

SHIRE OF PERENJORI

EMBRACE OPPORTUNITY

2020.21

ANNUAL REPORT

Shire of Perenjori
56 Fowler Street
Po Box 22
PERENJORI WA 6620
Telephone: (08) 9973 0100

CONTENTS

GENERAL INFORMATION	4
PRESIDENT'S REPORT.....	5-6
CHIEF EXECUTIVE OFFICER REPORT	7-12
MANAGER INFRASTRUCTURE SERVICES REPORT	13-14
COMMUNITY DEVELOPMENT REPORT.....	15-16
PERENJORI EARLY CHILDHOOD CENTRE REPORT.....	17-21
OTHER INFORMATION	22
DISABILITY ACCESS & INCLUSION PLAN.....	23
NATIONAL COMPETITION POLICY.....	24
ELECTED MEMBERS AND OFFICER COMPLIANCE STATISTICS.....	25-27
STRATEGIC COMMUNITY PLAN 2017-2027.....	28-30

FINANCIAL REPORT

Statement by Chief Executive Officer	2
Statement of Comprehensive Income by Nature or Type	3
Statement of Comprehensive Income by Program	4
Statement of Financial Position	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Rate Setting Statement	8
Index of Notes to the Financial Report	9-52
Independent Auditor's Report	53

GENERAL INFORMATION

On the 17 October 2020 an Extraordinary Election was held after the functions of the Council had been exercised by an appointed Commissioner, the Hon Paul Omodei, since the 26 June 2019. As a result, seven (7) Councillors were appointed as follows:

Brian Baxter	Retiring 2023
Christopher King (President)	Retiring 2023
Colin Bryant	Retiring 2021
Daniel Bradford	Retiring 2023
Jude Sutherland (D/President)	Retiring 2023
Leslie Hepworth	Retiring 2021
Phil Logue	Retiring 2021

Elections are normally held biannually in October and subject to electoral procedures as governed by the Local Government Act 1995. Voting at Council elections is not compulsory, however participation by residents in elections is important for the effectiveness of local government. Residents not included on the State electoral roll should contact the Australian Electoral Commission. You do not need to be a ratepayer to be on the electoral roll and to vote in Council elections.

Council Meetings are generally held on the third Thursday of every month (excluding January) and are open to the public. Meeting agendas and minutes and other documents are available on the Shire website, at the Perenjori shire office and the Latham library. An Annual Meeting of Electors is held each financial year for which notice is published in the local "Bush Telegraph", the Shire Website and Community Notice Boards.

Population	660
Distance from Perth	354 km
Number of Electors	353
Area	8,200 sq. km
Towns	Perenjori, Latham
Libraries	Perenjori, Latham
Primary Schools	Perenjori
Length of Sealed Road	243 km
Length of Unsealed Road	1,453 km
Rates Income	\$2,829,167
Total Revenue	\$8,502,585

PRESIDENTS REPORT

CR CHRIS KING



I am extremely pleased to be presenting the Presidents Report for the Shire of Perenjori for 2020/2021.

Following the period of stewardship by Commissioner Omodei the electors of Perenjori with a 74% turnout elected 7 new Councillors who were sworn in on October the 27th 2020. This community interest was welcomed following the dissolution of the Council in 2019. In a parting statement the Commissioner said he was happy to be handing the Council back to the community, saying the new Council had the opportunity to take the lead. In his experiences moving around the community, he felt that people were looking to move forward and focussing on the future.

I thank Mr Omodei for his contribution to our community. I know he had our best interests at heart, and he will always be welcome back to observe the strong functioning Council that he wanted to see installed. All candidates are to be congratulated for standing up to represent the interests of the ratepayers and residents of Perenjori.

I am delighted that the Councillors have elected me to the position of President. I congratulate Cr Jude Sutherland who was elected Deputy President and I thank her for her support. All Councillors are completing or have completed mandatory Local Government training modules to upskill themselves to better understand the governance requirements of a Shire Councillor. Councillors commitment to the community and in their roles have been exemplary in the dedication and application to the new positions they now have. I commend them for their hard work.

On April 12, 2021, the Shire of Perenjori and surrounding regions were severely impacted by Cyclone Seroja. While thankfully there was no or minimal personal injuries the damage to buildings, sheds and other infrastructure was very significant. Recognition needs to be given to the many community members and Shire staff who rallied and supported each other and began the massive clean-up. The community was cut off without communication and power for many days which made coordinating the recovery process extremely difficult. Our thanks go to the many DFES and SES crew from across the State who arrived and covered damaged houses and buildings with tarpaulins and helped clean up fallen trees and power lines. With the enormous task of removing trees and debris from Shire roads beyond the capacity of contractors and Shire staff many landowners assisted by using their own equipment to clear and make safe the roads around the district. Our thanks to the outside crew for the town clean up and then the roadside clearing that took some time to accomplish away from normal duties. We were able to house a number of families, whose homes had been destroyed or rendered uninhabitable, in Shire owned housing within the Perenjori townsite as emergency housing. At this time damaged houses, chalets and other buildings have not been repaired and as we are competing for tradesmen the wait for repairs is envisaged to be considerable. Council has adequate insurance and reserve funds and will be replacing and repairing damaged infrastructure as soon as possible.

I would like to acknowledge the contribution made by our local Police, Sgt Nathan Good and Snr Constable Jess Reading for their untiring efforts post Cyclone Seroja. I will also acknowledge our CEO Mario Romeo and office staff particularly Liz Markham and Jo Page for their work in helping coordinate relief, such as it was, at the time.

The impact of the Cyclone highlighted deficiencies in our preparedness for emergency situations, particularly vulnerability to power outages. Council has addressed this area and generators have been installed at the Pavilion and the Caravan Park with possibly more to come. The issues around mobile phones and communication across the Shire are being constantly raised with Telstra and governments to find solutions to extended periods of outage. Similarly, discussions with Western Power around reliability and required investment have taken place and this remains a priority for Council.

Council has been actively communicating with mining companies and transport operators that have operations within the Shire to encourage investment to grow the economic base of the Shire. We have road use agreements that have operators contributing to road maintenance and most of the units at the Accommodation Village are rented out to various work crew continually. With the winding down of mining at Mt Gibson the road haulage of Iron Ore on Wanarra Rd has finished. Council is hopeful that the rail siding will be retained and used again possibly for other deposits within the region.

The 2021 cropping season is shaping to be very good and road infrastructure maintenance for grain transport becomes urgent as the year progresses. Where possible Council encourages CBH when outloading to use rail transport and where road transport is necessary that State roads are our preferred choice.

The Perenjori Shire continues to be in a very sound financial position with modest borrowings and very healthy reserves to invest in future infrastructure. Our measurement of sustainability in local government terms is against an endorsed set of key performance indicators that enable local governments to measure and report their overall financial and asset management sustainability more readily. Perenjori is well positioned in its ratios and there are no issues that would be of concern.

In the next 12 months as part of the normal Council cycle of activity, Strategic Planning community workshops are planned to take place. I encourage everyone to get along and have a say in all of our futures.

CHIEF EXECUTIVE OFFICER'S REPORT

The 2020/2021 financial year was one that I had approached with a sense of excitement and purpose with the election of a new team of Councillors and the hope of bringing stability to the Shire of Perenjori's workforce. In saying that I would like to thank Commissioner Paul Omodei for his support and guidance in preparing the Shire in receiving a new Council.

In presiding over the affairs of the Shire, the Commissioner made recommendation to the Minister for Local Government for a restructure of the Local Government Council in abolishing wards within the Shire and a reduction in the number of Councillors from nine (9) to seven (7) resulting from a program of consultation with the Shire of Perenjori residents and a more recent trend being established in smaller populated local governments. This recommendation was approved by the Minister for Local Government.

The year was one of major contrast for the Shire of Perenjori's staff. The highlight of the 2020/2021 year was undoubtedly the election of a new Council in October 2020. The Shire administration was active in assisting the Commissioner in achieving a good number of nominations for Council election in arranging prospective Councillor information sessions and engaging the Australian Electoral Commission to conduct a postal vote. It was pleasing that there were nine (9) nominations for the seven (7) vacant Councillor positions.

The resulting elected new Council to lead the Shire of Perenjori community had a blend of experience (with Shire of Perenjori Freemans and former Council Presidents in Chris King and Brian Baxter both nominating and being elected) with a mixture of new blood that whilst being new to Council were already active and prominent community members providing a range of perspectives on Council matters. Congratulations to Cr King who was elected by Council as President and Cr Jude Sutherland who was elected as Vice President and along with Councillors Daniel Bradford, Brian Baxter, Colin Bryant, Les Hepworth and Phil Logue.

I have enjoyed collaborating and working with you in facilitating the decisions you have made in alignment with the Strategic Community Plan and in facing the challenges that everyday life in a small rural inland community brings.

At the commencement of the 2020/2021 year the key challenge in being able to fulfil Council resolutions and provide the community services required for the community to function effectively continued to revolve around the ability to maintain an appropriately qualified and skilled workforce with access to the tools and materials required within the "budgeted" parameters provided by Council.

One particular service that had been quite difficult in resourcing since I have commenced in Perenjori was the Perenjori Early Childcare Centre (PECC). Since losing Andrijana Hadjievski, the Shire has had significant difficulty in finding a permanent PECC Co-ordinator. The Shire was fortunate to attract a qualified Educator, Laura Longo in late June 2020 to manage the service and provide stability for the year even with several staff movements within the centre. To try and further stabilise this service the Shire has made contact and commenced discussions with the Regional Early Education and Development Inc (REED), that is an organisation established in the Wheatbelt Region of WA to provide services to Agricultural Communities in early Childhood Education and Care. They operate multiple centres for Shires in the Wheatbelt Region, and we are exploring the potential benefits of a relationship with them to facilitate the continuing delivery of this important service to our community.

The Shires administration has done a fantastic job dealing with the compliance issues that Covid 19 has forced upon us whilst maintaining compliant and timely internal administrative functions and an effective level of service to the community.

Whilst the Shire continued to be fortunate in having a core element of Operational employees, it still had vacancies that were difficult to fill in the current environment and in association with the difficulty in sourcing labour hire contractors our ability to deliver new projects was impacted in not only sourcing external contractors to perform works but maintaining the status quo in performing planned maintenance whilst dealing with unplanned maintenance requirements. The Shire was fortunate in being able to complete most of its work programme - see The Manager Infrastructure Services report for the key achievements.

Whilst continuing to deal with the operational and administrative compliance created by the ongoing threat of the Covid pandemic, the lowlight of the year occurred in April 2021. Tropical Cyclone Seroja visited our Shire during the late evening of Sunday 11th April and morning of April 12th and devastated our community.

A natural disaster changes the rules! Heartfelt thanks to the Shire of Perenjori Councillors - who assisted in checking on the wellbeing of residents and assisted with the clean up, local contractors and volunteers - especially those from outside of the Shire like the mid-west Caravaning Club and our fantastic police officers Nathan and Jess that while all dealing with their own hardships still found a way to assist those less fortunate in the community in dealing with Seroja's aftermath and ensuring the wellbeing of their fellow residents.

Again, a big thanks also to the employees of the Shire of Perenjori who have continued to demonstrate their tremendous resilience and I am extremely proud of their continuing efforts.

I finally take this opportunity to personally thank the volunteers and community members who have dedicated their time in helping others under these challenging circumstances and maintaining Community involvement in social and recreational activities. You all play your part in making this Town the best it can be!

CUSTOMER SERVICE

The following services are available through the Shire:-

- Libraries in the Perenjori Shire and Latham Post Office;
- There is a vast array of books, audio and DVD'S which can be ordered through the WA State Library;
- Enquiries and applications for planning, building and health services through contracted professionals;
- Vehicle licensing services on behalf of the Department of Transport;
- Community bus hire;
- Facilities hire;
- A variety of accommodation at the Caravan Park;
- A Daycare facility;
- Aquatic Centre & Gym
- Quality roads, parks and recreation facilities.

The Shire welcomes all feedback from the community and visitors.

RATES & DEBTORS

The Council adopted a nil rate increase in 2020-2021. Council is restricted from excessive rate increases but is also encouraged by the State Government to raise more funds internally and not be too reliant on grant funding to achieve the aims of our Strategic Community Plan. The Council also takes into consideration the increasingly difficult economic circumstances on an annual basis which may be faced by industry and the community within the Shire. The State Government continues to place increasing demands on local government in terms of bureaucratic compliance, regulations and reporting that increases local government expenditure on an annual basis, quite significantly.

Council resolved to continue to apply a 10% discount on rates paid by the due date, at a cost of \$253,305. The Shire also vigorously pursues outstanding rates and other debtors through legal processes. Ultimately it is fair and necessary that each property in the Shire contributes to the facilities, services and well-being of the Shire.

LOANS

The Shire did not raise any loans during this financial year.

At the end of the financial year the outstanding loan balances totalled \$349,951 inclusive of \$105,906 for housing, Aquatic Centre—\$43,410 and John Street subdivision—\$200,635.

Loans are repaid using general purpose revenue. The Shire acquires loans from the State Treasury Department therefore, having the ability to access significantly reduced interest rates.

ASSETS

The Shire has \$74,250,561 in total assets (inclusive of cash, property, plant, equipment and infrastructure) of which \$3,199,590 is restricted cash and \$3,537,696 is unrestricted cash. Maintenance of existing assets is always a financial challenge for the Shire, particularly the cost of maintaining roads and other infrastructure such as parks, gardens, footpaths, housing and buildings.

INFORMATION ON MAJOR EXPENDITURES

TRANSPORT

The maintenance of roads is the largest cost area for most local governments. Perenjori Shire has significant road infrastructure assets to maintain, in total 243 kilometres of sealed roads and 1,453 kilometres of unsealed roads. The length and type of roads (sealed or unsealed) forms a significant part of the determination of the level of road grants funding received in any given financial year. In the past year capital expenditure on roads was \$1,975,260 whilst \$731,650 was spent on general maintenance of the Shires road network. These costs generally increase each year as materials, vehicles, labour and administration costs continue to increase. Administration expenses include a significant cost for compliance which is imposed by State & Federal Governments on local governments.

RECREATION & CULTURE

Expenditure on Recreation and Culture was \$1,351,110 which encompasses all of the Shire's recreation facilities such as the swimming pool, public halls, pavilion, parks, ovals and gardens.

