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2020/21

ANNUAL REPORT

SHIRE OF MINGENEW

SHIRE
OF MINGENEW





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President's Report 2020

It is my pleasure to present this 2020/21 annual President's Report for the Shire of Mingenew.

The last reporting period ending June 2019/20 was all about the Covid-19 virus. Unfortunately it is still with us but not having a negative impact. The WA Government's closed border policy has again resulted in unprecedented tourist numbers through our Shire which has tested our roads and camping facilities.

Last year saw work started on the Cecil Newton Park precinct which is progressing well. When completed it should be a feature of our town. An official opening ceremony is planned for the New Year.

Many of the other projects planned i.e. Philip Street upgrade, Childcare Centre and Railway Station upgrades that we have funds allocated for are progressing albeit slowly, Seroja having an impact.

Forty-two years ago we had Cyclone Hazel which caused significant damage to our Shire. This year along came Seroja. Its devastation will be remembered in the next 42 years and beyond.

I'm very proud of the way our community responded and relieved that no-one was injured or worse. The positive and generally noncomplaining attitude displayed by everyone in the clean-up and recovery is testament to the local Bulldog Spirit.

I must congratulate our CEO Nils Hay and the Police Sargent Neil Boonzaaier on their leadership and organisational skills in the aftermath of Seroja. This is still ongoing and will be sometime.

Our outside workforce also stood up during the clean up after the cyclone. They put their normal duties aside and just got stuck in as did many members of the community. To all I express a big thankyou and well done.

A lot of the repair and rebuild work has yet to be started and is a frustration to all. Believe me there is a lot of lobbying going on in the background to various Departments and Politicians. Hopefully by this time next year all should be completed.

Your council continues to review and progress the 10-year community plan. Roads are constantly requiring attention and wet winters only add to this problem. One of our great concerns is the condition of Yandanooka North East Road. We continue to put it forward to the Regional Road Group for funding, but it is deemed not significant enough for funding. We may have to seek alternative solutions.

Once again, our Auditors have not raised any issues with our Shire finances and organisation. Congratulations to Nils, Jeremy and the rest of their team on this achievement.

Your councillors have once again worked diligently on planning and reviewing our operations. On your behalf I thank them all and as last year we will continue to strive onwards and upwards.

Gary Cosgrove

President



Mingenew Town



CEO's Report

What a year. The impact of Tropical Cyclone Seroja was huge, and will continue to be felt for quite some time.

In practical terms, Seroja has delayed a number of projects, pushed up the cost of building and made the contractors that we rely upon an even scarcer commodity. Amidst the negative impacts though, Seroja did reveal two things: The strength of our local community and the ability for local government to respond and be a true force for good when things go bad. The morning after the cyclone – and in the days that followed – a steady stream of local volunteers made themselves available to help others tidy up, doorknock residents who had been impacted to ensure they were okay, and generally lend a helping hand where it was required. In the face of our biggest natural disaster in 40 years, that ability to pull together highlighted for me one of the best things about Mingenew.

At the same time, I am incredibly proud of my team at the Shire who put in a great effort to lead that response and recovery process. One thing I have learned through this experience is that, despite the size and resources of the State Government, they do not have the agility to respond in the way that local government can. All too often in the months following Seroja it has been the local government leading, imploring the State to catch up and support our efforts. This has been frustrating at times, as the disaster recovery funding environment is a complicated and slow-moving one, but we have tried throughout to ensure that our community is supported as best we can.

In addition to Seroja we have dealt with COVID too. Thankfully, here in the Mid West we have remained relatively untouched, but the impact on major community events and the uncertainty that has been introduced in this space is one that we have felt with the cancellation last year of the Mingenew Mid West Expo and the postponement of numerous other events which required attendees from outside the region. The return to Level 5 restrictions and commencement of the vaccination program has been very welcome, and we hope to be returning to something approaching normalcy in the coming months.

It has not all been doom and gloom though, despite the challenges, a number of initiatives – playgrounds, roadworks and solar power systems – have still been completed, and we have had success with a number of large and small grant applications. Admittedly, others have seen delays, and our 2021/22 project load is significant as a result – and the challenges of finding contractors may further impact that.

The crunch in the building sector comes at a time when housing is an increasingly important priority for our community. This year, Council sold off a number of its vacant blocks of land, with the hopes of people being able to take advantage of building grants to get

a head-start on new homes in Mingenew. The good news is that we have sold most of the blocks (with some settlements still outstanding), and we know that some are actively working towards building. We remain aware though that housing will be an issue for some time.

Despite the headwinds, the business of Council continues. We are continuing to try to improve the ease with which people can engage with us – with more online services and contact options, our advocacy – especially in the house space – is growing louder, our run of unqualified audit results continues and we have a great team here, committed to serving the Mingenew community.

Staff

In 2020-21 we underwent two key structural changes. Firstly, the re-introduction of the Works Manager role. We welcome Peter Wood to the team, as he helps to improve systems, processes and productivity in our Works department. Secondly, we elevated the Governance Officer role to Governance and Community Manager, and Erin Greaves continues in that position. These changes are symptomatic of the increasing compliance and governance requirements that are placed upon local governments. Even for small local governments like ours, the need for increasingly specialised skills in these areas continues to grow – seemingly despite our appeals to the State Government for a less complex operating environment.

This year also saw the departure of Rocky Brennan and Clara Eaton, and we thank them for their 14 and 9 years of service respectively.





Finance Statistics

The Shire of Mingenew had a Total Revenue of \$7.03m (including operating and capital grants) for the 2020/21 financial year. A total of 46% (\$3.26m) of the Shire's revenue for 2020/21 was Non-Operating Grants which helped to fund a number of key capital projects, in particular the beginning of the construction of the new Coalseam Road Bridge, drainage upgrades on Milo Road and widening on part of Mingenew Mullewa Road. Operating Grants and Contributions account for 11% of total revenue, while Rates (28%) and Fees & Charges (4%) are also significant contributing factors to the total revenue figure.

The remaining revenue comes from interest received and other miscellaneous services carried out by the Shire during the financial year. There was a total of 11% (\$753k) of revenue made up of Reimbursements & Other Income. This amount was predominately made up of police licensing (\$458k).

Total Revenue by Nature & Type

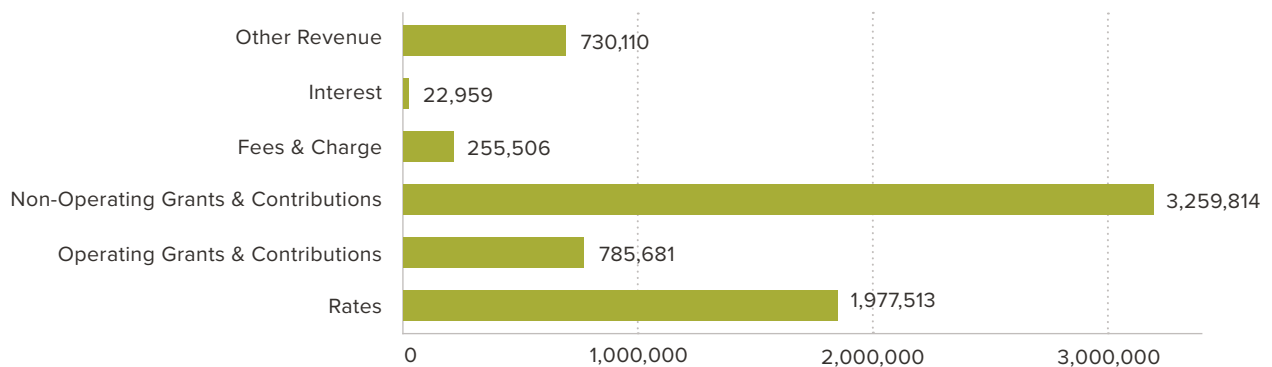


Table 1

Reserve	Balance
Building and Land Reserve	\$30,302
Recreation Reserve	\$3,095
Plant Reserve	\$194,640
Employee Entitlement Reserve	\$68,133
Aged Persons Units Reserve	\$12,782
Economic Development & Marketing Reserve	\$10,323
Environmental Reserve	\$19,617
Land Development Reserve	\$6,979
RTC/PO/NAB Reserve	\$22,218
Insurance Reserve	\$23,045
COVID-19 Emergency Reserve	\$80,709
Total	\$471,843

Revenue

The revenue (operating and capital) generated by the Shire is spent providing infrastructure and services for the community. The Shire provides many services including maintaining and improving roads, parks and gardens, leisure services and other community projects. A significant amount of the Shire's resources (66%) are spent on maintaining road infrastructure and the provision of recreation services.

Reserve Funds

As at 30 June 2021 the balance in the Reserve Accounts was \$471,843 as per table below; There was a transfer of over \$41,000 to the Plant Reserve this year. The Shire will continue to make a concerted effort to improve our cash reserves for the provision of future acquisitions and proposed developments.

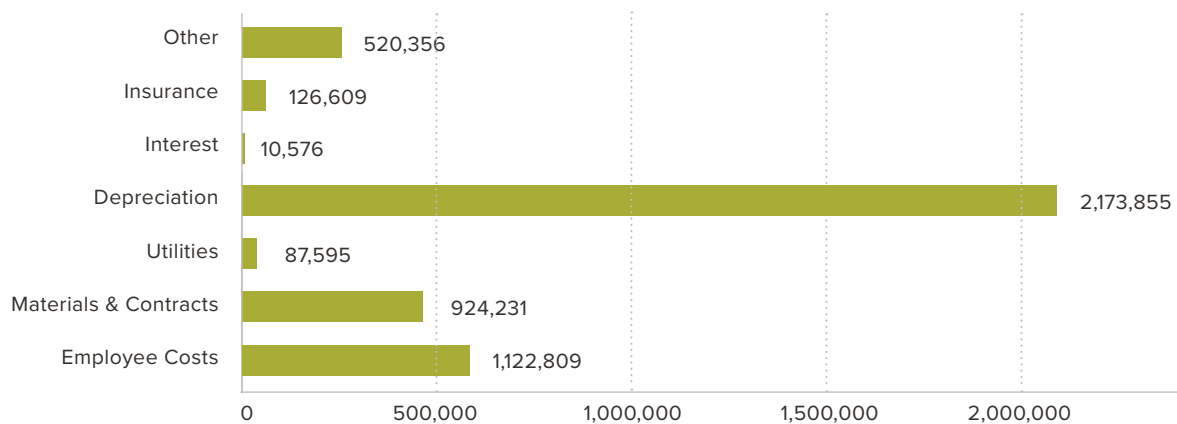
Operating Expenditure

When comparing the breakdown of these costs by nature and type, a significant 44% of all operating expenditure is attributed to depreciation charges. Depreciation is a non-cash item and is a result of the Shire having in excess of \$51m worth of assets, of which 80% is attributed to the Shire's road network and other related infrastructure whilst 20% is attributed to Property, Plant & Equipment. Other significant expenditure includes Employee Costs (23%), Materials & Contracts (19%) and Other Expenditure (14%). As with Revenue the majority of these Other Expenditure costs are attributed to police licensing costs.

