516
(g) Land Development Reserve	10,709	44	0	10,753	10,709	107	0	10,816	50,296	912	(40,499)	10,709
(h) Community Bus Reserve	16,974	455	0	17,429	16,974	170	0	17,144	15,592	1,382	0	16,974
(i) Homecare Reserve	122,789	505	(32,830)	90,464	122,789	1,228	(9,206)	114,811	88,031	34,758	0	122,789
(j) Recreation Development Reserve	270,680	61,113	(49,900)	281,893	270,680	62,707	(35,000)	298,387	226,283	64,102	(19,705)	270,680
(k) Refuse Site / Waste Management Reserve	136,947	30,563	0	167,510	136,947	21,194	0	158,141	96,144	40,803	0	136,947
(l) Refuse Site Rehabilitation Reserve	98,142	20,404	0	118,546	98,142	20,981	0	119,123	76,751	21,391	0	98,142
(m) Water Management Reserve	78,255	322	(7,500)	71,077	78,255	783	(5,000)	74,038	81,773	1,482	(5,000)	78,255
(n) Electronic Sign Reserve	65,616	270	(51,032)	14,854	65,616	656	(66,272)	0	20,249	45,367	0	65,616
(o) Community Gym Reserve	12,337	51	(500)	11,888	12,337	123	(1,800)	10,660	6,914	5,423	0	12,337
(p) Sportsground Precinct Redevelopment Reserve	80,908	50,333	(2,915)	128,324	80,908	50,809	(70,000)	61,717	50,000	30,908	0	80,908
(q) Emergency/Bushfire Control Reserve	6,500	27	0	6,527	6,500	65	0	6,565	0	6,500	0	6,500
(r) Community Events Reserve	0	9,000	0	9,000	0	5,000	0	5,000	0	0	0	0
	1,656,310	275,400	(223,077)	1,708,631	1,656,310	186,088	(267,278)	1,575,120	1,380,038	346,130	(69,858)	1,656,310

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) Leave Reserve	Ongoing	Provide provisions to meet Councils' Long Service and Accrued Annual Leave liabilities to minimise effect on Councils' budget annually.
(b) Plant Replacement Reserve	Ongoing	Provide funds for the ongoing replacement and upgrading of Plant necessary in the performance of Councils' core functions.
(c) Recreation Centre Equipment Reserve	Ongoing	Provide funds for the purchase of equipment, fixtures and fittings at the Wagin Community Recreation Centre.
(d) Aerodrome Maintenance & Development Reserve	Ongoing	Provide funds for major maintenance (eg resealing runway area) and development works (eg runway reconstruction) at the Wagin Airstrip.
(e) Municipal Buildings Reserve	Ongoing	Provide for the upgrading, renovating and restoration of existing Council owned buildings as well as construction of new Council owned buildings.
(f) Admin Centre Furniture, Equipment & IT Reserve	Ongoing	Provide for the purchase of furniture, fittings, equipment and IT requirements in relation to the Council Administration Building.
(g) Land Development Reserve	Ongoing	Provide funds for the purchase and development of land within the Wagin Shire as the need arises and Council see fit.
(h) Community Bus Reserve	Ongoing	Provide funds for the maintenance, upgrade and change-over of the Wagin Community Bus.
(i) Homecare Reserve	Ongoing	Provide funds to meet Homecare staff leave provisions, replacement of plant and equipment and on-going operations of the Homecare program.
(j) Recreation Development Reserve	Ongoing	Provide funds for the expansion, upgrading and development of Council's recreation and sporting facilities.
(k) Refuse Site / Waste Management Reserve	Ongoing	Provide funds for a new waste site, on-going operation with the Shire's waste management and recycling program and working towards zero waste.
(l) Refuse Site Rehabilitation Reserve	Ongoing	Provide funds to rehabilitate the existing refuse site once the site has been decommissioned.
(m) Water Management Reserve	Ongoing	To ensure Council spends the surplus Rural Towns Funds on measures and projects in line with Council's Water Management Plan.
(n) Electronic Sign Reserve	Ongoing	Provide funds for the purchase and installation of an electronic sign in the Wagin townsite in the future.
(o) Community Gym Reserve	Ongoing	Provide funds for the maintenance, upgrade and change-over of the Wagin Community Gym equipment as required.
(p) Sportsground Precinct Redevelopment Reserve	Ongoing	Provide funds for the future Sportsground Precinct Redevelopment.
(q) Emergency/Bushfire Control Reserve	Ongoing	Provide funds for unexpected times of extreme emergency recovery and provide adequate assistance for bushfire requirements.
(r) Community Events Reserve	Ongoing	Provide funds for future Community Events.