OTHER PROPERTY & SERVICES

Other Property & Services expenditure was \$86,285 which encompasses hire of plant and equipment, private works for external organisations, depreciation costs of plant, fuel purchases, maintenance and repairs to our vehicle fleet, and the employment expenses associated with outside employees. Much of these costs are allocated to the public works overhead and plant operational costs which are linked to our capital works program.

GOVERNANCE

Governance is the cost to local government of providing services for the elected Council members. This cost includes meeting fees, President and Deputy President allowances, provision of information to members, documents, training, conferences, insurances, various government sponsored meetings (e.g. Main Roads WA) which are critical in ensuring the Shire acquires its fair share of funding. The State Government has introduced compulsory training for new and existing Councillors. The total cost for governance for this reporting year was \$267,541.

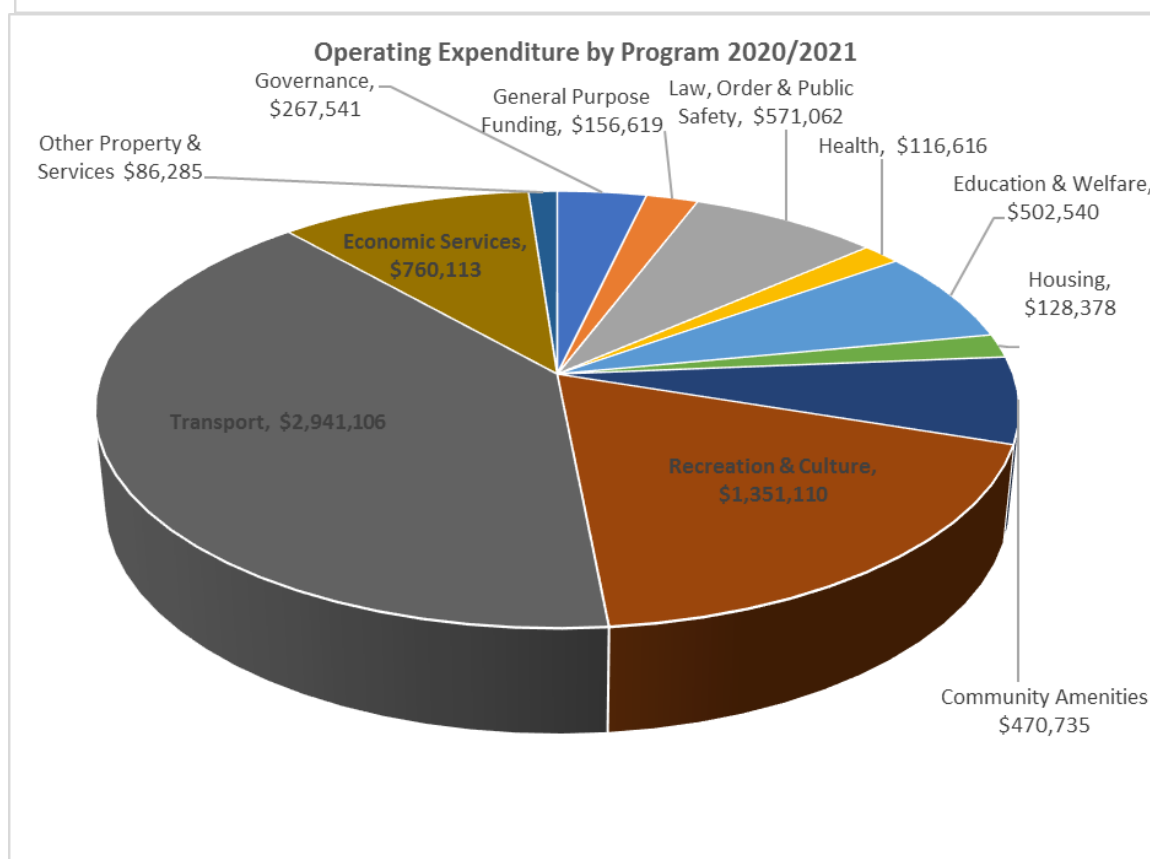
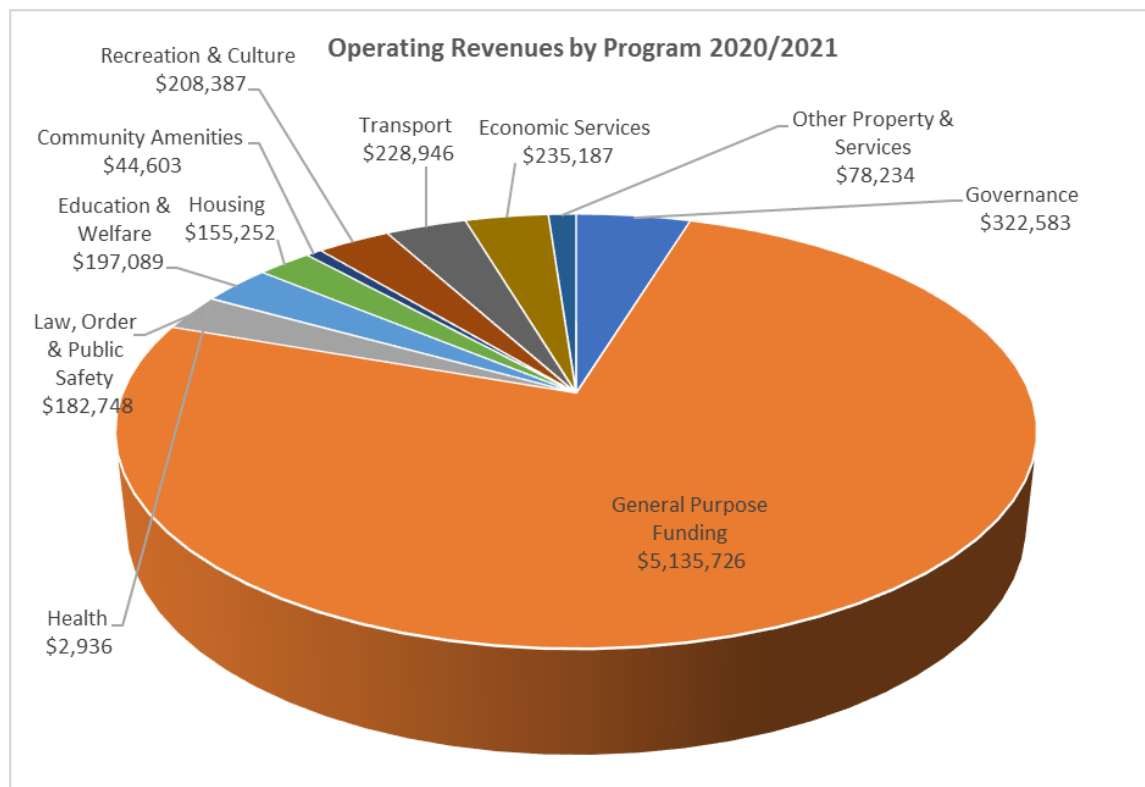
ECONOMIC SERVICES

The Economic Services costs of \$755,864 includes the cost associated with the caravan park, standpipes, dams, tourism and tourist promotion including maintenance, cleaning and wages.

HOUSING

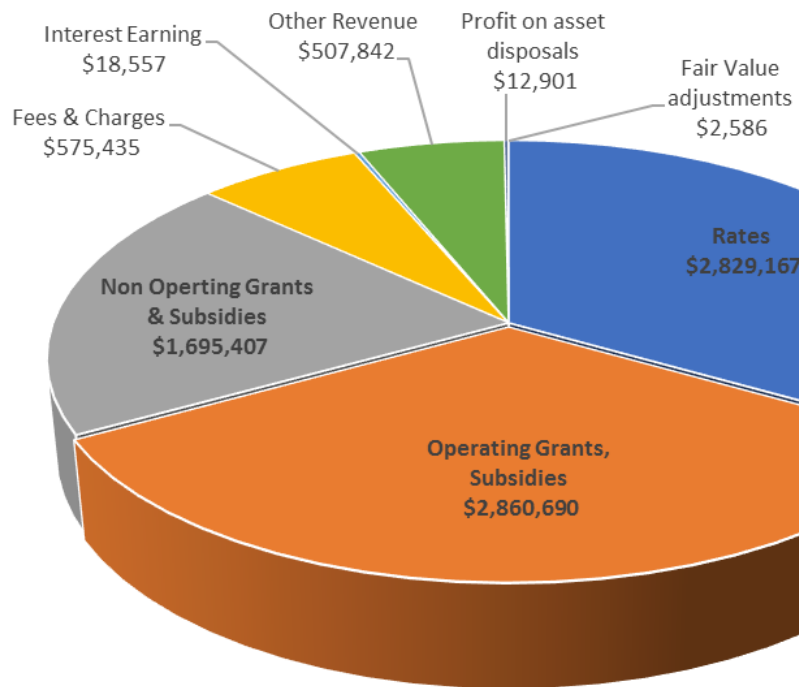
The expenditure on the Shire's housing was \$128,378 which is the cost of insurance, repairs and maintenance. The Shire owns a substantial housing asset of 16 houses and 12 units (4 houses and 2 units in partnership with the Department of Housing). The housing costs associated with staff housing is allocated across the various programs to ensure we are able to gain accurate costings. Income from housing which is provided for employees and some private rental totalled \$154,485.

Below are graphical representations of the final income and expenditures by **Program** for the year ending 30th June 2021. Grants, subsidies & contributions includes grants from Federal organisations to maintain roads and general infrastructure. Grants for roads in particular are to ensure the maintenance of vital infrastructure which no local government is expected to, nor could they, provide through local rates. A full explanation of the components of the headings is found in the financial statements.

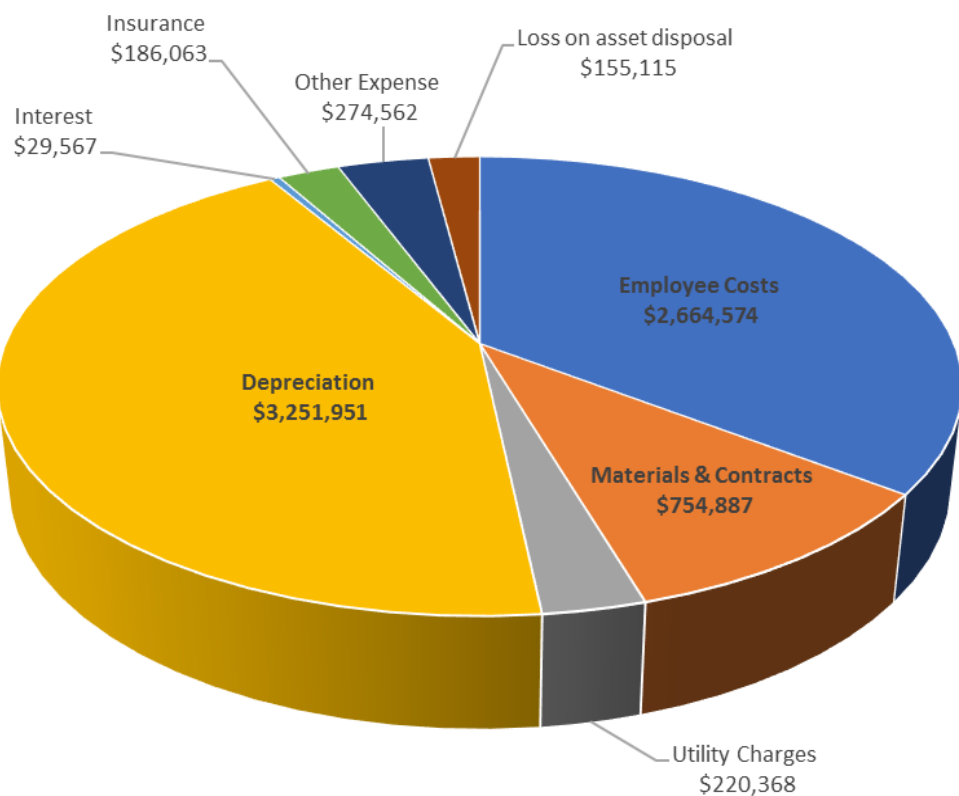


Below is a more detailed breakdown of the Shire's revenue and expenditure by **Nature and Type** for the year ending 30th June 2021, and for which there are more details in the attached audited financial statements. The purpose of these graphs is to easily identify more detailed income and expenditure.

Revenue by Nature & Type 2020/2021



Expenditure by Nature & Type 2020/2021



MANAGER INFRASTRUCTURE SERVICES

MR KEN MARKHAM



TRANSPORT

The Shire of Perenjori services an area of over 8,200 square kilometres through a network of over 243 kilometres of sealed roads and 1453 kilometres of unsealed roads.

Works undertaken totalling approximately 2.6 million dollars for the 2020/21 financial year included:

- Graveling of 2.5 kilometres of Lochada Road
- Reseal Carnamah Perenjori Road
- Graveling of 2 kilometres of Spencer Road
- Graveling of 1.5 kilometres of North Road
- Graveling of 2.5 kilometres of Warriedar Coppermine Road
- Graveling of 9 kilometres of Syson Road
- Seal Widen and reseal Stan Cannon Road
- Reseal and kerbing Britt Street ,Latham
- Installation of footpath Crossing Road, Perenjori
- Installation of footpath Livingstone Street, Perenjori
- Graveling of 3 kilometres of Taylors Road
- Reseal of Maya East Road
- Reseal of section Smith Street, Perenjori
- Installation of CCTV throughout Perenjori townsite

Funding from several sources make up the budget to allow Council to undertake these works including:

- Roads to Recovery- \$534,939
- Regional Road Group- \$673,717
- Federal Untied Road Grant- \$825,702
- Local Roads and Community Infrastructure Program funding: \$563,370
- Council- \$298,993



Britt Street, Latham

PLANT

The following plant purchases were made in the financial year:

- Replacement of Cleaners vehicle
- Replacement of gardeners utility
- Replacement of mechanics vehicle
- Replacement of grader
- Replacement of Steel drum vibratory roller
- Replacement of Skid steer
- Replacement of ride on mower



BUILDING & HOUSING

Expenditure on the Shire's housing was \$128,378 which includes the cost of insurance, repairs, maintenance, pest control, annual testing of RCD's and smoke alarms, painting and other small upgrades. The Shire owns a substantial housing asset of 28 houses/units.