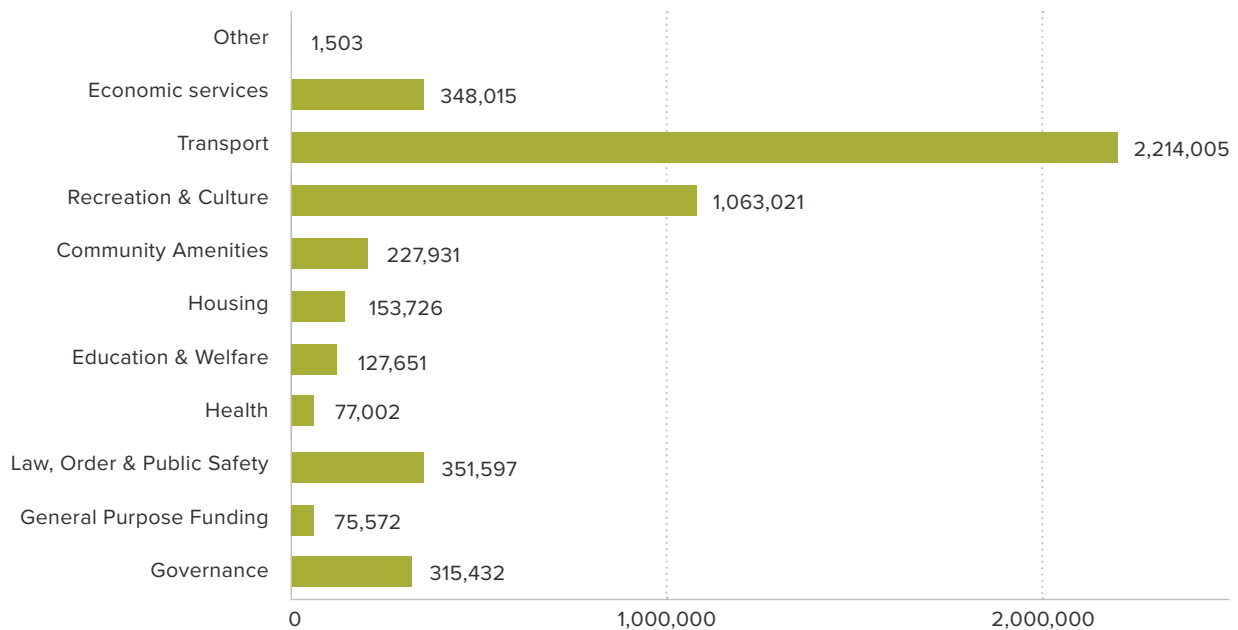
Loan Liability

As at 30 June 2021 the outstanding principal on all loans was \$165,919 which is due to be paid off by the end of June 2022. A new loan to fund the replacement of one of the Shire's graders in the amount of \$280,000 will be taken out in late 2021. It will be paid off over the next 5 financial years.

Operating Expenditure by Nature & Type



Operating Expenditure by Program



Activities and Projects:

In addition to the normal operating activities, a number of significant capital works projects were undertaken during the 2020/21 financial year, as per below:

Table 2

Transport	
Mingenew Mullewa Road – 3.0km Widen & Reseal	\$440K
Milo Road – Resheeting	\$232K
Plant Purchases	\$315K
Recreation & Culture	
Skate Park Precinct Upgrade	\$294K

Seroja Clean-up and Rebuilding

A significant amount of Shire staff time and effort has been put into the clean-up and rebuilding efforts following TC Seroja. This process will be a lengthy one, as the Shire works through an extensive insurance claim and engages builders and other contractors to restore a wide range of assets.

Lockier River Bridge – Coalseam Road

Funding was secured for the replacement of the bridge over the Lockier River on Coalseam Road. While most of the works will take place during the 2021/22 financial year, we are happy that – through our partnership with Main Roads – the entire project will be externally funded.

Solar Power Project

This year we installed solar panels on the Shire Office and Recreation Centre. The project has seen a decrease in our power costs and will help us to deliver our services in a more environmentally sustainable fashion.

Mingenew Transfer Station

In May 2021, we finally transitioned to a transfer station-based arrangement at the Mingenev Tip. Over time, we hope this will reduce the amount of waste going into landfill, whilst also providing us with better oversight of the type and volume of waste that is being received. It is also hoped that this shift will reduce the amount of unwelcome waste – such as tyres and asbestos – that had previously been dumped at the tip.

Tourism

Whilst COVID-19 has certainly made things a little strange in the tourism sector, we still experienced very strong intrastate visitation, and our Shire's marketing and promotion efforts continue to pay dividends. We have also been slowly increasing our offering of Astrotourism events, following the construction of a dedicated stargazing site near Yandanooka Hall. Dark sky tourism is garnering increasing attention, and we remain at the vanguard of this movement in WA.

Work has also commenced through WA's Wildflower Country Inc. on a Regional Trails Masterplan, to enhance our Shire's – and the broader region's – trails infrastructure. This is a swiftly growing tourist market and, whilst it fits well with wildflower tourism, is not reliant upon wildflowers.

Cecil Newton Park Upgrades

Several key pieces of the upgrade of the Cecil Newton Park/Skate Park youth precinct were completed this year, with two new playground and a flying fox added to the area. The project is ongoing, but it is great to have these new family-friendly facilities available in the heart of town.

Nils Hay

Chief Executive Officer



Mingenew Museum





Councillors and Staff

Councillors



Gary Cosgrove
Shire President



Robert Newton
Deputy President



Justin Bagley
Councillor



Carol Farr
Councillor



Hellene McTaggart
Councillor



Helen Newton
Councillor



Anthony Smyth
Councillor

Staff

Leadership Team



Nils Hay
Chief Executive Officer



Jeremy Clapham
**Finance & Administration
Manager**



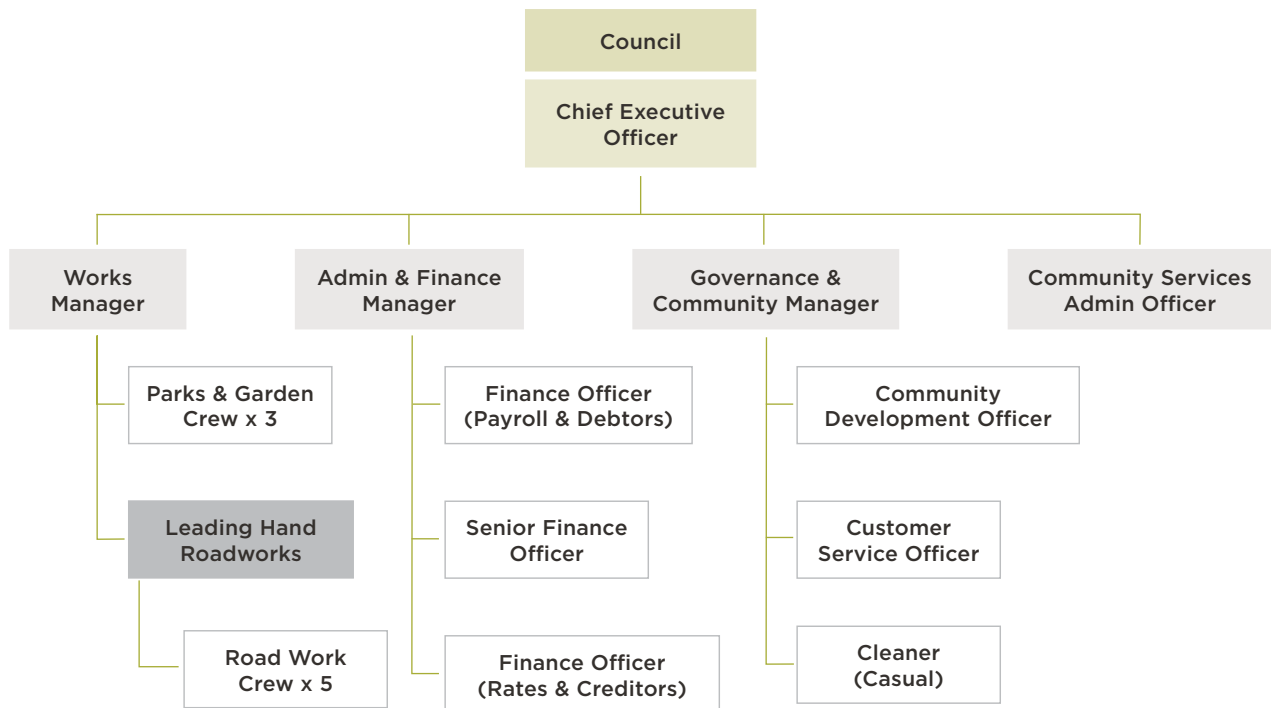
Peter Wood
Works Manager



Erin Greaves **Governance
& Community Manager**



Organisational Charts



Shire of Mingenew staff



Strategic Community Plan Outcomes

2019-20 is the first year of operation of our 2019-29 Strategic Community Plan. Despite some of the challenges the year threw at us, we were certainly able to make progress towards the Plan's goals. Much of this year's outcomes related to the planning of future projects and allocation of funding for delivery, with this year setting us up well to deliver a range of infrastructure and community projects in the 2020-21 Financial Year.

Strategy 1

Leading Mingenew

Goal: Council will provide accountable and transparent leadership with the Community to deliver on the Strategic Community Plan

1.1 Infrastructure

We have continued to successfully receive external funding for many of our major infrastructure projects, particularly those relating to our road network. All of our Regional Road Group and Roads to Recovery-funded roadworks in FY20/21 were completed and funding was secured for around \$10m worth of works in FY21/22

1.2 Capability

Council continues to work hard to ensure we have the staff and resources to deliver what we need to in a sustainable fashion – as with most small local governments, this can be very challenging at times! Over the course of the year we have continued to try to improve our public communications, with regular content on social media, our website and in the Mingenew Matters. We have also sought community feedback on several topics, such as the future of Samuel Phillips Park.

1.3 Compliance:

Much of the business of local government is compliance-related. This year, we can happily report another series of unqualified interim and final audit results with very few identified management items. Furthermore, we have successfully delivered on several key internal audit tasks, including the finalisation of our Workforce Plan.

1.4 Resource Management:

Our key project in this area for 20/21 was related to our transfer station, and it is good to have this process up and running. It will require further improvement and tweaking over time, as we adjust to a different way of doing things, but the long-term benefits from both a compliance and environmental perspective should be significant.

Strategy 2

Love living in Mingenew

Goal: Maintain and build a healthy, connected and sustainable community with great public open spaces, facilities and enable community volunteerism

2.1 Health

A lot of time and effort has been spent on ensuring that we are meeting the relevant COVID-19 requirements. Even in the absence of local cases, the Shire has taken a leadership role in this space to ensure that our community remains safe.

2.2 Education

The Shire maintains a close working relationship with our local education providers. This year we have been engaged in planning work for the upgrade and expansion of the Mingenew Daycare Centre at Sister Cameron House.

2.3 Culture and Heritage

The Shire has, through our Community Assistance Scheme grants, awarded funding to the Mingenew Historical Society to complete their local Heritage Walk and develop an Oral History of Mingenew. The Walk, accompanied by brochures, ant way-finders and a series of interpretive panels helps to provide an array of local historical information to locals and visitors alike.

2.4 Sense of Community

In addition to the recent playground upgrades, work also began on improving our water infrastructure at the Mingenew Recreation Centre to ensure that our parks and ovals have adequate access to water.

We have also, through our Community Assistance Scheme, provided funding to the Mingenew Golf Club for a new storage container, Mingenew Sports Club for some painting and garden works and Mingenew Silver Chain Committee to ensure prescription deliveries to Mingenew remain free.



Image supplied by the Mingenew Irwin Group

Mingenew Hotel



Mingenew Primary School



Mingenew Caravan Park



2020 Mingenew Races



Mingenew Tourist Centre

Strategy 3 Growing Mingenew

Goal: Develop key enabling and underpinning investments to grow the community to a population of 500 by 2029

3.1 Housing

The Shire held a successful land sale campaign this year, offering a number of blocks from just \$1. The challenge, following this, has turned to the increased shortage of housing and building contractors. TC Seroja has obviously exacerbated this shortage further, and much of the Shire's lobbying effort has been spent on trying to work with the State and Federal Governments to find solutions to these issues.

3.2 Development

Work has been taking place, with the Department of Planning Lands and Heritage around potentially acquiring future industrial or rural residential land to support local demand. Whilst progress has been made, such processes are typically lengthy ones and it may be several years before they bear fruit.