5. OTHER FINANCIAL ASSETS

(a) Current assets

Financial assets at amortised cost

Other financial assets at amortised cost

Self supporting loans

(b) Non-current assets

Financial assets at amortised cost

Financial assets at fair value through profit and loss

Financial assets at amortised cost

Self supporting loans

Financial assets at fair value through profit and loss

Units in Local Government House Trust

	2021	2020
	\$	\$
	19,925	19,333
	19,925	19,333
	19,925	19,333
	19,925	19,333
	97,491	117,416
	73,807	71,221
	171,298	188,637
	97,491	117,416
	97,491	117,416
	73,807	71,221
	73,807	71,221

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

SIGNIFICANT ACCOUNTING POLICIES

Other financial assets at amortised cost

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

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

Financial assets at fair value through profit and loss

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

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

Impairment and risk

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

6. TRADE AND OTHER RECEIVABLES

Current

Rates receivable	
Trade and other receivables	
Allowance for impairment of trade receivables	
Allowance for impairment of rates receivables	

Non-current

Pensioner's rates and ESL deferred	
------------------------------------	--

2021	2020
\$	\$
90,464	84,535
177,620	138,901
(3,856)	(2,500)
(22,507)	(20,725)
241,721	200,211
51,932	57,223
51,932	57,223

SIGNIFICANT ACCOUNTING POLICIES

Trade and other receivables

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

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

Impairment and risk exposure

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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Classification and subsequent measurement

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

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

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

7. INVENTORIES

Current

Fuel and materials

The following movements in inventories occurred during the year:

Balance at beginning of year

Inventories expensed during the year

Additions to inventory

Balance at end of year

	2021	2020
	\$	\$
	34,903	38,574
	34,903	38,574
	38,574	46,978
	(116,939)	(135,684)
	113,268	127,280
	34,903	38,574

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.

8. 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	Total land and buildings	Furniture and equipment	Plant and equipment	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2019	3,244,000	14,622,155	17,866,155	235,087	1,972,623	20,073,865
Additions	40,499	18,145	58,644	26,164	325,575	410,383
(Disposals)	0	0	0	0	(99,412)	(99,412)
Depreciation (expense)		(374,826)	(374,826)	(26,796)	(242,692)	(644,314)
Balance at 30 June 2020	3,284,499	14,265,474	17,549,973	234,455	1,956,094	19,740,522
Comprises:						
Gross balance amount at 30 June 2020	3,284,499	15,370,074	18,654,573	261,251	2,190,198	21,106,022
Accumulated depreciation at 30 June 2020	0	(1,104,599)	(1,104,599)	(26,796)	(234,105)	(1,365,500)
Balance at 30 June 2020	3,284,499	14,265,474	17,549,973	234,455	1,956,094	19,740,522
Additions		81,347	81,347	134,484	483,896	699,727
(Disposals)	0	0	0	0	(178,964)	(178,964)
Depreciation (expense)	0	(375,894)	(375,894)	(31,638)	(263,390)	(670,922)
Balance at 30 June 2021	3,284,499	13,970,927	17,255,426	337,300	1,997,636	19,590,362
Comprises:						
Gross balance amount at 30 June 2021	3,284,499	15,451,421	18,735,920	395,735	2,457,594	21,589,249
Accumulated depreciation at 30 June 2021	0	(1,480,494)	(1,480,494)	(58,435)	(459,958)	(1,998,887)
Balance at 30 June 2021	3,284,499	13,970,927	17,255,426	337,300	1,997,636	19,590,362

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Land and buildings					
Land	2	Market Approach using recent observable market data for similar properties	Independent Registered Valuers	June 2017	Price per hectare / market borrowing rate
Buildings	2	Market Approach using recent observable market data for similar properties	Independent Registered Valuers	June 2017	Price per hectare / market borrowing rate

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

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

(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.

9. INFRASTRUCTURE

(a) Movements in Balances

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

	Infrastructure - Roads	Infrastructure - Other	Infrastructure - Drainage	Total Infrastructure
	\$	\$	\$	\$
Balance at 1 July 2019	89,363,785	11,427,154	3,416,594	104,207,535
Additions	1,411,055	256,263	0	1,667,318
Depreciation (expense)	(1,470,545)	(374,298)	(68,332)	(1,913,175)
Balance at 30 June 2020	89,304,296	11,309,119	3,348,262	103,961,677
Comprises:				
Gross balance at 30 June 2020	92,243,067	12,047,711	3,416,594	107,707,372
Accumulated depreciation at 30 June 2020	(2,938,771)	(738,591)	(68,332)	(3,745,694)
Balance at 30 June 2020	89,304,296	11,309,119	3,348,262	103,961,677
Additions	1,013,969	593,131	0	1,607,100
Depreciation (expense)	(1,498,114)	(385,449)	(68,332)	(1,951,895)
Balance at 30 June 2021	88,820,151	11,516,802	3,279,930	103,616,883
Comprises:				
Gross balance at 30 June 2021	93,257,035	12,640,842	3,416,594	109,314,471
Accumulated depreciation at 30 June 2021	(4,436,884)	(1,124,040)	(136,664)	(5,697,588)
Balance at 30 June 2021	88,820,151	11,516,802	3,279,930	103,616,883

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

9. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

(i) Fair Value	Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
	Infrastructure - Roads	3	Cost Approach using depreciated replacement cost	Independent Registered Valuers	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
	Infrastructure - Other	3	Cost Approach using depreciated replacement cost	Independent Registered Valuers	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
	Infrastructure - Drainage	3	Cost Approach using depreciated replacement cost	Independent Registered Valuers	June 2019	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs

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

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

10. FIXED ASSETS

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

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

Initial recognition and measurement between mandatory revaluation dates

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

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

In relation to this initial measurement, cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at zero cost or otherwise significantly less than fair value, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the Shire includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

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

Revaluation

The fair value of land, buildings, infrastructure and investment properties is determined at least every five years in accordance with the regulatory framework. This includes buildings and infrastructure items which were pre-existing improvements (i.e. vested improvements) on vested land acquired by the Shire.

AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY Revaluation (Continued)

At the end of each period the valuation is reviewed and where appropriate the fair value is updated to reflect current market conditions. This process is considered to be in accordance with *Local Government (Financial Management) Regulation 17A (2)* which requires land, buildings, infrastructure, investment properties and vested improvements to be shown at fair value.

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

Land under roads from 1 July 2019

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

Vested improvements from 1 July 2019

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

Refer to Note 10 that details the significant accounting policies applying to leases (including right-of-use assets).

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

10. FIXED ASSETS

(a) Disposals of Assets

	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss	2021 Budget Net Book Value	2021 Budget Sale Proceeds	2021 Budget Profit	2021 Budget Loss	2020 Actual Net Book Value	2020 Actual Sale Proceeds	2020 Actual Profit	2020 Actual Loss
Plant and equipment	\$ 178,964	\$ 167,729	\$ 0	\$ (11,235)	\$ 177,008	\$ 195,000	\$ 17,992	\$ 0	\$ 99,412	\$ 91,788	\$ 5,744	\$ (13,368)
	178,964	167,729	0	(11,235)	177,008	195,000	17,992	0	99,412	91,788	5,744	(13,368)

The following assets were disposed of during the year.

	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2020 Actual Loss
Plant and Equipment				
Transport				
MOW Vehicle	20,646	27,727	7,081	0
Komatsu Grader	137,294	119,092	0	(18,202)
Toyota Hilux Workmate Ttop	6,865	6,364	0	(501)
Toyota Hilux Workmate Ttop Tipper	7,294	8,182	888	0
Toyota Hilux Workmate Ttop	6,865	6,364	0	(501)
	178,964	167,729	7,969	(19,204)
	178,964	167,729	7,969	(19,204)

(b) Fully Depreciated Assets in Use

The gross carrying value of assets held by the Shire which are currently in use yet fully depreciated are shown in the table below.

	2021	2020
	\$	\$
Furniture and equipment	524,806	524,806
Plant and equipment	14,500	14,500
	539,306	539,306

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

10. FIXED ASSETS

(c) Depreciation

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Buildings	375,894	371,362	374,826
Furniture and equipment	31,638	28,784	26,796
Plant and equipment	263,390	246,203	242,692
Infrastructure - Roads	1,498,114	1,475,947	1,470,545
Infrastructure - Other	385,449	444,625	374,298
Infrastructure - Drainage	68,332	0	68,332
	<u>2,622,817</u>	<u>2,566,921</u>	<u>2,557,489</u>

SIGNIFICANT ACCOUNTING POLICIES

Depreciation

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

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

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

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

Depreciation rates

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

Asset Class	Useful life
Buildings	30 to 50 years
Furniture and equipment	4 to 10 years
Plant and equipment	5 to 15 years
Sealed roads and streets formation	not depreciated
pavement seal	50 years
- bituminous seals	20 years
- asphalt surfaces	25 years
Gravel roads formation	not depreciated
pavement	50 years
Footpaths - slab	20 years
Sewerage piping	100 years
Water supply piping and drainage systems	75 years
Right of use (buildings)	Based on the remaining lease
Right of use (plant and equipment)	Based on the remaining lease
Intangible assets - computer software licence	5 years

Depreciation on revaluation

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

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

Amortisation

All intangible assets with a finite useful life, are amortised on a straight-line basis over the individual asset's useful life from the time the asset is held for use.

The residual value of intangible assets is considered to be zero and the useful life and amortisation method are reviewed at the end of each financial year.

Amortisation is included within Depreciation on non-current assets in the Statement of Comprehensive Income and in the note above.

11. REVALUATION SURPLUS

	2021 Opening Balance	2021 Closing Balance	2020 Opening Balance	2020 Change in Accounting Policy	2020 Closing Balance
	\$	\$	\$	\$	\$
Revaluation surplus - Land	2,920,241	2,920,241	2,938,241	(18,000)	2,920,241
Revaluation surplus - Buildings	8,319,066	8,319,066	8,319,066	0	8,319,066
Revaluation surplus - Plant and equipment	106,181	106,181	106,181	0	106,181
Revaluation surplus - Infrastructure - Roads	65,074,533	65,074,533	65,074,533	0	65,074,533
Revaluation surplus - Infrastructure - Other	9,744,298	9,744,298	9,744,298	0	9,744,298
Revaluation surplus - Infrastructure - Drainage	3,416,594	3,416,594	3,416,594	0	3,416,594
	89,580,913	89,580,913	89,598,913	(18,000)	89,580,913

12. TRADE AND OTHER PAYABLES

Current

Sundry creditors	
Accrued salaries and wages	
Bonds and deposits held	
Regional Refuse Group Accrued Funds	
Accrued interest on loans	

2021	2020
\$	\$
141,184	221,477
34,487	13,578
17,938	24,132
37,071	37,071
2,639	2,918
233,319	299,176

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.

