ANNUAL REPORT 2020/2021

SHIRE OF Quairading

Take a closer look

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OUR VISION

"Our Shire is a place of welcome for all, where we work together, with thriving industry creating jobs, a bright future for our young people, and a bustling town in a beautiful and productive rural setting."

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Acknowledgement of Country

The Shire of Quairading acknowledges the Noongar/Balladong people as the traditional custodians of this land and their continuing connection to land and community. We pay our respects to the people, to the culture and to the elders past and

Artist Charlie Colbung

OVERVIEW

Shire of Quairading

2020/2021 Annual Report

the We are pleased to present the Shire of Quairading's 2020/21 Annual Report. Every year Shire provides vital community services and infrastructure and our Annual Report is the document where we highlight our achievements and the progress Council has made towards realising the strategic goals identified in our *Strategic Community Plan 2017-2027.*

Through this strategic planning approach, the different roles we undertake as a local government, and the diversity of the many products and services we deliver, we are recognised as being responsive to the ever changing needs of our community, businesses, State Government and other key stakeholders.

Council's website provides additional information about Council's plans, policies and activities. Please visit https://www.quairading.wa.gov.au/

Your feedback is valuable as it will help us to improve our next Annual Report. If you would like to provide feedback or would like more information regarding any content in this Annual Report, please contact the Shire Administration Centre at:-

Email:
shire@quairading.wa.gov.au

Address:
PO Box 38
QUAIRADING WA 6383

Telephone:

COPIES OF THIS ANNUAL REPORT

In line with our ongoing commitment to sustainability, the Shire produces a limited number of hard copies of the Annual Report and encourages people to view the report and associated financials online via the Shire's Website https://www.quairading.wa.gov.au/

Photos by Sarah Caporn

OVERVIEW

About our Shire

At a glance

Kaya Quairading Koort Balladong Boodjar (Heart of Balladong Country)

Quairading is a beautiful town nestled in the Central Wheatbelt of Western Australia, just 170km east of Perth on the York-Merredin Road.

The Shire's main localities are Quairading, Pantapin, Yoting, Badjaling, Dangin, South Caroling, Balkuling, Doodenanning, and Wamenusking. Occupying a land area of approximately 2040 km², the Shire borders eight other Local Governments consisting of the Shires of Beverley, Brookton, Bruce Rock, Corrigin, Cunderdin, Kellerberrin, Tammin and York.

We are a farming community with a population of just over 1000 persons, producing cereal and grain crops, sandalwood plantation, wool, sheep and cattle, supported by rural service industries. Our community provides a variety of volunteer-run cultural, sporting and social activities.

Amenities and Facilities include:-

early childhood education centre, district high school, youth centre, district hospital, doctors surgery, general shopping, agricultural retail, fuel, automotive and gas supplies, sports ground (football, hockey, cricket, tennis, basketball, netball etc.), 18 hole golf course, Town Hall (community theatre, events, badminton, seniors fitness, dance classes etc.), Community Resource Centre, arts centre, community gym, aquatic centre, caravan park and cabins, Vintage Machinery Club.

Land Area
2,040 km²

Schools
1

Bushland
9,000 Ha

Footpaths Maintained
720 m²

Childcare Centres
1

Council Buildings Maintained
59

Street Lights
135

Length of Roads
942 km²

Community Car Utilised–Trips
51

Ranger Services Requests Received
37

Development Applications Received
3

Eligible Voters 18+
741

Food Premises Monitored
8

Infringement Notices
6

Registered Bush Fire Bridge Volunteers
109

Containers for Change
267,156

DoT Licensing Transactions
2,006

DoT Theory Tests Completed
26

Kerbside Recycling
79.34 T

Caravan Park Powered Sites Nights Booked
1,852

Caravan Park Cabins Nights booked
854

People Follow the Shire Facebook Page
933

Customer Service Requests
268

Private Works Requests
21

Library Services Items Loaned
2022

Quairading Gym Entries
2,666

Swimming Pool Barriers Monitored
50

Richard Bleakley, Rick Wilson MHR, Shire President Wayne Davies, CEO Graeme Fardon, Steve Martin MLC, Cr Trevor Stacey

A Year in Review

From the Shire President

Again it is with much pleasure that I present to you the Annual Report for the Shire of Quairading for the financial year ending June 2021, another busy and successful year.

The Federal Government's Drought Community Extension Program certainly has kept everyone extremely busy to meet time lines as required under this Program, with the majority of projects completed by the end of June. Details of the projects are mentioned in other reports.

I am very pleased to report that Council after all its deliberations managed to achieve a 0% rates increase for the 2020/2021 Year. This was made possible through careful budgeting by our officers with the help of various grant funding sources enabling us to complete many projects aspired by the community. Grants also helped us to maintain and improve our road network and townscape. It is unknown what effect the COVID pandemic will have financially on our community.

Our CEO Graeme Fardon took a well-deserved and overdue eight weeks' long service leave break and we were very fortunate to again have Mr Allen Cooper come in as Acting CEO during that time kept things ticking over.

Australia Day celebrations continue to be very popular in Quairading, with this year's Community Breakfast held at the Community Building with some shelters and seating provided outside on the oval. Initially this was done to observe the then COVID rules, but maybe this could develop further and expand into a larger family friendly event in future years. I encourage community groups to put forward nominations for the Citizen of the Year Award.

This year Council recognised the achievements of several local identities, being Mr Kevin Simpson for his 60 Years of Volunteer Service with St John Ambulance, Mr Colin Hayes for his bowling achievements and selection for the Country All Stars Team and State Over 60's Team and Mr Bill Fraser also for Lawn Bowls and his selection as the State Over 60's Bowler of the Year. We also acknowledged the Quairading Farmers' Cooperative for their outstanding Customer Service during the height of the COVID pandemic in early 2020.

Council continues to engage with members of our Noongar community via the Reconciliation Action Plan Committee and we welcome reconciliation achievements that have been made by the Committee with the aim of our Community being even more inclusive. We now meet bimonthly at the Community Resource Centre.

During the Year, Council sold both of its factory units to private enterprise, which was a great outcome for the town. Council is also currently developing the old sale yard lots into a light industrial area in the hope of attracting new businesses to town in the future. It is planned that the on ground works will be completed in the first half of the new financial year.

I would sincerely like to thank my fellow Councilors for their input and support both in Council and within the community and I feel that Council is a very cohesive group and I am sure this will continue into the future.

To my Deputy Shire President, Cr Jo Haythornthwaite, thank you for your support and phone calls on a number of issues. It is very reassuring to have that support and once again I am confident this will continue. It is also very pleasing to have Cr Brett McGuinness holding the Office of WALGA Central Country Zone President. Cr McGuinness is doing an excellent job representing Council and local government in general at the regional level.

I extend my appreciation to all our staff for their efforts over the last financial year. Quairading is indeed fortunate to have quality committed staff. It is also pleasing to report on the positive relationship that exists between Council and the administration.

I acknowledge the efforts of our Executive Management Team who bring everything together, despite the many challenges. Thank you to the Executive Manager of Works and Services, Mr Allan Rourke, for doing a fantastic job leading the Works/Parks & Gardens Team, Executive Manager of Corporate Services, Mr Nathan Gilfellon, for looking after the administration and finances of Council, Executive Manager of Community, Projects and Strategy, Richard Bleakley who has overseen the team delivering such a wide range of projects and community programs. Also I acknowledge the outstanding work of Executive Officer, Mrs Anthea Strauss, who provides significant administrative and governance support for the CEO and for Council.

In closing, I would like to acknowledge the efforts put in by our CEO, Graeme Fardon, during this year. It is not until you get involved in Council that you can really appreciate the many and varied things that a CEO is expected to do and is responsible for and indeed dealing with many issues that don't come before Council.

Once again Graeme, thank you for your dedication and commitment to our Shire and community over the past 28 years, it doesn't go unnoticed.

Graeme tendered his resignation during the year giving a nine month notice period to enable Council to conduct a full recruitment process for the new CEO. The recruitment process is underway as at the 30th June 2021 and I am confident that a suitable replacement will be sourced in the coming months to commence in December 2021.

WAYNE DAVIES
Shire President

CEO Graeme Fardon, Cr Brett McGuinness, Cr Trevor Stacey

A Year in Review

From the CEO

It is my pleasure to present the Chief Executive Officer's Annual Report for the period ended the 30th June 2021 to the Residents and Ratepayers of the Shire of Quairading.

Council has been fortunate to receive significant amounts of external grant funding which has challenged Council on prioritising projects that fit the funding guidelines and project timeframes. The Council staff have stepped up to the challenge and delivered many additional capital projects whilst still overseeing and providing core services and programs to our community and for the many visitors to the District.

The Year has also seen ongoing challenges with the evolving situation with COVID-19 restrictions and the vaccination program roll out. I acknowledge the efforts of our local First Responders and health care professionals who helped keep our community safe.

Council and senior management staff commenced a major review of the Strategic Community Plan in February/March 2021 and will conclude with the adoption of the 2021-2031 SCP in July 2021. Details of Council's progress on its Key Integrated Planning Documents are detailed further in this Annual Report.

The Plan and supporting integrated planning documents guide and assist Council in its decision-making and also guide future Council budgets and service delivery plans.

Council Works staff and contractors undertook a very busy year with road construction and road maintenance, and assisted with other building and infrastructure projects including the new single cabins and onsite caretaker's residence at the Caravan Park, hockey oval sports lighting and the Youth Centre upgrade.

I commend all staff and contractors for their project planning, project delivery and service delivery throughout the Year.

The caravan park and cabins have continued to be extremely popular with visitors coming to spend some time in our community. This has seen a noticeable increase in the amount of vehicle and foot traffic in the main shopping precinct.

Planning has continued throughout the year on the development of two light industrial lots on the old sale yard area, with contracts having been awarded late in the financial year, with on-ground Works due to commence in July 2021.

In the second half of the year, Council and the executive staff concluded the review of the Workforce Plan which has identified emerging employment trends, both within the organisation and also externally in an ever tightening labour market. Council continues to experience a significant turnover in staff for multiple reasons. The Workforce Plan identifies the human resources required to deliver both capital projects and ongoing Programs. Thank you to all staff (permanent and casuals) for accepting the additional workload at times while other positions have been unfilled and recruitment occurs.

I recognise the efforts and professionalism of the Executive Management Team who have ably assisted me throughout the Year.

Further details on the many projects, programs and services are provided within the Annual Report.

I wish to thank all Councillors for their support of myself as CEO, and the whole staff during the past 12 months. I acknowledge the significant time and effort Councillors contribute individually and as a team for the betterment and progress of the District.

I also acknowledge the outstanding efforts of all volunteers who commit their time to the many community groups, Services and Committees in the District that all help to make Quairading such a great place to live and or visit.

I sincerely thank the Shire President, Cr Wayne Davies and Deputy Shire President, Cr Jo Haythornthwaite for their outstanding leadership of Council and their respective roles in the community during the past Year.

GRAEME A FARDON
Chief Executive Officer

Our Council

Elected Members

Each of the Shire's 8 Elected Members, including the Shire President and Deputy Shire President work together to provide good governance by making decisions on all aspects of community, social, environmental and economic wellbeing.

The Council oversees the allocation of the Shire's finances and resources, determines its policies and ensures that the Shire's statutory and community responsibilities are performed effectively and efficiently.

The Council meets on the last Thursday of each month, with a recess in January. The December Council meeting is held on the third Thursday. Occasionally, Special Council Meetings are held to consider specific urgent Council business.

Council Meetings are open to the public, but members of the public may be asked to leave the Chambers at times if Councillors need to discuss confidential items. All Council and Committee meetings are conducted in accordance with the Local Government Act.

Members of the Council can be contacted by the public to discuss any local issue, by calling on their listed phone number or by email. The Elected members contact details can be found on the Shire's Website.

Shire President

The Shire President's duties include providing leadership and guidance to the community, carrying out civic and ceremonial duties, speaking on behalf of the Council, liaising with the CEO on the Council's affairs and performance, and presiding at meetings.

Councillors

Councillors represent the interests of electors, ratepayers and residents. Councillors sit formally as the Council to make decisions to meet the needs of the whole Quairading District.

During the year the Shire President and Councillors also attend committee meetings of Council and a range of Advisory Group meetings that are not included in the Elected Members attendance table.

Cr Wayne Davies

SHIRE PRESIDENT
TERM EXPIRES 2021

Cr Jo Haythornthwaite

DEPUTY SHIRE PRESIDENT
TERM EXPIRES 2023

Cr Becky Cowcill

COUNCILLOR
TERM EXPIRES 2023

Cr John Haythornthwaite

COUNCILLOR
TERM EXPIRES 2021

Cr Jonathan Hippisley

COUNCILLOR
TERM EXPIRES 2023

Cr Brett McGuinness

COUNCILLOR
TERM EXPIRES 2023

Cr Peter Smith

COUNCILLOR
TERM EXPIRES 2021

Cr Trevor Stacey

COUNCILLOR
TERM EXPIRES 2021

Council Code of Conduct

The *Code of Conduct for Council Members, Committee Members and Candidates* establishes acceptable standards of ethical conduct for Councillors and Committee Members. The Code addresses probity and responsibility and encourages greater transparency and accountability.

The Code was adopted by Council in March 2021 in accordance with the Local Government Act 1995 (the Act) and the new regulations *Local Government (Model Code of Conduct) Regulations 2021* (new regulations) taking effect on the 3rd February 2021.

The Code performs two functions; it achieves compliance with statutory obligations and provides a framework for achieving high ethical standards.

The Code and associated Councillors' Behaviour Complaint Policy provides a process for complaints being made regarding the behaviour of an individual Councillor (an Election Candidate). The CEO is the appointed Complaints Officer. It is reported that there have been nil behaviour complaints received to the 30th June 2021.

Our Council

Elected Members

The number of Council meetings and Standing Committee meetings held during the year ended 30 June 2021 and the numbers of those meetings attended by each Elected Member is as follows:

Councillor	Ordinary Council (11)	Special Council (3)	Electors Meeting (1)	Audit & Risk Committee (4)	Strategic Planning Committee (4)	Total (23)
Cr Wayne Davies	10	3	0	2	4	19
Cr Jo Haythornthwaite	11	3	0	4	4	22
Cr Becky Cowcill	10	3	0	4	3	20
Cr John Haythornthwaite	10	3	0	4	4	21
Cr Jonathan Hippisley	11	3	1	4	3	22
Cr Brett McGuinness	9	3	1	3	4	20
Cr Peter Smith	10	3	1	4	4	22
Cr Trevor Stacey	11	3	1	4	4	23

Council Allowances & Fees

The Shire's Councillor Allowances and Attendance at Events Policy outlines what support will be provided by the Shire to Councillors, taking into account the responsibilities and commitment of Councillors serving as community representatives.