In terms of industry development, the Shire has been working with the Mid West Development Commission on some master planning to better understand and grow the local space sector. This has been facilitated by \$80,000 in funding secured this year. The master plan will be developed through FY21/22.

Strategy 4 We'll see you in Mingenew

Goal: Attract visitors to Mingenew by making it a highly desirable and dynamic place to visit and live, resulting in an increase in population

4.1 Diversity of Accommodation

The topic of accommodation was keenly discussed at the March Agritourism Workshop and – following the cyclone – the need for accommodation in Mingenew has only grown. The Shire remains open to proposals to address this matter.

4.2 Events

Whilst COVID-19 did hamper the annual events calendar, the Mingenew Races provided their typical highlight, and the Shire was happy to work with the Turf Club to assist the promotion of that event. At a more local level, we have been partnering with the Mingenew CRC and other local groups to deliver a range of community events. In the aftermath of TC Seroja, these opportunities to come together were particularly important for our local community.

4.3 Tourism Assets

Tourism remains a key focus for diversifying our local economy, and as we have continued to promote wildflower tourism, we have also been working steadily towards increased promotion and experiences in the Astrotourism segment. This year also saw Mingenew host a successful Agritourism workshop – which highlighted both the interest and potential in farm-based tourism in our region.

This focus on agricultural tourism was supported by the Mingenew Irwin Group, who utilised a Shire Community Assistance Scheme grant to construct Shuttle Alley, an interpretive crop display, next to the MIG office.

Planning work has also commenced on some upgrades to the walking track up Mingenew Hill, with a view to making it a safer and easier experience, and adding some interpretive signage for visitors.

In addition to our own efforts, we work closely with Wildflower Country Inc. and our State Government counterparts – particularly the Department of Biodiversity, Conservation and Attractions – to ensure there is a range of reasons for tourists to visit and spend time in our Shire.

Strategy 5

Making business easy In Mingenew

Goal: Ensure Mingenew is supporting local businesses to grow and maintain employment within the community

5.1 Digital Capacity

This year we successfully engaged Node1 to install a Fixed Wireless Internet repeater to service much of the Mingenew townsite. Unfortunately, TC Seroja subsequently blew the tower over. Despite this setback, the tower will be replaced in FY21/22 and the service restored.

5.2 Economic Development

The Shire has been working with the Mingenew CRC and together the Mingenew Business Alliance was reconstituted this year, with the CRC overseeing the Alliance moving forwards.

The Shire also leased out the old Bank building to provide opportunities for existing organisations, or new businesses, to establish themselves in these key main street locations.



The view from Mingenew Hill

Governance

Elected Member Attendance

Elected Member Attendance – 1 July 2020 to 30 June 2021

10 [10] Number of meetings attended / total number meeting required to attend

N/A Elected Member not required to Attend

Elected Member	Term Commenced	Term Expires	Ward*	Council (10)	Special Council (1)	Audit & Risk Committee (4)	Bushfire Advisory Committee (2)	Executive Committee (2)	Electors Meeting (1)	LEMC (1)
Cr G Cosgrove	2019	2023	Town	10 (10)	1 (1)			2 (2)	1 (1)	
Cr R Newton	2017	2021	Rural	10 (10)	1 (1)	4 (4)		2 (2)	1 (1)	0 (1)
Cr J Bagley	2019	2023	Rural	9 (10)	1 (1)		0 (2)	2 (2)	1 (1)	
Cr H McTaggart	2019	2023	Rural	10 (10)	1 (1)	4 (4)			1 (1)	
Cr C Farr	2019	2023	Town	9 (10)	0 (1)				1 (1)	
Cr H Newton	2017	2021	Town	9 (10)	0 (1)	2 (2)			1 (1)	
Cr A Smyth	2019	2021	Town	10 (10)	0 (1)	3 (4)	1 (2)		1 (1)	0 (1)

* in 2020 Council resolved to abolish the Ward system. This is to take effect following the 2021 Local Government Elections.

Elected Member Training

Part 10 – Training of the Local Government (Administration) Regulations 1996 was introduced requiring all elected members whose term commenced on or after 9 August 2019 complete the Council Member Essentials training course within 12 months of their election, in accordance with s5.126(1) of the Local Government Act 1995. The status of Councillor-completed training as at 30 June 2021 is as follows:

Elected Member	Council Member Essentials module completion status				
	Understanding Local Government	Serving on Council	Meeting Procedures	Conflicts of Interest	Understanding Financial Reports and Budget
Cr G Cosgrove*	In Progress	In Progress	In Progress	In Progress	Completed
Cr R Newton	N/A	N/A	N/A	N/A	N/A
Cr J Bagley*	Completed	In Progress	In Progress	In Progress	In Progress
Cr H McTaggart*	Completed	Completed	Completed	Completed	Completed
Cr C Farr*	In Progress	In Progress	In Progress	In Progress	In Progress
Cr H Newton	N/A	Completed	In Progress	N/A	Completed
Cr A Smyth	In Progress	In Progress	In Progress	In Progress	In Progress

* Denotes Elected Members who are required to complete the mandatory training, all other Elected Members are exempt in accordance with r.36.

Employee Remuneration

In accordance with s19(b) of the Local Government (Administration) Regulations 1996, the number of Shire employees entitled to an annual salary of \$130,000 or more during the 2020/21 year were:

Table 4

Salary Range	Number of Employees
\$130 000 to \$139 999	-
\$140 000 to \$149 999	-
\$150 000 to \$159 999	1

The Total Remuneration for the CEO in 2020/21 is \$205,500 (remuneration is defined as salary, allowances, fees, enrollments and benefits (whether in money or not)).

Freedom of Information

The Shire aims to make information available, whenever possible, outside the freedom of information process. However, on occasion, access to documents may require an application in accordance with the Freedom of Information Act 1992. Should members of the public wish to access information and documents held by the Shire please access the annually updated Shire of Mingenew Information Statement located on the Shire website to guide you in this process.

The Shire did not receive any applications under the Freedom of Information Act in 2020/21.

Disability and Access Inclusion Plan

The Shire's Disability Access and Inclusion Plan (DAIP) 2019-2024, last reviewed in 2021, is a key strategic document that outlines the Shire's approach to working towards a more accessible and inclusive community. The DAIP ensures that services, facilities and information meet the needs of people with disability, their families and carers and supports an environment in which people with disability have the same opportunities, rights and responsibilities enjoyed by all other people in the community. Key strategies include:

- I. Ensuring that people with disability have the same opportunities as other people to access the services of, and any events organised by the Shire through consultation, policy development and improved services
- II. Ensuring that people with disability have the same opportunities as other people to access the buildings and other facilities of the Shire through improved planning and consultation during new and development works, including parking and access ways
- III. Ensuring people with a disability receive information in a format that will enable them to access information as readily as other people by having information available in alternative formats and continuously improving the Shire's website formatting

- IV. Ensuring people with disability receive the same level and quality of service from staff as other people through training, inductions and seeking advice from disability service providers
- V. Ensuring the Shire's grievance mechanisms are accessible for people with a disability
- VI. Ensuring people with disability have the same opportunity to participate in any public consultation through promotion of the DAIP and targeting affected community members on relevant matters
- VII. Using inclusive recruitment methods and practices to support people with disability in obtaining and maintaining employment with the Shire

The DAIP is monitored regularly, and Progress Reports are provided to the Department of Communities.

Complaints Register

The Shire reports no complaints, as defined under s5.105 of the Act – 'Breaches by council members', for the period ending 30 June 2021. The complaints officer (CEO for the Shire of Mingenew) is required to maintain a register of complaints that result in a finding under s5.110(2)(a) that a minor breach has occurred. A copy of the Register is available on the Shire's website.

Public Disclosures

The Public Interest Disclosure Act 2013 (Commonwealth) aims to ensure openness and accountability in government. Disclosures are treated in confidence and persons making a disclosure are protected from detrimental action. The Chief Executive Officer is the appointed Public Interest Disclosure (PID) Officer for the Shire. During 2020/21 the Shire did not receive any disclosures.

Recordkeeping Plan

The Shire of Mingenew is committed to the reliable and systematic management of government records, in accordance with legislative requirements and best practice standards.

Council undertook a formal review of its Recordkeeping Plan in 2020. An updated Recordkeeping Plan is currently being completed, with a final version to be submitted to the State Records Office in October 2021.



Mingenew Harvest

National Competition Policy

The Federal and State governments have a Competition Principles Agreement in place, which is binding on local government.

The Agreement requires the Shire to carry out activities, including a report on those activities in each year's Annual Report. The three areas that affect local government are:

1. Competitive neutrality

To remove benefits (and costs) which accrue to government business as a result of their public ownership.

2. Structural reform

Local government is required to reform the structure of publicly owned monopoly businesses where it is proposed to introduce competition.

3. Legislation review

To review legislation that restricts competition.

Competitive Neutrality

There are several tests to apply that assist in determining if there is a 'significant business enterprise':

- Does the activity receive revenue from external sources that exceeds \$200,000 per annum? (In determining this amount, Council has been advised to disregard grant income, internal charges, and statutory fees.)
- Would the benefits to be realised from the implementation of competitive neutrality exceed the costs?

From an examination of the revenue statement of the Shire for the preceding period, there is no activity that satisfies this first part of the test, and accordingly the principles of competitive neutrality do not apply to any Shire of Mingenew activities.

Structural Reform

In this area, Council has no monopoly activities.

What is basic to the function of restructuring public monopolies is the splitting or division of the regulatory role from the service provision role.

To address the question of monopoly, the following test has been applied to each activity:

- Definition: In regard to this service, does Council have 'exclusive or near exclusive control of the market supply of this service?'
- Dual function: Does Council have both a regulatory and supply function in this area of activity?

Legislation Review

Council has a portfolio of local laws (previously known as by-laws) which may or may not conflict with the Competition Principles Agreement. These local laws will be reviewed to ensure compliance with the reporting requirements.

The Shire last conducted a review of its Local Laws in 2017 and is continuing to implement actions from this review.





Appendix: Annual Financial Statements

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**SHIRE OF MINGENEW
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 Mingenew 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 Mingenew 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 9th day of December 2021



Chief Executive Officer

Nils Hay

Name of Chief Executive Officer

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

	NOTE	2021 Actual	2021 Budget	2020 Restated
		\$	\$	\$
Revenue				
Rates	24(a)	1,977,513	1,975,991	1,885,305
Operating grants, subsidies and contributions	2(a)	785,681	1,306,100	760,450
Fees and charges	2(a)	255,506	239,292	250,486
Interest earnings	2(a)	22,959	24,381	32,981
Other revenue	2(a)	730,110	531,219	635,543
		<u>3,771,769</u>	<u>4,076,983</u>	<u>3,564,765</u>
Expenses				
Employee costs		(1,122,809)	(1,031,488)	(1,197,569)
Materials and contracts		(924,231)	(708,353)	(1,032,941)
Utility charges		(87,595)	(93,002)	(110,991)
Depreciation on non-current assets	11(d)	(2,173,855)	(1,506,670)	(2,027,079)
Interest expenses	2(b)	(10,576)	(10,686)	(14,589)
Insurance expenses		(126,609)	(120,997)	(121,694)
Other expenditure	2(b)	(520,356)	(584,575)	(658,012)
		<u>(4,966,031)</u>	<u>(4,055,771)</u>	<u>(5,162,875)</u>
		<u>(1,194,262)</u>	<u>21,212</u>	<u>(1,598,110)</u>
Non-operating grants, subsidies and contributions	2(a)	3,259,814	2,990,490	1,853,775
Profit on asset disposals	11(a)	11,727	2,000	763
(Loss) on asset disposals	11(a)	(23,923)	(23,100)	0
Fair value adjustments to financial assets at fair value through profit or loss		2,804	0	0
		<u>3,250,422</u>	<u>2,969,390</u>	<u>1,854,538</u>
Net result for the period		2,056,160	2,990,602	256,428
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	13	1,130,509	0	(41,000)
Total other comprehensive income for the period		1,130,509	0	(41,000)
Total comprehensive income for the period		3,186,669	2,990,602	215,428

See Note 28 for details regarding the prior period restatement as a result of the correction of prior period errors.
This statement is to be read in conjunction with the accompanying notes.