The Cyclone Seroja event in April caused significant damage to Shire infrastructure including a house losing its roof, Caravan park chalets losing roofs, significant loss of fencing, sheds destroyed and other community infrastructure. The process of restoration has been a long one and will continue for several months yet.

COMMUNITY DEVELOPMENT REPORT

AUSTRALIA DAY

The Shire welcomed two new citizens on January 26, 2021. The conferees pledged in the Shire Council Chambers and were presented with their citizenship certificate by the Shire President, Chris King. The ceremony was followed by a morning tea, and community members were invited to celebrate with the new Australian Citizens Mr Bhavesh Ravji Patel and Mrs Patchara Gilmour. The Shire of Perenjori Australia Day celebrations continued at the Perenjori Aquatic Centre.



ANZAC DAY

An ANZAC Day commemorative service was held at the War Memorial on April 25, 2021. The service commenced with an introduction by the Shire President. The program included a variety of speakers from the community and guest speakers. The Morawa DHS Band played a beautiful melody of the Australian and New Zealand national anthem. A barbecue breakfast followed the morning service at the Village Green, and the Wheatbean Café supplied free coffee and tea. The service was made possible by the wonderful contribution from volunteers, the Netball Club and the Community Resource Centre. The Shire is very fortunate for the ongoing support from the community in making events such as ANZAC Day possible.



PERENJORI COMMUNITY BENEFIT FUND

The generous contribution from Mount Gibson Iron Ore has continued to support community organisations to implement programs. A total amount of \$107,096.19 was approved this financial year to community organisations in Perenjori and Latham.

Round 16 grant recipients

- Latham Golf and Bowling Club
- Bush Heritage Australia
- Perenjori Community Resource Centre
- Desert Blue connect

Round 17 grant recipients

- Perenjori Play group
- Perenjori P&C
- Perenjori & Districts Agricultural Show
- Perenjori Community Resource Centre

MEN'S MENTAL HEALTH

The Community Development Officer partnered with local men in town to deliver a men's mental health night at the Sports Club on the 22nd of October 2020. Guest speakers included Daniel Hobley from the podcast 'Can't Get a Kick, can't get a Chick', a Financial Counselor from Rural West and a representative from Regional Men's Mental Health Initiative.

WOMEN'S WELLNESS EVENT

The mental health discourse was also conveyed in a Women Wellness event organised by Desert Blue in conjunction with the Shire and the Community Resource Centre. The event focused on enhancing the wellbeing of women in town.

PERENJORI EARLY CHILDHOOD CENTRE REPORT

Attendance numbers during the financial year of 2020/21

Month	Number of attendances
July 2020	175
August 2020	166
September 2020	155
October 2020	186
November 2020	172
December 2020	148
January 2021	58
February 2021	157
March 2021	161
April 2021	49
May 2021	165
June 2021	149
Total :	1741

Throughout this year there has been a significant decrease in the number of attendances compared to the previous year due to numerous different reasons including:

- ♦ Lack of staffing and therefore limited bookings to maintain centre's compliance;
- ♦ Inevitable centre's closure due to Cyclone Seroja;
- ♦ Diminished before and after school care as well as vacation care bookings.

Changes at PECC

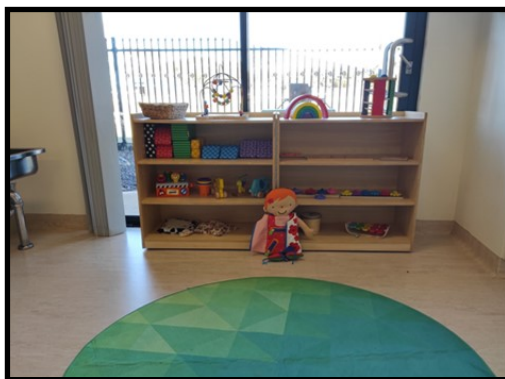
During this financial year there has been a consistency in the centre's management with Laura Longo as the centre's Coordinator, Educational Leader and Qualified Educator.

In order to implement all the educational programs that are in line with the EYLF (Early Years Learning Framework) and the NQS (National Quality Standard) and to comply with current and ongoing regulations by providing the children with opportunities to thrive and prepare for all challenges awaiting for them in the future, the following has been maintained:

- ◆ The Centre's resources organised and purchased according to different age groups;
- ◆ The room's layout rearranged by setting, adding and removing proper corners such as art & crafts corner, role play and home corner, quiet corner, literacy and numeracy corner, construction corner and baby corner according to the children's needs, developmental milestones and interests as well as feedback;
- ◆ The structured routine was maintained and adjusted according to the different children's age combinations, bookings and needs;
- ◆ A learning program was maintained which reflects the children's developmental milestones and interests by gaining information through ongoing observations and by engaging the children and their families in meaningful conversations. However, the learning program has been adjusted throughout the year according to the staff members' capabilities at time management, experience and ability to implement learning experiences reflecting the various children's ages, interests and developmental milestones.

For this reason, the learning program has been implemented weekly, fortnightly and monthly. At present, the learning program is being implemented monthly (divided in weeks) as it is more suitable for the service. Every child has a complete portfolio which includes one monthly observation as well as a scrapbook which contains all their artistic creations throughout the year;

- ◆ The Kindy Hub platform is being utilised as a communication tool . Parents are sent pictures of their children on a daily basis. A weekly journal is created which includes explanations of all the activities implemented during the week with the linked learning and pictures of the children; the journal is sent to the parents of the children who have been attending for the week. We also display a paper weekly journal in a prominent spot in the room for the parents and the children to read. The Kindy Hub platform continues to be used as a tool to complete monthly observations which are delivered to the parents also.



Babies corner



Art and craft corner

- ◆ The operational daily, weekly and monthly checklists such as: children/educators ratios, children's daily sheets, nappy change sheets, sleep chart for babies, but also opening and closing checklists, outdoor safety checklists, daily weather records, sunscreen log, toy cleaning checklists, laundry checklists and cleaning checklists have been implemented on an ongoing basis in order to provide evidence without gaps in case of checks. Children's emergency contacts are up to date as well as their enrolment forms;
- ◆ The draft of the Quality Improvement Plan (QIP) necessary for the Assessment and Rating visit against the Australian Children's Education and Care Authority (ACECQA) National Quality Standards (NQS) has been completed, however as the service's improvement process happens on an ongoing basis, it is adjusted every two or three months according to the different needs and changes;
- ◆ Regular emergency drills were implemented as per regulations and efforts made to organise related incursions from the community safety wardens such as fire brigades, police and ambulance. At this stage, the centre has only been successful with the police incursion.
- ◆ Other excursions throughout the year were held such as story time at the Shire's library, play at the Tumble Totz and clean-up the town for the recycling week dedicated to Clean up Australia day;
- ◆ Community engagement – the children attended several story times with Mrs Cannon at Perenjori Primary School as well as story time at playgroup.



Perenjori Primary School story time - May 2021



Perenjori playgroup story time - February 2021



Safety week - Police incursion June 2021



Tumble Totz - January 2021 excursion



Clean up the town - March 2021 excursion



Fire evacuation drill - February 2021

- ◆ We celebrated Mother's Day at PECC with an afternoon tea as well as a Christmas party with a morning tea last year;
- ◆ Items for the centre were purchased including age appropriate toys the children have been engaged at playing with during their free play;
- ◆ Liasing with The Regulatory Authority on more than one occasion in regards of an incident of non-compliance report as well as change of operational hours;
- ◆ Recent changes to the room's layout as is shown by the following pictures :



Overview of the centre from the entrance



Home and dress-up corner



Construction and puzzles corner

Educational programs offered to the children at PECC

The program chosen to plan for the children attending the centre mostly relates to their interests and their developmental milestones. It foresees learning opportunities which foster the holistic development of the children which includes:

- ◆ cognitive skills;
- ◆ motor skills (gross and fine motor);
- ◆ emotional skills
- ◆ social skills;
- ◆ emerging skills

Throughout the year we focused on very important topics regarding staying healthy, respect for the environment by incorporating as many recycled resources as we could while implementing learning experiences, and fostering children's emerging skills (walking, holding spoon, sitting at the table, emerging skills) on an ongoing basis in order to build the children's self-esteem throughout everyday actions.



Dental week - March 2021



Washing hands activity



Celebrating Aboriginal culture

School readiness program at PECC

This year the school readiness program has been implemented on an ongoing basis compared to last year when it was introduced in the middle of the year. It was ensured that the program would be more structured in order to introduce the children who are starting school next year to the basic concepts of the literacy throughout arts and crafts and play.

Every child who participates to the school readiness program is provided with a *school readiness book* which shows the school readiness curriculum divided by school terms. This enables children to enhance their developmental skills in key learning areas such as literacy, numeracy and self-help skills (such as cutting and holding pencils to practice and develop their handwriting skills). The school readiness curriculums for pre-schoolers help children to develop these skills and assist them for the long term success at school.

In addition, these preschool learning programs help children build positive relationships with others and develop strong self-esteem, further assisting them to make an effective transition from child-care to school. In particular, every school readiness book is composed by a weekly activity involving literacy or numeracy. The children are presented with a picture of an already made artwork and, at the same time, provided with the resources to replicate the artwork shown in the picture. It is then up to the child whether to replicate the artwork given or use their own imagination to customise their own artwork. What is aimed is to engage the child's curiosity and learning through play while being introduced to each letter's sound or a symbol's meaning, practicing their fine motor skills and have fun. Every artwork the child makes is associated to the picture showing them at work. This a great way to foster the children's self-esteem and to enhance their confidence.

Jolly Phonics mat sessions have been implemented to support the program. Jolly Phonics is a fun and child centred approach to teach literacy through synthetic phonics. With actions for each of the 25 letter sounds, the multi-sensory method is very motivating for children and teachers/educators, who can see their children's achievements.

The Jolly Phonics sessions are a great support for the school readiness program at PECC as they bring all the children and educators together for 7 minutes of fun and effective social and emotional engagement.

It is not surprising that even the younger children are very much interested in the tunes of Jolly Phonics and they are already knowledgeable of its actions. This has been one of the greatest achievement while at PECC as it goes beyond the teaching side of our role showing instead a great achievement as a group which everyone is part of.



OTHER INFORMATION

Report on Complaints made against Councillor's

Section 5.53(2)(hb) of the Local Government Act requires disclosure of entries made in the register of complaints against Councillor's for the year.

For 2020/2021 there were no complaints lodged of any Breaches of the Local Government Act 1995.

State Records Act 2000

The Shire of Perenjori is committed to accessible and efficient record keeping practices.

Council established a Record Keeping Plan which was adopted by Council and submitted to the State Records Commission in 2006. Council staff with the assistance of the City of Greater Geraldton conducted a review of the plan in 2016.

The Records Management Procedures Manual is designed to adequately address all records management issues and identifies staff roles and responsibilities in the system. Due to numerous staff changes within the organisation, it has been difficult for these processes to continue in an efficient manner. The Shire is committed to establishing a training program as is required by the State Records Act which will endeavour to full-fill all requirements as necessary and ensure all future employees are informed of their responsibilities in regard to recordkeeping.

Freedom of information

The Freedom of Information Act 1992 is an Act to provide the public access to documents held by Government Agencies, including the Shire of Perenjori, and to ensure that personal information held by these agencies is accurate, complete and up to date. The Shire of Perenjori complies with the Freedom of Information Act 1992. The Shire of Perenjori therefore has adopted the following documents to assist the public to access information and documentation held by the Shire:

- Freedom of Information Procedure Document
- Information Statement
- Application forms

These forms are available on the Council's website. The Chief Executive Officer is the Shire's Freedom of Information Coordinator. Any formal application information that is not already freely available at the Council may be made through the Freedom of Information Coordinator.

Between 1 July 2020 and 30 June 2021, the Shire received no Freedom of Information requests.

DISABILITY ACCESS AND INCLUSION PLAN

The Shire of Perenjori is committed to facilitating the inclusion of people with disability through the improvement of access to its facilities and services. Towards this goal the Shire adopted its first DSP in 1996 to address the barriers within the community for people with disability.

Since the adoption of the initial DSP, the Shire has implemented many initiatives and made significant progress towards better access. This includes, but is not limited to the following:

- Installation of footpaths with disability ramps and upgraded curbing;
- maintaining public toilets including disabled toilets;
- priority parking in the main street;
- access ramps and automatically opening doors and sliding doors into major public buildings.;
- documents are available on request in alternative formats, are in large print and published on the Council's website.
- Council events are held at venues with ramps or sliding doors that are easily accessible to all members of the public including the disabled and elderly.

This Disability Services Management Plan, as required by the Act, has been reviewed and updated during the 2020/2021 financial year and is set for a major review in 2022.

NATIONAL COMPETITION POLICY

The National Competition Policy Statement requires Local Governments to include in the Annual Report, ongoing statements on the following:

1.Competitive Neutrality

To remove benefits (and costs) that 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.Legislative Review

To review legislation that restricts competition.

Local government will mainly be affected where it operates significant business activities (defined as one that generates an annual income from fees and charges exceeding \$200,000) that compete or could compete with private sector business.

Competitive Neutrality

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

From an examination of the income statement of the Shire of Perenjori for 2020/2021, the Caravan Park revenue does exceed the \$200,000 per annum threshold but the activity undertaken at this point does not breach the principles of competitive neutrality.

Further investigation in 2021/2022 will be performed to ensure compliance.

Structural Reform of public monopolies

The Shire of Perenjori is not classified as a natural monopoly, nor does it conduct any business activities that could be classed as public monopolies. Therefore the principle of structural monopolies does not apply to the Shire of Perenjori.

Legislative Review

A review of the Local Laws found that they had no impact on the competition across the Shire.

ELECTED MEMBERS AND OFFICER COMPLIANCE STATISTICS

The Local Government (Administration) Regulations 1996 Part 5—Annual reports and planning, regulation 19B (1) and (2) was amended as of the 7 November 2020 and now requires the following statistics to be included in the annual report:

Regulation—19B (2) (a) & (b) and Prescribed Information for Payments to Employees

Section 5.53(2)(g) of the Local Government Act 1995 requires disclosure of information as prescribed in relation to salary of \$130,000 or more made to employees.

For the 2020/2021 year there was one employee entitled to an annual salary in the band of \$170,000 to \$180,000.