Councillor remuneration is determined by the Salaries and Allowances Tribunal according to Band Classification for local governments in Western Australia. The Shire of Quairading is classified as Band 4 local government.

Allowances and fees paid by the Shire of Quairading to Councillors for the financial year are outlined below.

Councillor	Shire President's Allowance	Deputy Shire President Allowance	Total Meeting Fees	Travelling reimbursement
Cr Wayne Davies	$513.00		$6,613.00	$0
Cr Jo Haythornthwaite		$0	$3,680.00	$0
Cr Becky Cowcill			$3,162.00	$0
Cr John Haythornthwaite			$3,238.00	$0
Cr Jonathan Hippisley			$3,376.00	$0
Cr Brett McGuinness			$3,328.00	$0
Cr Peter Smith			$3,238.00	$0
Cr Trevor Stacey			$3,604.00	$0

Elected Members Demographics

Age Range 30 June 2021	Elected Members
Aged between 18 years and 24 years	
Aged between 25 years and 34 years	
Aged between 35 years and 44 years	
Aged between 45 years and 54 years	
Aged between 55 years and 64 years	5
over the age of 64 years	3

Enhancing knowledge of Council

The Shire supports the ongoing development of it's Elected Members to enable them to engage in the decision-making process with the appropriate knowledge, skills and competencies to undertake their role. Elected Members are required to undertake compulsory training following their election and encouraged to attend additional professional development opportunities.

In accordance with the *Local Government Act 1995* and the Elected Member Continuing Professional Development Policy, the Shire maintains a register that provides the details of the courses/forums completed by Elected Members during the year. A copy of the register can be viewed on the Shire's website at https://www.quairading.wa.gov.au/documents/

Our Leadership and People

Executive Management Team

The Council's Administration is led by the Chief Executive Officer appointed by the Council.

There a four (4) Senior Executive Officers at the Shire of Quairading. The Executive Management Team continued to build organisational capacity and leadership capability to deliver the objects and outcomes of the Strategic Community Plan. Identified opportunities for improvement were prioritised and addressed through the integrated planning process. This ensured services were delivered in line with community expectations while continuing to strengthen the long-tern sustainability of the Shire.

Council Staff

On behalf of Council, the CEO employs a number of specialist and multi-skilled staff across the departments including Administration, Customer Services, Works & Services, Community Services and the Medical Practice.

Delegations of authority

Delegations of authority provide officers with the power to carry out duties and make determinations. Under the LG Act, both the Council and the CEO are given certain powers and duties to be discharged.

The Council, by absolute majority, may delegate in writing to the CEO the exercise of any of its powers or the discharge of any of its duties under various Acts, apart from those specified in s.5.43 of the LG Act.

The CEO may delegate to any employee the exercise of a number of the CEO's powers or the discharge of any CEO duties, other than the power of delegation, including those powers and duties delegated by the Council, subject to any conditions imposed by the Council.

The LG Act requires the CEO to keep a register of delegations and arrange once every financial year for those delegations to be reviewed by Council.

The Shire's Workforce Plan

The Shire's Workforce Plan outlines how the Shire will invest in its workforce and ensure it continues to respond to communities service expectations and identified capital projects.

In June 2018, the Shire's Workforce Plan 2018 – 2022 was implemented and this plan was reviewed in April 2021. This plan describes a range of initiatives and actions in the areas of recruitment and retention, cross-departmental collaboration, leadership and decision making, customer service, communication, diversity, safety, and health and wellbeing.

The reviewed Workforce Plan determined workforce strategies that will allow the Shire to achieve its Strategic Community Plan and Corporate Business Plan objectives through consideration of:

- how the workforce will need to change over the short term to achieve immediate strategic priorities of Council;
- who is responsible for managing key Shire projects and expected service levels;
- external factors that may influence the workforce;
- data about the current workforce and trends; and
- Identifying "pressure points" where further Capacity needs to be funded and directed.

Changes to the Organisational Structure

The Shire continues to make incremental adjustments and realignments to our structure to allow us to continue to deliver high-quality services to the community.

Employee Performance Review Process

Our workforce capability requirements are diverse and varied, with roles that span entry level administration and customer service through to professional specialist roles. Council, the CEO and management conduct annual employee performance reviews to set clear expectations, along with measuring and monitoring results.

Conditions of Employment

Employees at the Shire are covered by the Local Government Award 2020. The Shire contributes the statutory component of each employee's salary to a complying superannuation fund of their choice and will increase the superannuation contributions in line with legislation. Employees also have the option to make additional contributions to their superannuation fund.

Photo by Angie Roe Photography

Our Leadership and People

Cultural Awareness

The Shire continues to strive to be a place where people choose to live, work, visit and invest. This translates into a workplace culture where people know what they can do to enable the Shire to serve the community and where they feel encouraged to make contributions and suggestions on how we can improve.

As a key component of Council's Reconciliation Action Plan, Cultural Awareness Training was undertaken by all staff in May 2021. The staff responded positively to the Training Sessions. Council acknowledges the professional and cultural services provided by Murray & Lorna Yarran.

It is planned that Councillors undertake Cultural Awareness Training in the 2021/2022 year.

Traineeship Program

The Shire welcomed one school-based trainee in 2020/21. The arrangement enabled the student to participate in a challenging learning arrangement by attending high school, TAFE and working at the Shire concurrently to complete a nationally recognised qualification. The Traineeship will continue in the 2021/2022 Year.

OSH Learning and Development

A range of specialist learning opportunities were coordinated and implemented across the Shire, including:

- Health and safety representative training
- Manual task training
- Ergonomic workstation assessments and advice
- Resilience workshops
- Chemical Healthy Course Certification
- OSH Risk Register Incident Investigation Training
- Hazard identification risk assessment and control training
- Operate and Maintain Chainsaw/Polesaw
- Working Safely at Heights
- Licence to Operate a Boom-type Elevated Work Platform
- First Aid Courses
- Basic Worksite Traffic Management Traffic Controller Training.

Workplace Report

As at 30 June 2021, Council employed 41 Staff, which consisted of full-time, part-time and casual positions.

Staff by Business Area—Headcount as at 30 June 2021

Employee Profile by Business Unit	Full Time		Part Time		Casual		
	M	F	M	F	M	F	
Community & Strategic Projects	1			2			3
Community Emergency Services	1						1
Corporate Services	2	1		5		3	11
Legislative & Development Services			1				1
Medical Services				5		2	7
Office of the CEO	1	1					2
Works & Services	11	1	3			1	16
Total	**16**	**3**	**4**	**12**	**0**	**6**	**41**

Community Grants Programme

Grants Awarded

Council's Annual Community Grants Program is a strategic tool for capacity building, supporting innovation and addressing community need in line with the Council and Community's vision. Funding is available to assist community groups in establishing and or continuing a service or activity seen as a need for the betterment of and improvement to the enjoyment of life within the community.

The Shire of Quairading awarded a total of **$30,425.41** to Community Groups during 2020-21 for projects ranging from capital improvements, equipment for sporting clubs and support for local events and workshops.

Congratulations to all grant recipients.

Community Groups and Projects	Grant Awarded
Tourism and Tidy Towns Committee Annual support for operating costs	$3,500.00
Quairading Bowling Club Annual support for bowling surface loan repayment	$10,000.00
South Caroling Social Club Annual support for operating costs	$1,500.00
Doodenanning Sports Club Hall improvements including adding a concrete slab to the Hall entrance	$1,600.00
Wamenusking Sports Club Annual support for operating costs	$1,500.00
Wamenusking Sports Club Purchase of archery targets	$650.00
Pantapin Progress Association Annual support for operating costs	$500.00
Quairading Agricultural Society Contribution towards the Agricultural Shed asphalt surface preparation	$3,000.00
Quairading Netball Club (Jnr & Snr) Contribution towards the running of a fundraiser Quiz Night	$295.46
Quairading Rainmakers Inc Venue hire, equipment hire and community bus hire for the Fervor dinner party events	$410.14
Quairading Vintage Club Venue and equipment hire for a Machinery Rally event	$478.86
Quairading Playgroup Purchase of new toys and bikes	$400.00
Quairading Rainmakers Inc. Support to run the annual Community Christmas Party	$2500.00
Quairading Bowling Club Support for landscaping and gravel works	$2000.00
Quairading District High School Venue and equipment hire for the Wheatbelt Schools Ball	$227.28
Quairading Bowling Club Community Bus hire for transporting players to Pennants Matches	$500.00
Wheatbelt Aboriginal Health Service Hire of the Gym for the HEAL Aboriginal Health Program	$436.40
Quairading Playgroup Hire of the Quairading Swimming Pool	$177.27
Community Vision Town Hall hire for Aboriginal History exhibition and workshop	$331.82
Quairading LCDC Venue hire for the Annual Community Fox Shoot Breakfast	$145.46
Quairading Ladies Hockey Club Community Bus Hire for transporting players to games	$500.00

Drought Funding
Projects

The Drought Communities Programme (DCP) was announced by the Prime Minister in November 2019 with the aim to provide financial support to rural communities in the most drought-affected regions of Australia. The DCP was assessed using rainfall deficiency data from the Bureau of Meteorology and population and industry data. It also focused on Shires with a particular reliance on agriculture. The funding was made available for local infrastructure projects and other drought-relief activities and was intended to provide support by boosting local employment and procurement while also addressing community needs.

Quairading was successfully awarded $1 million under the DCP.

Council nominated ten projects to complete with this grant money. These were projects that had been on Council's 'to-do' list for some time but were not easily funded from elsewhere. They were ultimately selected as they needed to be completed 30th June 2021.

The projects were:

1. Main Street Layover Bay – reconfiguring the secondary parking of the shopping precinct to allow eastbound traffic to pull over and shop in Quairading.

Realignment of the parking and access to parking on the main street precinct (Heal Street) has facilitated easier and safer parking, particularly for those towing caravans or large trucks, and access to retail and service outlets along the main street. Anecdotal evidence indicates that a greater number of travellers are stopping and purchasing goods and services whilst in town.

2. Town Hall Refurbishments – adding render to the current brick sections on the 1970s addition, a full paint inside and out, upgrades to the concertina doors in the Lesser Hall and carpeting in the backstage rooms.

Drought Funding Projects

The DCP works have revitalized the infrastructure and facilities within the Town Hall. The Town Hall is both a community social and recreational facility as well as the Shire's Emergency Evacuation Centre. The Shire has already held a number of events and conferences / workshops and the Town Hall will continue to be the venue for the Curtain Raisers (local drama society) biennial Production.

3. Youth Centre Refurbishments – significant upgrades to the kitchen and ablutions, general repairs and interior painting.

Upgrades to the facilities at the Youth Centre including compliance issues relating to disability access and inclusion, the removal of asbestos and upgrades to electrical utilities within the building. Renovation to the building has come with the negotiation of extension of the lease of the Building from the RSL of WA.

The Shire's Youth program will recommence in 2022 after a short hiatus following completion of renovations and the recruitment of new staff.

4. Solar Voltaic System at the Pool – installation of a solar PV system on the roof of various Pool Buildings.

Installation of a 35KVA solar voltaic system at the pool has substantially reduced the electricity drawdown from the grid as well as reducing the Shire's carbon footprint.

The system generates an average of 225KW/day during summer, and an average of 90KW/day during winter.

System provides electricity for

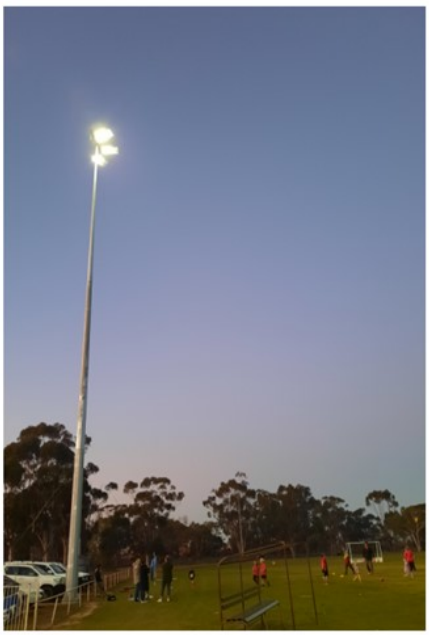
In summer – Pool operation and oval reticulation
In winter – Operation of the Caravan Park

Shire will be considering battery storage to reduce production returned to grid

In summer – 25%
In winter – 50%

Drought Funding
Projects

5. Hockey Lighting – adding an additional lighting tower over the hockey training pitch at the Sportsground.



Installation of additional flood lighting (LED) at the Oval has improved training facilities for both the Hockey Club and secondarily the Football Oval, as well as LED lighting reducing the electricity consumption of the oval training area.

Improved lighting has also provided an opportunity to host evening and night events at the Community Precinct and Oval.

6. Single Accommodation at the Caravan Park –a block of four single bedrooms to replace the now demolished railway barracks. Designed to complement the self-contained cabins (installed in 2019) but do not have a bathroom so guests will use the shared ablution block.

Construction of single rooms met an accommodation demand not currently catered for in Quairading. Construction and fit-out was completed under the DCP and the units will be opening in early September 2021.

7. Caretaker Cottage – on-site accommodation for a manager of the Caravan Park including both laundry and reception spaces.

Provision of residence for caretaker at the Caravan Park will simplify the operation of the Caravan Park and cabins as well as create an additional job within the community. Onset of COVID 19 pandemic has seen a substantial increase in clientele both tourist and commercial travellers.

Drought Funding
Projects

8. Road Access and Kerbing at Arthur Kelly Village – renewal and refurbishment of the access roads and drainage around the villas. Road works have provided improved and safer access for residents (Aged living in Independent Living Units) and services provided to the residents.

9. Roofing Arthur Kelly Village – Upgrading of roofing of existing aged accommodation units, renewing the roofs of all four villas with Colorbond sheeting.

Works completed under the DCP has extended the life of the units, ensuring that our ageing demographic will be able to downsize and remain in their community. Restoration of the roofing is part of a larger Arthur Kelly Units renewal program to ensure sufficient and appropriate housing for our ageing population.

10. Adverse Event Plan – required element of the funding programme to put some long-term plans in place for future hardships. The plan tackles events such as a chemical spill in the town-site to a major flood or bushfire incident. The plan will form part of the Shire's Integrated Planning Framework and will be reviewed periodically.