Nexia Perth Audit Services Pty Ltd



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

	NOTE	2021 Actual	2021 Budget	2020 Restated
		\$	\$	\$
Revenue				
2(a)				
Governance		18,830	13,399	14,029
General purpose funding		2,644,107	3,158,932	2,576,681
Law, order, public safety		223,867	23,750	21,041
Health		801	150	144
Education and welfare		1,236	400	565
Housing		110,875	90,440	109,289
Community amenities		75,059	89,650	72,900
Recreation and culture		41,764	28,780	37,543
Transport		554,300	592,400	593,914
Economic services		37,376	18,582	25,286
Other property and services		63,554	60,500	113,373
		<u>3,771,769</u>	<u>4,076,983</u>	<u>3,564,765</u>
Expenses				
2(b)				
Governance		(315,432)	(343,694)	(303,471)
General purpose funding		(75,572)	(76,332)	(87,997)
Law, order, public safety		(351,597)	(66,912)	(155,223)
Health		(77,002)	(80,167)	(95,069)
Education and welfare		(127,651)	(110,533)	(89,452)
Housing		(153,726)	(156,237)	(185,809)
Community amenities		(227,931)	(249,083)	(249,792)
Recreation and culture		(1,063,021)	(991,834)	(1,069,502)
Transport		(2,214,005)	(1,589,248)	(2,331,037)
Economic services		(348,015)	(302,628)	(394,284)
Other property and services		(1,503)	(78,417)	(126,650)
		<u>(4,955,455)</u>	<u>(4,045,085)</u>	<u>(5,148,286)</u>
Finance Costs				
2(b)				
Education and welfare		(1,214)	(1,136)	(1,631)
Housing		(3,510)	(3,285)	(4,699)
Recreation and culture		(1,165)	(1,091)	(1,565)
Transport		(2,963)	(2,774)	(3,982)
Other property and services		(1,724)	(2,400)	(2,712)
		<u>(10,576)</u>	<u>(10,686)</u>	<u>(14,589)</u>
		<u>(1,194,262)</u>	<u>21,212</u>	<u>(1,598,110)</u>
Non-operating grants, subsidies and contributions	2(a)	3,259,814	2,990,490	1,853,775
Profit on disposal of assets	11(a)	11,727	2,000	763
(Loss) on disposal of assets	11(a)	(23,923)	(23,100)	0
Fair value adjustments to financial assets at fair value through profit or loss		2,804	0	0
		<u>3,250,422</u>	<u>2,969,390</u>	<u>1,854,538</u>
Net result for the period		<u>2,056,160</u>	<u>2,990,602</u>	<u>256,428</u>
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	13	1,130,509	0	(41,000)
Total other comprehensive income for the period		<u>1,130,509</u>	<u>0</u>	<u>(41,000)</u>
Total comprehensive income for the period		<u>3,186,669</u>	<u>2,990,602</u>	<u>215,428</u>

See Note 28 for details regarding the prior period restatement as a result of the correction of prior period errors.
This statement is to be read in conjunction with the accompanying notes.



Nexia Perth Audit Services Pty Ltd

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

	NOTE	2021	2020 Restated	2019 Restated
		\$	\$	\$
CURRENT ASSETS				
Cash and cash equivalents	3	1,246,247	1,088,447	1,508,858
Trade and other receivables	6	371,134	45,942	309,534
Inventories	7	3,152	0	40,394
Other assets	8	8,228	0	18,937
TOTAL CURRENT ASSETS		1,628,761	1,134,389	1,877,723
NON-CURRENT ASSETS				
Trade and other receivables	6	18,093	12,818	7,907
Other financial assets	5(a)	55,355	52,551	52,551
Inventories		0	0	35,000
Property, plant and equipment	9	10,293,278	9,601,039	10,386,256
Infrastructure	10	41,695,064	39,672,429	38,399,568
Right-of-use assets	12(a)	17,760	23,249	0
TOTAL NON-CURRENT ASSETS		52,079,550	49,362,086	48,881,282
TOTAL ASSETS		53,708,311	50,496,475	50,759,005
CURRENT LIABILITIES				
Trade and other payables	14	102,210	129,630	332,783
Other liabilities	15	428,845	171,811	317,724
Lease liabilities	16(a)	7,393	9,331	0
Borrowings	17(a)	165,919	161,996	158,167
Employee related provisions	18	104,784	136,130	135,960
TOTAL CURRENT LIABILITIES		809,151	608,898	944,634
NON-CURRENT LIABILITIES				
Lease liabilities	16(a)	4,317	11,387	0
Borrowings	17(a)	0	165,918	327,910
Employee related provisions	18	11,101	13,199	4,816
TOTAL NON-CURRENT LIABILITIES		15,418	190,504	332,726
TOTAL LIABILITIES		824,569	799,402	1,277,360
NET ASSETS		52,883,742	49,697,073	49,481,645
EQUITY				
Retained surplus		33,085,132	31,073,805	30,935,897
Reserves - cash backed	4	471,844	427,011	308,491
Revaluation surplus	13	19,326,766	18,196,257	18,237,257
TOTAL EQUITY		52,883,742	49,697,073	49,481,645

See Note 28 for details regarding the prior period restatement as a result of the correction of prior period errors.
This statement is to be read in conjunction with the accompanying notes.

Nexia Perth Audit Services Pty Ltd



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

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance at 1 July 2019		31,347,414	308,491	18,237,257	49,893,162
Correction of error	28	(411,517)	0	0	(411,517)
Balance at 1 July 2019 - restated		30,935,897	308,491	18,237,257	49,481,645
Comprehensive income					
Net result for the period		256,428	0	0	256,428
Other comprehensive income	13	0	0	(41,000)	(41,000)
Total comprehensive income		256,428	0	(41,000)	215,428
Transfers from reserves	4	83,000	(83,000)	0	0
Transfers to reserves	4	(201,520)	201,520	0	0
Balance at 30 June 2020 - restated		31,073,805	427,011	18,196,257	49,697,073
Comprehensive income					
Net result for the period		2,056,160	0	0	2,056,160
Other comprehensive income	13	0	0	1,130,509	1,130,509
Total comprehensive income		2,056,160	0	1,130,509	3,186,669
Transfers to reserves	4	(44,833)	44,833	0	0
Balance as at 30 June 2021		33,085,132	471,844	19,326,766	52,883,742

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

Nexia Perth Audit Services Pty Ltd

SHIRE OF MINGENEW
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		1,968,858	1,975,991	1,883,677
Operating grants, subsidies and contributions		1,491,955	1,330,300	955,344
Fees and charges		255,434	239,292	250,486
Interest received		22,959	24,381	32,981
Goods and services tax received		211,258	0	340,437
Other revenue		730,110	531,219	464,485
		4,680,574	4,101,183	3,927,410
Payments				
Employee costs		(1,171,244)	(1,076,488)	(1,178,915)
Materials and contracts		(1,480,048)	(709,636)	(1,158,762)
Utility charges		(87,595)	(93,002)	(110,991)
Interest expenses		(10,576)	(10,686)	(14,589)
Insurance paid		(126,609)	(120,997)	(121,694)
Goods and services tax paid		(450,230)	0	(242,979)
Other expenditure		(520,356)	(584,575)	(658,012)
		(3,846,658)	(2,595,384)	(3,485,942)
Net cash provided by (used in) operating activities	19	833,916	1,505,799	441,468
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	9(a)	(511,160)	(940,000)	(74,010)
Payments for construction of infrastructure	10(a)	(3,304,127)	(3,975,677)	(2,500,957)
Non-operating grants, subsidies and contributions	2(a)	3,259,814	2,990,490	1,853,775
Proceeds from sale of property, plant & equipment	11(a)	50,683	35,000	25,818
Net cash provided by (used in) investment activities		(504,790)	(1,890,187)	(695,374)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	17(b)	(161,995)	(161,995)	(158,162)
Payments for principal portion of lease liabilities	16(b)	(9,331)	(9,331)	(8,343)
Net cash provided by (used in) financing activities		(171,326)	(171,326)	(166,505)
Net increase (decrease) in cash held		157,800	(555,714)	(420,411)
Cash at beginning of year		1,088,447	1,088,447	1,508,858
Cash and cash equivalents at the end of the year	19	1,246,247	532,733	1,088,447

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

Nexia Perth Audit Services Pty Ltd

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

	NOTE	2021 Actual	2021 Budget	2020 Restated
		\$	\$	\$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)	25 (b)	405,934	568,521	849,271
		405,934	568,521	849,271
Revenue from operating activities (excluding rates)				
Governance		18,830	13,399	14,029
General purpose funding		669,398	1,182,941	691,375
Law, order, public safety		223,867	23,750	21,041
Health		801	150	144
Education and welfare		1,236	400	565
Housing		111,873	90,440	109,289
Community amenities		75,059	89,650	72,900
Recreation and culture		41,764	28,780	38,001
Transport		565,029	594,400	593,914
Economic services		37,376	18,582	25,286
Other property and services		63,554	60,500	113,678
		1,808,787	2,102,992	1,680,222
Expenditure from operating activities				
Governance		(315,432)	(343,694)	(363,471)
General purpose funding		(75,572)	(76,332)	(87,997)
Law, order, public safety		(351,597)	(66,912)	(155,223)
Health		(77,002)	(80,167)	(95,069)
Education and welfare		(128,865)	(111,669)	(91,083)
Housing		(157,236)	(159,522)	(190,508)
Community amenities		(227,931)	(249,083)	(249,792)
Recreation and culture		(1,071,818)	(992,925)	(1,071,067)
Transport		(2,233,259)	(1,615,122)	(2,335,019)
Economic services		(348,015)	(302,628)	(394,284)
Other property and services		(3,227)	(80,818)	(129,362)
		(4,989,954)	(4,078,872)	(5,162,875)
Non-cash amounts excluded from operating activities	25(a)	2,144,527	1,527,770	2,134,409
Amount attributable to operating activities		(630,706)	120,411	(498,973)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	2(a)	3,259,814	2,990,490	1,853,775
Proceeds from disposal of assets	11(a)	50,683	35,000	25,818
Purchase of property, plant and equipment	9(a)	(511,180)	(940,000)	(74,010)
Purchase and construction of infrastructure	10(a)	(3,304,127)	(3,975,677)	(2,500,957)
		(504,790)	(1,890,187)	(695,374)
Amount attributable to investing activities		(504,790)	(1,890,187)	(695,374)
FINANCING ACTIVITIES				
Repayment of borrowings	17(b)	(161,995)	(161,995)	(158,162)
Payments for principal portion of lease liabilities	16(b)	(9,331)	0	(8,343)
Transfers to reserves (restricted assets)	4	(44,833)	(44,221)	(201,520)
Transfers from reserves (restricted assets)	4	0	0	83,000
Amount attributable to financing activities		(216,159)	(206,216)	(285,025)
Surplus/(deficit) before imposition of general rates		(1,351,655)	(1,975,991)	(1,479,372)
Total amount raised from general rates	24(a)	1,977,513	1,975,991	1,885,306
Surplus/(deficit) after imposition of general rates	25(b)	625,858	0	405,934

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

Nexia Perth Audit Services Pty Ltd

SHIRE OF MINGENEW
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FOR THE YEAR ENDED 30 JUNE 2021

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

1. BASIS OF PREPARATION

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

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

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

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

THE LOCAL GOVERNMENT REPORTING ENTITY

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

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

All monies held in the Trust Fund are excluded from the financial statements. No monies were held in the Trust Fund during this financial year.