13. OTHER LIABILITIES

Current

Operating grants, subsidies and contributions
 Non-operating grants, subsidies and contributions

2021	2020
\$	\$
18,329	33,057
225,884	74,251
244,213	107,308
244,213	107,308

SIGNIFICANT ACCOUNTING POLICIES

Contract liabilities

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

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

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

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

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

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

Service concession liabilities

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

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

14. INFORMATION ON BORROWINGS

(a) Borrowings

	2021	2020
	\$	\$
Current	70,889	67,403
Non-current	495,341	566,230
	<u>566,230</u>	<u>633,633</u>

(b) Repayments - Borrowings

Particulars	Loan Number	Institution	Interest Rate	Actual	30 June 2021	30 June 2021	30 June 2021	Budget	30 June 2021	30 June 2021	30 June 2021	Actual	30 June 2020	30 June 2020	30 June 2020
				Principal	Actual	Actual	Actual	Principal	Budget	Budget	Budget	Principal	Actual	Actual	Actual
				1 July 2020	repayments	repayments	outstanding	1 July 2020	repayments	repayments	outstanding	1 July 2019	repayments	repayments	outstanding
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Recreation and culture															
Recreation Centre	131	NAB	6.39%	49,939	(9,909)	(3,035)	40,030	49,939	(9,909)	(3,035)	40,030	59,244	(9,305)	(3,639)	49,939
Swimming Pool Redevelopment	139	WATC	5.11%	214,622	(13,322)	(10,623)	201,300	214,622	(13,322)	(10,715)	201,300	227,284	(12,662)	(11,333)	214,622
Other property and services															
5 Arnott Street	137	WATC	6.02%	155,432	(13,917)	(8,963)	141,515	155,432	(13,917)	(8,977)	141,515	168,538	(13,106)	(9,775)	155,432
Doctors Residence	138	WATC	6.27%	76,891	(10,922)	(4,519)	65,969	76,891	(10,922)	(4,653)	65,969	87,159	(10,268)	(5,157)	76,891
				<u>496,884</u>	<u>(48,070)</u>	<u>(27,140)</u>	<u>448,814</u>	<u>496,884</u>	<u>(48,070)</u>	<u>(27,380)</u>	<u>448,814</u>	<u>542,225</u>	<u>(45,341)</u>	<u>(29,904)</u>	<u>496,884</u>
Self Supporting Loans															
Recreation and culture															
Wagin Ag Society	141	WATC	3.04%	136,749	(19,333)	(3,972)	117,416	136,749	(19,333)	(4,011)	117,416	155,507	(18,758)	(4,534)	136,749
				<u>136,749</u>	<u>(19,333)</u>	<u>(3,972)</u>	<u>117,416</u>	<u>136,749</u>	<u>(19,333)</u>	<u>(4,011)</u>	<u>117,416</u>	<u>155,507</u>	<u>(18,758)</u>	<u>(4,534)</u>	<u>136,749</u>
				<u>633,633</u>	<u>(67,403)</u>	<u>(31,112)</u>	<u>566,230</u>	<u>633,633</u>	<u>(67,403)</u>	<u>(31,391)</u>	<u>566,230</u>	<u>697,732</u>	<u>(64,099)</u>	<u>(34,438)</u>	<u>633,633</u>

* WA Treasury Corporation

Self supporting loans are financed by payments from third parties. These are shown in Note 5 as other financial assets at amortised cost. All other loan repayments were financed by general purpose revenue.

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

14. INFORMATION ON BORROWINGS (Continued)

	2021	2020
(c) Undrawn Borrowing Facilities	\$	\$
Credit Standby Arrangements		
Credit card limit	16,000	22,000
Total amount of credit unused	16,000	22,000
Loan facilities		
Loan facilities - current	70,889	67,403
Loan facilities - non-current	495,341	566,230
Total facilities in use at balance date	566,230	633,633
Unused loan facilities at balance date	NIL	NIL

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

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

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

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

Borrowing costs

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

Risk

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

15. EMPLOYEE RELATED PROVISIONS

(a) Employee Related Provisions

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	124,531	184,374	308,905
Non-current provisions	0	64,303	64,303
	124,531	248,677	373,208
Additional provision	61,602	35,487	97,089
Balance at 30 June 2021	186,133	284,164	470,297
Comprises			
Current	186,133	175,063	361,196
Non-current	0	109,101	109,101
	186,133	284,164	470,297