LONG-TERM BENEFITS OF THE DCP PROJECTS

Success of the DCP has been measured by the following gains to the Quairading community and local economy:

Generation of Local Employment - A number of the projects saw the renovation and upgrading of existing facilities. These have included the Shire Hall, Youth Centre and Arthur Kelly Aged Accommodation. These projects have employed local trades persons to deliver the outcomes. Local and Regional suppliers have included painters, renderers, plumbers, electricians and builders.

Use of Local Suppliers - A precondition of employing contractors was that they were to secure supplies from local outlets. For renovation/building projects these have been procured from local or regional sources (i.e. Northam)

Increased economic activity in town - Delivery phase of project has both increased employment (local contractors), retail sales (consumables and project supplies), commercial accommodation occupancy and the use of local eateries.

With the focus on diversifying the local economy, tourism is a sector that has recently seen growth and the potential to expand further. The construction of a caretaker facility and the future employment of a caretaker, the additional accommodation units and a more tourist/traveller friendly main street will stimulate further growth of the tourism sector, with its multiplier effect on retail and services providers.

Increased commercial and recreational visitors - Increase in commercial visitor numbers with regional contractors utilising local accommodation facilities. It is too early to see a significant growth in recreational visitor numbers but Council expects bookings to increase into the future.

Improved social wellbeing - Upgrading of social facilities – sporting, community buildings and youth – will create an environment where community engagement, physical and social interaction occurs. Social inclusion and promoting an active lifestyle are high priorities in addressing social wellbeing in a diverse community such as Quairading.

Photo by Angie Roe Photography

Community Strategic Plan 2017-2027

Community Connection

The Strategic Community Plan 2017 –2027 is an overarching document that reflects the aspirations and goals of the Quairading Community and guides the provision of the Shire's services, activities and infrastructure to work towards delivering the outcomes desired by the Quairading Community.

Council commenced a Major Review of the current Strategic Community Plan in February/March 2021 with the engagement of 150 Square Consultants to facilitate the Review for Council and the Community.

Thank you to Caroline Robinson and Stephen Grimmer for their Professional Services to date on the Review Project with extreme community engagements including focus groups and community surveys.

Economic

Objective:

Growing economy and employment opportunities

Outcomes

ED1: Economic diversity and resilience

ED2: Tourism facilities and services

Social

Objective:

Active, healthy, safe and inclusive community

Outcomes

S1: Active community

S2: Healthy community

S3: Safe community

S4: Inclusive community

Built Environment

Objective:

Planning and infrastructure to meet the needs of the community

Outcomes

B1: Responsive Land Use Planning

B2: Enhanced and Sustainably Managed Assets and Infrastructure

Natural Environment

Objective:

To preserve and sustain our natural environment

Outcomes

NE1: Demonstrated Sustainable Practices

NE2: Protected and valued natural areas

Governance

Objective:

Strong governance and community engagement

Outcomes

G1: Robust Integrated Planning and Reporting (IPR)

G2: Strengthened Advocacy and Partnerships

G3: Community Engagement

G4: Sound Organisation

COUNCIL

Community Strategic Plan 2017-2027

Community Connection

Economic Objectives – Main Achievements

ED1: Economic diversity and resilience

- Sale of both Heal Street Factory Units to Farmarama P/L New business commenced.
- Subdivisional approval granted by the WA Planning Commission for the five (5) Light Industrial Lots on the Old Saleyards Land.
- Preliminaries and procurement for Utilities and Civil Works for 2 Lots commenced during the 2020/2021 Year. On ground works to commence in July 2021.

ED2: Tourism facilities and services

- Successful Tourism Campaign on GWN7.
- Increased visitations due to COVID Pandemic and "Wander out Yonder" campaign for intrastate visitors.
- Planning and commencement of the new Single Cabins and onsite Caretakers Cottage. Due for completion in the first half of 2021/2022 Year.
- Modifications to the vehicle laybys and entrance to Heal Street shopping precinct encouraging visitors to park caravans, RV's close to the shops.
- Continued participation in the Roe Tourism Association and regular reporting on visitor numbers.

Social Objectives – Main Achievements

S1: Active community

- Infants Swimming Lessons funded by Royal Life Saving WA commenced in February/March 2021.
- Grant Writing Workshop–February 2021
- Regular visits by "Noongar Sports"
- Seniors Christmas lunches/events

S2: Healthy community

- Ongoing in-kind support for the "Stay on your Feet" and QARRAS Group.
- Continued community information in regard to COVID-19 pandemic and the vaccination rollout.
- Aged Care Forum–February 2021.

S3: Safe community

- Local Emergency Management Committee were active with quarterly meetings.
- Extensive work to the bitumen apron at the airstrip was completed.
- Logistical support for the Volunteer Bush Fire Brigade provided by the Community Emergency Services Manager.
- Regular service by Council's contract ranger.

S4: Inclusive community

- The Reconciliation Action Plan Committee moved from quarterly meetings to every two months.
- Youth program under "Better Choices Program" included "Let's Skate" which had 35 participants and laser tag.
- Archery at the Youth Centre with Noel Stone.
- Youth Centre Christmas Party–70 participants.
- NAIDOC Reconciliation Walk in Unity–September 2020.
- Farmers Information Breakfast hosted at the Works Depot.

Community Strategic Plan 2017-2027

Community Connection

Built Environment - Achievements

B1: Responsive Land Use Planning

Council still progressed with the approval process for the new Town Planning Scheme No.3 and the Local Planning Strategy. Approval for both are expected in 2021/2022 Year.

B2: Enhanced and Sustainably Managed Assets and Infrastructure

Key achievements of the Works Team this year include the completion of $2.85 million worth of road construction which comprised of 23.5km of re-seal and seal widening, and 9.73km of gravel re-sheets. The winter grading program is delivered over three months and during this time the crews can grade around 50km of road per week. This work sets us up for the heavy traffic during the harvest months.

The Parks and Gardens Team have been busy keeping our town tidy and attractive through out the year.

The Quairading Caravan Park has been maintained to a high standard. In addition to the three new cabins installed in 2019/20, we have seen a new Care Takers Cottage and four new single person cabins installed. It has helped to promote Quairading as an attractive place for tourists, giving them a range of accommodation options.

It is expected that both facilities will be fully operational before Christmas 2021.

Built Environment – Achievements

B2: Enhanced and Sustainably Managed Assets and Infrastructure

Major Capital Works

Roadworks

Council Works staff and contractors undertook a Roadworks Construction Program with a budgeted cost of $3.25M. Actual Expenditure was $2.85M

Major works included-

- Heal Street Parking/Layby - Construction of Parking Areas
- Arthur Kelly Village Road Upgrade - Reconstruct, Asphalt and Kerb
- Goldfields Road - Reconstruct, Widen and Seal (SLK 5.60 to SLK 6.09) and (SLK 6.52 to 9.16)
- Goldfields Road - Reseal (SLK 0.00 to 3.86)
- Balkuling North Road - Reseal (SLK 4.32 to 9.78)
- Mount Stirling Road - Reseal (SLK 3.63 to 6.29)
- Old Beverley East Road - Reconstruct, Widen and Seal (SLK 9.12 To 12.12)
- Quairading - Cunderdin Road WFSN Stg 2 - Reconstruct, Widen And Seal (SLK 14.12 to 19.34)
- Stacey Bus Road - Gravel Resheet (SLK 0.00 to SLK 1.00)
- Badjaling North Road - Gravel Resheet (SLK 18.02 to SLK 24.20)
- Pannell Road - Gravel Resheet (SLK 0.00 to SLK 4.55)
- Quairading Airstrip - Apron Extension
- Town Hall - Carpark Design
- McLennan Street – 360m Footpath Replacement

Plant Replacement

Caterpillar Grader

Cherry Picker

Slasher

1x Utility .

Community Strategic Plan 2017-2027

Community Connection

Natural Environment – Achievements

NE1: Demonstrated Sustainable Practices

- Solar Votaic System installed at the Swimming Pool Building bringing savings to the electricity bills at the pool, caravan park and oval.
- Installation of energy efficient lights for football and hockey sports.
- Ongoing water monitoring under the Waterwise Pool Program.
- Kerbside collection data

Kerb Side Collection (Tonnes)			
	2019/20	2020/21	
General household waste	320.20	299.63	- 6.42%
Recyclable materials	81.77	79.34	- 2.97%
Contaminated recyclable materials	14.56	14.12	- 3.02%

- Commencement of the Containers for Change Refund Point at the Waste and Recycling Facility.

NE2: Protected and valued natural areas

- Ongoing support for Friends of the Quairading Nature Reserve.
- Ongoing–further investigation and planning on Bush Fire Risk Mitigation and Management Plans, to be completed in 2021/2022.

QUAIRADING MEMORIAL POOL
Quairading Swimming Pool

RESUSCITATION

Community Strategic Plan 2017-2027

Community Connection

Governance – Achievements

G1: Robust Integrated Planning and Reporting (IPR)

- Major Review of the Strategic Community Plan commenced in February /March 2021.
- Continued regular inspections of Council's buildings and facilities with the objective of preventative maintenance program being established for all Council Buildings.
- Development of 10 Year Road and Footpath Program, utilising RAMM software.

G2: Strengthened Advocacy and Partnerships

- Further strengthening of relationships with Federal and State MP's, departments and agencies.
- Strong advocacy for increased funding and services for health, transport, aged care and telecommunications.
- Continued strong participation and advocacy at the WALGA Zone and at State level.

G3: Community Engagement

- Continued information to the Community on the COVID-19 Pandemic, State Government restrictions and the vaccination rollout.
- Monthly Community updates on "Around the Town" on commercial radio.
- Increased communication and engagement on Council's website and Facebook pages.
- Town Clock information board.
- Client Request System–Client requests are generated through various medians including reports by phone, email, website or over the front counter at the Administration Centre and Works Depot.
- Annual Electors Meeting–February 2021.
- Farmers Information Breakfast.
- Citizenship Ceremonies.
- Australia Day Community Breakfast and Awards at the Community Building.
- Community Achievement Awards.

G4: Sound Organisation

Finances

In the 2020/2021 year, Council adopted a budget expenditure (both operating and capital) totalling $11.9M.

Council determined a 0% increase in Total Council Rates, levied for the 2020/21 year over the rates levied in the 2019/2020 year with Total Gross Rates Levied of $2,299,548.

Council continues its policy of adopting rate levels in line with its Corporate Business Plan and Long Term Financial Plan to ensure that sufficient funds are available for ongoing programs and for reserve Funds for future capital projects.

Council's Cash Balances held as at the 30th June 2021 were:

	$
Unrestricted	1,938,400
Restricted – Reserve Funds	3,575,367
Contract Liabilities (Unspent Grants & Contributions)	5,734
Grants for transfers for recognisable non-financial assets	201,945
Bonds and Deposits Held	94,222
Total Cash	$ 5,815,668

This compares with a cash balance of $5,083,976 as at 30/6/2020.

Community Strategic Plan 2017-2027

Community Connection

Governance – Achievements

G4: Sound Organisation

Reserve Funds

Council transferred a Total of $569,910 to the various reserve funds in the 2020/2021 Year and drew $86,277 from the reserve funds during the year under review. $40,527 was utilised to fund eligible Long Service Leave and Annual Leave taken by Council Staff, $45,750 for upgrades to the Town Hall Building. The Closing Cash Balance of Council's Reserve Funds was $3,575,367.

Further detail on the individual reserve funds can be found in Note 4 of the Annual Financial Statements.

Loan Funds

Council's Loan liability as at the 30th June 2021 was $483,488 compared to $581,642 at 30th June 2020.

No new loans were taken out during 2020/2021.

Grants & Subsidies

Total grants, subsidies and contributions received for the year totalled $4,839,484 represented by the following:

	$
Operating Grants Scheme	2,103,932
Non-Operating Grants Scheme	2,735,552
Total Grants, Subsidies and Contributions	$ 4,839,484

The total of current liabilities (includes contract liabilities and liabilities under transfers to acquire or construct non-financial assets to be controlled by the entity) as at the 30th June 2021 totalled $207,679. In comparison, contract liabilities as at the 30th June 2020 was $91,255.

Financial Ratios

The Benchmarks (Target Ratios) have been developed by the Department of Local Government, Sport and Cultural Industries.

The industry benchmarks have been established to provide a clear indication of the performance and financial results of Council, and a comparison of trends over a number of years within the Key Performance Areas of:

Current Ratio

Asset Consumption Ratio

Asset Renewal Funding Ratio

Asset Sustainability Ratio

Debt Service Cover Ratio

Operating Surplus Ratio

Own Source Revenue Coverage Ratio

Council and the Executive Staff continue to work with Council's auditor to set in place a strategy and measures to achieve an improving trend in the "Year End Ratios" which are required by the State Government and are used as one Measure of "Financial Health" of Council.

Council has achieved a continuing improvement in the Asset Consumption, Asset Renewal Funding and Asset Sustainability Ratios. Council has retained a positive Current Ratio and remains in a strong position to pay off short-term liabilities with current assets.

Year End Financial Ratios	Target Ratio	2021	2020	2019
Current Ratio	> 1	2.68	4.71	6.0
Asset Consumption Ratio	> 0.75	0.74	0.60	0.60
Asset Renewal Funding Ratio	> 1.05	0.79	0.48	0.61
Asset Sustainability Ratio	> 1.1	0.96	0.64	0.52
Debt Service Cover Ratio	> 15	7.12	15.02	19.61
Operating Surplus Ratio	> 0.15	(0.60)	(0.36)	0.01
Own Source Revenue Coverage Ratio	> 0.9	0.44	0.50	0.77

Photo by Angie Roe Photography

Planning and Reporting

Compliance

Disability Access and Inclusion Plan

ACCESS AND INCLUSION PROGRESS

1. General services and events

(New) - Council has undertaken extensive Community Consultation including focus group discussions in the preparation of the Draft Strategic Community Plan (SCP) 2021-2031. The SCP is due to be adopted by Council at the Ordinary Council Meeting July 2021. Council will then be reviewing and developing a new Disability Access and Inclusion Plan in 2021/2022.

(Ongoing) - Risk management plans are required for all events and this includes disability access and risk mitigation.

2. Buildings and facilities

(*Completed)* Upgrading of access and safety features at the caravan park cabins – railings, levels and access lighting.

(Ongoing) Upgrading of public footpaths - resurfacing, widening and drop-off points (McLennan Street – West-side near Quairading Hospital).