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 impact of adoption of these standards is described at Note 27.

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.

basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

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

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

2. REVENUE AND EXPENSES

(a) Revenue

Grant Revenue

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

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Operating grants, subsidies and contributions			
Governance	7	0	0
General purpose funding	640,230	1,155,000	655,139
Law, order, public safety	22,139	22,200	19,468
Education and welfare	45	0	0
Recreation and culture	2,717	0	0
Transport	82,163	80,400	80,843
Other property and services	38,380	48,500	5,000
	785,681	1,306,100	760,450
Non-operating grants, subsidies and contributions			
Governance	14,241	0	0
Education and welfare	22,167	0	0
Housing	23,278	0	0
Community amenities	20,000	0	0
Recreation and culture	309,212	0	0
Transport	2,822,012	2,990,490	1,853,775
Economic services	36,619	0	0
Other property and services	12,285	0	0
	3,259,814	2,990,490	1,853,775
Total grants, subsidies and contributions	4,045,495	4,296,590	2,614,225
Fees and charges			
Governance	0	0	673
General purpose funding	3,632	3,560	3,404
Law, order, public safety	1,226	1,550	1,376
Health	801	150	144
Education and welfare	791	400	446
Housing	108,685	90,240	98,461
Community amenities	75,059	89,650	72,900
Recreation and culture	25,263	28,260	34,058
Transport	0	0	8,079
Economic services	30,716	18,482	25,191
Other property and services	9,333	7,000	5,754
	255,506	239,292	250,486

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

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

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

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

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Operating grants, subsidies and contributions	785,681	1,306,100	760,450
Fees and charges	255,506	239,292	250,486
Other revenue	730,110	531,219	635,543
Non-operating grants, subsidies and contributions	3,259,814	2,990,490	1,853,775
	5,031,111	5,067,101	3,500,254

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	170,866	0	317,724
Revenue from contracts with customers recognised during the year	1,600,431	2,076,611	1,328,755
Revenue from transfers intended for acquiring or constructing recognisable non financial assets during the year	3,259,814	2,990,490	1,853,775
	5,031,111	5,067,101	3,500,254

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	95,007	0	14,970
Contract liabilities from contracts with customers	(420,600)	0	(170,866)

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

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Revenue from statutory requirements

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

General rates
Statutory permits and licences
Fines

Other revenue

Reimbursements and recoveries
Department of Transport licensing
Other

Interest earnings

Interest on reserve funds
Rates instalment and penalty interest (refer Note 23(c))
Other interest earnings

	2021 Actual \$	2021 Budget \$	2020 Actual \$
General rates	1,940,292	1,938,772	1,848,085
Statutory permits and licences	11,393	9,030	4,037
Fines	100	800	91
	1,951,785	1,948,602	1,852,213
Reimbursements and recoveries	41,945	1,220	54,513
Department of Transport licensing	457,951	500,000	501,632
Other	230,214	29,999	79,398
	730,110	531,219	635,543
Interest on reserve funds	3,792	4,381	5,214
Rates instalment and penalty interest (refer Note 23(c))	7,763	5,000	11,308
Other interest earnings	11,404	15,000	16,459
	22,959	24,381	32,981

SIGNIFICANT ACCOUNTING POLICIES

Interest earnings

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

Interest earnings (continued)

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

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

2. REVENUE AND EXPENSES (Continued)

(b) Expenses		Note	2021 Actual \$	2021 Budget \$	2020 Actual \$
Auditors remuneration					
- Audit of the Annual Financial Report			22,000	25,000	22,000
- Other services			800	0	3,860
			22,800	25,000	25,860
Interest expenses (finance costs)					
Borrowings		17(b)	8,852	8,285	11,878
Lease liabilities		16(b)	1,724	2,400	2,711
			10,576	10,685	14,589
Other expenditure					
Net reversal/write off of impairment loss on trade and other receivables from contracts with customers			(72)	0	(4,549)
Department of Transport - Licencing expenditure			457,951	500,000	502,497
Fees paid to Councillors			38,152	39,500	38,151
Community grants scheme			14,582	29,000	12,738
Inventories expensed during the year			0	0	75,394
Sundry expenses			9,743	16,075	33,781
			520,356	584,575	658,012

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

2. REVENUE AND EXPENSES (Continued)

REVENUE RECOGNITION POLICY

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

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

SHIRE OF MINGENEW
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		1,246,247	923,834
Term deposits		0	164,613
Total cash and cash equivalents		1,246,247	1,088,447

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		908,505	615,958
		908,505	615,958

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

Reserves - cash backed	4	471,843	427,011
Contract liabilities from contracts with customers	15	420,600	170,866
Bonds and deposits held	14	16,062	18,081
Total restricted assets		908,505	615,958

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 MINGENEW
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 Balance	2021 Actual Transfer (from) Balance	2021 Budget Opening Balance	2021 Budget Transfer to (from) Balance	2021 Budget Closing Balance	2020 Actual Opening Balance	2020 Actual Transfer to (from) Balance	2020 Actual Transfer (from) Balance	2020 Actual Closing Balance
(a) Reserves cash backed - building and land	\$ 30,035	\$ 267	\$ 0	\$ 30,302	\$ 0	\$ 30,321	\$ 62,066	\$ 10,969	\$ (43,000)	\$ 30,035
(b) Reserves cash backed - plant	153,439	41,201	0	194,640	0	194,704	45,978	107,461	0	153,439
(c) Reserves cash backed - recreation	3,068	27	0	3,095	38	3,106	12,900	168	(10,000)	3,068
(d) Reserves cash backed - employee entitlement	67,534	599	0	68,133	0	68,378	66,544	990	0	67,534
(e) Reserves cash backed - aged persons units	12,670	112	0	12,782	158	12,828	12,444	226	0	12,670
(f) Reserves cash backed - environmental	19,444	173	0	19,617	118	19,562	19,155	289	0	19,444
(g) Reserves cash backed - land development	5,724	1,255	0	6,979	72	7,051	5,626	98	0	5,724
(h) Reserves cash backed - TRC/POINAB building	22,023	195	0	22,218	150	22,173	21,688	335	0	22,023
(i) Reserves cash backed - insurance	22,842	203	0	23,045	285	23,127	42,171	671	(20,000)	22,842
(j) Reserves cash backed - economic development and marketing	10,232	91	0	10,323	2	10,234	19,919	313	(10,000)	10,232
(k) Reserves cash backed - covid-19 emergency	80,000	710	0	80,709	1,003	81,003	0	80,000	0	80,000
	427,011	44,833	0	471,843	44,221	471,232	308,491	201,520	(83,000)	427,011

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) Reserves cash backed - building and land	Ongoing	To be used for the acquisition, construction and maintenance of land and buildings
(b) Reserves cash backed - plant	Ongoing	To be used for the purchase of plant and equipment
(c) Reserves cash backed - recreation	Ongoing	To be used for the improvement of the sportsground
(d) Reserves cash backed - employee entitlement	Ongoing	To be used to fund annual, sick and long service leave and accrued staff bonuses
(e) Reserves cash backed - aged persons units	Ongoing	To be used for the funding of future operating shortfalls of the aged persons units in accordance with the Homeswest Joint Venture agreement
(f) Reserves cash backed - environmental	Ongoing	To be used for the rehabilitation of sites such as gravel pits, refuse and contaminated sites
(g) Reserves cash backed - land development	Ongoing	To be used for the development of the industrial area
(h) Reserves cash backed - TRC/POINAB building	Ongoing	To be used for the maintenance of the buildings
(i) Reserves cash backed - insurance	Ongoing	To be used for the settlement of minor property expenses unders \$5,000 that would otherwise be insurance claims
(j) Reserves cash backed - economic development and marketing	Ongoing	To be used for economic development and marketing of the Shire of Mingenew
(k) Reserves cash backed - covid-19 emergency	As needed	To be used for emergency relief to impacted staff and the hire or purchase of critical equipment

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

5. OTHER FINANCIAL ASSETS

(a) Non-current assets

Financial assets at fair value through profit and loss

Financial assets at fair value through profit and loss

Units in Local Government House Trust

2021	2020
\$	\$
55,355	52,551
55,355	52,551
55,355	52,551
55,355	52,551

SIGNIFICANT ACCOUNTING POLICIES

Financial assets at fair value through profit and loss

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

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

Impairment and risk

Information regarding impairment and exposure to risk can be found at Note 26.

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

6. TRADE AND OTHER RECEIVABLES

Current

Rates receivable
Trade and other receivables
GST receivable
Allowance for impairment of receivables

Non-current

Pensioner's rates and ESL deferred

Movement in the allowance for impairment of receivable:
Recognition of changes in the allowance for impairment
of receivables.

Opening balance
Additions
Write offs
Reversals
Closing balance

2021	2020
\$	\$
33,480	27,369
95,007	14,970
243,147	4,175
(500)	(572)
371,134	45,942
18,093	12,818
18,093	12,818

572	5,121
1,435	0
(1,507)	(905)
0	(3,644)
500	572

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 26.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Classification and subsequent measurement

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

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

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

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

7. INVENTORIES

Current

Fuel

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
\$	\$
3,152	0
3,152	0
0	75,394
0	(75,394)
3,152	0
3,152	0

SIGNIFICANT ACCOUNTING POLICIES

General

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

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

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

8. OTHER ASSETS

Other assets - current

Prepayments

2021	2020
\$	\$
8,228	0
8,228	0

SIGNIFICANT ACCOUNTING POLICIES

Other current assets

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

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

9. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Balances

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

	Land	Buildings - non- specialised	Buildings - specialised	Total land and buildings	Furniture and equipment	Plant and equipment	Bushfire equipment	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2019	773,500	5,735,172	2,251,251	8,759,923	9,205	1,294,531	322,597	10,386,256
Additions	0	0	0	0	0	74,010	0	74,010
(Disposals)	0	0	0	0	0	(25,055)	0	(25,055)
Revaluation increments / (decrements) transferred to revaluation surplus	(41,000)	0	0	(41,000)	0	0	0	(41,000)
Depreciation (expense)	0	(354,616)	(197,767)	(552,383)	(4,311)	(191,379)	(45,099)	(793,172)
Balance at 30 June 2020	732,500	5,380,556	2,053,484	8,166,540	4,894	1,152,107	277,498	9,601,039
Comprises:								
Gross balance amount at 30 June 2020	732,500	6,436,033	2,646,784	9,815,317	13,637	1,690,497	457,898	11,977,349
Accumulated depreciation at 30 June 2020	0	(1,055,477)	(593,300)	(1,648,777)	(8,743)	(538,390)	(180,400)	(2,376,310)
Balance at 30 June 2020	732,500	5,380,556	2,053,484	8,166,540	4,894	1,152,107	277,498	9,601,039
Additions	5,007	151,857	39,701	196,565	0	314,595	0	511,160
(Disposals)	(3)	0	0	(3)	0	(55,244)	0	(55,247)
Revaluation increments / (decrements) transferred to revaluation surplus	(135,504)	463,522	755,691	1,083,709	0	0	0	1,083,709
Depreciation (expense)	0	(363,369)	(238,976)	(602,345)	(2,186)	(197,751)	(45,101)	(847,383)
Transfers	14,000	(14,000)	0	0	0	0	0	0
Balance at 30 June 2021	616,000	5,618,566	2,609,900	8,844,466	2,708	1,213,707	232,397	10,293,278
Comprises:								
Gross balance amount at 30 June 2021	616,000	5,618,566	2,609,900	8,844,466	13,637	1,886,188	457,898	11,202,189
Accumulated depreciation at 30 June 2021	0	0	0	0	(10,929)	(672,481)	(225,501)	(908,911)
Balance at 30 June 2021	616,000	5,618,566	2,609,900	8,844,466	2,708	1,213,707	232,397	10,293,278

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

9. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Land and buildings					
Land	2	Market approach using recent observable market data for similar properties	Independent registered valuer	June 2021	Price per hectare.
Buildings - non-specialised	2	Market approach using recent observable market data for similar properties	Independent registered valuer	June 2021	Market data/improvements to land using construction costs and current condition (level 2), residual values and remaining useful life assessments (level 3) inputs.
Buildings - specialised	3	Cost approach using depreciated replacement cost	Independent registered valuer	June 2021	Market data/improvements to land using construction costs and current condition (level 2), residual values and remaining useful life assessments (level 3) inputs.