	2021	2020
	\$	\$
Less than 12 months after the reporting date	280,744	310,483
More than 12 months from reporting date	184,722	61,936
Expected reimbursements from other WA local governments	4,831	789
	470,297	373,208

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

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

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

Short-term employee benefits

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

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

Other long-term employee benefits

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

Other long-term employee benefits (Continued)

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

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

Provisions

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

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

16. NOTES TO THE STATEMENT OF CASH FLOWS

Reconciliation of Cash

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

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Cash and cash equivalents	3,158,235	1,673,563	2,927,268
Reconciliation of Net Cash Provided By Operating Activities to Net Result			
Net result	(343,267)	(1,271,652)	(276,003)
Non-cash flows in Net result:			
Adjustments to fair value of financial assets at fair value through profit and loss	(2,586)	0	(1,153)
Depreciation on non-current assets	2,622,817	2,566,921	2,557,489
(Profit)/loss on sale of asset	11,235	(17,992)	7,624
Changes in assets and liabilities:			
(Increase)/decrease in receivables	(36,219)	35,809	916,228
(Increase)/decrease in inventories	3,671	3,574	8,404
(Increase)/decrease in contract assets	(5,655)	23,193	(29,241)
Increase/(decrease) in payables	(65,857)	0	7,303
Increase/(decrease) in employee provisions	97,089	0	15,504
Increase/(decrease) in other provisions	3	0	0
Increase/(decrease) in other liabilities	136,905	(109,362)	(49,007)
Non-operating grants, subsidies and contributions	(1,177,578)	(919,823)	(1,152,172)
Net cash from operating activities	1,240,558	310,668	2,004,976

17. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2021	2020
	\$	\$
Governance	4,390,933	4,371,676
General purpose funding	1,292,824	1,214,832
Law, order, public safety	492,542	535,682
Health	834,174	849,438
Education and welfare	446,380	485,410
Community amenities	1,032,600	1,048,765
Recreation and culture	14,772,050	14,579,195
Transport	101,647,532	102,098,566
Economic services	445,456	442,630
Other property and services	1,565,664	1,536,492
	126,920,155	127,162,686

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

18. ELECTED MEMBERS REMUNERATION

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Cr Phillip Blight			
President's annual allowance	12,000	12,000	12,000
Meeting attendance fees	5,250	4,000	5,500
Travel and telecommunication expenses	750	500	500
	18,000	16,500	18,000
Cr Greg Ball			
Deputy President's annual allowance	3,000	3,000	3,000
Meeting attendance fees	2,188	1,400	2,438
Travel and telecommunication expenses	1,366	1,000	1,150
	6,554	5,400	6,587
Cr David Atkins			
Meeting attendance fees	1,500	1,400	625
Travel and telecommunication expenses	750	500	250
	2,250	1,900	875
Cr Sherryl Chilcott			
Meeting attendance fees	2,063	1,400	2,750
Travel and telecommunication expenses	750	500	500
	2,813	1,900	3,250
Cr Bronwyn Hegarty			
Meeting attendance fees	2,000	1,400	1,438
Travel and telecommunication expenses	750	500	375
	2,750	1,900	1,813
Cr Bryan Kilpatrick			
Meeting attendance fees	2,250	1,400	2,500
Travel and telecommunication expenses	750	500	500
	3,000	1,900	3,000
Cr Wade Longmuir			
Meeting attendance fees	1,938	1,400	1,188
Travel and telecommunication expenses	750	500	375
	2,688	1,900	1,563
Cr Lyn Lucas			
Meeting attendance fees	1,375	1,400	1,625
Travel and telecommunication expenses	750	500	500
	2,125	1,900	2,125
Cr David Reed			
Meeting attendance fees	375	1,400	1,375
Travel and telecommunication expenses	250	500	500
	625	1,900	1,875
Cr Jason Reed			
Meeting attendance fees	1,125	1,400	2,188
Travel and telecommunication expenses	750	500	500
	1,875	1,900	2,688
Cr Geoff West			
Meeting attendance fees	1,625	1,400	2,563
Travel and telecommunication expenses	750	500	500
	2,375	1,900	3,063
	45,054	39,000	44,837
Fees, expenses and allowances to be paid or reimbursed to elected council members.			
President's allowance	12,000	12,000	12,000
Deputy President's allowance	3,000	3,000	3,000
Meeting attendance fees	21,688	18,000	24,188
Travel and telecommunication expenses	8,366	6,000	5,650
	45,054	39,000	44,838

19. RELATED PARTY TRANSACTIONS

Key Management Personnel (KMP) Compensation Disclosure

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

	2021 Actual	2020 Actual
	\$	\$
Short-term employee benefits	547,046	594,156
Post-employment benefits	50,301	50,680
Other long-term benefits	6,753	8,687
	<u>604,100</u>	<u>653,523</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.