Regulation—19B (2) (c)

Elected Member Allowances 2020/2021 in accordance with Schedule 5.1 (Clause 9) of the Local Government Act 1995 for Standards Panel costs for hearing a complaint regarding one of its council members and any amount that the Standards Panel orders to be reimbursed is nil.

Regulation—19B (2) (d)

Any amount ordered under section 5.110(6)(b)(iv) to be paid by a person against whom a complaint was made under section 5.107(1), 5.109(1) or 5.114(1) to the local government during the financial year 2020/2021 was nil.

Regulation—19B(2)(e)

Chief Executive Officer Remuneration Paid 2020/2021—\$234,648

A	ATTENDED
LA	LEAVE APPROVED
N	APOLOGY

Regulation—19B (2) (f)

Elected Member Meeting Attendance / Ordinary Council Meetings 2020/2021

COUNCILLOR NAME	JUL 20	AUG 20	SEP 20	OCT 20	NOV 20	DEC 20	JAN 21	FEB 21	MAR 21	APR 21	MAY 21	JUN 21
Cr King—President	Elected	Oct 20			A	A		A	A		A	A
Cr Sutherland	Elected	Oct 20			A	A		A	A		A	A
Cr Baxter	Elected	Oct 20			A	A		A	A		A	A
Cr Bradford	Elected	Oct 20			A	A		A	A		A	A
Cr Logue	Elected	Oct 20			A	A		A	A		A	A
Cr Hepworth	Elected	Oct 20			A	A		A	A		A	A
Cr Bryant	Elected	Oct 20			A	A		A	A		A	A

Note: There was no Council Meeting in April 2021 due to Cyclone Seroja.

Elected Member Meeting Attendance / Audit Committee Meetings 2020/2021

COUNCILLOR NAME	MAR 21
Cr King—President	A
Cr Sutherland	A
Cr Baxter	A
Cr Bradford	A
Cr Logue	A
Cr Hepworth	A
Cr Bryant	A

Elected Member Meeting Attendance / Special Council Meetings 2020/21

COUNCILLOR NAME	OCT 20	MAR 21	APR 21
Cr King—President	A	A	A
Cr Sutherland	A	A	A
Cr Baxter	A	A	A
Cr Bradford	A	A	A
Cr Logue	A	A	N
Cr Hepworth	A	A	A
Cr Bryant	A	A	A

Regulation—19B (2) (i)

There were no modifications made to the Shire of Perenjori's Strategic Community Plan during the 2020/2021 financial year.

Regulation—19B (2) (k)

There were no significant modifications made to the Shire of Perenjori's Corporate Business Plan during the 2020/2021 financial year.

Regulation—29C (2) (d)

The name of each Council member who lodged a primary return or annual return for the 2020/2021 financial year.

COUNCILLOR NAME	Annual Return Completed	Primary Return Completed
Cr King—President		23/12/2020
Cr Sutherland		24/11/2020
Cr Baxter		23/12/2020
Cr Bradford		18/12/2020
Cr Logue		11/12/2020
Cr Hepworth		11/12/2020
Cr Bryant		24/11/2020
Commissioner	14/07/2020	

Regulation—29C (2) (e)

The position of each employee who lodged a primary return or annual return for the 2020/2021 financial year.

EMPLOYEE POSITION HELD	Annual Return Completed	Primary Return Completed
Chief Executive Officer	14/07/2020	
Manager Infrastructure Services	08/07/2020	
Executive Advisor	08/07/2020	
Accountant	13/07/2020	
Mechanic	13/08/2020	
Deputy Chief Executive Officer		22/12/2020
Manager Corporate Community Services		08/06/2021

Local Government Act 1995 Section 5.127—Report on training

S5.127 (1) A local government must prepare a report for each financial year on the training completed by council members in the financial year.

Elected Member Training Attendance 2020/2021

COUNCILLOR NAME	Serving on Council	Understanding Local Government	Meeting Procedures	Conflicts of Interest	Understanding Financial Reports & Budgets
Cr King—	07/06/2021	08/06/2021	04/06/2021	04/06/2021	08/06/2021
Cr Sutherland	06/06/2021		11/05/2021	07/05/2021	22/06/2021
Cr Baxter					
Cr Bradford	28/05/2021	30/05/2021		07/07/2021	30/05/2021
Cr Logue					
Cr Hepworth			30/03/2021	29/03/2021	
Cr Bryant				07/07/2021	

Strategic Community Plan 2017 - 2027

Section 5.53 (e) of the *Local Government Act 1995* requires that the Annual Report has an overview of the strategic community plan for the Shire made in accordance with section 5.56 of the *Local Government Act 1995*, including major initiatives that are proposed to commence or to continue in the next financial year.

During the life of the current plan there have been a number of unforeseen negative impacts on Council's business activities, which have hampered the efficient completion of several planned objectives including:

The inquiry into the Council and dissolution of the Council, high staff turnover, the COVID19 pandemic and Cyclone Seroja.

The Shire of Perenjori is commencing major reviews of the Strategic Community Plan and Corporate Business Plan in 2022.

Principal Objective	Outcomes, Strategies and Achievements
Environmental Objective A community that develops and lives sustainably in a thriving natural and quality built environment, which meets current and future community needs.	1.1.1 Continue to advocate for coverage across black spot areas. Achievements: Submissions made in October 2018. 1.3.1 Support development local power supply options Achievements: <ul style="list-style-type: none"> BESS installed by Western Power in May 2017. Liasing with Minister for Energy in regard to ongoing supply issues. 1.3.2 Support development Solar Park Power Project Achievements: <ul style="list-style-type: none"> In Principal support is ongoing. A specific project requires scoping in order to proceed. 1.4.1 Maintain local road network to required standard Achievements: <ul style="list-style-type: none"> Road Program completed in accordance with Councils Budget. 1.6.1 Develop environment centre offering space for NACC, BHA and other land care services. Achievements: <ul style="list-style-type: none"> Office space in Perenjori Town Hall made available & continues to be
Economic Objective Fostering and maximizing growth across the economy, seeking & embracing opportunities for diversifying & strengthening our economic base.	2.1.1 Work with CCI to support business growth and communications across businesses in PJ Achievements: <ul style="list-style-type: none"> "Business after Hours" events held in conjunction with MWCCI and RSM in 2018 Currently Exploring development of retail strategy 2.1.3 Support the management of pests Achievements: <ul style="list-style-type: none"> Contributed to Central Wheatbelt Biosecurity Assoc in 2017/18

Strategic Community Plan 2017 - 2027

<p>Economic Objective (cont)</p> <p>Fostering and maximizing growth across the economy, seeking & embracing opportunities for diversifying & strengthening our economic base.</p>	<p>2.2.2 New Residential Land Development</p> <p>Achievements:</p> <ul style="list-style-type: none"> • New fully serviced blocks available and advertised for purchase in Perenjori Townsite <p>2.3.1 Development of Tourism Marketing Strategy</p> <p>Achievements:</p> <ul style="list-style-type: none"> • Tourism Marketing Strategy Plan 2018-2021 completed <p>2.3.2 Development of tourism information</p> <p>Achievements:</p> <ul style="list-style-type: none"> • New “Visit Perenjori” website with visitor information, signs, notices & brochures continually updated at Caravan Park, Visitors Centre and Facebook. • Labour support with funded tourist officer position through tourist season to assist volunteers with keeping the visitor centre open longer. <p>2.3.3 Development of tourism activities, sites</p> <p>Achievements:</p> <ul style="list-style-type: none"> • Tourists sites maintained and checked regularly during tourist season. • Wildflower bus tours conducted during tourist season. <p>2.4.2 Encourage the employment of locals and skill development, promote career path opportunities</p> <p>Achievements:</p> <ul style="list-style-type: none"> • Ongoing.—Traineeships offered through CRC, PECC, Admin Office and Shire Depot. <p>2.5.2 Support Renewable energy development</p> <p>Achievements:</p> <ul style="list-style-type: none"> • Ongoing liasing with Western Power and private developer.
<p>Social Objective</p> <p>Demonstrating a high quality of life for all, offering relevant activities, facilities, and services to enable people to meet their needs and achieve or exceed their potential</p>	<p>3.1.1 Continued housing development to support demand & allow for population growth</p> <p>Achievements:</p> <ul style="list-style-type: none"> • In 2017—Two additional seniors units (2x1) have been built • Three units (2x2) , stationed at the Caravan Park have been purchased. • Continual upgrades completed on existing houses stock as per Councils budget. <p>3.1.2 Ensure continued maintenance and preservation of housing</p> <p>Achievements:</p> <ul style="list-style-type: none"> • Housing Maintenance & Capital Program completed in accordance with Councils Budget. <p>3.3.1 Continue town revitalization</p> <p>Achievements:</p> <ul style="list-style-type: none"> • Re-establishment of Townscape Committee in progress

Strategic Community Plan 2017 - 2027

<p>Social Objective (Continued)</p> <p>Demonstrating a high quality of life for all, offering relevant activities, facilities, and services to enable people to meet their needs and achieve or exceed their potential</p>	<p>3.4.4 Develop Perenjori Recreation Centre to be more user friendly for all</p> <p>Achievements:</p> <ul style="list-style-type: none"> Roofing upgrade, New ramps access installed, along with pathways, New outdoor undercover area with bifold glass doors & bbq and Upgrade of kitchen with stainless steel benches & sinks to meet health standards all completed in 2018/19. <p>3.4.5 Ensure ongoing maintenance and renewal of existing facilities</p> <p>Achievements:</p> <ul style="list-style-type: none"> Maintenance & Capital Program completed in accordance with Councils Budget. <p>3.5.1 Monitor risk management plan for major events such as fire</p> <p>Achievements:</p> <ul style="list-style-type: none"> CESM currently reviewing & establishing a plan in response to Cyclone Seroja and future unforeseeable emergency events <p>3.5.2 Support FESA, St Johns and Roadwise Committee to continue services to community</p> <p>Achievements:</p> <ul style="list-style-type: none"> CESM (Community Emergency Services Manager) Rick Ryan employed since
<p>Civic Leadership Objective</p> <p>Supporting community's strong volunteering culture and supporting community leaders to grow and develop.</p>	<p>4.1.1 Develop Marketing program for Perenjori</p> <p>Achievements:</p> <ul style="list-style-type: none"> New Welcome to the Shire of Perenjori booklet produced in 2017 in conjunction with the Perenjori CRC. Regular communication to the community through Facebook, website and local notice boards. Surveys conducted to seek feedback from the community on events and other major projects. <p>4.2.1 Support Volunteering and the development of volunteers</p> <p>Achievements:</p> <ul style="list-style-type: none"> Annual Volunteers dinner event held to thank volunteers in our community. Ongoing commitment and support to emergency and volunteer groups. Mt Gibson Fund—provides funds to groups and clubs for projects and purchases of equipment & services for the benefit of the community.
<p>Our Leadership Objective</p> <p>Strengthen the Shire's position as an innovative, independent local Government providing excellence in all areas of governance, management and leadership.</p>	<p>5.1.1 Invest in leadership and management capacity building for Councillors and Staff</p> <p>Achievements:</p> <ul style="list-style-type: none"> New Councillors enrolled in on-line training modules Training opportunities sourced for staff on an ongoing basis as required. <p>5.1.5 Develop and Implement Asset Management</p> <p>Achievements:</p> <ul style="list-style-type: none"> Asset Management Plan Developed in 2012

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

TABLE OF CONTENTS

Statement by Chief Executive Officer	2
Statement of Comprehensive Income by Nature or Type	3
Statement of Comprehensive Income by Program	4
Statement of Financial Position	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Rate Setting Statement	8
Index of Notes to the Financial Report	9
Independent Auditor's Report	53

COMMUNITY VISION

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

Principal place of business:
56 Fowler Street
PERENJORI WA 6620

**SHIRE OF PERENJORI
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 Perenjori 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 Perenjori 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.

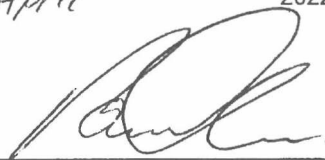
Signed on the

5

day of

April

2022



Chief Executive Officer

Paul Anderson



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

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
Revenue				
Rates	24(a)	2,829,167	2,817,722	2,705,435
Operating grants, subsidies and contributions	2(a)	2,860,690	2,017,461	2,799,405
Fees and charges	2(a)	575,435	575,400	629,821
Interest earnings	2(a)	18,557	15,550	38,376
Other revenue	2(a)	507,842	174,912	332,498
		<u>6,791,691</u>	<u>5,601,045</u>	<u>6,505,535</u>
Expenses				
Employee costs		(2,664,274)	(2,907,448)	(2,403,146)
Materials and contracts		(754,887)	(940,613)	(750,342)
Utility charges		(220,368)	(291,501)	(277,568)
Depreciation on non-current assets	11(b)	(3,251,951)	(2,491,169)	(2,453,588)
Interest expenses	2(b)	(29,567)	(33,703)	(40,394)
Insurance expenses		(186,063)	(132,878)	(128,179)
Other expenditure	2(b)	(274,562)	(369,895)	(470,560)
		<u>(7,381,672)</u>	<u>(7,167,207)</u>	<u>(6,523,777)</u>
		(589,981)	(1,566,162)	(18,242)
Non-operating grants, subsidies and contributions	2(a)	1,695,407	1,261,657	1,052,215
Profit on asset disposals	11(a)	12,901	20,000	6,975
(Loss) on asset disposals	11(a)	(155,115)	(39,540)	(28,215)
Fair value adjustments to financial assets at fair value through profit or loss		2,586	0	1,153
		<u>1,555,779</u>	<u>1,242,117</u>	<u>1,032,128</u>
Net result for the period		<u>965,798</u>	<u>(324,045)</u>	<u>1,013,886</u>
Other comprehensive income/(losses)				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	12	(360,077)	0	13,000
Total other comprehensive income/(losses) for the period		<u>(360,077)</u>	<u>0</u>	<u>13,000</u>
Total comprehensive income for the period		<u>605,721</u>	<u>(324,045)</u>	<u>1,026,886</u>