(ii) Cost

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

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

10. INFRASTRUCTURE

(a) Movements in Balances

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

	Infrastructure - roads	Infrastructure - drainage	Infrastructure - bridges	Infrastructure - footpaths	Infrastructure - recreation areas	Infrastructure - airfields	Infrastructure - other	Infrastructure - service concession assets	Total Infrastructure
Balance at 1 July 2019	\$ 32,589,834	\$ 136,491	\$ 3,692,083	\$ 247,554	\$ 1,675,910	\$ 65,772	\$ 403,441	\$ 0	\$ 38,811,085
Prior period depreciation adjustment - Correction of error	(387,180)	0	923	0	(25,132)	0	(128)	0	(411,517)
Restated balance at 1 July 2019	32,202,654	136,491	3,693,006	247,554	1,650,778	65,772	403,313	0	38,399,568
Additions	2,499,583	0	0	0	0	0	1,374	0	2,500,957
Prior period depreciation adjustment - Correction of error	(499,543)	0	0	0	853	0	(19,922)	0	(518,612)
Depreciation (expense)	(445,837)	(1,727)	(75,139)	(6,437)	(160,846)	(9,072)	(10,426)	0	(709,484)
Restated balance at 30 June 2020	33,756,857	134,764	3,617,867	241,117	1,490,785	56,700	374,339	0	39,672,429
Comprises:									
Gross balance at 30 June 2020	35,496,123	138,219	3,756,917	253,989	1,944,648	147,420	425,666	0	42,162,982
Accumulated depreciation at 30 June 2020	(1,739,266)	(3,455)	(139,050)	(12,872)	(453,863)	(90,720)	(51,327)	0	(2,490,553)
Balance at 30 June 2020	33,756,857	134,764	3,617,867	241,117	1,490,785	56,700	374,339	0	39,672,429
Additions	778,156	0	2,119,404	0	312,126	0	94,441	0	3,304,127
(Disposals)	0	0	0	0	(7,632)	0	0	0	(7,632)
Revaluation increments / (decrements) transferred to revaluation surplus	0	0	0	0	0	46,800	0	0	46,800
Reclassification - Change in accounting policy (Note 26)	0	0	0	0	0	0	(262,629)	262,629	0
Depreciation (expense)	(1,036,010)	(1,728)	(75,138)	(8,416)	(176,439)	0	(12,773)	(10,156)	(1,320,660)
Balance at 30 June 2021	33,499,003	133,036	5,662,133	232,701	1,618,840	103,500	193,378	252,473	41,695,064
Comprises:									
Gross balance at 30 June 2021	36,274,279	138,219	5,876,321	253,989	2,234,773	103,500	257,478	262,629	45,401,188
Accumulated depreciation at 30 June 2021	(2,775,276)	(5,183)	(214,186)	(21,288)	(615,933)	0	(64,100)	(10,156)	(3,706,124)
Balance at 30 June 2021	33,499,003	133,036	5,662,133	232,701	1,618,840	103,500	193,378	252,473	41,695,064

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

10. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

(i) Fair Value	Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
	Infrastructure - roads	3	Depreciated Replacement Cost	Independent specialist valuer	June 2018	Depreciated cost value of similar assets adjusted for condition and comparability.
	Infrastructure - drainage	3	Depreciated Replacement Cost	Independent specialist valuer	June 2018	Depreciated cost value of similar assets adjusted for condition and comparability.
	Infrastructure - bridges	3	Depreciated Replacement Cost	Independent specialist valuer	June 2018	Depreciated cost value of similar assets adjusted for condition and comparability.
	Infrastructure - footpaths	3	Depreciated Replacement Cost	Independent specialist valuer	June 2018	Depreciated cost value of similar assets adjusted for condition and comparability.
	Infrastructure - recreation areas	3	Depreciated Replacement Cost	Independent specialist valuer	June 2017	Depreciated cost value of similar assets adjusted for condition and comparability.
	Infrastructure - airfields	3	Depreciated Replacement Cost	Independent specialist valuer	June 2021	Depreciated cost value of similar assets adjusted for condition and comparability.
	Infrastructure - other	3	Depreciated Replacement Cost	Independent specialist valuer	June 2017	Depreciated cost value of similar assets adjusted for condition and comparability.
	Infrastructure - service concession assets	3	Depreciated Replacement Cost	Independent specialist valuer	June 2017	Depreciated cost value of similar assets adjusted for condition and comparability.

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

11. FIXED ASSETS

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

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

Initial recognition and measurement between mandatory revaluation dates

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

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

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

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

Revaluation

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

AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY Revaluation (Continued)

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

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

Land under roads from 1 July 2019

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

Vested improvements from 1 July 2019

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

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

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

11. FIXED ASSETS

(a) Disposals of Assets

	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss	2021 Budget Net Book Value	2021 Budget Sale Proceeds	2021 Budget Profit	2021 Budget Loss	2020 Actual Net Book Value	2020 Actual Sale Proceeds	2020 Actual Profit	2020 Actual Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Land - freehold land	3	1,001	998	0								
Plant and equipment	55,244	49,682	10,729	(16,291)	56,100	35,000	2,000	(23,100)	25,055	25,818	763	0
Infrastructure - recreation areas	7,632	0	0	(7,632)								
	62,879	50,683	11,727	(23,923)	56,100	35,000	2,000	(23,100)	25,055	25,818	763	0

The following assets were disposed of during the year.

	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss
Plant and Equipment				
Transport				
Water Tanker Trailer	21,382	5,091	0	(16,291)
Mitsubishi Fuso Canter Crew Cab	6,233	15,500	9,267	0
JCB CX3 Backhoe Loader	27,629	29,091	1,462	0
	55,244	49,682	10,729	(16,291)
Land				
Housing				
Lot 177, 38 Oliver Street	1	500	499	0
Lot 163, 7 Broad Street	1	500	499	0
Lot 14, 35 King Street	1	1	0	0
	3	1,001	998	0
Infrastructure - recreation areas				
Recreation and culture				
Playground equipment - Samuel Park	7,632	0	0	(7,632)
	7,632	0	0	(7,632)
	62,879	50,683	11,727	(23,923)

(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	8,221	0
Plant and equipment	12,400	0
Infrastructure - recreation areas	6,300	6,300
Infrastructure - airfields	0	90,720
	26,921	97,020

(c) Temporarily Idle Assets

The carrying value of assets held by the Shire which are temporarily idle or retired from active use and not classified as held for sale are shown in the table below.

	2021	2020
	\$	\$
Buildings - specialised	0	108,000
	0	108,000

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11. FIXED ASSETS

(d) Depreciation

	2021 Actual	2021 Budget	2020 Restated
	\$	\$	\$
Buildings - non-specialised	363,369	552,000	354,616
Buildings - specialised	238,976	0	197,767
Furniture and equipment	2,186	4,200	4,311
Plant and equipment	197,751	192,000	191,379
Bushfire equipment	45,101	45,000	45,099
Infrastructure - roads	1,036,010	445,000	945,380
Infrastructure - drainage	1,728	2,000	1,727
Infrastructure - bridges	75,138	75,000	75,138
Infrastructure - footpaths	8,416	6,500	6,437
Infrastructure - recreation areas	176,439	160,000	159,993
Infrastructure - airfields	0	8,670	9,072
Infrastructure - other	12,773	10,500	30,348
Infrastructure - service concession assets	10,156	0	0
Right-of-use assets - Furniture & Equipment	5,812	5,800	5,812
	2,173,855	1,506,670	2,027,079

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 - specialised	40 to 60 years
Buildings - non-specialised	40 to 60 years
Furniture and equipment	5 to 10 years
Plant and equipment	5 to 20 years
Bushfire equipment	10 to 30 years
Infrastructure - roads (excluding formation which is not depreciated)	10 to 80 years
Infrastructure - drainage	80 years
Infrastructure - bridges	50 years
Infrastructure - footpaths	10 to 40 years
Infrastructure - other	5 to 50 years
Infrastructure - recreation areas	3 to 50 years
Infrastructure - airfields (excluding subgrade which is not depreciated)	10 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:

- 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
- 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.

12. RIGHT OF USE ASSETS

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

	Right-of-use assets - Furniture & Equipment \$	Right-of-use assets Total
Balance at 1 July 2019	29,061	29,061
Depreciation (expense)	(5,812)	(5,812)
Balance at 30 June 2020	23,249	23,249
Correction - see Note 16 (b)	323	323
Depreciation (expense)	(5,812)	(5,812)
Balance at 30 June 2021	17,760	17,760

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

	2021 Actual \$	2020 Actual \$
Depreciation expense on right of use assets	(5,812)	(5,812)
Interest expense on lease liabilities	(1,724)	(2,711)
Total amount recognised in the statement of comprehensive income	(7,536)	(8,523)
Total cash outflow from leases	(11,055)	(11,054)

SIGNIFICANT ACCOUNTING POLICIES

Leases

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

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

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

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

Right-of-use assets - valuation

Right-of-use assets are measured at cost. This means that all right-of-use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost (i.e. not included in the statement of financial position). The exception is vested improvements on concessionary land leases such as roads, buildings or other infrastructure which are reported at fair value.

Refer to Note 11 for details on the significant accounting policies applying to vested improvements.