(New) Caravan Park Booking and Reception facility – Provision of on-site facilities with compliant access friendly entrance (to be completed by August 2021)

3. Information and Communication

(Ongoing) - Shire provides information in digital and hardcopy formats as well as through social media. Refinements could be made to the Shire website to make it more user friendly.

(Ongoing) - Shire staff have the capacity to provide information in multiple formats and assist people with disability to access information.

4. Quality of service

(Ongoing) - All new staff participate in an induction process and receive an induction manual which includes an orientation in Equal Opportunities Procedures and Protocols.

(Ongoing) - The Shire has reviewed and updated its Customer Service Protocol in 2020 to ensure appropriate levels of service are provided to all members of the Community.

5. Complaints and safeguarding

(Ongoing) - The Shire updated its Complaints Policy in December 2020 and reiterated its commitment to avoid discrimination and to ensure appropriate levels of service to all members of the Community. Council has also implemented a customer service request module to ensure requests are tracked and are being addressed fully. A six-monthly review of performance and its process is conducted.

(Completed) – Policy reviews linked to Communications, Complaints and Safeguarding conducted i) CS.1 Complaints Policy (Dec 2020), ii) CS.2 Communication Policy (Dec 2020) and, iii) CS.3 Community Engagement Policy (Dec 2020).

6. Consultation and engagement

(Ongoing) - Engagement with Seniors (Coffee and Chat!) for consultation and inputs for the Strategic Community Plan 2021-31.

(Ongoing) - Aged Housing Precinct – Independent Living Units – consultation process with external architect and community focus group for the layout and design of future Independent Living Units in close proximity to the Quairading District Hospital.

7. Employment, people, and culture

(Ongoing) - Shire advertises itself as an Equal Opportunities Employer in all job vacancies. Shire's recruitment procedure ensures that all applicants have equal opportunity to attend/engage in the recruitment and selection process.

(Ongoing) - All new staff participate in an induction process and receive an induction manual which includes an orientation in Equal Opportunities Procedures and Protocols.

Agents and Contractors

(Ongoing) – The Shire conducts an OHS induction process with all Contractors prior to commencement of program which addresses a number of issues linked to the DAIP.

Planning and Reporting

Compliance

National Competition Policy

The Competition Principles Agreement (CPA) is a contractual agreement between the Federal Government and all State and Territory Governments.

The CPA aims to ensure all public enterprises operate in a transparent manner in the best interests of the public. Under the CPA, public enterprises are required to review their operations to ensure they have no competitive advantage or disadvantage as a result of their public status.

Competitive Neutrality (under the CPA)

Competitive neutrality addresses potential advantages or disadvantages that public enterprises may have compared with businesses operating in the private sector.

Pursuant to the Clause 7 Statement, the Shire operated the Quairading Medical Practice in Harris Street, Quairading until the 30th September 2019. The Practice was operated by the Shire as a community service obligation.

Since the 1st October 2019 Dr Adeleye of Noble Medical Investment Pty Ltd has been proving the service on behalf of the Shire.

Council has not received any allegations of non-compliance with Competitive Neutrality Principles from the private sector.

Legislation Review

As part of the Local Law Review, it is considered that there are no Local Laws in place which would impact on Competition. Local Laws were last reviewed or amended on 14th June 2019.

Disclosure of Annual Salaries

Regulation 19B(2) of the Local Government Act (Administration) Regulations 1996 requires the Shire to include the following information in its Annual Report:-

(a) the number of employees of the local government entitled to an annual salary of $130 000 or more;

(b) the number of employees of the local government entitled to an annual salary that falls within each band of $10 000 over $130 000;

Salary Range	No. of Employees
$130,000 - $139,999	
$140,000 - $149,999	
$150,000 - $159,999	1
$160,000 - $169,999	

Register of Complaints of Minor Breaches

In accordance with Section 5.121 of the Local Government Act 1995 (as amended) and Section 5.53(2), the Annual Report should disclose the number of complaints received each year:

- Number of complaints 2020-21: Nil
- Action taken during 2020-21: Nil

Statutory Registers

As part of the Shire's ongoing commitment to transparency and accountability, improvements were made to the statutory registers required to be completed by Staff and Council Members

Recent amendments were introduced through the new Local Government Legislation Amendment Act 2019, which has included the requirement to report on mandatory training for Elected Members.

Freedom of Information

In accordance with Section 96 and 97 of the Freedom of Information (FOI) Act 1992, the Shire is required to publish an annual Information Statement which details the process for applying for information under the Act, as well as information the Shire provides outside the Act. T his document is available from Shire of Quairading website.

During 2020-21 Financial Year the Shire received **nil** formal Requests for Information under the Freedom of Information Act and **nil** public interest disclosures were received.

Recordkeeping

In line with Section 19 of the State Records Act 2000, local governments are required to have a Record Keeping Plan that is approved by the State Records Commission. The plan applies to employees, elected members and contractors.

The Shire is committed to the management of records in accordance with legislative requirements and best practice. The Shire's amended Record Keeping Plan was approved for a five-year period by the State Records Commission on 7 August 2020. The next review is due in August 2025.

The Shire of Quairading is committed to preserving local history, supports the principles of the State Records Act and recognises the importance of establishing and maintaining a reliable and credible Record Keeping System.

Council has and continues to adhere to an ongoing staff training program.

Financial Statements

SHIRE OF QUAIRADING

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2021

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COMMUNITY VISION

'"Our Shire is a place of welcome for all, where we work together, with thriving industry creating jobs, a bright future for our young people, and a bustling town in a beautiful and productive rural setting."

Principal place of business:
10 Jennaberring Road
Quairading WA 6383

SHIRE OF QUAIRADING
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 Quairading 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 Quairading 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 17th day of February 2022

Chief Executive Officer

Nicole Gibbs
Name of Chief Executive Officer

OAG AUDITED

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

	NOTE	2021 Actual $	2021 Budget $	2020 Actual $
Revenue				
Rates	26(a)	2,315,647	2,311,004	2,294,703
Operating grants, subsidies and contributions	2(a)	2,103,932	1,094,526	2,175,783
Fees and charges	2(a)	508,025	441,089	626,350
Interest earnings	2(a)	41,758	49,400	94,558
Other revenue	2(a)	374,248	327,273	317,005
		5,343,610	4,223,292	5,508,399
Expenses				
Employee costs		(1,921,323)	(2,249,742)	(1,979,037)
Materials and contracts		(1,533,772)	(1,365,423)	(1,442,716)
Utility charges		(206,832)	(229,080)	(212,663)
Depreciation on non-current assets	11(d)	(2,883,662)	(1,982,450)	(2,851,097)
Interest expenses	2(b)	(19,307)	(20,191)	(22,994)
Insurance expenses		(185,408)	(178,523)	(176,349)
Other expenditure		(274,705)	(74,853)	(39,469)
		(7,025,009)	(6,100,262)	(6,724,325)
		(1,681,399)	(1,876,970)	(1,215,926)
Non-operating grants, subsidies and contributions	2(a)	2,735,552	3,916,049	1,140,516
Profit on asset disposals	11(a)	47,840	44,931	26,495
(Loss) on asset disposals	11(a)	(293,889)	(25,042)	(17,539)
Fair value adjustments to financial assets at fair value through profit or loss		2,586	0	1,153
		2,492,089	3,935,938	1,150,625
Net result for the period		**810,690**	**2,058,968**	**(65,301)**
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss				
Changes in asset revaluation surplus	13	14,100,192	0	0
Total other comprehensive income for the period		**14,100,192**	**0**	**0**
Total comprehensive income for the period		**14,910,882**	**2,058,968**	**(65,301)**

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

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

	NOTE	2021 Actual $	2021 Budget $	2020 Actual $
Revenue				
Governance		8,135	3,300	9,652
General purpose funding		4,181,416	3,208,618	4,264,266
Law, order, public safety		233,458	218,797	163,746
Health		17,379	10,879	131,775
Education and welfare		64,476	61,708	191,249
Housing		102,455	106,108	98,011
Community amenities		197,812	174,554	179,427
Recreation and culture		30,703	28,346	34,592
Transport		150,820	157,540	157,163
Economic services		262,636	207,170	113,439
Other property and services		94,320	46,272	165,079
		5,343,610	4,223,292	5,508,399
Expenses				
Governance		(642,336)	(753,037)	(583,029)
General purpose funding		(74,921)	(82,738)	(61,345)
Law, order, public safety		(327,278)	(382,549)	(335,442)
Health		(287,148)	(315,980)	(395,469)
Education and welfare		(269,959)	(222,620)	(302,637)
Housing		(127,232)	(162,773)	(165,336)
Community amenities		(442,552)	(522,815)	(438,542)
Recreation and culture		(1,226,546)	(917,959)	(1,014,101)
Transport		(2,716,296)	(2,001,976)	(2,820,202)
Economic services		(590,537)	(690,999)	(452,657)
Other property and services		(300,897)	(26,625)	(132,571)
		(7,005,702)	(6,080,071)	(6,701,331)
Finance Costs				
Law, order, public safety		(312)	(140)	(254)
Recreation and culture		(1,986)	(2,581)	(4,503)
Transport		(13,882)	(15,292)	(15,610)
Economic services		(2,944)	(2,178)	(2,627)
Other property and services		(183)	0	0
		(19,307)	(20,191)	(22,994)
		(1,681,399)	(1,876,970)	(1,215,926)
Non-operating grants, subsidies and contributions	2(a)	2,735,552	3,916,049	1,140,516
Profit on disposal of assets	11(a)	47,840	44,931	26,495
(Loss) on disposal of assets	11(a)	(293,889)	(25,042)	(17,539)
Fair value adjustments to financial assets at fair value through profit or loss		2,586	0	1,153
		2,492,089	3,935,938	1,150,625
Net result for the period		**810,690**	**2,058,968**	**(65,301)**
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss				
Changes in asset revaluation surplus	13	14,100,192	0	0
Total other comprehensive income for the period		**14,100,192**	**0**	**0**
Total comprehensive income for the period		**14,910,882**	**2,058,968**	**(65,301)**

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

OAG AUDITED

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

	NOTE	2021	2020
		$	$
CURRENT ASSETS			
Cash and cash equivalents	3	5,815,668	5,083,976
Trade and other receivables	6	306,727	271,460
Other financial assets	5(a)	10,944	37,130
Inventories	7	5,081	4,275
Other assets	8	8,384	18,663
TOTAL CURRENT ASSETS		6,146,804	5,415,504
NON-CURRENT ASSETS			
Trade and other receivables	6	31,969	28,152
Other financial assets	5(b)	75,594	83,952
Inventories	7	476,000	698,000
Property, plant and equipment	9	21,426,996	20,076,780
Infrastructure	10	89,035,294	75,601,733
Right-of-use assets	12(a)	82,132	5,804
TOTAL NON-CURRENT ASSETS		111,127,985	96,494,421
TOTAL ASSETS		117,274,789	101,909,925
CURRENT LIABILITIES			
Trade and other payables	14	727,047	315,612
Other liabilities	15	207,679	91,255
Lease liabilities	16(a)	29,058	5,155
Borrowings	17(a)	73,614	98,154
Employee related provisions	18	276,993	336,197
TOTAL CURRENT LIABILITIES		1,314,391	846,373
NON-CURRENT LIABILITIES			
Lease liabilities	16(a)	50,287	0
Borrowings	17(a)	409,874	483,488
Employee related provisions	18	24,834	15,543
TOTAL NON-CURRENT LIABILITIES		484,995	499,031
TOTAL LIABILITIES		1,799,386	1,345,404
NET ASSETS		115,475,403	100,564,521
EQUITY			
Retained surplus		43,323,541	42,996,484
Reserves - cash backed	4	3,575,367	3,091,734
Revaluation surplus	13	68,576,495	54,476,303
TOTAL EQUITY		115,475,403	100,564,521

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

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

	NOTE	RETAINED SURPLUS	RESERVES CASH BACKED	REVALUATION SURPLUS	TOTAL EQUITY
		$	$	$	$
Balance as at 1 July 2019		**43,827,159**	**2,326,360**	**54,476,303**	**100,629,822**
Comprehensive income					
Net result for the period		(65,301)	0	0	(65,301)
Total comprehensive income		(65,301)	0	0	(65,301)
Transfers from reserves	4	547,292	(547,292)	0	0
Transfers to reserves	4	(1,312,666)	1,312,666	0	0
Balance as at 30 June 2020		**42,996,484**	**3,091,734**	**54,476,303**	**100,564,521**
Comprehensive income					
Net result for the period		810,690	0	0	810,690
Other comprehensive income	13	0	0	14,100,192	14,100,192
Total comprehensive income		810,690	0	14,100,192	14,910,882
Transfers from reserves	4	86,277	(86,277)	0	0
Transfers to reserves	4	(569,910)	569,910	0	0
Balance as at 30 June 2021		**43,323,541**	**3,575,367**	**68,576,495**	**115,475,403**

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

SHIRE OF QUAIRADING
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		2,327,541	2,311,004	2,310,063
Operating grants, subsidies and contributions		1,997,004	1,080,825	2,294,777
Fees and charges		495,833	441,089	626,350
Interest received		41,758	49,400	94,558
Goods and services tax received		411,754	0	392,971
Other revenue		374,248	327,273	317,005
		5,648,138	4,209,591	6,035,724
Payments				
Employee costs		(1,982,350)	(2,249,742)	(1,941,014)
Materials and contracts		(850,666)	(1,365,423)	(1,521,481)
Utility charges		(206,832)	(229,080)	(212,663)
Interest expenses		(18,280)	(20,191)	(22,994)
Insurance paid		(185,408)	(178,523)	(176,349)
Goods and services tax paid		(439,827)	0	(396,784)
Other expenditure		(274,705)	(74,853)	(39,469)
		(3,958,068)	(4,117,812)	(4,310,754)
Net cash provided by (used in) operating activities	19	1,690,070	91,779	1,724,970
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	9(a)	(1,148,770)	(1,495,510)	(748,291)
Payments for construction of infrastructure	10(a)	(3,135,340)	(4,203,911)	(1,987,471)
Non-operating grants, subsidies and contributions	19	2,937,497	3,916,049	1,140,516
Proceeds from financial assets at amortised cost - self supporting loans		37,130	37,393	35,810
Proceeds from sale of property, plant & equipment	11(a)	469,258	230,500	137,959
Proceeds from sale of land held for resale	11(a)	0	35,000	0
Net cash provided by (used in) investment activities		(840,225)	(1,480,479)	(1,421,477)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	17(b)	(98,154)	(98,717)	(88,297)
Payments for principal portion of lease liabilities	16(b)	(19,999)	(5,069)	(14,496)
Proceeds from new borrowings	17(b)	0	0	150,000
Net cash provided by (used In) financing activities		(118,153)	(103,786)	47,207
Net increase (decrease) in cash held		731,692	(1,492,486)	350,700
Cash at beginning of year		5,083,976	5,107,508	4,733,276
Cash and cash equivalents at the end of the year	19	5,815,668	3,615,022	5,083,976