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



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

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
Revenue	2(a)			
Governance		322,583	27,000	88,930
General purpose funding		5,135,726	4,597,170	4,993,987
Law, order, public safety		182,748	139,951	200,531
Health		2,936	2,500	2,623
Education and welfare		197,089	61,500	162,774
Housing		155,252	124,800	138,444
Community amenities		44,603	34,500	41,505
Recreation and culture		208,387	13,550	306,386
Transport		228,946	211,924	165,152
Economic services		235,187	303,000	313,384
Other property and services		78,234	85,150	91,819
		<u>6,791,691</u>	<u>5,601,045</u>	<u>6,505,535</u>
Expenses	2(b)			
Governance		(267,541)	(323,860)	(145,268)
General purpose funding		(156,619)	(155,811)	(257,510)
Law, order, public safety		(571,062)	(329,310)	(316,323)
Health		(116,616)	(147,680)	(106,022)
Education and welfare		(502,540)	(525,016)	(436,474)
Housing		(128,378)	(101,597)	(214,579)
Community amenities		(470,735)	(592,951)	(456,651)
Recreation and culture		(1,351,110)	(1,196,438)	(1,185,675)
Transport		(2,941,106)	(2,778,272)	(2,518,642)
Economic services		(760,113)	(906,066)	(802,041)
Other property and services		(86,285)	(76,503)	(44,198)
		<u>(7,352,105)</u>	<u>(7,133,504)</u>	<u>(6,483,383)</u>
Finance Costs	2(b)			
Housing		(8,528)	(8,488)	(14,042)
Community amenities		(16,089)	(15,153)	(17,660)
Recreation and culture		(4,369)	(3,549)	(6,281)
Transport		(581)	(581)	(2,411)
Economic services		0	(5,932)	0
		<u>(29,567)</u>	<u>(33,703)</u>	<u>(40,394)</u>
		<u>(589,981)</u>	<u>(1,566,162)</u>	<u>(18,242)</u>
Non-operating grants, subsidies and contributions	2(a)	1,695,407	1,261,657	1,052,215
Profit on disposal of assets	11(a)	12,901	20,000	6,975
(Loss) on disposal of assets	11(a)	(155,115)	(39,540)	(28,215)
Fair value adjustments to financial assets at fair value through profit or loss		2,586	0	1,153
		<u>1,555,779</u>	<u>1,242,117</u>	<u>1,032,128</u>
Net result for the period		<u>965,798</u>	<u>(324,045)</u>	<u>1,013,886</u>
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	12	(360,077)	0	13,000
Total other comprehensive income for the period		<u>(360,077)</u>	<u>0</u>	<u>13,000</u>
Total comprehensive income for the period		<u>605,721</u>	<u>(324,045)</u>	<u>1,026,886</u>

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



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

	NOTE	2021 \$	2020 \$
CURRENT ASSETS			
Cash and cash equivalents	3	6,737,286	4,735,143
Trade and other receivables	6	100,185	88,492
Other financial assets	5(a)	0	700,000
Inventories	7	12,021	8,562
Other assets	8	0	3,508
TOTAL CURRENT ASSETS		6,849,492	5,535,705
NON-CURRENT ASSETS			
Other financial assets	5(b)	73,807	71,221
Inventories	7	104,000	104,000
Property, plant and equipment	9	16,515,909	17,345,462
Infrastructure	10	50,707,353	50,297,643
TOTAL NON-CURRENT ASSETS		67,401,069	67,818,326
TOTAL ASSETS		74,250,561	73,354,031
CURRENT LIABILITIES			
Trade and other payables	13	320,642	112,935
Other liabilities	14	277,492	0
Borrowings	15(a)	138,630	175,267
Employee related provisions	16	310,153	298,001
TOTAL CURRENT LIABILITIES		1,046,917	586,203
NON-CURRENT LIABILITIES			
Borrowings	15(a)	211,321	349,939
Employee related provisions	16	13,694	44,981
TOTAL NON-CURRENT LIABILITIES		225,015	394,920
TOTAL LIABILITIES		1,271,932	981,123
NET ASSETS		72,978,629	72,372,908
EQUITY			
Retained surplus		21,947,751	21,190,187
Reserves - cash backed	4	3,199,590	2,991,356
Revaluation surplus	12	47,831,288	48,191,365
TOTAL EQUITY		72,978,629	72,372,908

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

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

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 30 June 2019		20,972,440	2,346,664	48,686,918	72,006,022
Change in accounting policy		(151,447)	0	(508,553)	(660,000)
Restated total equity at 1 July 2019		20,820,993	2,346,664	48,178,365	71,346,022
Comprehensive income					
Net result for the period		1,013,886	0	0	1,013,886
Other comprehensive income	12	0	0	13,000	13,000
Total comprehensive income		1,013,886	0	13,000	1,026,886
Transfers from reserves	4	156,072	(156,072)	0	0
Transfers to reserves	4	(800,764)	800,764	0	0
Balance as at 30 June 2020		21,190,187	2,991,356	48,191,365	72,372,908
Comprehensive income					
Net result for the period		965,798	0	0	965,798
Other comprehensive income	12	0	0	(360,077)	(360,077)
Total comprehensive income		965,798	0	(360,077)	605,721
Transfers to reserves	4	(208,234)	208,234	0	0
Balance as at 30 June 2021		21,947,751	3,199,590	47,831,288	72,978,629

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

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

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		2,868,960	2,817,722	2,694,780
Operating grants, subsidies and contributions		3,341,962	2,017,461	3,140,032
Fees and charges		575,435	575,400	629,821
Interest received		18,557	15,550	38,376
Goods and services tax received		200,552	0	161,235
Other revenue		505,700	174,912	332,498
		7,511,166	5,601,045	6,996,742
Payments				
Employee costs		(2,665,550)	(2,841,865)	(2,360,077)
Materials and contracts		(576,945)	(940,613)	(910,575)
Utility charges		(220,368)	(291,501)	(277,568)
Interest expenses		(29,567)	(33,703)	(40,394)
Insurance paid		(186,063)	(132,878)	(128,179)
Goods and services tax paid		(441,720)	0	(329,674)
Other expenditure		(274,562)	(369,895)	(470,560)
		(4,394,775)	(4,610,455)	(4,517,027)
Net cash provided by (used in) operating activities	17	3,116,391	990,590	2,479,715
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	9(a)	(1,264,302)	(996,360)	(584,942)
Payments for construction of infrastructure	10(a)	(2,218,205)	(3,822,624)	(1,557,638)
Non-operating grants, subsidies and contributions	2(a)	1,695,407	1,261,657	1,052,215
Proceeds from sale of property, plant & equipment	11(a)	148,108	247,628	185,918
Proceeds from Term Deposit		700,000	0	0
Net cash provided by (used in) investment activities		(938,992)	(3,309,699)	(904,447)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	15(b)	(175,255)	(222,562)	(222,816)
Proceeds from new borrowings	15(b)	0	500,000	0
Net cash provided by (used in) financing activities		(175,255)	277,438	(222,816)
Net increase (decrease) in cash held		2,002,144	(2,041,671)	1,352,452
Cash at beginning of year		4,735,143	5,417,127	3,382,691
Cash and cash equivalents at the end of the year	17	6,737,287	3,375,456	4,735,143

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

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

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)	25 (b)	2,217,428	2,256,095	1,715,284
		2,217,428	2,256,095	1,715,284
Revenue from operating activities (excluding rates)				
Governance		322,583	27,000	90,083
General purpose funding		2,325,734	1,779,448	2,288,552
Law, order, public safety		182,748	139,951	200,531
Health		2,936	2,500	2,623
Education and welfare		197,089	61,500	162,774
Housing		155,252	124,800	138,444
Community amenities		44,603	34,500	41,505
Recreation and culture		208,387	13,550	306,386
Transport		241,847	231,924	165,152
Economic services		235,187	303,000	313,384
Other property and services		78,234	85,150	91,819
		3,994,600	2,803,323	3,801,253
Expenditure from operating activities				
Governance		(267,541)	(323,860)	(145,268)
General purpose funding		(156,619)	(155,811)	(257,510)
Law, order, public safety		(571,062)	(329,310)	(316,323)
Health		(116,616)	(147,680)	(106,022)
Education and welfare		(502,540)	(525,016)	(436,474)
Housing		(136,906)	(110,085)	(228,621)
Community amenities		(486,824)	(608,104)	(474,311)
Recreation and culture		(1,355,479)	(1,199,987)	(1,191,956)
Transport		(3,096,802)	(2,818,393)	(2,542,293)
Economic services		(760,113)	(911,998)	(802,041)
Other property and services		(86,285)	(76,503)	(44,198)
		(7,536,787)	(7,206,747)	(6,545,017)
Non-cash amounts excluded from operating activities	25(a)	3,360,580	2,439,228	2,312,428
Amount attributable to operating activities		2,035,821	291,898	1,283,948
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	2(a)	1,695,407	1,261,657	1,052,215
Proceeds from disposal of assets	11(a)	148,108	247,628	185,918
Purchase of property, plant and equipment	9(a)	(1,264,302)	(996,360)	(584,942)
Purchase and construction of infrastructure	10(a)	(2,218,205)	(3,822,624)	(1,557,638)
		(1,638,992)	(3,309,699)	(904,447)
Amount attributable to investing activities		(1,638,992)	(3,309,699)	(904,447)
FINANCING ACTIVITIES				
Repayment of borrowings	15(b)	(175,255)	(222,562)	(222,816)
Proceeds from borrowings	15(c)	0	500,000	0
Transfers to reserves (restricted assets)	4	(208,234)	(8,365)	(800,764)
Transfers from reserves (restricted assets)	4	0	0	156,072
Amount attributable to financing activities		(383,489)	269,073	(867,508)
Surplus/(deficit) before imposition of general rates		13,340	(2,748,727)	(488,007)
Total amount raised from general rates	24(a)	2,812,578	2,817,722	2,705,435
Surplus/(deficit) after imposition of general rates	25(b)	2,825,918	68,995	2,217,428

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

SHIRE OF PERENJORI
INDEX OF NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

Note 1	Basis of Preparation	10
Note 2	Revenue and Expenses	13
Note 3	Cash and Cash Equivalents	14
Note 4	Reserves - Cash backed	15
Note 5	Other Financial Assets	16
Note 6	Trade and Other Receivables	17
Note 7	Inventories	18
Note 8	Other Assets	19
Note 9	Property, Plant and Equipment	20
Note 10	Infrastructure	22
Note 11	Fixed Assets	24
Note 12	Revaluation Surplus	27
Note 13	Trade and Other Payables	28
Note 14	Other Liabilities	29
Note 15	Information on Borrowings	30
Note 16	Employee Provisions	32
Note 17	Notes to the Statement of Cash Flows	33
Note 18	Total Assets Classified by Function and Activity	34
Note 19	Contingent Liabilities	35
Note 20	Commitments	36
Note 21	Elected Members Remuneration	37
Note 22	Related Pary Transactions	38
Note 23	Joint Arrangements	40
Note 24	Rating Information	41
Note 25	Rate Setting Statement Information	44
Note 26	Financial Risk Management	45
Note 27	Initial Application of Australian Accounting Standards	48
Note 28	Trust Funds	49
Note 29	Other Significant Accounting Policies	50
Note 30	Activities/Programs	51
Note 31	Financial Ratios	52

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

1. BASIS OF PREPARATION

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

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

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

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

THE LOCAL GOVERNMENT REPORTING ENTITY

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

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 28 to these financial statements.

INITIAL APPLICATION OF ACCOUNTING STANDARDS

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

These were:

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

The 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.

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

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

2. REVENUE AND EXPENSES

(a) Grant revenue

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

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Operating grants, subsidies and contributions			
General purpose funding	2,290,829	1,773,598	2,266,362
Law, order, public safety	46,159	37,539	26,751
Education and welfare	100,000	0	100,000
Recreation and culture	200,000	0	200,000
Transport	223,702	206,324	206,292
	2,860,690	2,017,461	2,799,405
Non-operating grants, subsidies and contributions			
Law, order, public safety	485,751	0	0
Community amenities	1,000	1,000	0
Transport	1,208,656	1,260,657	1,052,215
	1,695,407	1,261,657	1,052,215
Total grants, subsidies and contributions	4,556,097	3,279,118	3,851,620
Fees and charges			
Governance	0	0	3,598
General purpose funding	1,899	300	2,016
Law, order, public safety	5,043	1,350	14,949
Health	2,936	2,500	2,623
Education and welfare	97,089	60,000	61,694
Housing	154,484	120,800	130,943
Community amenities	43,183	34,500	32,928
Recreation and culture	6,461	8,350	8,264
Transport	7,196	5,600	6,600
Economic services	235,187	303,000	313,384
Other property and services	21,957	39,000	52,822
	575,435	575,400	629,821

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.