Right-of-use assets - depreciation

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

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13. REVALUATION SURPLUS

Revaluation surplus - Land - freehold land
 Revaluation surplus - Buildings - non-specialised
 Revaluation surplus - Buildings - specialised
 Revaluation surplus - Plant and equipment
 Revaluation surplus - Bushfire equipment
 Revaluation surplus - Infrastructure - roads
 Revaluation surplus - Infrastructure - drainage
 Revaluation surplus - Infrastructure - bridges
 Revaluation surplus - Infrastructure - footpaths
 Revaluation surplus - Infrastructure - recreation areas
 Revaluation surplus - Infrastructure - airfields
 Revaluation surplus - Infrastructure - other

	2021 Opening Balance	2021 Revaluation Increment	2021 Revaluation (Decrement)	Total Movement on Revaluation	2021 Closing Balance	2020 Opening Balance	2020 Revaluation (Decrement)	Total Movement on Revaluation	2020 Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land - freehold land	922,119	0	(135,504)	(135,504)	786,615	963,119	(41,000)	(41,000)	922,119
Revaluation surplus - Buildings - non-specialised	3,778,002	463,522	0	463,522	4,241,524	3,778,002	0	0	3,778,002
Revaluation surplus - Buildings - specialised	1,663,917	755,691	0	755,691	2,419,608	1,663,917	0	0	1,663,917
Revaluation surplus - Plant and equipment	232,384	0	0	0	232,384	232,384	0	0	232,384
Revaluation surplus - Bushfire equipment	40,733	0	0	0	40,733	40,733	0	0	40,733
Revaluation surplus - Infrastructure - roads	8,613,990	0	0	0	8,613,990	8,613,990	0	0	8,613,990
Revaluation surplus - Infrastructure - drainage	768,269	0	0	0	768,269	768,269	0	0	768,269
Revaluation surplus - Infrastructure - bridges	1,487,183	0	0	0	1,487,183	1,487,183	0	0	1,487,183
Revaluation surplus - Infrastructure - footpaths	169,780	0	0	0	169,780	169,780	0	0	169,780
Revaluation surplus - Infrastructure - recreation areas	344,620	0	0	0	344,620	344,620	0	0	344,620
Revaluation surplus - Infrastructure - airfields	102,060	46,800	0	46,800	148,860	102,060	0	0	102,060
Revaluation surplus - Infrastructure - other	73,200	0	0	0	73,200	73,200	0	0	73,200
	18,196,257	1,266,013	(135,504)	1,130,509	19,326,766	18,237,257	(41,000)	(41,000)	18,196,257

SHIRE OF MINGENEW
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14. TRADE AND OTHER PAYABLES

Current

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

2021	2020
\$	\$
0	13,771
10,577	7,845
33,709	29,923
40,426	59,203
16,062	18,081
1,437	807
102,211	129,630

SIGNIFICANT ACCOUNTING POLICIES

Trade and other payables

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

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

Prepaid rates

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

SHIRE OF MINGENEW
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15. OTHER LIABILITIES

Current

Contract liabilities
Other liabilities

2021	2020
\$	\$
420,600	170,866
8,245	945
428,845	171,811

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

Contract liabilities	
\$	\$
420,600	0
420,600	0

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

Less than 1 year

SIGNIFICANT ACCOUNTING POLICIES

Contract liabilities

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

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

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

Liabilities under transfers to acquire or construct non-financial assets to be controlled by the entity
Grant liabilities represent the the Shire's performance obligations to construct recognisable non-financial assets to identified specifications which are yet to be satisfied.

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

Service concession liabilities

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

SHIRE OF MINGENOW

16. LEASE LIABILITIES

	2021	2020
Current	7,393	9,331
Non-current	4,317	11,387
	11,710	20,718

(b) Movements in Carrying Amounts

[illegible]

17. INFORMATION ON BORROWINGS

2021	2020
\$ 165,919	\$ 161,996
0	165,918
165,919	327,914

(b) Repayments - Borrowings

[illegible]

SHIRE OF MINGENEW
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17. INFORMATION ON BORROWINGS (Continued)

	2021	2020
	\$	\$
(c) Undrawn Borrowing Facilities		
Credit Standby Arrangements		
Bank overdraft limit	500,000	500,000
Bank overdraft at balance date	0	0
Credit card limit	14,500	14,500
Credit card balance at balance date	(1,148)	(2,608)
Total amount of credit unused	513,352	511,892
Loan facilities		
Loan facilities - current	165,919	161,996
Loan facilities - non-current	0	165,918
Lease liabilities - current	7,393	9,331
Lease liabilities - non-current	4,317	11,387
Total facilities in use at balance date	177,629	348,632
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 26.

SHIRE OF MINGENEW
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18. EMPLOYEE RELATED PROVISIONS

(a) Employee Related Provisions

Opening balance at 1 July 2020

Current provisions

Non-current provisions

Provisions used

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

	Provision for Annual Leave	Provision for Long Service Leave	Total
	\$	\$	\$
Opening balance at 1 July 2020			
Current provisions	91,767	44,363	136,130
Non-current provisions	0	13,199	13,199
	91,767	57,562	149,329
Provisions used	(10,448)	(22,996)	(33,444)
Balance at 30 June 2021	81,319	34,566	115,885
Comprises			
Current	81,319	23,465	104,784
Non-current	0	11,101	11,101
	81,319	34,566	115,885
Amounts are expected to be settled on the following basis:			
Less than 12 months after the reporting date	81,319	108,662	
More than 12 months from reporting date	34,566	40,667	
	115,885	149,329	

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.

19. 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 Restated
	\$	\$	\$
Cash and cash equivalents	1,246,247	532,733	1,088,447
Reconciliation of Net Cash Provided By Operating Activities to Net Result			
Net result	2,056,160	2,990,602	256,428
Non-cash flows in Net result:			
Adjustments to fair value of financial assets at fair value through profit and loss	(2,804)	0	0
Depreciation on non-current assets	2,173,855	1,506,670	2,027,079
(Profit)/loss on sale of asset	12,196	21,100	(763)
Changes in assets and liabilities:			
(Increase)/decrease in receivables	(330,468)	0	258,682
(Increase)/decrease in other assets	(8,228)	0	18,937
(Increase)/decrease in inventories	(3,152)	0	75,394
Increase/(decrease) in payables	(27,419)	(26,283)	(202,209)
Increase/(decrease) in employee provisions	(33,444)	(20,000)	0
Increase/(decrease) in other provisions	0	0	8,553
Increase/(decrease) in other liabilities	257,034	24,200	(146,858)
Non-operating grants, subsidies and contributions	(3,259,814)	(2,990,490)	(1,853,775)
Net cash from operating activities	833,916	1,505,799	441,468

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20. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2021	2020
	\$	\$
Governance	56,322	52,551
General purpose funding	51,656	644,083
Law, order, public safety	294,426	326,628
Health	179	72
Education and welfare	653,500	694,708
Housing	2,675,374	2,821,643
Community amenities	483,179	445,413
Recreation and culture	4,714,832	4,056,442
Transport	41,353,037	39,471,687
Economic services	1,159,092	1,139,480
Other property and services	2,266,714	843,768
	53,708,311	50,496,475

21. ELECTED MEMBERS REMUNERATION

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Elected member Gary Cosgrove			
President's annual allowance	7,348	7,600	4,493
Meeting attendance fees	6,384	4,286	5,365
ICT expenses	273	540	58
Travel and accommodation expenses	527	2,500	1,968
	14,532	14,926	11,884
Elected member Robert Newton			
Deputy President's annual allowance	1,836	1,900	1,836
Meeting attendance fees	3,764	4,286	3,764
ICT expenses	273	540	58
Travel and accommodation expenses	0	1,250	0
	5,873	7,976	5,658
Elected member Justin Bagley			
Meeting attendance fees	3,764	4,286	3,764
ICT expenses	273	540	58
Travel and accommodation expenses	0	1,250	1,920
	4,037	6,076	5,742
Elected member Caroline Farr			
Meeting attendance fees	3,764	4,286	2,629
ICT expenses	273	540	58
Travel and accommodation expenses	0	1,250	0
	4,037	6,076	2,687
Elected member Hellene McTaggart			
Meeting attendance fees	3,764	4,286	2,629
ICT expenses	273	540	58
Travel and accommodation expenses	0	1,250	0
	4,037	6,076	2,687
Elected member Helen Newton			
President's annual allowance	0	0	2,855
Meeting attendance fees	3,764	4,286	4,782
ICT expenses	273	540	58
Travel and accommodation expenses	0	1,250	2,158
	4,037	6,076	9,853
Elected member Anthony Smyth			
Meeting attendance fees	3,764	4,286	3,764
ICT expenses	273	540	58
Travel and accommodation expenses	0	1,250	0
	4,037	6,076	3,822
Elected member Leah Eardley (not re-elected for 2021)			
Meeting attendance fees	0	0	1,135
Travel and accommodation expenses	0	0	1,377
	0	0	2,512
Elected member Kym McGlinn (not re-elected for 2021)			
Meeting attendance fees	0	0	1,135
	0	0	1,135
	40,589	53,280	45,980

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21. ELECTED MEMBERS REMUNERATION

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Fees, expenses and allowances to be paid or reimbursed to elected council members.			
President's allowance	7,348	7,600	7,348
Deputy President's allowance	1,836	1,900	1,836
Meeting attendance fees	28,967	30,000	28,967
ICT expenses	1,911	3,780	406
Travel and accommodation expenses	527	10,000	7,423
	40,589	53,280	45,980

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22. RELATED PARTY TRANSACTIONS

Key Management Personnel (KMP) Compensation Disclosure

	2021	2020
	Actual	Actual
	\$	\$
The total remuneration paid/payable to KMP of the Shire during the year are as follows:		
Short-term employee benefits	467,948	405,522
Post-employment benefits	53,700	45,034
Other long-term benefits	4,434	24,192
Termination benefits	30,821	1,174
	556,903	475,922

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 annual leave and long service leave benefits accruing during the year.

Termination benefits

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

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22. RELATED PARTY TRANSACTIONS (Continued)

Transactions with related parties

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

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

	2021 Actual \$	2020 Actual \$
The following transactions occurred with related parties:		
Purchase of goods and services	13,685	14,340
Amounts outstanding from related parties:		
Trade and other receivables	0	1,625

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

Any associate person of KMP who 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.

23. JOINT ARRANGEMENTS

Total comprehensive income for the period

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24. RATING INFORMATION

(a) Rates

RATE TYPE	Differential general rate / general rate	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 \$
Gross rental valuations												
GRV - Mingenew		129	1,144,593	172,010	1,485	0	173,495	172,014	750	0	172,764	169,509
GRV - Yandanooka		2	13,884	2,086	0	0	2,086	2,086	0	0	2,086	2,086
GRV - Commercial		14	346,623	52,091	0	0	52,091	52,092	0	0	52,092	52,090
GRV - Industrial		3	12,480	1,875	0	0	1,875	1,875	0	0	1,875	1,875
Unimproved valuations												
UV - Rural & Mining		112	125,869,800	1,626,238	466	309	1,627,013	1,626,867	0	0	1,626,867	1,534,199
Sub-Total		260	127,387,380	1,854,300	1,951	309	1,856,560	1,854,934	750	0	1,855,684	1,759,759
Minimum payment												
Minimum \$												
Gross rental valuations												
GRV - Mingenew		59	24,721	41,713	0	0	41,713	41,713	0	0	41,713	47,369
GRV - Yandanooka		0	0	0	0	0	0	0	0	0	0	0
GRV - Commercial		9	6,209	6,363	0	0	6,363	6,363	0	0	6,363	6,363
GRV - Industrial		3	2,786	2,121	0	0	2,121	2,121	0	0	2,121	2,121
Unimproved valuations												
UV - Rural & Mining		30	773,297	31,815	1,897	(177)	33,535	32,891	0	0	32,891	32,473
Sub-Total		101	807,013	82,012	1,897	(177)	83,732	83,088	0	0	83,088	88,326
Discounts/concessions (Note 24(b))												
Total amount raised from general rate		361	128,194,393	1,936,312	3,848	132	1,940,292	1,938,022	750	0	1,938,772	1,848,085
Ex-gratia rates							(1,043)				(1,045)	(1,043)
Totals							1,939,249				1,937,727	1,847,042
							38,264				38,264	38,264
							1,977,513				1,975,991	1,885,306

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.