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

SHIRE OF QUAIRADING
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)	27 (b)	1,749,307	1,836,054	2,259,447
		1,749,307	1,836,054	2,259,447
Revenue from operating activities (excluding rates)				
Governance		8,135	3,300	9,652
General purpose funding		1,877,167	909,070	1,965,984
Law, order, public safety		233,458	218,797	163,746
Health		17,379	10,879	131,775
Education and welfare		64,476	61,708	191,249
Housing		102,455	106,108	98,011
Community amenities		197,812	174,554	179,427
Recreation and culture		30,703	28,346	34,592
Transport		198,660	202,471	183,658
Economic services		262,636	207,170	113,439
Other property and services		96,906	46,272	166,232
		3,089,787	1,968,675	3,237,765
Expenditure from operating activities				
Governance		(642,336)	(753,037)	(583,029)
General purpose funding		(74,921)	(82,738)	(61,345)
Law, order, public safety		(327,590)	(382,689)	(335,696)
Health		(287,148)	(315,980)	(395,469)
Education and welfare		(269,959)	(222,620)	(302,637)
Housing		(127,232)	(162,773)	(165,336)
Community amenities		(442,552)	(522,815)	(438,542)
Recreation and culture		(1,228,532)	(920,540)	(1,018,604)
Transport		(2,736,806)	(2,034,818)	(2,841,480)
Economic services		(880,742)	(693,177)	(455,284)
Other property and services		(301,080)	(34,117)	(144,442)
		(7,318,898)	(6,125,304)	(6,741,864)
Non-cash amounts excluded from operating activities	27(a)	3,334,558	1,896,660	2,835,321
Amount attributable to operating activities		854,754	(423,915)	1,590,669
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	2(a)	2,735,552	3,916,049	1,140,516
Proceeds from disposal of assets	11(a)	469,258	230,500	137,959
Proceeds from land held fro resale	11(a)	0	35,000	0
Proceeds from financial assets at amortised cost - self supporting loans		37,130	37,393	35,810
Purchase of property, plant and equipment	9(a)	(1,148,770)	(1,495,510)	(748,291)
Purchase and construction of infrastructure	10(a)	(3,135,340)	(4,203,911)	(1,987,471)
		(1,042,170)	(1,480,479)	(1,421,477)
FINANCING ACTIVITIES				
Repayment of borrowings	17(b)	(98,154)	(98,717)	(88,297)
Proceeds from borrowings	17(c)	0	0	150,000
Payments for principal portion of lease liabilities	16(b)	(19,999)	(5,069)	(14,496)
Transfers to reserves (restricted assets)	4	(569,910)	(875,000)	(1,312,666)
Transfers from reserves (restricted assets)	4	86,277	711,777	547,292
Amount attributable to financing activities		(601,786)	(267,009)	(718,167)
Surplus/(deficit) before imposition of general rates		(789,202)	(2,171,403)	(548,975)
Total amount raised from general rates	26(a)	2,304,249	2,299,548	2,298,282
Surplus/(deficit) after imposition of general rates	27(b)	**1,515,047**	**128,145**	**1,749,307**

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

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1. BASIS OF PREPARATION

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

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

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

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

THE LOCAL GOVERNMENT REPORTING ENTITY

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

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 30 to these financial statements.

INITIAL APPLICATION OF ACCOUNTING STANDARDS

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

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

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

NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE YEARS

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

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

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

CRITICAL ACCOUNTING ESTIMATES

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

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

2. REVENUE AND EXPENSES

REVENUE RECOGNITION POLICY

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/ Warranties	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Timing of revenue recognition
Rates	General Rates	Over time	Payment dates adopted by Council during the year	None	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Specified area rates	Rates charge for specific defined purpose	Over time	Payment dates adopted by Council during the year	Refund in event monies are unspent	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Service charges	Charge for specific service	Over time	Payment dates adopted by Council during the year	Refund in event monies are unspent	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Grant contracts with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants, subsidies or contributions for the construction of non-financial assets	Construction or acquisition of recognisable non-financial assets to be controlled by the local government	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants with no contract commitments	General appropriations and contributions with no reciprocal commitment	No obligation s	Not applicable	Not applicable	Cash received	On receipt of funds	Not applicable	When assets are controlled
Licences/ Registrations/ Approvals	Building, planning, development and animal management, having the same nature as a licence regardless of naming.	Single point in time	Full payment prior to issue	None	Set by State legislation or limited by legislation to the cost of provision	Based on timing of issue of the associated rights	No refunds	On payment and issue of the licence, registration or approval
Pool inspections	Compliance safety check	Single point in time	Equal proportion based on an equal annually fee	None	Set by State legislation	Apportioned equally across the inspection cycle	No refunds	After inspection complete based on a 4 year cycle
Other inspections	Regulatory Food, Health and Safety	Single point in time	Full payment prior to inspection	None	Set by State legislation or limited by legislation to the cost of provision	Applied fully on timing of inspection	Not applicable	Revenue recognised after inspection event occurs
Waste management collections	Kerbside collection service	Over time	Payment on an annual basis in advance	None	Adopted by council annually	Apportioned equally across the collection period	Not applicable	Output method based on regular weekly and fortnightly period as proportionate to collection service
Waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	Adopted by council annually	Based on timing of entry to facility	Not applicable	On entry to facility
Property hire and entry	Use of halls and facilities	Single point in time	In full in advance	Refund if event cancelled within 7 days	Adopted by council annually	Based on timing of entry to facility	Returns limited to repayment of transaction price	On entry or at conclusion of hire
Memberships	Gym and pool membership	Over time	Payment in full in advance	Refund for unused portion on application	Adopted by council annually	Apportioned equally across the access period	Returns limited to repayment of transaction price	Output method Over 12 months matched to access right
Fees and charges for other goods and services	Cemetery services, library fees, reinstatements and private works	Single point in time	Payment in full in advance	None	Adopted by council annually	Applied fully based on timing of provision	Not applicable	Output method based on provision of service or completion of works
Sale of stock	Aviation fuel, kiosk and visitor centre stock	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	Adopted by council annually, set by mutual agreement	Applied fully based on timing of provision	Returns limited to repayment of transaction price	Output method based on goods
Commissions	Commissions on licencing and ticket sales	Over time	Payment in full on sale	None	Set by mutual agreement with the customer	On receipt of funds	Not applicable	When assets are controlled
Reimbursements	Insurance claims	Single point in time	Payment in arrears for claimable event	None	Set by mutual agreement with the customer	When claim is agreed	Not applicable	When claim is agreed

2. REVENUE AND EXPENSES

(a) Grant revenue

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

	2021 Actual	2021 Budget	2020 Actual
	$	$	$
Operating grants, subsidies and contributions			
Governance	3,371	0	0
General purpose funding	1,817,061	842,014	1,872,887
Law, order, public safety	74,093	62,480	39,644
Health	15,356	10,000	10,245
Education and welfare	11,735	8,000	61,495
Community amenities	26,988	17,020	31,215
Recreation and culture	7,199	0	0
Transport	137,540	137,540	135,679
Economic services	0	0	10,000
Other property and services	10,589	17,472	14,618
	2,103,932	1,094,526	2,175,783
Non-operating grants, subsidies and contributions			
Law, order, public safety	27,310	27,310	10,280
Education and welfare	8,026	146,000	0
Recreation and culture	22,500	777,000	115,571
Transport	2,677,716	2,645,739	1,014,665
Economic services	0	320,000	0
	2,735,552	3,916,049	1,140,516
Total grants, subsidies and contributions	4,839,484	5,010,575	3,316,299
Fees and charges			
General purpose funding	2,583	1,700	5,079
Law, order, public safety	3,279	4,200	3,327
Health	1,723	379	127,204
Education and welfare	28,144	34,053	106,550
Housing	91,433	99,708	93,085
Community amenities	170,622	150,334	148,212
Recreation and culture	20,653	24,765	28,270
Economic services	169,169	125,850	101,668
Other property and services	20,419	100	12,955
	508,025	441,089	626,350

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

SIGNIFICANT ACCOUNTING POLICIES

Grants, subsidies and contributions

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

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

Fees and Charges

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

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)	2021 Actual $	2021 Budget $	2020 Actual $
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	129,273	97,500	152,600
Fees and charges	499,392	436,510	623,436
Other revenue	68,612	285,388	102,293
Non-operating grants, subsidies and contributions	2,735,552	3,916,049	1,140,516
	3,432,829	4,735,447	2,018,845
Revenue from contracts with customers and transfers to enable the acquisition or construction of recognisable non-financial assets to be controlled by the Shire is comprised of:			
Revenue from contracts with customers included as a contract liability at the start of the period	91,255	0	101,756
Revenue from contracts with customers recognised during the year	606,022	819,398	776,573
Revenue from transfers intended for acquiring or constructing recognisable non financial assets during the year	2,735,552	3,916,049	1,140,516
	3,432,829	4,735,447	2,018,845
Information about receivables, contract assets and contract liabilities from contracts with customers along with financial assets and associated liabilities arising from transfers to enable the acquisition or construction of recognisable non financial assets is:			
Trade and other receivables from contracts with customers	41,651		20,244
Contract liabilities from contracts with customers	(5,734)		(91,255)
Financial assets held from transfers for recognisable financial assets	201,945		0
Grant liabilities from transfers for recognisable non financial assets	(201,945)		0

Impairment of assets associated with contracts with customers are detailed at note 2 (b) under 'Other expenditure'.
Contract liabilities for contracts with customers primarily relate to grants with performance obligations received in advance, for which revenue is recognised over time as the performance obligations are met.
Information is not provided about remaining performance obligations for contracts with customers that had an original expected duration of one year or less.
Consideration from contracts with customers is included in the transaction price.
Performance obligations in relation to contract liabilities from transfers for recognisable non financial assets are satisfied as project milestones are met or completion of construction or acquisition of the asset. All associated performance obligations are expected to be met over the next 12 months.

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)	2021 Actual $	2021 Budget $	2020 Actual $
Revenue from statutory requirements			
Revenue from statutory requirements was recognised during the year for the following nature or types of goods or services:			
General rates	2,304,249	2,299,548	2,298,282
Statutory permits and licences	8,349	379	2,471
Fines	284	4,200	443
	2,312,882	2,304,127	2,301,196
Other revenue			
Reimbursements and recoveries	305,636	41,885	214,712
Other	68,612	285,388	102,293
	374,248	327,273	317,005
Interest earnings			
Financial assets at amortised cost - self supporting loans	1,524	0	4,503
Interest on reserve funds	17,724	25,000	50,315
Rates instalment and penalty interest (refer Note 26(c))	19,060	18,400	28,715
Other interest earnings	3,450	6,000	11,025
	41,758	49,400	94,558

SIGNIFICANT ACCOUNTING POLICIES

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

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

2. REVENUE AND EXPENSES (Continued)

(b) Expenses	Note	2021 Actual	2021 Budget	2020 Actual
		$	$	$
Auditors remuneration				
Audit of the Annual Financial Report		12,218	30,700	22,306
Other services		13,198	3,000	1,500
		25,416	33,700	23,806
Interest expenses (finance costs)				
Borrowings	17(b)	18,812	20,051	22,740
Lease liabilities	16(b)	495	140	254
		19,307	20,191	22,994
Other expenditure				
Impairment loss on trade and other receivables from contracts with customers		70	0	12,262
Sundry expenses		274,635	74,853	27,207
		274,705	74,853	39,469

3. CASH AND CASH EQUIVALENTS

	NOTE	2021	2020
		$	$
Cash at bank and on hand		1,627,735	1,437,180
Term deposits		4,187,933	3,646,796
Total cash and cash equivalents		5,815,668	5,083,976
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		3,877,268	3,278,296
		3,877,268	3,278,296
The restricted assets are a result of the following specific purposes to which the assets may be used:			
Reserves - cash backed	4	3,575,367	3,091,734
Contract liabilities from contracts with customers	15	5,734	91,255
Grants for transfers for recognisable non financial assets	15	201,945	0
Bonds and deposits held	14	94,222	95,307
Total restricted assets		3,877,268	3,278,296

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.

4. RESERVES - CASH BACKED

	2021 Actual Opening Balance	2021 Actual Transfer to	2021 Actual Transfer (from)	2021 Actual Closing Balance	2021 Budget Opening Balance	2021 Budget Transfer to	2021 Budget Transfer (from)	2021 Budget Closing Balance	2020 Actual Opening Balance	2020 Actual Transfer to	2020 Actual Transfer (from)	2020 Actual Closing Balance
	$	$	$	$	$	$	$	$	$	$	$	$
(a) Long Service Leave Reserve	205,731	1,069	(40,527)	166,273	205,731	1,672	(40,527)	166,876	202,295	3,436	0	205,731
(b) Building Reserve	847,541	157,679	0	1,005,220	847,541	106,894	(350,500)	603,935	906,547	164,727	(223,733)	847,541
(c) Furniture, Fittings & Equipment Reserve	63,452	50,359	0	113,811	63,451	50,516	0	113,967	62,392	1,060	0	63,452
(d) Plant Reserve	436,314	2,266	0	438,580	433,964	353,501	0	787,465	313,858	431,056	(308,600)	436,314
(e) Health Reserve	47,872	248	0	48,120	47,871	389	0	48,260	47,072	800	0	47,872
(f) Swimming Pool Reserve	262	2	0	264	262	2	0	264	258	4	0	262
(g) Sustainable Environment Reserve	165,520	860	0	166,380	165,520	1,345	0	166,865	162,755	2,765	0	165,520
(h) Town Planning & Development Reserve	548,624	2,850	(45,750)	505,724	548,624	4,406	(200,000)	353,030	290,735	257,889	0	548,624
(i) HomesWest Joint Venture Housing Reserve	5,238	28	0	5,266	5,238	43	0	5,281	5,151	87	0	5,238
(j) Road Infrastructure Reserve	425,772	2,211	0	427,983	425,771	3,448	(120,750)	308,469	284,180	156,551	(14,959)	425,772
(k) Rec Centre Multi Purpose Precinct Reserve	51,986	175,541	0	227,527	51,986	175,423	0	227,409	51,117	869	0	51,986
(l) Building Renewal Reserve	121,416	631	0	122,047	121,416	977	0	122,393	0	121,416	0	121,416
(m) Independent Living Reserve	172,006	176,166	0	348,172	172,006	176,384	0	348,390	0	172,006	0	172,006
	3,091,734	569,910	(86,277)	3,575,367	3,089,381	875,000	(711,777)	3,252,604	2,326,360	1,312,666	(547,292)	3,091,734

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) Long Service Leave Reserve	On Going	To be used to fund future Employee Leave requirements.
(b) Building Reserve	On Going	To be used to Develop and Upgrade Council Infrastructure and Building Assets.
(c) Furniture, Fittings & Equipment Reserve	On Going	To be used in funding the various furniture, fittings and equipment installed in Council buildings and for
(d) Plant Reserve	On Going	To be used to assist in funding the purchase of major plant items.
(e) Health Reserve	On Going	To be used to assist in funding the improvement of Medical Services and Facilities.
(f) Swimming Pool Reserve	On Going	To be used to assist in funding future major capital/upgrade works at the Quairading Memorial
(g) Sustainable Environment Reserve	On Going	To be used to assist in funding projects and initiatives which foster a sustainable environment. Such
(h) Town Planning & Development Reserve	On Going	To be used to assist in funding of planning and implementation of the development of Council land and
(i) HomesWest Joint Venture Housing Reserve	On Going	To be used to assist with compliance with Council's Joint Venture Agreement held with the State
(j) Road Infrastructure Reserve	On Going	To be used towards road infrastructure projects including replacement of culverts and bridges.
(k) Rec Centre Multi Purpose Precinct Reserve	On Going	To be used in providing assistance in the future redevelopment and capital upgrade works at the Multi
(l) Building Renewal Reserve	On Going	To be used to fund the maintenance and renewal of Councils Building assets.
(m) Independent Living Reserve	On Going	To be used to fund the development of Independent Living Units.