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:

Operating grants, subsidies and contributions	2,860,690	2,017,461	2,799,405
Fees and charges	575,435	575,400	629,821
Other revenue	507,842	174,912	332,498
Non-operating grants, subsidies and contributions	1,695,407	1,261,657	1,052,215
	5,639,374	4,029,430	4,813,939

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

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)	2021 Actual \$	2021 Budget \$	2020 Actual \$
Revenue from 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 recognised during the year	3,943,967	2,767,773	3,761,724
Revenue from transfers intended for acquiring or constructing recognisable non financial assets during the year	1,695,407	1,261,657	1,052,215
	5,639,374	4,029,430	4,813,939
Information about receivables, contract assets and contract liabilities from contracts with customers along with financial assets and associated liabilities arising from transfers to enable the acquisition or construction of recognisable non financial assets is:			
Contract liabilities from contracts with customers	(277,492)	0	0
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.			
Revenue from statutory requirements			
Revenue from statutory requirements was recognised during the year for the following nature or types of goods or services:			
General rates	2,829,167	2,804,724	2,705,435
	2,829,167	2,804,724	2,705,435
Other revenue			
Reimbursements and recoveries	495,221	174,912	287,082
Other	12,621	0	45,416
	507,842	174,912	332,498
Interest earnings			
Interest on reserve funds	4,726	10,000	18,201
Rates instalment and penalty interest (refer Note 24(b))	8,244	0	13,232
Other interest earnings	5,587	5,550	6,943
	18,557	15,550	38,376

SIGNIFICANT ACCOUNTING POLICIES

Interest earnings

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

Interest earnings (continued)

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

(b) Expenses	Note	2021 Actual \$	2021 Budget \$	2020 Actual \$
Auditors remuneration				
Audit of the Annual Financial Statements		28,573	0	37,000
		28,573	0	37,000
Interest expenses (finance costs)				
Borrowings	15(b)	29,567	33,703	40,394
		29,567	33,703	40,394
Other expenditure				
Commissioner Fees		0	0	146,506
Sundry expenses		274,562	369,895	324,054
		274,562	369,895	470,560

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

2. REVENUE AND EXPENSES

REVENUE RECOGNITION POLICY

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Timing of revenue recognition
Rates - General	General Rates	Over Time	Dates for payment adopted by Council during the year	None	Adoption by Council annually	When taxable event occurs	Not applicable	When rates notice is issued
Service Charges	Charge for specific charges	Over Time	Dates for payment adopted by Council during the year	None	Adoption 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 reporting	Over Time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligations if project not complete	Set by mutual agreement with the customer	Based on the progress of works based on performance obligations	Returns limited to repayment transaction price of terms	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 recognised non-financial assets to be controlled by the Local Government	Over Time	Fixed term transfer of funds based on agreed milestones and reporting	Contract obligations if project not complete	Set by mutual agreement with the customer	Based on the progress of works based on performance obligations	Returns limited to repayment transaction price of terms	Output method based on project milestones and or completion date matched to performance obligations as inputs are shared.
Grants subsidies or contributions with no contractual commitments	General appropriations with no reciprocal commitment	No obligations	Not applicable	Not applicable	Cash Received	On receipt of funds	Not applicable	When assets are controlled
Fees and Charges - licences, registrations and inspections	Building, 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 the issue of associated rights	No refunds	On payment of the licences registration approval
Fees and Charges - Other Inspections	Regulatory food, health and safety	Single point in time	Full payment prior to issue	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
Fees and Charges - Waste Management Collection	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 on regular weekly and fortnightly as proportionate to collection service
Fees and Charges - Property hire and entry	Use of halls and facilities	Single point in time	In full in advance	Refund if event cancelled	Adopted by Council annually	Based on timing on entry to facility	Return limited to repayment of transaction	On entry or conclusion of hire
Fees and Charges - Memberships	Gym and pool membership	Over Time	In full in advance	Refund for unused portion of application	Adopted by Council annually	Apportioned equally across the period	Return limited to repayment of transaction	Output method over months matched to access rights
Fees and Charges - For other goods and services	Cemetery services and private works	Single point in time	In full in advance	None	Adopted by Council annually	Applied fully on timing of provision	Not applicable	Output method based on provision of service or completion of works
Fees and Charges - Fines	Fines issued for breaches of local law	Single point in time	Payment in full within defined time	None	Adopted by Council through local law	When taxable event occurs	Not applicable	When fine notice is issued
Other Revenue - Commissions	Commission for licensing	Single point in time, 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
Other Revenue - Reimbursements	Insurance claims	Single point in time	Payment in arrears for claimable event	None	Set by mutual agreement with the customer	When claim is signed	Not applicable	When claim is agreed

SHIRE OF PERENJORI
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		3,537,696	2,443,787
Term deposits		3,199,590	2,291,356
Total cash and cash equivalents		6,737,286	4,735,143

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		3,477,082	2,991,356
		<u>3,477,082</u>	<u>2,991,356</u>

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

Reserves - cash backed	4	3,199,590	2,991,356
Contract liabilities from contracts with customers	14	277,492	0
Total restricted assets		3,477,082	2,991,356

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

4. RESERVES - CASH BACKED

	2021 Opening Balance	2021 Actual Transfer to (from)	2021 Actual Closing Balance	2021 Budget Opening Balance	2021 Budget Transfer to (from)	2021 Budget Closing Balance	2020 Actual Opening Balance	2020 Actual Transfer to (from)	2020 Actual Closing Balance
(a) Leave Reserve	\$ 84,015	\$ 288	\$ 84,303	\$ 84,015	\$ 252	\$ 84,267	\$ 61,021	\$ 22,994	\$ 84,015
(b) Plant Replacement Reserve	568,395	1,953	570,348	568,395	1,705	570,100	247,346	321,049	568,395
(c) Refuse Site Reserve	203,442	699	204,141	203,442	0	203,442	201,536	1,906	203,442
(d) Swimming Pool Reserve	87,903	302	88,205	87,902	284	88,186	87,080	823	87,903
(e) Road & Rehab Infrastructure Reserve	33,411	115	33,526	33,411	100	33,511	19,386	14,025	33,411
(f) Housing Reserve	436,557	1,500	438,057	436,557	1,310	437,867	301,124	135,433	436,557
(g) Mt Gibson Infrastructure Reserve	1,149,088	201,904	1,350,992	1,149,088	3,447	1,152,535	947,626	201,482	1,149,088
(h) Tourist Accommodation Reserve	64,506	222	64,728	64,506	194	64,700	22,138	42,368	64,506
(i) Water Reserve	163,533	562	164,095	163,533	491	164,024	143,223	20,310	163,533
(j) IT Communications Reserve	200,506	689	201,195	200,506	602	201,108	160,112	40,394	200,506
(k) Computer Reserve	0	0	0	0	0	0	8,797	0	8,797
(l) Staff Housing Reserve	0	0	0	0	0	0	32,279	0	32,279
(m) Local Government Interest Free	0	0	0	0	0	0	16,680	0	16,680
(n) Local Achievement Reserve	0	0	0	0	0	0	2,732	0	2,732
(o) Caravan Park Reserve	0	0	0	0	0	0	8,432	0	8,432
(p) Sport & Recreation Amen Reserve	0	0	0	0	0	0	2,795	0	2,795
(q) Airstrip Development Reserve	0	0	0	0	0	0	3,077	0	3,077
(r) Vocal History Reserve	0	0	0	0	0	0	7,704	0	7,704
(s) Water Supply Reserve	0	0	0	0	0	0	18,779	0	18,779
(t) Community Bus Maintenance Reserve	0	0	0	0	0	0	18,534	0	18,534
(u) Road Reserve	0	0	0	0	0	0	10,636	0	10,636
(v) Community Amen Reserve	2,981,356	208,234	3,189,590	2,991,355	8,365	2,999,720	2,346,664	800,764	2,991,356

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

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

Name of Reserve	Anticipated date of use	Purpose of the reserve
(a) Leave Reserve	Ongoing	To be used for - : fund long service leave requirements.
(b) Plant Replacement Reserve	Ongoing	To be used for - : purchase of major plant.
(c) Refuse Site Reserve	Ongoing	To be used for - : future landfill sites.
(d) Swimming Pool Reserve	Ongoing	To be used for - : refurbishment and upgrade swimming pool facilities.
(e) Road & Rehab Infrastructure Reserve	Ongoing	To be used for - : roads, gravel and airport infrastructure.
(f) Housing Reserve	Ongoing	To be used for - : maintenance, upgrade and additional housing requirements.
(g) Mt Gibson Infrastructure Reserve	Ongoing	To be used for - : supporting the acquisition, restoration, extension or improvement of infrastructure assets limited to public buildings, recreational facilities, parks and gardens, power supply, water supply, land drainage or roads as per agreement.
(h) Tourist Accommodation Reserve	Ongoing	To be used for - : increasing and maintaining all aspects of water capacity within the Shire.
(i) Water Reserve	Ongoing	To be used for - : IT costs associated with future requirements.
(j) IT Communications Reserve	Ongoing	Amalgamated to other reserves as per Council Resolution
(k) Computer Reserve	Ongoing	Amalgamated to other reserves as per Council Resolution
(l) Staff Housing Reserve	Ongoing	Amalgamated to other reserves as per Council Resolution
(m) Local Government Interest Free	Ongoing	Amalgamated to other reserves as per Council Resolution
(n) Local Achievement Reserve	Ongoing	Amalgamated to other reserves as per Council Resolution
(o) Caravan Park Reserve	Ongoing	Amalgamated to other reserves as per Council Resolution
(p) Sport & Recreation Amen Reserve	Ongoing	Amalgamated to other reserves as per Council Resolution
(q) Airstrip Development Reserve	Ongoing	Amalgamated to other reserves as per Council Resolution
(r) Vocal History Reserve	Ongoing	Amalgamated to other reserves as per Council Resolution
(s) Water Supply Reserve	Ongoing	Amalgamated to other reserves as per Council Resolution
(t) Community Bus Maintenance Reserve	Ongoing	Amalgamated to other reserves as per Council Resolution
(u) Road Reserve	Ongoing	Amalgamated to other reserves as per Council Resolution
(v) Community Amen Reserve	Ongoing	Amalgamated to other reserves as per Council Resolution

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

5. OTHER FINANCIAL ASSETS

	2021	2020
	\$	\$
(a) Current assets		
Financial assets at amortised cost	0	700,000
	0	700,000
Other financial assets at amortised cost		
Term deposits	0	700,000
	0	700,000
(b) Non-current assets		
Financial assets at fair value through profit and loss	73,807	71,221
	73,807	71,221

The Shire of Perenjori holds 4 of 620 units in the Local Government House Trust. The total contribution by all Council's toward the purchase of the building was \$582,000.

Based on net assets of \$11,439,620 and 620 units, the value of 1 unit in the Local Government House Trust at 30 June 2020 is \$18,451.00. The value of 4 units being \$73,807 has been brought to account in 2021 as shown below.

Financial assets at fair value through profit and loss

Units in Local Government House Trust	73,807	71,221
---------------------------------------	--------	--------

During the year the following gains/(losses) were recognised in profit and loss:
Fair value gains/(losses) on equity investments at fair value through profit and loss are recognised in other gains/(losses) and classified as other property and services.

	2,586	1,153
--	-------	-------

SIGNIFICANT ACCOUNTING POLICIES

Other financial assets at amortised cost

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

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

Financial assets at fair value through profit and loss

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

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

Impairment and risk

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

SHIRE OF PERENJORI
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

2021	2020
\$	\$
35,713	61,408
64,472	27,084
100,185	88,492

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

7. INVENTORIES

Current

Fuel and materials

Non-current

Land held for resale - cost

Cost of acquisition

	2021	2020
	\$	\$
	12,021	8,562
	12,021	8,562
	104,000	104,000
	104,000	104,000

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

	112,562	140,330
	(70,672)	(109,261)
	74,131	81,493
	116,021	112,562

SIGNIFICANT ACCOUNTING POLICIES

General

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

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

Land held for resale

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

Land held for resale (Continued)

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

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

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

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

8. OTHER ASSETS

	2021	2020
	\$	\$
Other assets - current		
Accrued income	0	3,508
	0	3,508

SIGNIFICANT ACCOUNTING POLICIES

Other current assets

Other assets is the vaue of accrued interest from current term deposit.

SHIRE OF PERENJORI
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 \$	Total land and buildings \$	Furniture and equipment \$	Plant and equipment \$	Total property, plant and equipment \$
Balance at 1 July 2019	455,000	14,388,599	14,853,599	92,442	2,684,671	17,630,713
Additions	0	46,670	46,670	0	538,272	584,942
(Disposals)	0	0	0	0	(207,158)	(207,158)
Revaluation increments / (decrements) transferred to revaluation surplus	0	0	0	0	13,000	13,000
Depreciation (expense)		(381,562)	(381,562)	(4,148)	(290,325)	(676,035)
Balance at 30 June 2020	455,000	14,053,707	14,518,707	88,295	2,738,460	17,345,462
Comprises:						
Gross balance amount at 30 June 2020	455,000	15,188,832	15,653,832	241,308	3,886,028	19,781,168
Accumulated depreciation at 30 June 2020	0	(1,135,125)	(1,135,125)	(153,013)	(1,147,568)	(2,435,706)
Balance at 30 June 2020	455,000	14,053,707	14,518,707	88,295	2,738,460	17,345,462
Additions	0	83,280	83,280	0	1,181,022	1,264,302
(Disposals)	0	(63,093)	(63,093)	0	(227,229)	(290,322)
Impairment (losses) / reversals		(360,077)	(360,077)			(360,077)
Depreciation (expense)		(505,863)	(505,863)	(88,295)	(849,298)	(1,443,456)
Balance at 30 June 2021	455,000	13,207,954	13,672,954	0	2,842,955	16,515,909
Comprises:						
Gross balance amount at 30 June 2021	455,000	14,842,036	15,307,036	133,334	4,690,983	20,131,353
Accumulated depreciation at 30 June 2021	0	(1,634,082)	(1,634,082)	(133,334)	(1,848,028)	(3,615,444)
Balance at 30 June 2021	455,000	13,207,954	13,672,954	0	2,842,955	16,515,909

MF 574/22

SHIRE OF PERENJORI
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 items (Net revaluation method).	Independent Valuation	June 2017	Price per hectare/market borrowing rate.
Buildings - non-specialised	3	Market approach using recent observable market data for similar items (Net revaluation method).	Independent Valuation	June 2017	Improvements to buildings using construction costs and current conditions, residual values and remaining useful life.

Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement. During the period there were no changes in the valuation techniques used by the local government to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs.

(ii) Cost

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

SHIRE OF PERENJORI
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	Other infrastructure - Footpaths	Other infrastructure - Airfield	Other infrastructure - Parks & Ovals	Other infrastructure - Other	Total Infrastructure
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2019	46,655,423	127,722	540,933	2,641,140	552,340	50,517,558
Additions	1,531,575	0	0	26,063	0	1,557,638
Depreciation (expense)	(1,504,932)	(16,198)	(48,159)	(168,464)	(39,800)	(1,777,553)
Balance at 30 June 2020	46,682,066	111,524	492,774	2,498,739	512,540	50,297,643
Comprises:						
Gross balance at 30 June 2020	98,236,968	611,235	637,800	3,007,228	628,809	103,122,040
Accumulated depreciation at 30 June 2020	(51,554,902)	(499,711)	(145,026)	(508,489)	(116,269)	(52,824,397)
Balance at 30 June 2020	46,682,066	111,524	492,774	2,498,739	512,540	50,297,643
Additions	1,975,260	242,945	0	0	0	2,218,205
Depreciation (expense)	(1,528,567)	(16,198)	(25,273)	(192,193)	(46,264)	(1,808,495)
Balance at 30 June 2021	47,128,759	338,271	467,501	2,306,546	466,276	50,707,353
Comprises:						
Gross balance at 30 June 2021	100,212,228	854,179	637,800	3,007,228	628,809	105,340,244
Accumulated depreciation at 30 June 2021	(53,083,469)	(515,908)	(170,299)	(700,682)	(162,533)	(54,632,891)
Balance at 30 June 2021	47,128,759	338,271	467,501	2,306,546	466,276	50,707,353

MF 514/22

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

10. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

(i) Fair Value	Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Infrastructure - roads		3	Cost approach using depreciated replacement costs (Gross revaluation method).	Independent Valuation	June 2018	Construction costs and current conditions residual values and remaining useful life assessment inputs.
Other infrastructure - Footpaths		3	Cost approach using depreciated replacement costs (Gross revaluation method).	Independent Valuation	June 2018	Construction costs and current conditions residual values and remaining useful life assessment inputs.
Other infrastructure - Airfield		3	Cost approach using depreciated replacement costs (Net revaluation method).	Independent Valuation	June 2017	Construction costs/purchase costs and current conditions residual values and remaining useful life assessment inputs.
Other infrastructure - Parks & Ovals		3	Cost approach using depreciated replacement costs (Net revaluation method).	Independent Valuation	June 2017	Construction costs/purchase costs and current conditions residual values and remaining useful life assessment inputs.
Other infrastructure - Other		3	Cost approach using depreciated replacement costs (Net revaluation method).	Independent Valuation	June 2017	Construction costs/purchase costs and current conditions residual values and remaining useful life assessment inputs.