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24. RATING INFORMATION (Continued)

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

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 \$
Yandanooka Townsite	Concession	50.00%	1,035	1,043	1,045	1,043
				1,043	1,045	1,043
Total discounts/concessions (Note 24(a))				1,043	1,045	1,043

Rate or Fee and Charge to which the Waiver or Concession is Granted	Circumstances in which the Waiver or Concession is Granted and to whom it was available	Objects of the Waiver or Concession	Reasons for the Waiver or Concession
Yandanooka Townsite	GRV properties in Yandanooka townsite	Assist Yandanooka property owners	Recognise the reduced level of service provided to these ratepayers

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24. 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	4/09/2020	0.00	0.00%	5.50%
Option Two				
First instalment	4/09/2020	0.00	5.50%	5.50%
Second instalment	6/11/2020	15.00	5.50%	5.50%
Option Three				
First instalment	4/09/2020	0.00	5.50%	5.50%
Second instalment	6/11/2020	15.00	5.50%	5.50%
Third instalment	15/01/2021	15.00	5.50%	5.50%
Fourth instalment	19/03/2021	15.00	5.50%	5.50%

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Interest on unpaid rates	3,610	5,000	11,308
Interest on instalment plan	4,153	0	0
Charges on instalment plan	1,875	2,800	2,748
	9,638	7,800	14,056

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

25. RATE SETTING STATEMENT INFORMATION

		2020/21 Budget (30 June 2021 Carried Forward)	2019/20 (30 June 2020 Carried Forward Restated)
Note		\$	\$
(a) Non-cash amounts excluded from operating activities			
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .			
Adjustments to operating activities			
	Less: Profit on asset disposals	11(a) (11,727)	(2,000) (763)
	Less: Non-cash grants and contributions for assets	0	29,226
	Less: Movement in liabilities associated with restricted cash	(31,346)	0
	Less: Fair value adjustments to financial assets at fair value through profit and loss	(2,804)	0
	Movement in pensioner deferred rates (non-current)	(5,276)	(4,910)
	Movement in employee benefit provisions (non-current)	(2,098)	8,383
	Movement of inventory (non-current)	0	75,394
	Add: Loss on disposal of assets	11(a) 23,923	23,100 0
	Add: Depreciation on non-current assets	11(d) 2,173,855	1,506,670 2,027,079
	Non cash amounts excluded from operating activities	2,144,527	1,527,770 2,134,409
(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 (471,844)	(471,232) (427,011)
	Add: Current liabilities not expected to be cleared at end of year		
	- Current portion of borrowings	17(a) 165,919	165,920 161,996
	- Current portion of contract liability held in reserve	0	24,200 0
	- Current portion of lease liabilities	7,393	9,162 9,331
	- Employee benefit provisions	104,781	116,130 136,130
	Total adjustments to net current assets	(193,751)	(155,820) (119,554)
Net current assets used in the Rate Setting Statement			
	Total current assets	1,628,761	600,127 1,134,389
	Less: Total current liabilities	(809,151)	(444,307) (608,901)
	Less: Total adjustments to net current assets	(193,751)	(155,820) (119,554)
	Net current assets used in the Rate Setting Statement	625,859	0 405,934

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26. 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 the 30 June and the weighted average interest rate across all cash and cash equivalents and term deposits held disclosed as financial assets at amortised cost are reflected in the table below.

	Weighted Average Interest Rate %	Carrying Amounts \$	Fixed Interest Rate \$	Variable Interest Rate \$	Non Interest Bearing \$
2021					
Cash and cash equivalents	0.81%	1,246,247	0	1,246,247	0
2020					
Cash and cash equivalents	0.76%	1,088,447	591,625	496,822	0

Sensitivity

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

	2021 \$	2020 \$
Impact of a 1% movement in interest rates on profit and loss and equity*	12,462	4,967

* Holding all other variables constant

Borrowings

Borrowings are subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs. The Shire manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation. The Shire does not consider there to be any interest rate risk in relation to borrowings. Details of interest rates applicable to each borrowing may be found at Note 17(b).

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

26. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Trade and Other Receivables

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

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

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

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

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

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

	Current	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total
30 June 2021					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	12,652	7,883	5,487	7,458	33,480
Loss allowance	0	0	0	0	0
30 June 2020					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	13,017	2,382	7,019	4,951	27,369
Loss allowance	0	0	0	0	0

The loss allowance as at 30 June 2021 and 30 June 2020 was determined as follows for trade and other 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	0.15%	6.07%	9.50%	9.52%	
Gross carrying amount	92,618	862	4	1,523	95,007
Loss allowance	303	52	0	145	500
30 June 2020					
Trade and other receivables					
Expected credit loss	5.01%	0.00%	0.00%	0.00%	
Gross carrying amount	11,418	0	0	3,552	14,970
Loss allowance	572	0	0	0	572

26. 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 17(c).

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

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
2021					
Payables	61,785	0	0	61,785	61,785
Borrowings	168,120	0	0	168,120	165,919
Lease liabilities	7,393	4,317	0	11,710	11,710
	237,298	4,317	0	241,615	239,414
2020					
Payables	70,427	0	0	70,427	70,427
Borrowings	168,414	168,414	0	336,828	327,914
Lease liabilities	9,331	11,387	0	20,718	20,718
	248,172	179,801	0	427,973	419,059

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27. INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS

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

(a) AASB 1059 Service Concession Arrangements: Grantors

Service concession assets are those assets where a third-party operator contracts assets for the Shire, upgrades existing assets of the Shire or uses existing assets of the Shire to operate and maintain the assets to provide a public service for a specified period of time. Where, in these circumstances, the third-party operator provides a public service on behalf of the Shire and is deemed to manage at least some of the services under its own discretion, the assets are classified as service concession assets. These assets are measured at current replacement cost in accordance with the cost approach to fair value in AASB 13 - *Fair Value Measurement*. Any difference at the date of reclassification between the carrying amount of the assets and their fair value (current replacement cost) being treated as if it is a revaluation of the asset.

Subsequent to initial recognition or reclassification, service concession assets are accounted for by depreciating or amortising in accordance with AASB 116 - *Property, Plant and Equipment* or AASB 13B - *Intangible Assets*. Where appropriate, any impairment is recognised in accordance with AASB 136 - *Impairment of Assets*.

At the end of the term of any service concession arrangement, the Shire will reclassify the service concession asset based on its nature or function, and account for it in accordance with the accounting standards and policies applicable to the relevant asset classification.

The Shire does not recognise a liability in circumstances where an existing asset is reclassified as a service concession asset except where additional consideration is provided by the third-party operator.

The Shire adopted AASB 1059 on 1 July 2020 resulting in changes in accounting policies. In accordance with the transition provisions of AASB 1059 the Shire adopted the new rules retrospectively by recognising and measuring service concession assets on 1 July 2020. In summary the following adjustments were made to the amounts recognised in the statement of financial position at the date of initial application - 1 July 2020:

		AASB 116 carrying amount 30 June 2020	Adjustment due to application of AASB 1059 at 1 July 2021	AASB 1059 carrying amount 1 July 2020	Adjustment due to application of AASB 1059 during the year	Additions during the year	Depreciation during the year	Carrying amount 30 June 2021
Note								
INFRASTRUCTURE								
Infrastructure - other	10	374,339	0	374,339	(262,629)	94,441	(12,773)	193,378
Infrastructure - service concession assets	10	0	0	0	262,629	0	(10,156)	252,473

The service concession arrangement relates to the provision of public waste facilities at the Shire's waste transfer station by the contractor for a period of 1 year (with the option to extend for a further 2 years), commencing on 1 June 2021.

Under the agreement the operator has the responsibility to manage the transfer station. The facility has been recognised as a service concession asset, under the category of other infrastructure.

On termination of the agreement the Shire will assume all rights and responsibilities in relation to the assets of the service concession arrangements.

28. CORRECTION OF PRIOR PERIOD ERROR

The error relates to various infrastructure assets that were not correctly depreciated since 2018/19 (see Note 11 [d]). The Shire has corrected the depreciation on these assets and restated the applicable figures for 2018/19 and 2019/20. There were two main reasons for this error. The first was that some assets were acquired in 2018/19 but no depreciation rate was put into the system. This meant that no depreciation was calculated from the year ended 30 June 2019 onwards. The second was that when some assets were revalued in 2017/18, the system removed the depreciation rates of these assets as part of the process, resulting in these assets not being depreciated from 1 July 2018 onwards. The following tables summarise the impacts on the Shire's financial report:

Statement of Financial Position (Extract)	30 June 2020 Previously Reported \$	Correction of error Increase/ (Decrease) \$	30 June 2020 (Restated) \$	01 July 2019 Previously Reported \$	Correction of error Increase/ (Decrease) \$	01 July 2019 (Restated) \$
Infrastructure assets	40,602,558	(930,128)	39,672,430	38,811,085	(411,517)	38,399,568
Retained surplus	32,003,933	(930,128)	31,073,805	31,347,414	(411,517)	30,935,897
Total equity	50,627,201	(930,128)	49,697,073	49,893,162	(411,517)	49,481,645

Statement of Comprehensive Income (Extract)	2020 Previously Reported \$	Increase/ (Decrease) \$	2020 (Restated) \$
<i>By Nature or Type</i>			
Depreciation	(1,508,468)	(518,611)	(2,027,079)
<i>By program</i>			
Expenses			
Governance	(363,471)	0	(363,471)
General purpose funding	(87,997)	0	(87,997)
Law, order, public safety	(155,223)	0	(155,223)
Health	(95,069)	0	(95,069)
Education and welfare	(89,452)	0	(89,452)
Housing	(185,809)	0	(185,809)
Community amenities	(239,636)	(10,156)	(249,792)
Recreation and culture	(1,061,168)	(8,334)	(1,069,502)
Transport	(1,831,494)	(499,543)	(2,331,037)
Economic services	(393,706)	(578)	(394,284)
Other property and services	(126,650)	0	(126,650)
Total expenditure for the period	(4,629,675)	(518,611)	(5,148,286)
Net result for the period	775,039	(518,611)	256,428
Total comprehensive income for the period	734,039	(518,611)	215,428

As a result of these prior year restatements, some of the Shires financial ratios as at 30 June 2019 and 30 June 2020 have changed, see Note 31.

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29. 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.

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30. ACTIVITIES/PROGRAMS

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

PROGRAM NAME AND OBJECTIVES	ACTIVITIES
GOVERNANCE To provide a decision making process for the efficient allocation of scarce resources.	Administration and operation of facilities and services to members of council; other costs that relate to the tasks of assisting elected members and ratepayers on matters which do not concern specific Council services.
GENERAL PURPOSE FUNDING To collect revenue to allow for the provision of services.	Rates, general purpose government grants and interest revenue.
LAW, ORDER, PUBLIC SAFETY To provide services to help ensure a safer community.	Fire prevention, animal control and inspections.
HEALTH To provide services to help ensure a safer community.	Food quality, pest control and inspections.
EDUCATION AND WELFARE To meet the needs of the community in these areas.	Includes education programs, youth based activities, care of families, the aged and disabled.
HOUSING Provide housing services required by the community and for staff.	Maintenance of staff, aged and rental housing.
COMMUNITY AMENITIES Provide services required by the community.	Rubbish collection services, landfill maintenance, townsite storm water drainage control and maintenance, administration of the Town Planning Scheme and maintenance of cemeteries.
RECREATION AND CULTURE To establish and manage efficiently, infrastructure and resources which will help the social wellbeing of the community.	Maintenance of halls, recreation centres and various reserves, operation of library, support of community events and matters relating to heritage.
TRANSPORT To provide effective and efficient transport services to the community.	Construction and maintenance of streets, roads and footpaths, traffic signs and depot maintenance.
ECONOMIC SERVICES To help promote the Shire and improve its economic wellbeing.	The regulation and provision of tourism, area promotion, building control and noxious weeds.
OTHER PROPERTY AND SERVICES To provide effective and efficient administration, works operations and plant and fleet services.	Private works operations, plant repairs and operational costs. Administration overheads.

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31. FINANCIAL RATIOS

	2021 Actual	2020 Previously Reported	2020 Restated	2019 Previously Reported	2019 Restated
Current ratio	2.37	1.47	1.47	2.21	2.21
Asset consumption ratio	0.92	0.93	0.91	0.95	0.94
Asset renewal funding ratio	0.75	0.79	0.79	0.87	0.87
Asset sustainability ratio	1.66	1.69	1.26	2.68	2.08
Debt service cover ratio	5.39	2.61	2.45	5.37	5.37
Operating surplus ratio	(0.40)	(0.39)	(0.57)	(0.18)	(0.32)
Own source revenue coverage ratio	0.60	0.60	0.54	0.69	0.63

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