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
	\$	\$
Sale of goods and services	5,133	4,931
Purchase of goods and services	102,125	70,137
Amounts outstanding from related parties:		
Trade and other receivables	4,697	0
Amounts payable to related parties:		
Trade and other payables	13,848	19,304

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

20. RATING INFORMATION

(a) Rates

RATE TYPE	Rate in \$	Number of Properties	2020/21 Actual Rateable Value \$	2020/21 Actual Rate Revenue \$	2020/21 Actual Interim Rates \$	2020/21 Actual Back Rates \$	2020/21 Actual Total Revenue \$	2020/21 Budget Rate Revenue \$	2020/21 Budget Interim Rate \$	2020/21 Budget Back Rate \$	2020/21 Budget Total Revenue \$	2019/20 Actual Total Revenue \$
Differential general rate / general rate												
Gross rental valuations	0.11145	746	7,969,475	888,174	(214)	(138)	887,822	888,174	2,000	1,000	891,174	875,906
Unimproved valuations	0.00682	304	210,173,000	1,432,960	(1,072)	0	1,431,888	1,432,960	2,000	0	1,434,960	1,426,060
Sub-Total		1,050	218,142,475	2,321,134	(1,286)	(138)	2,319,710	2,321,134	4,000	1,000	2,326,134	2,301,966
Minimum payment												
Gross rental valuations	580	144	280,029	83,520	0	0	83,520	83,520	0	0	83,520	85,840
Unimproved valuations	580	77	3,270,037	44,660	0	0	44,660	44,660	0	0	44,660	36,540
Sub-Total		221	3,550,066	128,180	0	0	128,180	128,180	0	0	128,180	122,380
		1,271	221,692,541	2,449,314	(1,286)	(138)	2,447,890	2,449,314	4,000	1,000	2,454,314	2,424,346
Discounts/concessions (Note 20(b))							(90,679)				(86,105)	(86,849)
Total amount raised from general rate							2,357,211				2,368,209	2,337,497
Ex-gratia rates							12,517				12,517	12,394
Totals							2,369,728				2,380,726	2,349,891

SIGNIFICANT ACCOUNTING POLICIES

Rates

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

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

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

20. RATING INFORMATION (Continued)

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

Rates Discounts

Rate or Fee Discount Granted	Discount	Discount	2021 Actual	2021 Budget	2020 Actual	Circumstances in which Discount is Granted
	%	\$	\$	\$	\$	
Early Payment	5.00%		90,679	86,105	86,849	Rates paid in full by 18 September 2020
			90,679	86,105	86,849	

Waivers or Concessions

Rate or Fee and Charge to which the Waiver or Concession is Granted	Type	Discount	Discount	2021 Actual	2021 Budget	2020 Actual
		%	\$	\$	\$	\$
Betty Terry Theatre	Rates	50.00%		404	379	379
Betty Terry Theatre	Rubbish	50.00%		163	163	163
St John Ambulance	Rubbish	100.00%		325	325	325
Wagin Care & Share	Rubbish	100.00%		325	325	325
Wagin CWA	Rates	100.00%		979	968	968
Wagin CWA	Rubbish	100.00%		325	325	325
Waratah Lodge	Rubbish	100.00%		325	325	325
				2,846	2,810	2,810

Rate or Fee and Charge to which the Waiver or Concession is Granted	Circumstances in which the Waiver or Concession is Granted and to whom it was available	Objects of the Waiver or Concession
Betty Terry Theatre		Rates Payable
Betty Terry Theatre	1st Bin Waived, Remaining Payable	Rubbish Charges for 1 Bin
St John Ambulance	1st Bin Waived, Remaining Payable	Rubbish Charges for 1 Bin
Wagin Care & Share	1st Bin Waived, Remaining Payable	Rubbish Charges for 1 Bin
Wagin CWA		Rates Payable
Wagin CWA	1st Bin Waived, Remaining Payable	Rubbish Charges for 1 Bin
Waratah Lodge	1st Bin Waived, Remaining Payable	Rubbish Charges for 1 Bin

20. RATING INFORMATION (Continued)

(c) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
Option One				
Single full payment	18/09/2020		5.50%	8.00%
Option Two				
First instalment	18/09/2020	5.50	5.50%	8.00%
Second instalment	18/01/2021	5.50	5.50%	8.00%
Option Three				
First instalment	18/09/2020	5.50	5.50%	8.00%
Second instalment	18/11/2020	5.50	5.50%	8.00%
Third instalment	18/01/2021	5.50	5.50%	8.00%
Fourth instalment	19/03/2021	5.50	5.50%	8.00%
		2021 Actual \$	2021 Budget \$	2020 Actual \$
Interest on unpaid rates		7,917	12,000	11,709
Interest on instalment plan		3,652	3,500	3,445
Charges on instalment plan		4,243	8,000	3,173
		15,812	23,500	18,327