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

11. FIXED ASSETS

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

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

Initial recognition and measurement between mandatory revaluation dates

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

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

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

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

Revaluation

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

AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY
Revaluation (Continued)

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

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

Land under roads from 1 July 2019

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

Vested improvements from 1 July 2019

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

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

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

11. FIXED ASSETS

(a) Disposals of Assets

	2021			2021			2021			2021			2020			2020		
	Actual	Actual	Actual	Actual	Actual	Actual	Budget	Budget	Budget	Budget	Budget	Budget	Net Book	Actual	Actual	Actual	Actual	Actual
	Value	Proceeds	Profit	Loss	Value	Proceeds	Value	Proceeds	Profit	Loss	Value	Proceeds	Value	Proceeds	Profit	Loss	Value	Loss
Buildings - non-specialised	63,093	0	0	(63,093)														
Plant and equipment	227,229	148,108	12,901	(92,022)														
	290,322	148,108	12,901	(155,115)														

The following assets were disposed of during the year.

	2021			2021			2021			2021		
	Actual	Actual	Actual	Actual	Actual	Actual	Budget	Budget	Budget	Budget	Budget	Budget
	Value	Proceeds	Profit	Loss	Value	Proceeds	Value	Proceeds	Profit	Loss	Value	Proceeds
Plant and Equipment												
Transport												
Volvo Grader	45,000	25,000	0	(20,000)								
Isuzu Fire Truck	50,315	28,000	0	(22,315)								
Volvo Roller	72,202	31,819	0	(40,383)								
Fuso Canter Cab Chassis Truck	12,319	21,818	9,499	0								
Caterpillar Skid Steer	19,001	20,000	999	0								
Water Tanker	25,154	15,830	0	(9,324)								
Tandem Dolly	3,238	5,641	2,403	0								
	227,229	148,108	12,901	(92,022)								
Non Specified Buildings												
Recreation and culture												
Shearing Shed	8,998	0	0	(8,998)								
Colourbond Shed	54,095	0	0	(54,095)								
	63,093	0	0	(63,093)								
	290,322	148,108	12,901	(155,115)								

20/5/22

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

11. FIXED ASSETS

(b) Depreciation

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Buildings - non-specialised	505,863	334,329	381,562
Furniture and equipment	88,295	4,200	4,148
Plant and equipment	849,298	333,047	290,325
Infrastructure - roads	1,528,567	1,538,425	1,504,932
Other infrastructure - Footpaths	16,198	16,000	16,198
Other infrastructure - Airfield	25,273	39,000	48,159
Other infrastructure - Parks & Ovals	192,193	177,923	168,464
Other infrastructure - Other	46,264	48,245	39,800
	3,251,951	2,491,169	2,453,588

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
Asset Class	Useful life
Buildings	30 to 50 years
Furniture and equipment	4 to 30 years
Plant and equipment	5 to 15 years
Sealed roads and streets	
formation	not depreciated
pavement	50 - 65 years
seal	
- bituminous seals	20 years
- asphalt surfaces	25 years
Gravel roads	
formation	not depreciated
pavement	50 years
Footpaths - slab	50 years
Sewerage piping	not depreciated
Water supply piping and drainage systems	not depreciated
Airfield & Other Infrastructure	10-50 years
Parks & Ovals	10-50 years

Depreciation on revaluation

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

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

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

Amortisation

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

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

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

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

12. REVALUATION SURPLUS

	2021 Opening Balance	2021 Impairment (Decrement)	Total Movement	2021 Closing Balance	2020 Opening Balance	2020 Revaluation Increment	2020 Change in Accounting Policy	2020 Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land vested in and under the control of Council	0	0	0	0	508,553	0	(508,553)	0
Revaluation surplus - Buildings - non-specialised	6,036,570	(360,077)	(360,077)	5,676,493	6,036,570	0	0	6,036,570
Revaluation surplus - Plant and equipment	1,173,390	0	0	1,173,390	1,160,390	13,000	0	1,173,390
Revaluation surplus - Infrastructure - roads	39,103,103	0	0	39,103,103	39,103,103	0	0	39,103,103
Revaluation surplus - Other infrastructure - Airfield	778,034	0	0	778,034	778,034	0	0	778,034
Revaluation surplus - Other infrastructure - Parks & Ovals	730,179	0	0	730,179	730,179	0	0	730,179
Revaluation surplus - Other infrastructure - Other	370,089	0	0	370,089	370,089	0	0	370,089
	48,191,365	(360,077)	(360,077)	47,831,288	48,686,918	13,000	(508,553)	48,191,365

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

13. TRADE AND OTHER PAYABLES

Current

Sundry creditors
Prepaid rates
Accrued salaries and wages
ATO liabilities
Accrued Interest on Debentures

	2021	2020
	\$	\$
Sundry creditors	248,848	70,955
Prepaid rates	24,448	10,350
Accrued salaries and wages	45,243	18,188
ATO liabilities	(6,304)	2,892
Accrued Interest on Debentures	8,407	10,549
	<u>320,642</u>	<u>112,935</u>

SIGNIFICANT ACCOUNTING POLICIES

Trade and other payables

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

Prepaid rates

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

14. OTHER LIABILITIES

	2021	2020
	\$	\$
Current		
Contract liabilities	277,492	0
	277,492	0

SIGNIFICANT ACCOUNTING POLICIES

Contract liabilities

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

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

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

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

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

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

Service concession liabilities

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

mf 574/22

(a) Borrowings

(b) Repayments - Borrowings

• WA Treasury Corporation

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

15. INFORMATION ON BORROWINGS (Continued)

	2021	2020
	\$	\$
(c) Undrawn Borrowing Facilities		
Credit Standby Arrangements		
Bank overdraft limit		
Bank overdraft at balance date	20,000	25,000
Credit card limit	(1,799)	(2,247)
Credit card balance at balance date		
Total amount of credit unused	18,201	22,753
Loan facilities		
Loan facilities - current	138,630	175,267
Loan facilities - non-current	211,321	349,939
Total facilities in use at balance date	349,951	525,206
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.

MF 574/22

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

16. EMPLOYEE RELATED PROVISIONS

(a) Employee Related Provisions

Opening balance at 1 July 2020

Current provisions

Non-current provisions

Additional provision

Balance at 30 June 2021

Comprises

Current

Non-current

Amounts are expected to be settled on the following basis:

Less than 12 months after the reporting date

More than 12 months from reporting date

	Provision for Annual Leave	Provision for Long Service Leave	Total
	\$	\$	\$
Opening balance at 1 July 2020	298,001	0	298,001
Current provisions	0	44,981	44,981
Non-current provisions	298,001	44,981	342,982
Additional provision	12,152	(31,287)	(19,135)
Balance at 30 June 2021	310,153	13,694	323,847
Comprises			
Current	310,153	0	310,153
Non-current	0	13,694	13,694
	310,153	13,694	323,847
	2021	2020	
	\$	\$	
Less than 12 months after the reporting date	232,301	251,089	
More than 12 months from reporting date	91,546	91,893	
	323,847	342,982	

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

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

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

Short-term employee benefits

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

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

Other long-term employee benefits

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

Other long-term employee benefits (Continued)

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

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

Provisions

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

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

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

17. NOTES TO THE STATEMENT OF CASH FLOWS

Reconciliation of Cash

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

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Cash and cash equivalents	6,737,286	3,375,456	4,735,143

**Reconciliation of Net Cash Provided By
Operating Activities to Net Result**

Net result	965,798	(324,045)	1,013,886
Non-cash flows in Net result:			
Adjustments to fair value of financial assets at fair value through profit and loss	(2,586)	0	(1,153)
Depreciation on non-current assets	3,251,951	2,491,169	2,453,588
(Profit)/loss on sale of asset	142,214	19,540	21,240
Changes in assets and liabilities:			
(Increase)/decrease in receivables	(11,693)	0	163,365
(Increase)/decrease in other assets	3,508	0	(3,508)
(Increase)/decrease in inventories	(3,459)	0	27,768
Increase/(decrease) in payables	207,708	0	(195,996)
Increase/(decrease) in employee provisions	(19,136)	65,583	52,740
Increase/(decrease) in other liabilities	277,492	0	0
Non-operating grants, subsidies and contributions	(1,695,407)	(1,261,657)	(1,052,215)
Net cash from operating activities	3,116,390	990,590	2,479,715

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

18. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2021	2020
	\$	\$
Governance	2,370,265	2,890,193
General purpose funding	3,537,696	2,443,787
Law, order, public safety	858,853	477,293
Health	191,275	194,362
Education and welfare	1,334,135	1,392,135
Housing	3,822,476	3,927,152
Community amenities	368,742	384,975
Recreation and culture	5,618,271	5,857,364
Transport	49,843,457	49,644,001
Economic services	2,834,808	2,958,955
Other property and services	1,521,598	1,447,504
Unallocated	1,948,985	1,736,310
	74,250,561	73,354,031

19. CONTINGENT LIABILITIES

In compliance with the *Contaminated Sites Act 2003 Section 11*, the Shire has listed sites to be possible sources of contamination. Details of the sites are:

Landfill Sites

The Shire operates the Latham and Perenjori landfill sites under licences issued in terms of Part V of the *Environmental Protection Act 1986*. Both landfill sites are categorised as Class II putrescible landfill sites in terms of Schedule 1, Category 64 of the *Environmental Protection Regulations 1987*. The Shire's focus is maintaining the site in accordance with licensing conditions.

Contaminated Sites

The Shire of Perenjori has in compliance with Section 11 of the *Contaminated Sites Act 2003* identified the Shire of Perenjori Works Depot as a possible contaminated site.

Until the Shire conducts an investigation to determine the presence and scope of contamination, assess the risk and agree with the Department of Water and Environmental Regulation (DWER) the need and criteria for remediation, the Shire is unable to accurately quantify the clean up liability for its landfill sites and potentially contaminated sites. The Shire is continuing to monitor the site and will progressively undertake site investigations and remediation on a risk based approach. This approach is consistent with DWER guidelines.

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

20. CAPITAL COMMITMENTS

	2021	2020
	\$	\$
(a) Capital Expenditure Commitments		
Contracted for:		
- capital expenditure projects	0	0
- plant & equipment purchases	0	0
	0	0

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

21. ELECTED MEMBERS REMUNERATION

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Commissioner - P O'Model			
Commissioner annual payment	42,715	48,500	146,506
Elected member C King			
President's annual allowance	15,047	20,063	0
Meeting attendance fees	3,899	4,988	0
Other expenses	1,356	3,429	0
ICT expenses	1,691	357	0
Travel and accommodation expenses	109	286	0
	22,102	29,123	0
Elected member J Sutherland			
Deputy President's annual allowance	3,762	5,016	0
Meeting attendance fees	2,099	4,988	0
Other expenses	1,356	3,429	0
ICT expenses	1,691	357	0
Travel and accommodation expenses	554	286	0
	9,462	14,076	0
Elected member D Bradford			
Meeting attendance fees	2,099	4,988	0
Other expenses	1,356	3,429	0
ICT expenses	1,691	357	0
Travel and accommodation expenses	1,275	286	0
	6,421	9,060	0
Elected member B Baxter			
Meeting attendance fees	2,099	4,988	0
Other expenses	1,356	3,429	0
ICT expenses	1,691	357	0
Travel and accommodation expenses	572	286	0
	5,718	9,060	0
Elected member C Bryant			
Meeting attendance fees	2,099	4,988	0
Other expenses	1,356	3,429	0
ICT expenses	1,691	357	0
Travel and accommodation expenses	1,554	286	0
	6,700	9,060	0
Elected member L Hepworth			
Meeting attendance fees	2,099	4,988	0
Other expenses	1,356	3,429	0
ICT expenses	1,691	357	0
Travel and accommodation expenses	340	286	0
	5,486	9,060	0
Elected member P Logue			
Meeting attendance fees	1,879	4,988	0
Other expenses	1,356	3,429	0
ICT expenses	1,691	357	0
Travel and accommodation expenses	1,138	286	0
	6,064	9,060	0
	104,668	136,999	146,506
Fees, expenses and allowances to be paid or reimbursed to elected council members.			
Commissioner annual payment	42,715	48,500	146,506
President's allowance	15,047	20,063	0
Deputy President's allowance	3,762	5,016	0
Meeting attendance fees	16,273	34,916	0
Other expenses	9,492	24,003	0
ICT expenses	11,837	2,499	0
Travel and accommodation expenses	5,542	2,002	0
	104,668	136,999	146,506

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

22. RELATED PARTY TRANSACTIONS

Key Management Personnel (KMP) Compensation Disclosure

	2021 Actual	2020 Actual
The total of remuneration paid to KMP of the Shire during the year are as follows:	\$	\$
Short-term employee benefits	291,121	291,472
Post-employment benefits	40,839	39,162
Other long-term benefits	24,568	18,031
	356,528	348,665

Short-term employee benefits

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

Post-employment benefits

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

Other long-term benefits

These amounts represent long service benefits accruing during the year.