5. OTHER FINANCIAL ASSETS

	2021	2020
	$	$
(a) Current assets		
Financial assets at amortised cost	10,944	37,130
	10,944	37,130
Other financial assets at amortised cost		
Self supporting loans	10,944	37,130
	10,944	37,130
(b) Non-current assets		
Financial assets at amortised cost	1,787	12,731
Financial assets at fair value through profit and loss	73,807	71,221
	75,594	83,952
Financial assets at amortised cost		
Self supporting loans	1,787	12,731
	1,787	12,731
Financial assets at fair value through profit and loss		
Units in Local Government House Trust	73,807	71,221
	73,807	71,221

Loans receivable from clubs/institutions have the same terms and conditions as the related borrowing disclosed in Note 17(b) as self supporting loans.

SIGNIFICANT ACCOUNTING POLICIES

Other financial assets at amortised cost

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

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

Financial assets at fair value through profit and loss

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

- debt investments which do not qualify for measurement at either amortised cost or fair value through other comprehensive income.
- equity investments 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 28.

6. TRADE AND OTHER RECEIVABLES

	2021	2020
	$	$
Current		
Rates receivable	207,145	233,550
Trade and other receivables	41,651	20,244
GST receivable	58,001	29,928
Allowance for impairment of receivables	(70)	(12,262)
	306,727	271,460
Non-current		
Pensioner's rates and ESL deferred	31,969	28,152
	31,969	28,152

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 28.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Classification and subsequent measurement

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

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

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

7. INVENTORIES

	2021	2020
	$	$
Current		
Fuel and materials	5,081	4,275
	5,081	4,275
Non-current		
Land held for resale - cost		
Cost of acquisition	476,000	698,000
	476,000	698,000

The following movements in inventories occurred during the year:

Balance at beginning of year	702,275	702,870
Inventories expensed during the year	(101,246)	(142,473)
Write down of inventories to net realisable value	(222,000)	0
Additions to inventory	102,052	141,878
Balance at end of year	481,081	702,275

SIGNIFICANT ACCOUNTING POLICIES

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

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

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

Land held for resale (Continued)
Borrowing costs and holding charges incurred after development is completed are expensed.

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

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

8. OTHER ASSETS

	2021	2020
	$	$
Other assets - current		
Prepayments	5,104	15,437
Accrued income	3,280	3,226
	8,384	18,663

SIGNIFICANT ACCOUNTING POLICIES

Other current assets

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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Other current assets (Continued)

Other non-financial assets include accrued income which represent revenue that has been earned by providing a good or service, but for which no cash has been received.

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 - freehold land.	Buildings - non-specialised	Buildings - specialised	Total land and buildings	Furniture and equipment	Plant and equipment	Work in progress	Total property, plant and equipment
	$	$	$	$	$	$	$	$
Balance at 1 July 2019	1,526,007	3,094,098	10,533,459	15,153,564	131,594	4,659,416	190,546	20,135,120
Additions	0	0	208,431	208,431	0	429,634	110,226	748,291
(Disposals)	0	0	0	0	0	(129,003)	0	(129,003)
Depreciation (expense)	0	(46,403)	(248,468)	(294,871)	(16,431)	(322,550)	0	(633,852)
Transfers	0	0	145,025	145,025	0	0	(188,801)	(43,776)
Balance at 30 June 2020	1,526,007	3,047,695	10,638,447	15,212,149	115,163	4,637,497	111,971	20,076,780
Comprises:								
Gross balance amount at 30 June 2020	1,526,007	3,186,850	11,334,356	16,047,213	189,121	5,671,971	111,971	22,020,276
Accumulated depreciation at 30 June 2020	0	(139,155)	(695,909)	(835,064)	(73,958)	(1,034,474)	0	(1,943,496)
Balance at 30 June 2020	1,526,007	3,047,695	10,638,447	15,212,149	115,163	4,637,497	111,971	20,076,780
Additions	0	74,628	475,285	549,913	24,414	531,934	42,509	1,148,770
(Disposals)	(100,000)	0	(428,653)	(528,653)	0	(186,654)	0	(715,307)
Revaluation increments / (decrements) transferred to revaluation surplus	(130,637)	(146,540)	1,942,745	1,665,568	0	0	0	1,665,568
Depreciation (expense)	0	(46,403)	(249,298)	(295,701)	(16,348)	(343,005)	0	(655,054)
Transfers	0	(600,886)	297,194	(303,692)	0	11,787	198,144	(93,761)
Balance at 30 June 2021	1,295,370	2,328,494	12,675,720	16,299,584	123,229	4,651,559	352,624	21,426,996
Comprises:								
Gross balance amount at 30 June 2021	1,295,370	2,328,494	12,675,720	16,299,584	213,535	5,924,977	352,624	22,790,720
Accumulated depreciation at 30 June 2021	0	0	0	0	(90,306)	(1,273,418)	0	(1,363,724)
Balance at 30 June 2021	1,295,370	2,328,494	12,675,720	16,299,584	123,229	4,651,559	352,624	21,426,996

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 - freehold land.	2	Market approach using recent observable market data for similar properties	Independent registered valuers	June 2021	Price per hectare
Buildings - non-specialised	2	Market approach using recent observable market data for similar properties	Independent registered valuers	June 2021	Price per square metre
Buildings - specialised	3	Cost approach using depreciated replacement cost	Independent registered valuers	June 2021	Improvements to land using construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs

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

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

(ii) Cost					
Furniture and equipment	3	Cost	Cost		Purchase cost
Plant and equipment	3	Cost	Cost		Purchase cost

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

10. INFRASTRUCTURE

(a) Movements in Balances

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

	Infrastructure - roads	Infrastructure - footpaths	Infrastructure - bridges	Infrastructure - other community & recreation facilities	Total Infrastructure
	$	$	$	$	$
Balance at 1 July 2019	62,919,072	367,832	7,523,929	4,963,051	75,773,884
Additions	1,726,226	58,983	0	202,262	1,987,471
Depreciation (expense)	(1,713,264)	(25,536)	(146,499)	(318,099)	(2,203,398)
Transfers	0	0	0	43,776	43,776
Balance at 30 June 2020	62,932,034	401,279	7,377,430	4,890,990	75,601,733
Comprises:					
Gross balance at 30 June 2020	85,063,231	766,084	11,850,787	7,969,725	105,649,827
Accumulated depreciation at 30 June 2020	(22,131,197)	(364,805)	(4,473,357)	(3,078,735)	(30,048,094)
Balance at 30 June 2020	62,932,034	401,279	7,377,430	4,890,990	75,601,733
Additions	2,717,865	33,471	0	384,004	3,135,340
Revaluation increments / (decrements) transferred to revaluation surplus	9,989,390	91,007	2,106,562	247,665	12,434,624
Depreciation (expense)	(1,713,263)	(25,536)	(146,498)	(325,450)	(2,210,747)
Transfers	9,130	0	0	65,214	74,344
Balance at 30 June 2021	73,935,156	500,221	9,337,494	5,262,423	89,035,294
Comprises:					
Gross balance at 30 June 2021	89,759,066	1,015,812	16,260,960	7,776,464	114,812,302
Accumulated depreciation at 30 June 2021	(15,823,910)	(515,591)	(6,923,466)	(2,514,041)	(25,777,008)
Balance at 30 June 2021	73,935,156	500,221	9,337,494	5,262,423	89,035,294

10. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Infrastructure - roads	3	Cost approach using depreciated replacement cost	Management valuation	June 2021	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - footpaths	3	Cost approach using depreciated replacement cost	Management valuation	June 2021	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - bridges	3	Cost approach using depreciated replacement cost	Management valuation	June 2021	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - other community & recreation facilities	3	Cost approach using depreciated replacement cost	Management valuation	June 2021	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs

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

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

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.

Revaluation (Continued)

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

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

Land under roads from 1 July 2019

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

Vested improvements from 1 July 2019

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

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

11. FIXED ASSETS

(a) Disposals of Assets

	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss	2021 Budget Net Book Value	2021 Budget Sale Proceeds	2021 Budget Profit	2021 Budget Loss	2020 Actual Net Book Value	2020 Actual Sale Proceeds	2020 Actual Profit	2020 Actual Loss
	$	$	$	$	$	$	$	$	$	$	$	$
Land - freehold land	100,000	100,000	0	0	0	0	0	0	0	0	0	0
Buildings - specialised	428,653	139,000	0	(289,653)	0	0	0	0	0	0	0	0
Plant and equipment	186,654	230,258	47,840	(4,236)	210,611	230,500	44,931	(25,042)	129,003	137,959	26,495	(17,539)
Land held for resale	0	0	0	0	35,000	35,000	0	0	0	0	0	0
	715,307	469,258	47,840	(293,889)	245,611	265,500	44,931	(25,042)	129,003	137,959	26,495	(17,539)

The following assets were disposed of during the year.

Plant and Equipment	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss
	$	$	$	$
Transport				
Holden Acadia Ltz V6 Awd	34,894	36,363	1,469	0
Toyota Camry Altise	12,461	16,364	3,903	0
Caterpillar 12M Motor Grader	107,532	150,000	42,468	0
Holden Colorado 4X4 Crew Cab	31,767	27,531	0	(4,236)
	186,654	230,258	47,840	(4,236)
Land and buildings				
Transport				
Build - 10 Jennaberring Road - Depot	2,392	0	0	(2,392)
Economic Services				
Land - Lot 30 (83) Heal Street	50,000	50,000	0	0
Land - Lot 29 (81) Heal Street	50,000	50,000	0	0
Build - Lot 30 (83) Heal Street	135,605	70,000	0	(65,605)
Build - Lot 29 (81) Heal Street	170,447	69,000	0	(101,447)
Build - Lot 360 (R15546) (	120,209	0	0	(120,209)
	528,653	239,000	0	(289,653)
	715,307	469,258	47,840	(293,889)

(b) Fully Depreciated Assets in Use

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

	2021	2020
	$	$
Furniture and equipment	8,276	0
Plant and equipment	5,134	0
	13,410	0

(c) Temporarily Idle Assets

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

	2021	2020
	$	$
Furniture and equipment	0	8,276
Plant and equipment	90,000	0
	90,000	8,276

11. FIXED ASSETS

(d) Depreciation

	2021 Actual	2021 Budget	2020 Actual
	$	$	$
Buildings - non-specialised	46,403	46,400	46,403
Buildings - specialised	249,298	245,160	248,468
Furniture and equipment	16,348	16,430	16,431
Plant and equipment	343,005	321,390	322,550
Infrastructure - roads	1,713,263	908,280	1,713,264
Infrastructure - footpaths	25,536	5,870	25,536
Infrastructure - bridges	146,498	132,780	146,499
Infrastructure - other community & recreation facilit	325,450	306,140	318,099
Right-of-use assets - plant and equipment	17,861	0	13,847
	2,883,662	1,982,450	2,851,097

SIGNIFICANT ACCOUNTING POLICIES

Depreciation

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

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

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

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

Depreciation rates

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

Asset Class	Useful life
Buildings	25 - 95 years
Furniture and equipment	5 - 40 years
Plant and equipment	4 - 40 years
Unsealed Roads	
- Aggregate Surfaces	15 - 20 years
- Ashphalt Surfaces	15 - 20 Years
- Pavement Surfaces	12 - 16 Years
Drainage Systems	60 - 100 Years
Clearing & Formation	Not Depreciated
Culverts/Floodways	60 - 100 Years
Concrete Footpaths	40 - 65 Years
Footpaths Other	15 - 65 Years
Kerbing	60 - 100 Years
Bridges	80 - 175 Years
Other Infrastructure	10 - 175 years
Right of Use Assets	Based on the remaining lease

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.

12. LEASES

(a) Right-of-Use Assets

Movement in the balance of each class of right-of-use asset between the beginning and the end of the current financial year.	Right-of-use assets - plant and equipment	Right-of-use assets Total
	$	
Balance at 1 July 2019	19,651	19,651
Depreciation (expense)	(13,847)	(13,847)
Balance at 30 June 2020	5,804	5,804
Additions	94,189	94,189
Depreciation (expense)	(17,861)	(17,861)
Balance at 30 June 2021	82,132	82,132

The following amounts were recognised in the statement of comprehensive income during the period in respect of leases where the entity is the lessee:	2021 Actual	2020 Actual
	$	$
Depreciation expense on lease liabilities	(17,861)	(13,847)
Interest expense on lease liabilities	(495)	(254)
Total amount recognised in the statement of comprehensive income	(18,356)	(14,101)
Total cash outflow from leases	(20,494)	(14,750)

The Shire has two leases relating to plant and equipment. One lease has a term of 3 years and the other 4 years.