21. RATE SETTING STATEMENT INFORMATION

	2020/21 (30 June 2021 Carried Forward)	2020/21 Budget (30 June 2021 Carried Forward)	2019/20 (30 June 2020 Carried Forward)
Note	\$	\$	\$
(a) Non-cash amounts excluded from operating activities			
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .			
Adjustments to operating activities			
Less: Profit on asset disposals	10(a) (7,969)	(17,992)	(5,744)
Less: Fair value adjustments to financial assets at fair value through profit and loss	(2,586)	0	(1,153)
Movement in pensioner deferred rates (non-current)	5,291	0	(3,282)
Movement in employee benefit provisions (non-current)	44,801	0	13,740
Add: Loss on disposal of assets	10(a) 19,204	0	13,368
Add: Depreciation on non-current assets	10(c) 2,622,817	2,566,921	2,557,489
Non cash amounts excluded from operating activities	2,681,558	2,548,929	2,574,418
(b) Surplus/(deficit) after imposition of general rates			
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.			
Adjustments to net current assets			
Less: Reserves - cash backed	4 (1,708,631)	(1,575,120)	(1,656,310)
Less: Financial assets at amortised cost - self supporting loans	5(a) (19,925)	(19,333)	(19,333)
Add: Current liabilities not expected to be cleared at end of year			
- Current portion of borrowings	14(a) 70,889	70,889	67,403
- Employee benefit provisions	325,484	307,944	325,485
Total adjustments to net current assets	(1,332,183)	(1,215,620)	(1,282,755)
Net current assets used in the Rate Setting Statement			
Total current assets	3,489,680	1,575,120	3,214,627
Less: Total current liabilities	(909,617)	(359,500)	(782,792)
Less: Total adjustments to net current assets	(1,332,183)	(1,215,620)	(1,282,755)
Net current assets used in the Rate Setting Statement	1,247,880	0	1,149,080

22. FINANCIAL RISK MANAGEMENT

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

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

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

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

(a) Interest rate risk

Cash and cash equivalents

The Shire's main interest rate risk arises from cash and cash equivalents with variable interest rates, which exposes the Shire to cash flow interest rate risk. 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 30 June and the weighted average interest rate across all cash and cash equivalents and term deposits held disclosed as financial assets at amortised cost are reflected in the table below.

	Weighted Average Interest Rate	Carrying Amounts	Fixed Interest Rate	Variable Interest Rate	Non Interest Bearing
	%	\$	\$	\$	\$
2021					
Cash and cash equivalents	0.10%	3,158,235	1,708,631	908,676	540,928
2020					
Cash and cash equivalents	0.32%	2,927,268	1,656,310	1,156,887	114,071

Sensitivity

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

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

* Holding all other variables constant

	2021	2020
	\$	\$
	9,087	11,569

Borrowings

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

22. 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. The Shire is also able to charge interest on overdue rates and annual charges, which further encourages payment.

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

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

The expected loss rates are based on the payment profiles of rates and fees and charges over a period of 36 months before 1 July 2020 or 1 July 2021 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as the ability of ratepayers and residents to settle the receivables. Housing prices and unemployment rates have been identified as the most relevant factor in repayment rates, and accordingly adjustments are made to the expected credit loss rate based on these factors.

The loss allowance as at 30 June 2021 for rates receivable was determined as follows:

	Current	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total
30 June 2021					
Rates receivable					
Gross carrying amount	746	33,501	34,012	22,206	90,464
Loss allowance	1,599	8,257	5,470	7,182	22,507
29 June 2020					
Rates receivable					
Gross carrying amount	1,020	36,709	30,308	16,498	84,535
Loss allowance	8,072	5,470	2,473	4,709	20,724

The loss allowance as at 30 June 2021 and 30 June 2020 was determined as follows for trade receivables.

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
30 June 2021					
Trade and other receivables					
Expected credit loss	0.00%	0.00%	0.00%	8.37%	
Gross carrying amount	118,895	4,612	8,018	46,094	177,620
Loss allowance	0	0	0	3,856	3,856
29 June 2020					
Trade and other receivables					
Expected credit loss	0.00%	0.00%	0.00%	12.04%	
Gross carrying amount	112,583	5,550	0	20,769	138,901
Loss allowance	0	0	0	2,500	2,500

22. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (Continued)

Contract Assets

The Shire's contract assets represent work completed, which have not been invoiced at year end. This is due to the Shire not having met all the performance obligations in the contract which give an unconditional right to receive consideration. The Shire applies the simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all contract assets. To measure the expected credit losses, contract assets have been grouped based on shared credit risk characteristics and the days past due. Contract assets have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Shire has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

22. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

Payables and borrowings

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

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

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
<u>2021</u>					
Payables	233,319	0	0	233,319	233,319
Borrowings	70,889	302,420	192,921	566,230	566,230
	<u>304,208</u>	<u>302,420</u>	<u>192,921</u>	<u>799,549</u>	<u>799,549</u>
<u>2020</u>					
Payables	299,176	0	0	299,176	299,176
Borrowings	98,794	388,702	304,699	792,195	633,633
	<u>397,970</u>	<u>388,702</u>	<u>304,699</u>	<u>1,091,371</u>	<u>932,809</u>

23. TRUST FUNDS

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

	1 July 2020	Amounts Received	Amounts Paid	30 June 2021
	\$	\$	\$	\$
In Lieu of Public Open Space	8,200	0	(8,200)	0
	8,200	0	(8,200)	0

24. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

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

c) Rounding off figures

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

d) Comparative figures

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

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

e) Budget comparative figures

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

f) Superannuation

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

g) Fair value of assets and liabilities

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

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

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

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

h) Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

i) Impairment of assets

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

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

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

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

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

25. ACTIVITIES/PROGRAMS

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

PROGRAM NAME AND OBJECTIVES	ACTIVITIES
<p>GOVERNANCE</p> <p>To provide a decision making process for the efficient allocation of resources.</p>	<p>Includes costs associated with elected members, the running costs of the Administration building and associated clerical staff, records management and computer operation costs.</p>
<p>GENERAL PURPOSE FUNDING</p> <p>To collect revenue to allow for the provision of services and facilities for the community.</p>	<p>Includes rate revenue and associated costs, general purpose government grants, costs associated with the repayment of Council loans, including reimbursement from government bodies and community organisations, as well as interest earned on Council investments.</p>
<p>LAW, ORDER, PUBLIC SAFETY</p> <p>To provide services to help ensure a safer and environmentally conscious community.</p>	<p>Includes costs associated with fire prevention and control, control of dogs, cats and other animals, abandoned vehicles, enforcement of associated local laws and other aspects of public safety including emergency services.</p>
<p>HEALTH</p> <p>To provide an operational framework for environmental and community health.</p>	<p>Includes costs associated with providing doctor, maternal and infant health services, analytical expenses ie water sampling, and the running of the Regional Health Scheme together with the Shire of Williams and Shire of Dumbleyung.</p>
<p>EDUCATION AND WELFARE</p> <p>To provide services and facilities to the elderly, disadvantaged, children and youth of the community.</p>	<p>Includes costs associated with providing a building for daycare, administering and running of the Wagin Homecare Program, including Community Aged Care Packages and some assistance to Wagin Frail Aged Lodge.</p>
<p>COMMUNITY AMENITIES</p> <p>To provide required essential services for the community.</p>	<p>Includes provision for the collection and disposal of residential, commercial and industrial refuse, provide an effective waste recycling service, ongoing maintenance of the Wagin Cemetery and running costs associated with providing public conveniences.</p>
<p>RECREATION AND CULTURE</p> <p>To establish and effectively manage infrastructure, resources and provide opportunities which will help the social well-being of the community.</p>	<p>Includes costs associated with public halls, the Wagin Memorial Swimming Centre, Wagin Recreation Centre, sportsground maintenance and sportsground buildings / facilities maintenance, the provision of recreational services and programs, library services together with a contribution towards the costs associated with the running of the Wagin Woolorama.</p>
<p>TRANSPORT</p> <p>To provide safe, effective and efficient transport services to the community.</p>	<p>Includes construction and maintenance of Council's infrastructure assets including roads, bridges, footpaths, parking facilities, townscape, street trees and street lighting. Also, improvements to Council's plant and the provision of aircraft landing facilities and their associated costs.</p>
<p>ECONOMIC SERVICES</p> <p>To help promote the Shire and its economic wellbeing.</p>	<p>Includes area promotion, tourism, economic and community development, control of declared flora and fauna, the Rural Town's programme, Landcare, LCDC projects, ongoing maintenance of the Wagin Caravan Park, building control and the provision of standpipes.</p>
<p>OTHER PROPERTY AND SERVICES</p> <p>To monitor and control Council's overhead operating accounts and other miscellaneous items.</p>	<p>Includes private works, town planning schemes and the provision for new residential developments, materials in store, costs associated with employment of the outside works crew, costs associated with the running of all Council plant and other unclassified revenue and expenses.</p>

26. FINANCIAL RATIOS

	2021 Actual	2020 Actual	2019 Actual
Current ratio	5.67	3.85	3.76
Asset consumption ratio	0.93	0.96	0.98
Asset renewal funding ratio	0.87	1.51	3.63
Asset sustainability ratio	0.55	0.77	1.32
Debt service cover ratio	13.04	11.81	13.38
Operating surplus ratio	(0.41)	(0.44)	(0.32)
Own source revenue coverage ratio	0.49	0.48	0.53

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 Wagin

To the Councillors of the Shire of Wagin

Report on the audit of the annual financial report

Opinion

I have audited the financial report of the Shire of Wagin (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 Wagin:

- 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 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.

Report on other legal and regulatory requirements

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

- (i) In my opinion, the following material matters indicate significant adverse trends in the financial position of the Shire:
 - a) The Asset Sustainability Ratio as reported in Note 26 of the financial report is below the Department of Local Government, Sport and Cultural Industries' standard for the past two financial years and the current year is below last year; and
 - b) The Operating Surplus Ratio as reported in Note 26 of the financial report is below the Department of Local Government, Sport and Cultural Industries' basic standard for the past three financial years.
- (ii) All required information and explanations were obtained by me.
- (iii) All audit procedures were satisfactorily completed.
- (iv) In my opinion, the Asset Consumption Ratio and the Asset Renewal Funding Ratio included in the 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 Wagin 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.

Mark Ambrose
Senior Director Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
10 November 2021