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

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:		
Sale of goods and services	0	683
Purchase of goods and services	313,246	57,767
Short term employee benefits -other related parties	65,717	69,660
Total	378,963	128,110

Related Parties

The Shire's main related parties are as follows:

i. Key management personnel

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

ii. Other Related Parties

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

Any entity that is controlled by or over which KMP, or close family members of KMP, have authority and responsibility for planning, directing and controlling the activity of the entity, directly or indirectly, are considered related parties in relation to the Shire.

iii. Entities subject to significant influence by the Shire

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

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

23. JOINT ARRANGEMENTS

Share of joint operations

The Shire of Perenjori has a joint arrangement with the Housing Authority for the provision of four (4) family houses and two (2) aged care units. The assets reflect capital works carried out by Council. All revenue and expenditure, as well as the Shire's share of assets of the joint arrangement are recognised in the Shire's financial statements.

The Shire of Perenjori's share in Buildings is included in the financial statements as follows:-

Buildings	128,484	128,484
Less Accumulated Depreciation	(16,196)	(11,704)
Total assets	<u>112,288</u>	<u>116,780</u>

Share of joint ownership

Shire of Perenjori Ownership

79 Russell Street	21.00%
Lot 58 Hesford Street	14.85%
Lot 28 Livingstone Street	21.00%

Statement of Comprehensive income

Other revenue	16,885	36,388
Other expenditure	(33,788)	(17,372)
Net result for the period	<u>(16,903)</u>	<u>19,016</u>
Total comprehensive income for the period	(16,903)	19,016

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

24. RATING INFORMATION

(a) Rates

RATE TYPE	Rate in \$	Number of Properties	2020/21 Actual Value	2020/21 Actual Rate	2020/21 Actual Interim Rates	2020/21 Actual Back Rates	2020/21 Budget Rate	2020/21 Budget Interim Rate	2020/21 Budget Back Rate	2020/21 Budget Total Revenue	2019/20 Actual Total Revenue
Differential general rate / general rate											
Gross rental valuations											
GRV Townsite	8.27/12	106	1,157,948	95,776	(1,396)	0	0	0	0	95,777	107,525
GRV Mining	8.27/12	1	3,144,000	260,047	0	0	0	0	0	260,047	239,308
Unimproved valuations											
UV Rural Pastoral	1.9000	258	102,237,000	1,942,503	20,149	0	1,962,652	9,000	(1,500)	1,950,003	1,871,531
UV Mining	34.255	38	2,068,797	708,667	0	(93)	708,574	0	0	708,667	665,010
Exploration	25.500	17	66,066	16,847	0	0	16,847	0	0	16,847	30,444
Sub-Total		420	108,673,811	3,023,840	18,753	(93)	3,042,500	9,000	(1,500)	3,031,341	2,914,418
Minimum payment	\$										
Gross rental valuations											
GRV Townsite	349	36	29,391	12,564	0	0	12,564	0	0	12,564	12,564
GRV Mining	349	1	20	349	0	0	349	0	0	349	349
Unimproved valuations											
UV Rural Pastoral	349	10	72,700	3,490	0	0	3,490	0	0	3,490	3,490
UV Mining	349	5	1,765	1,745	0	0	1,745	0	0	1,745	1,745
Exploration	349	15	10,925	5,235	0	0	5,235	0	0	5,235	5,933
Sub-Total		67	114,801	23,383	0	0	23,383	0	0	23,383	24,081
Discounts/concessions (Note 24(b))											
Total amount raised from general rate		487	108,788,612	3,047,223	18,753	(93)	3,065,883	9,000	(1,500)	3,054,724	2,938,499
Ex-gratia rates											
Totals							(253,305)			(250,000)	(249,652)
							2,812,578			2,804,724	2,688,847
							16,589			13,000	16,588
							2,829,167			2,817,722	2,705,435

SIGNIFICANT ACCOUNTING POLICIES

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

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

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

24. RATING INFORMATION (Continued)

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

Rates Discounts

Rate or Fee Discount Granted	Discount	Discount	2021 Actual	2021 Budget	2020 Actual	Circumstances in which Discount is Granted
Rates Discount	%	\$	\$	\$	\$	
	10.00%		(253,305)	(250,000)	(249,652)	A discount is offered to ratepayers who pay the full amount of rates and charges including any previous outstanding amounts on or before the due date as stated on the rates notice. This date is at least 35 days after the notice is issued. This discount does not apply to interim rates levied and those properties to which a minimum rate applies.
Waivers or Concessions			(253,305)	(250,000)	(249,652)	
Rate or Fee and Charge to which the Waiver or Concession is Granted	Type	Discount	2021 Actual	2021 Budget	2020 Actual	
Photocopy and paper charges	Waiver	%	\$	\$	\$	
	Gratis		Unknown	Unknown	Unknown	
Total discounts/concessions (Note 24(a))			(253,305)	(250,000)	(249,652)	
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			
Photocopy and paper charge A	waiver will be granted for community groups where Council considers support for these groups is required for the benefit of the overall community.	To assist community groups with photocopying & printing facilities, documents for community purposes.	To relieve community groups of the costs associated with the printing of			

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

24. RATING INFORMATION (Continued)

(b) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
Option One				
Single full payment	16th September 2020	5.50%	7.00%	7.00%
Option Two				
First instalment	16th September 2020	5.50%	7.00%	7.00%
Second instalment	16th November 2020	5.50%	7.00%	7.00%
Third instalment	18th January 2021	5.50%	7.00%	7.00%
Fourth instalment	18th March 2021	5.50%	7.00%	7.00%
		2021 Actual \$	2021 Budget \$	2020 Actual \$
Interest on unpaid rates		5,337	0	8,178
Interest on instalment plan		2,681	0	3,494
Charges on instalment plan		226	0	450
		8,244	0	12,122

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

25. RATE SETTING STATEMENT INFORMATION

		2020/21	2020/21	2019/20
		Budget	Budget	
		(30 June 2021)	(30 June 2021)	(30 June 2020)
		Carried	Carried	Carried
Note	Forward)	Forward)	Forward)	Forward)
	\$	\$	\$	\$
(a) Non-cash amounts excluded from operating activities				
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .				
Adjustments to operating activities				
Less: Profit on asset disposals	11(a)	(12,901)	(20,000)	(6,975)
Less: Movement in liabilities associated with restricted cash		0	7,599	(167,078)
Less: Fair value adjustments to financial assets at fair value through profit and loss		(2,586)	0	(1,153)
Movement in employee benefit provisions (non-current)		(30,999)	0	5,831
Add: Loss on disposal of assets	11(a)	155,115	(39,540)	28,215
Add: Depreciation on non-current assets	11(b)	3,251,951	2,491,169	2,453,588
Non cash amounts excluded from operating activities		3,360,580	2,439,228	2,312,428
(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	(3,199,590)	(2,999,720)	(2,991,356)
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings	15(a)	138,630	452,705	175,267
- Employee benefit provisions		84,302	120,729	84,015
Total adjustments to net current assets		(2,976,658)	(2,426,286)	(2,732,074)
Net current assets used in the Rate Setting Statement				
Total current assets		6,849,492	3,471,400	5,535,705
Less: Total current liabilities		(1,046,917)	(976,119)	(586,203)
Less: Total adjustments to net current assets		(2,976,658)	(2,426,286)	(2,732,074)
Net current assets used in the Rate Setting Statement		2,825,917	68,995	2,217,428

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

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	0.05%	6,737,286	3,199,590	3,537,696	
2020					
Cash and cash equivalents	0.02%	4,735,143	2,291,356	2,443,787	
Financial assets at amortised cost	0.90%	700,000	700,000		

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*	67,373	47,351

* 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 15(b).

SHIRE OF PERENJORI
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	19,325	6,381	6,175	3,832	35,713
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	8,823	2,823	9,913	39,849	61,408
Loss allowance	0	0	0	0	0

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

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
30 June 2021					
Trade and other receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	36,361	8,349	0	19,762	64,472
Loss allowance	0	0	0	0	0
30 June 2020					
Trade and other receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	17,979	8,901	0	204	27,084
Loss allowance	0	0	0	0	0

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

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 15(c).

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

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
<u>2021</u>	\$	\$	\$	\$	\$
Payables	320,642	0	0	320,642	320,642
Borrowings	158,838	54,805	136,308	349,951	349,951
Contract liabilities	277,492	0	0	277,492	277,492
	756,972	54,805	136,308	948,085	948,085
<u>2020</u>					
Payables	112,934	0	0	112,934	112,934
Borrowings	203,126	305,093	112,142	620,361	525,206
	316,060	305,093	112,142	733,295	638,140

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

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 constructs assets for the Shire, upgrades existing assets of the Shire or uses existing assets of the Shire to operate and maintain the assets to provide a public service, for a specified period of time. The Shire has considered the requirements of AASB1059 Service Concession Arrangements: Grantor and confirms that the Shire has no arrangements that fall within the scope of this standard.

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

28. TRUST FUNDS

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

	1 July 2020	Amounts Received	Amounts Paid	30 June 2021
	\$	\$	\$	\$
Mt Gibson Public Benefit Fund	257,880	52,117	(63,116)	246,881
	257,880	52,117	(63,116)	246,881

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

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.

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

30. ACTIVITIES/PROGRAMS

Shire operations as disclosed in these financial statements encompass the following service orientated activities/programs. In order to discharge its responsibilities to the community, Council has developed a set of operational and financial objectives. These objectives have been established both on an overall basis, reflected by the Shire of Perenjori's Community Vision, and for each of its broad activities/programs.

Council has adopted a 'Plan for the future' comprising a Strategic Community Plan and Corporate Business Plan to provide the long term community vision, aspirations and objectives.

The Strategic Community Plan defines the key objectives of the Shire as:

"Economic: A strong, resilient and balanced economy.

Environment: Our unique natural and built environment is protected and enhanced.

GOVERNANCE

Expenses associated with provision of services to members of council and elections. Also included are costs associated with computer operations, corporate accounting, corporate records and asset management. Costs reported as administrative expenses are redistributed in accordance with the principle of activity based costing (ABC).

GENERAL PURPOSE FUNDING

Rates and associated revenues, general purpose government grants, interest revenue and other miscellaneous revenues such as commission on police licensing. The costs associated with raising the above mentioned revenues, eg: valuation expenses, debt collection and overheads.

LAW, ORDER, PUBLIC SAFETY

Enforcement of Local Laws, fire prevention, animal control and provision of ranger services.

HEALTH

Health inspection services, food quality control, mosquito control and contributions towards provision of medical health services.

EDUCATION AND WELFARE

Donations to local education facilities, Perenjori Early Childhood Centre .

HOUSING

Provision of maintenance for staff and private housing.

COMMUNITY AMENITIES

Rubbish collection services, operation and maintenance of refuse sites, cemetery maintenance and flood mitigation, public convenience maintenance.

RECREATION AND CULTURE

Maintenance of halls, swimming pool, recreation centres, parks and gardens, ovals and various reserves, operation of library services.

TRANSPORT

Maintenance of roads, drainage, footpaths, parking facilities, traffic control, street cleaning and maintenance of airstrip.

ECONOMIC SERVICES

Tourism, community development, pest control, building services, caravan parks and private works.

OTHER PROPERTY AND SERVICES

Plant works, plant overheads and stock of materials.

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

31. FINANCIAL RATIOS

	2021 Actual	2020 Actual	2019 Actual
Current ratio	3.50	3.67	2.72
Asset consumption ratio	0.54	0.55	0.56
Asset renewal funding ratio	0.87	0.96	N/A*
Asset sustainability ratio	1.00	0.78	0.69
Debt service cover ratio	12.46	9.33	6.89
Operating surplus ratio	(0.19)	(0.01)	(0.12)
Own source revenue coverage ratio	0.52	0.56	0.54

* The asset renewal funding ratio for 2019 was not reported. Planned capital renewals and required capital expenditure at the time of reporting were not supported by a Council approved long-term financial plan and asset management plan respectively.

The above ratios are calculated as follows:

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



Auditor General

INDEPENDENT AUDITOR'S REPORT 2021 Shire of Perenjori

To the Councillors of the Shire of Perenjori

Report on the audit of the annual financial report

Opinion

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

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

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

- is based on proper accounts and records
- fairly represents, in all material respects, the results of the operations of the Shire for the year ended 30 June 2021 and its financial position at the end of that period in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

Basis for opinion

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

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

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

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

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

Auditor's responsibility for the audit of the financial report

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

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

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

Report on other legal and regulatory requirements

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

- (i) In my opinion, the following material matter indicates a significant adverse trend in the financial position of the Shire:
 - a) The Operating Surplus Ratio as reported in Note 31 of the annual financial report has been below the Department of Local Government, Sport and Cultural Industries' standard for the last three financial years.
- (ii) The following material matters indicating non-compliance with Part 6 of the Act, the Regulations or applicable financial controls of any other relevant written law were identified during the course of my audit:
 - a) A review in relation to the appropriateness and effectiveness of the Shire's systems and procedures in relation to risk management, internal controls and legislative compliance was not completed at least once in every three financial years as required by Regulation 17 of the Local Government (Audit) Regulations 1996.
 - b) A review of the appropriateness and effectiveness of the Shire's financial management systems and procedures was not completed by the CEO at least once every three financial years, as required by section 5(2)(c) of the Local Government (Financial Management) Regulations 1996. The last review took place for the financial year ended 30 June 2017.
 - c) For approximately 44% of purchase transactions we sampled, there was inadequate or no evidence that a sufficient number of quotations were obtained to test the market, and no documentation to explain why other quotes were not sought. This practice increases the likelihood of not receiving value for money in procurement and the risk of fraud or favouritism of suppliers. Additionally, from our sampling for 26% of payments made during the year there was no evidence of appropriate approval.
 - d) The Shire has not reported the Asset Renewal Funding Ratio for 2019 in the annual financial report as required by section 50(1) of the Local Government (Financial Management) Regulations 1996 as planned capital renewals and required capital expenditure were not supported by a Council approved long-term financial plan and asset management plan respectively.
 - e) Security controls over key systems of the Shire were found to have weaknesses in restricting unauthorised access. This could lead to inappropriate use of the Shire's system or information; however our audit testing did not identify any inappropriate use.
- (iii) All required information and explanations were obtained by me.
- (iv) All audit procedures were satisfactorily completed.
- (v) In my opinion, the Asset Consumption Ratio for 2019-2021 and the Asset Renewal Funding Ratio for 2020-2021 included in the financial report were supported by verifiable information and reasonable assumptions.

Other information

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

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

Matters relating to the electronic publication of the audited financial report

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

Grant Robinson
Assistant Auditor General Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
7 April 2022