SIGNIFICANT ACCOUNTING POLICIES

Leases

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

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

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

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

Right-of-use assets - valuation

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

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

Right-of-use assets - depreciation

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

12. LEASES (CONTINUED)

(b) Property, Plant and Equipment Subject to Lease	2021 Actual $	2021 Budget $	2020 Actual $
The table below represents a maturity analysis of the undiscounted lease payments to be received after the reporting date.			
Less than 1 year	44,879	0	67,458
1 to 2 years	35,100	0	44,879
2 to 3 years	35,100	0	35,100
3 to 4 years	35,100	0	35,100
4 to 5 years	35,100	0	35,100
> 5 years	135,073	0	171,173
	320,352	0	388,810

The Shire leases land and buildings to external parties with rentals payable either on a monthly basis or an annual basis. These leases are classified as operating leases as they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

SIGNIFICANT ACCOUNTING POLICIES

The Shire as Lessor

Upon entering into each contract as a lessor, the Shire assesses if the lease is a finance or operating lease.

The contract is classified as a finance lease when the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases not within this definition are classified as operating leases. Rental income received from operating leases is recognised on a straight-line basis over the term of the specific lease.

Initial direct costs incurred in entering into an operating lease (eg legal cost, cost to setup) are included in the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

When a contract is determined to include lease and non-lease components, the Entity applies AASB 15 to allocate the consideration under the contract to each component.

13. REVALUATION SURPLUS

	2021 Opening Balance	2021 Revaluation Increment	2021 Revaluation (Decrement)	Total Movement on Revaluation	2021 Closing Balance	2020 Opening Balance	2020 Revaluation Increment	2020 Revaluation (Decrement)	Total Movement on Revaluation	2020 Closing Balance
	$	$	$	$	$	$	$	$	$	$
Revaluation surplus - Land - freehold land	1,143,156	0	(130,637)	(130,637)	1,012,519	1,143,156	0	0	0	1,143,156
Revaluation surplus - Buildings	5,718,836	1,942,745	(146,540)	1,796,205	7,515,041	5,718,836	0	0	0	5,718,836
Revaluation surplus - Furniture and equipment	20,568	0	0	0	20,568	20,568	0	0	0	20,568
Revaluation surplus - Plant and equipment	53,677	0	0	0	53,677	53,677	0	0	0	53,677
Revaluation surplus - Infrastructure - roads	37,410,260	9,989,390	0	9,989,390	47,399,650	37,410,260	0	0	0	37,410,260
Revaluation surplus - Infrastructure - footpaths	272,857	91,007	0	91,007	363,864	272,857	0	0	0	272,857
Revaluation surplus - Infrastructure - bridges	7,821,408	2,106,562	0	2,106,562	9,927,970	7,821,408	0	0	0	7,821,408
Revaluation surplus - Infrastructure - other community & recreation facilities	2,035,541	247,665	0	247,665	2,283,206	2,035,541	0	0	0	2,035,541
	54,476,303	14,377,369	(277,177)	14,100,192	68,576,495	54,476,303	0	0	0	54,476,303

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

14. TRADE AND OTHER PAYABLES

	2021	2020
	$	$
Current		
Sundry creditors	520,543	92,052
Prepaid rates	13,879	24,573
Accrued salaries and wages	54,402	55,498
ATO liabilities	35,237	45,255
Bonds and deposits held	94,222	95,307
Accrued interest on long term borrowings	3,954	2,927
Income received in advance	4,810	0
	727,047	315,612

SIGNIFICANT ACCOUNTING POLICIES

Trade and other payables

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

Prepaid rates

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

15. OTHER LIABILITIES

	2021	2020
	$	$
Current		
Contract liabilities	5,734	91,255
Liabilities under transfers to acquire or construct non-financial assets to be controlled by the entity	201,945	0
	207,679	91,255

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

	Contract liabilities	Liabilities under transfers to acquire or construct non-financial assets to be controlled by the entity
	$	$
Less than 1 year	5,734	201,945
	5,734	201,945

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.

16. LEASE LIABILITIES

(a) Lease Liabilities

	2021	2020
	$	$
Current	29,058	5,155
Non-current	50,287	0
	79,345	5,155

(b) Movements in Carrying Amounts

Purpose	Lease Number	Institution	Lease Interest Rate	Lease Term	Actual Lease Principal 1 July2020	30 June 2021 Actual New Leases	30 June 2021 Actual Lease Principal Repayments	30 June 2021 Actual Lease Principal Outstanding	30 June 2021 Actual Lease Interest Repayments	Budget Lease Principal 1 July2020	30 June 2021 Budget New Leases	30 June 2021 Budget Lease Principal Repayments	30 June 2021 Budget Lease Principal Outstanding	30 June 2021 Budget Lease Interest Repayments	Actual Lease Principal 1 July2019	30 June 2020 Actual New Leases	30 June 2020 Actual Lease Principal Repayments	30 June 2020 Actual Lease Principal Outstanding	30 June 2020 Actual Lease Interest Repayments
					$	$	$	$	$	$	$	$	$	$	$	$	$	$	$
Law, order, public safety																			
CESM Vehicle	1	SG Fleet	2.09%	36 Months	5,155	3,099	(8,254)	0	(38)	5,069	0	(5,069)	0	(140)	19,651	0	(14,496)	5,155	(254)
CESM Vehicle	2	Summit Fleet	1.10%	36 Months	0	77,992	(8,539)	69,453	(274)	0	0	0	0	0	0	0	0	0	0
Other property and services																			
Canon Copier	3	Canon Finance	1.40%	4 years	0	13,098	(3,206)	9,892	(183)	0	0	0	0	0	0	0	0	0	0
					5,155	94,189	(19,999)	79,345	(495)	5,069	0	(5,069)	0	(140)	19,651	0	(14,496)	5,155	(254)

17. INFORMATION ON BORROWINGS

(a) Borrowings

	2021	2020
	$	$
Current	73,614	98,154
Non-current	409,874	483,488
	483,488	581,642

(b) Repayments - Borrowings

Particulars	Loan Number	Institution	Interest Rate	Actual Principal 1 July2020	30 June 2021 Actual New Loans	30 June 2021 Actual Principal repayments	30 June 2021 Actual Interest repayments	30 June 2021 Actual Principal outstanding	Budget Principal 1 July2020	30 June 2021 Budget New Loans	30 June 2021 Budget Principal repayments	30 June 2021 Budget Interest repayments	30 June 2021 Budget Principal outstanding	Actual Principal 1 July2019	30 June 2020 Actual New Loans	30 June 2020 Actual Principal repayments	30 June 2020 Actual Interest repayments	30 June 2020 Actual Principal outstanding
				$	$	$	$	$	$	$	$	$	$	$	$	$	$	$
Transport																		
Loan 118 - Depot Building	118	WATC*	3.04%	388,767	0	(46,896)	(13,882)	341,871	388,767	0	(46,896)	(15,292)	341,871	434,268	0	(45,501)	(15,610)	388,767
Economic services																		
Loan 119 - Park Cottages	119	WATC*	1.49%	143,014	0	(14,128)	(2,944)	128,886	143,014	0	(14,128)	(2,178)	128,886	0	150,000	(6,986)	(2,627)	143,014
				531,781	0	(61,024)	(16,826)	470,757	531,781	0	(61,024)	(17,470)	470,757	434,268	150,000	(52,487)	(18,237)	531,781
Self Supporting Loans																		
Recreation and culture																		
Bowling Club	115	WATC*	6.39%	44,709	0	(35,481)	(1,767)	9,228	44,177	0	(36,046)	(2,324)	8,131	78,011	0	(33,302)	(4,219)	44,709
Tennis Club	116	WATC*	3.89%	0	0	0	0	0	0	0	0	0	0	925	0	(925)	(271)	0
Golf Club	117	WATC*	4.08%	5,152	0	(1,649)	(219)	3,503	4,899	0	(1,647)	(257)	3,252	6,735	0	(1,583)	(13)	5,152
				49,861	0	(37,130)	(1,986)	12,731	49,076	0	(37,693)	(2,581)	11,383	85,671	0	(35,810)	(4,503)	49,861
				581,642	0	(98,154)	(18,812)	483,488	580,857	0	(98,717)	(20,051)	482,140	519,939	150,000	(88,297)	(22,740)	581,642

* WA Treasury Corporation

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

17. INFORMATION ON BORROWINGS (Continued)

(c) Undrawn Borrowing Facilities	2021 $	2020 $
Credit Standby Arrangements		
Credit card limit	5,000	5,000
Credit card balance at balance date	0	(464)
Total amount of credit unused	5,000	4,536
Loan facilities		
Loan facilities - current	73,614	98,154
Loan facilities - non-current	409,874	483,488
Lease liabilities - current	29,058	5,155
Lease liabilities - non-current	50,287	0
Total facilities in use at balance date	562,833	586,797
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 28.

18. EMPLOYEE RELATED PROVISIONS

(a) Employee Related Provisions

	Provision for Annual Leave	Provision for Long Service Leave	Total
	$	$	$
Opening balance at 1 July 2020			
Current provisions	166,860	169,337	336,197
Non-current provisions	0	15,543	15,543
	166,860	184,880	351,740
Additional provision	10,282	0	10,282
Amounts used	0	(60,195)	(60,195)
Balance at 30 June 2021	177,142	124,685	301,827
Comprises			
Current	177,142	99,851	276,993
Non-current	0	24,834	24,834
	177,142	124,685	301,827

Amounts are expected to be settled on the following basis:	2021	2020
	$	$
Less than 12 months after the reporting date	222,036	335,293
More than 12 months from reporting date	76,088	11,840
Expected reimbursements from other WA local governments	3,703	4,607
	301,827	351,740

Timing of the payment of current leave liabilities is difficult to determine as it is dependent on future decisions of employees.

Expected settlement timings are based on information obtained from employees and historical leave trends and assumes no events will occur to impact on these historical trends.

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

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

Short-term employee benefits

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

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

Other long-term employee benefits

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

Other long-term employee benefits (Continued)

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

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

Provisions

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

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

19. NOTES TO THE STATEMENT OF CASH FLOWS

Reconciliation of Cash

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

	2021 Actual $	2021 Budget $	2020 Actual $
Cash and cash equivalents	5,815,668	3,615,022	5,083,976
Reconciliation of Net Cash Provided By Operating Activities to Net Result			
Net result	810,690	2,058,968	(65,301)
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)
Work In Progress expensed	19,417	0	3,957
Depreciation on non-current assets	2,883,662	1,982,450	2,851,097
(Profit)/loss on sale of asset	246,049	(19,889)	(8,956)
Changes in assets and liabilities:			
(Increase)/decrease in receivables	(39,084)	13,345	131,474
(Increase)/decrease in other assets	10,279	0	(617)
(Increase)/decrease in inventories	221,194	0	595
Increase/(decrease) in payables	411,435	0	(40,399)
Increase/(decrease) in employee provisions	(49,913)	0	5,290
Increase/(decrease) in other liabilities	116,424	(27,046)	(10,501)
Non-operating grants, subsidies and contributions	(2,937,497)	(3,916,049)	(1,140,516)
Net cash from operating activities	1,690,070	91,779	1,724,970

20. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2021	2020
	$	$
General purpose funding	239,114	261,702
Law, order, public safety	1,569,562	1,577,045
Health	327,087	233,106
Education and welfare	1,023,973	714,701
Housing	5,049,432	4,242,872
Community amenities	1,625,769	1,427,621
Recreation and culture	8,072,064	7,211,575
Transport	88,397,208	75,580,089
Economic services	5,423,219	5,548,078
Other property and services	2,941,202	2,733,231
Unallocated	2,606,159	2,379,905
	117,274,789	101,909,925

21. CONTINGENT LIABILITIES

In compliance with the Contaminated Sites Act 2003 Section 11, the Shire of Quairading has identified the following sites to be possible sources of contamination:

- Airstrip (Historic; small agricultural chemical spill)
- Fuel Tanks at Works Depot (Current; recent test showed no leak in fuel tank)
- Old Community Sheep Dip at Doodenanning (Historic; unassessed)

Until the Shire conducts an investigation to determine the presence and scope of contamination, assess the risk, and agree with the Department of Environment Regulation on the need and criteria for remediation of a risk based approach, the Shire is unable to estimate the potential costs associated with remediation of these sites. This approach is consistent with the Department of Environment Regulation Guidelines.

22. CAPITAL COMMITMENTS

	2021	2020
	$	$
(a) Capital Expenditure Commitments		
Contracted for:		
- capital expenditure projects	908,694	138,204
- plant & equipment purchases	0	0
	908,694	138,204
Payable:		
- not later than one year	908,694	138,204

The Capital expenditure projects outstanding at the end of the current reporting period represent the construction of the new Caravan Park Caretaker Reception, Caravan Park Single Occupancy Units, Youth Centre Upgrades, Light Industrial Area Lots Subdivision works, Community Park works, Old Beverley East Roadworks, and retention contractual commitments due for previous work completed on the Arthur Kelly Village Road Upgrade, Hockey Oval Lighting, Heal Street Parking and the Airstrip Apron Upgrade.

The Capital expenditure projects outstanding at the end of the prior reporting period represent the construction of new lighting at the Quairading Oval, works to the Caravan Park Cabins and new Pool Sub Meters. The projects outstanding at the end of the previous year were the construction of the new Caravan Park Cottages and replacement of the Bowling Club Green.

23. ELECTED MEMBERS REMUNERATION

	2021 Actual $	2021 Budget $	2020 Actual $
Elected member - Wayne Davies			
President's annual allowance	513	513	0
Meeting attendance fees	6,100	5,766	6,325
	6,613	6,279	6,325
Elected member - Jo Haythornthwaite			
Meeting attendance fees	3,680	3,962	3,680
	3,680	3,962	3,680
Elected member - Becky Cowcill			
Meeting attendance fees	3,162	3,962	2,230
	3,162	3,962	2,230
Elected member - John Haythornthwaite			
Meeting attendance fees	3,238	3,962	2,368
	3,238	3,962	2,368
Elected member - Jonathan Hippisley			
Meeting attendance fees	3,376	3,962	2,444
	3,376	3,962	2,444
Elected member - Brett McGuinness			
Meeting attendance fees	3,328	3,962	3,908
	3,328	3,962	3,908
Elected member - Peter Smith			
Meeting attendance fees	3,238	3,962	3,528
	3,238	3,962	3,528
Elected member - Trevor Stacey			
Meeting attendance fees	3,604	3,962	3,680
	3,604	3,962	3,680
Elected member - Gillian McRae			
Meeting attendance fees	0	0	1,008
	0	0	1,008
Elected member - Lyall Brown			
Meeting attendance fees	0	0	1,084
	0	0	1,084
	30,239	34,013	30,255
Fees, expenses and allowances to be paid or reimbursed to elected council members.			
President's allowance	513	513	0
Meeting attendance fees	29,726	33,500	30,255
	30,239	34,013	30,255

24. RELATED PARTY TRANSACTIONS

Key Management Personnel (KMP) Compensation Disclosure

The total of remuneration paid to KMP of the Shire during the year are as follows:	2021 Actual $	2020 Actual $
Short-term employee benefits	525,018	487,119
Post-employment benefits	46,603	43,870
Other long-term benefits	37,297	11,461
	608,918	542,450

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

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

Other long-term benefits
These amounts represent long service benefits accruing during the year.

24. RELATED PARTY TRANSACTIONS (Continued)

Transactions with related parties

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

No related party transactions exist as at 30 June 2021 and 30 June 2020.

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 employement 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.

25. INVESTMENT IN JOINT ARRANGEMENTS

(a) Share of joint operations

The Shire of Quairading has participated in a joint venture with Homeswest for the construction of two three bedroom duplex units in Suburban Road, Quairading. The provision of this housing aims to provide accommodation for low income families.
The Shire of Quairading has a 18.95% interest in the assets and liabilities of this joint venture.
Council manages the operation of the joint venture under the auspices of Homeswest.
All revenue and expenses of the joint venture are recognised in the relevant financial statements of Council.

	2021 $	2020 $
Statement of Financial Position		
Land and Buildings	81,864	67,299
Total assets	81,864	67,299
Statement of Comprehensive income		
Other revenue	896	5,800
Other expenditure	(8,016)	(8,289)
Net result for the period	(7,120)	(2,489)
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss		
Changes in asset revaluation surplus	12,507	0
Total other comprehensive income for the period	12,507	0
Total comprehensive income for the period	5,387	(2,489)

SIGNIFICANT ACCOUNTING POLICIES

Interests in joint arrangements

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

Separate joint arrangements providing joint ventures with an interest to net assets are classified as a joint venture and accounted for using the equity method. The equity method of accounting, whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Shire's share of net assets of the associate. In addition, the Shire's share of the profit or loss of the associate is included in the Shire's profit or loss.

Interests in joint arrangements (Continued)

Joint operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Shire's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the financial statements.

26. RATING INFORMATION

(a) Rates

RATE TYPE Differential general rate / general rate	Rate in $	Number of Properties	2020/21 Actual Rateable Value $	2020/21 Actual Rate Revenue $	2020/21 Actual Interim Rates $	2020/21 Actual Back Rates $	2020/21 Actual Total Revenue $	2020/21 Budget Rate Revenue $	2020/21 Budget Interim Rate $	2020/21 Budget Back Rate $	2020/21 Budget Total Revenue $	2019/20 Actual Total Revenue $
Gross rental valuations												
Residential	0.135696	315	2,563,032	347,793	0	0	347,793	347,793	0	0	347,793	347,750
Industrial	0.135696	20	261,785	35,523	840	0	36,363	35,523	0	0	35,523	35,519
Commercial	0.135696	11	248,376	33,704	0	0	33,704	33,704	0	0	33,704	33,699
Unimproved valuations												
Rural	0.011765	361	154,596,570	1,818,829	3,835	25	1,822,689	1,818,828	0	0	1,818,828	1,818,914
Sub-Total		707	157,669,763	2,235,849	4,675	25	2,240,549	2,235,848	0	0	2,235,848	2,235,882
Minimum payment	**Minimum $**											
Gross rental valuations												
Residential	650	61	66,041	39,650	0	0	39,650	39,650	0	0	39,650	39,650
Industrial	650	5	6,315	3,250	0	0	3,250	3,250	0	0	3,250	3,250
Commercial	650	0	0	0	0	0	0	0	0	0	0	0
Unimproved valuations												
Rural	650	32	1,041,666	20,800	0	0	20,800	20,800	0	0	20,800	19,500
Sub-Total		98	1,114,022	63,700	0	0	63,700	63,700	0	0	63,700	62,400
		805	158,783,785	2,299,549	4,675	25	2,304,249	2,299,548	0	0	2,299,548	2,298,282
Total amount raised from general rate							2,304,249				2,299,548	2,298,282
Write offs							(758)				(700)	(15,735)
Ex-gratia rates							12,156				12,156	12,156
Totals							2,315,647				2,311,004	2,294,703

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.

26. RATING INFORMATION (Continued)

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

Waivers or Concessions

Rate or Fee and Charge to which the Waiver or Concession is Granted	Type	Discount %	Discount $	2021 Actual $	2021 Budget $	2020 Actual $
Rates - GRV	Write Off	0.00%	0	758	700	14,818
Rates - GRV & UV Interest	Write Off	0.00%	0.00	0	0	917
				758	700	15,735
Total discounts/concessions (Note 26(a))				758	700	15,735

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
Rates - GRV	Write off minor outstanding balance from interest for UV and GRV Properties	Write off minor balances uneconomic to recover	Write off minor balances uneconomic to recover
Rates - GRV & UV Interest	Write off minor outstanding balance from interest for UV and GRV Properties	Write off minor balances uneconomic to recover	Write off minor balances uneconomic to recover

26. RATING INFORMATION (Continued)

(c) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge	Instalment Plan Interest Rate	Unpaid Rates Interest Rate
		$	%	%
Option One				
Single Full Payment	18/09/2020			8.00%
Option Two				
First Instalment	18/09/2020			8.00%
Second Instalment	18/11/2020	5.00	3.00%	8.00%
Third Instalment	18/01/2021	5.00	3.00%	8.00%
Fourth Instalment	18/03/2021	5.00	3.00%	8.00%

	2021 Actual	2021 Budget	2020 Actual
	$	$	$
Interest on unpaid rates	15,664	15,400	24,756
Interest on instalment plan	2,550	3,000	3,959
Charges on instalment plan	1,455	1,700	1,695
Interest on deferred rates	155	0	0
ESL penalty interest	691	0	0
	20,515	20,100	30,410

27. RATE SETTING STATEMENT INFORMATION

	Note	2020/21 (30 June 2021 Carried Forward)	2020/21 Budget (30 June 2021 Carried Forward)	2019/20 (30 June 2020 Carried Forward
		$	$	$
(a) Non-cash amounts excluded from operating activities				
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with *Financial Management Regulation 32.*				
Adjustments to operating activities				
Less: Profit on asset disposals	11(a)	(47,840)	(44,931)	(26,495)
Less: Movement in liabilities associated with restricted cash		(39,458)	(38,855)	3,436
Less: Fair value adjustments to financial assets at fair value through profit and loss		(2,586)	0	(1,153)
Movement in pensioner deferred rates (non-current)		(3,817)	0	1,883
Movement in employee benefit provisions (non-current)		9,291	0	(14,943)
Movement in contract liabilities (non-current)		0	(27,046)	0
Movement of inventory (non-current)		222,000		0
Work In progress expensed		19,417	0	3,957
Add: Loss on disposal of assets	11(a)	293,889	25,042	17,539
Add: Depreciation on non-current assets	11(d)	2,883,662	1,982,450	2,851,097
Non cash amounts excluded from operating activities		3,334,558	1,896,660	2,835,321
(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 *Financial Management Regulation 32* to agree to the surplus/(deficit) after imposition of general rates.				
Adjustments to net current assets				
Less: Reserves - cash backed	4	(3,575,367)	(3,252,604)	(3,091,734)
Less: Financial assets at amortised cost - self supporting loans	5(a)	(10,944)	0	(37,130)
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings	17(a)	73,614	(6,986)	98,154
- Current portion of contract liability held in reserve		0	(27,046)	0
- Current portion of lease liabilities	16(a)	29,058	(5,042)	5,155
- Employee benefit provisions		166,273	166,876	205,731
Total adjustments to net current assets		(3,317,366)	(3,124,802)	(2,819,824)
Net current assets used in the Rate Setting Statement				
Total current assets		6,146,804	3,885,021	5,415,504
Less: Total current liabilities		(1,314,391)	(632,074)	(846,373)
Less: Total adjustments to net current assets		(3,317,366)	(3,124,802)	(2,819,824)
Net current assets used in the Rate Setting Statement		1,515,047	128,145	1,749,307

28. 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	0.17%	5,815,668	4,133,392	1,658,477	23,799
2020					
Cash and cash equivalents	0.70%	5,083,976	3,646,796	1,439,477	(2,297)

Sensitivity

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

	2021	2020
	$	$
Impact of a 1% movement in interest rates on profit and loss and equity*	16,585	14,395

* Holding all other variables constant

Borrowings

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

28. 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	7,133	65,425	47,753	118,803	239,114
Loss allowance	0	0	0	0	0
29 June 2020					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	123,469	45,836	92,397	0	261,702
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%	0.03%	0.10%	7.31%	
Gross carrying amount	38,633	2,076	25	917	41,651
Loss allowance	2	1	0	67	70
29 June 2020					
Trade and other receivables					
Expected credit loss	0.11%	1.28%	4.82%	59.55%	
Gross carrying amount	18,787	354	320	783	20,244
Loss allowance	21	5	15	466	507

28. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

Payables and borrowings

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

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

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
2021	$	$	$	$	$
Payables	727,047	0	0	727,047	727,047
Borrowings	85,770	300,055	173,396	559,221	483,488
Contract liabilities	5,734	0	0	5,734	5,734
Other liabilities	201,945	0	0	201,945	201,945
Lease liabilities	29,831	50,848	0	80,679	79,345
	1,050,327	350,903	173,396	1,574,626	1,497,559
2020					
Payables	315,612	0	0	315,612	315,612
Borrowings	92,295	311,272	247,950	651,517	581,642
Contract liabilities	91,255	0	0	91,255	91,255
Lease liabilities	5,182	0	0	5,182	5,155
	504,344	311,272	247,950	1,063,566	993,664

29. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

The Shire does not have any subsequent events after balance sheet date.

30. TRUST FUNDS

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

	1 July 2020	Amounts Received	Amounts Paid	30 June 2021
	$	$	$	$
Department of Transport	3,899	530,673	(534,572)	0
	3,899	530,673	(534,572)	0

31. 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.

32. ACTIVITIES/PROGRAMS

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

PROGRAM NAME AND OBJECTIVES	ACTIVITIES
GOVERNANCE	
To provide a decision making process for the efficient allocation of scarce resources.	The Governance function accumulates the costs of Members expenses and other costs of Council that relate to the tasks of assisting councillors and the Ratepayers on matters which do not concern specific Council services, being election costs; allowances and expenses of members; policy and training and audit fees.
GENERAL PURPOSE FUNDING	
To collect revenue to allow for the provision provision of services that are not fully funded by specific fees and charges.	Rates, general purpose government grants and interest revenue.
LAW, ORDER, PUBLIC SAFETY	
To provide services to help ensure a safer and environmentally conscious community.	Supervision of local laws, fire control which covers the maintenance of bushfire equipment and insurance; animal control and a shared community emergency services manager.
HEALTH	
To provide an operational framework for environmental and community health.	Health inspections, food quality control, pest control and operation of the medical centre.
EDUCATION AND WELFARE	
To provide services to disadvantaged persons, the elderly, children and youth.	Operation and maintenance of the Little Rainmakers Childcare Centre, Arthur Kelly Village and minor in-kind association with the Fail Aged Lodge, Youth programme and Quairading Youth Centre.
HOUSING	
To provide and maintain housing.	Maintenance of housing rented to staff and non staff.
COMMUNITY AMENITIES	
To provide services required by the community.	Rubbish and recycling services and administration of Town Planning Scheme and Heritage services. Community bus service, maintenance of cemeteries, public conveniences and environmental services.
RECREATION AND CULTURE	
To establish and effectively manage infrastructure and resources which will help the social wellbeing of the community.	Maintenance of Halls, Swimming Pool, community buildings and various reserves and library.
TRANSPORT	
To provide safe, effective and efficient transport services to the community.	Construction and maintenance of roads, drainage works, footpaths, parking facilities and cleaning of streets. Natural disaster road and bridge repairs. On-line licensing centre for Department of Transport. Maintenance of the Airstrip.
ECONOMIC SERVICES	
To help promote the Shire Quairading and its economic wellbeing.	Community development, operation of caravan park and short stay accommodation, tourism and townscape, control of noxious weeds/plants. Pests and building control, community gym and building control.
OTHER PROPERTY AND SERVICES	
To monitor and control the Shire of Quairading overheads.	Private works overheads, plant operating costs, allocation of salaries and wages. Operation of electrical services and private works.

33. FINANCIAL RATIOS

	2021 Actual	2020 Actual	2019 Actual
Current ratio	2.68	4.71	6.00
Asset consumption ratio	0.74	0.60	0.60
Asset renewal funding ratio	0.79	0.48	0.61
Asset sustainability ratio	0.96	0.64	0.52
Debt service cover ratio	7.12	15.02	19.61
Operating surplus ratio	(0.60)	(0.36)	0.01
Own source revenue coverage ratio	0.44	0.50	0.77

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 Quairading

To the Councillors of the Shire of Quairading

Report on the audit of the annual financial report

Opinion

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

- 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.

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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 33 of the annual financial report is below the Department of Local Government, Sport and Cultural Industries' standard for the last two 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) Changes made to creditor master files were not independently reviewed. This increased the risk of unauthorised changes to key information, although our audit sampling did not identify any.
b) We noted 7 instances of the purchase orders we sampled were dated after the dates of the corresponding supplier invoices. This practice increases the risk of fraud or favouritism of suppliers, not obtaining value for money in procurement, and inappropriate or unnecessary purchases.
c) Monthly bank reconciliations were not completed on a monthly basis from January to June 2021.

(iii) All required information and explanations were obtained by me.

(iv) All audit procedures were satisfactorily completed.

(v) In my opinion, the Asset Consumption Ratio and the Asset Renewal Funding Ratio included in the financial report were supported by verifiable information and reasonable assumptions.

Other matter

The annual financial report of the Shire for the year ended 30 June 2020 was audited by another auditor who expressed an unmodified opinion on that annual financial report. The financial ratios for 2019 and 2020 in Note 33 of the audited annual financial report were included in the audited annual financial report for those years.

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 Quairading 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.

Patrick Arulsingham
Acting Assistant Auditor General Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
17 February 2022