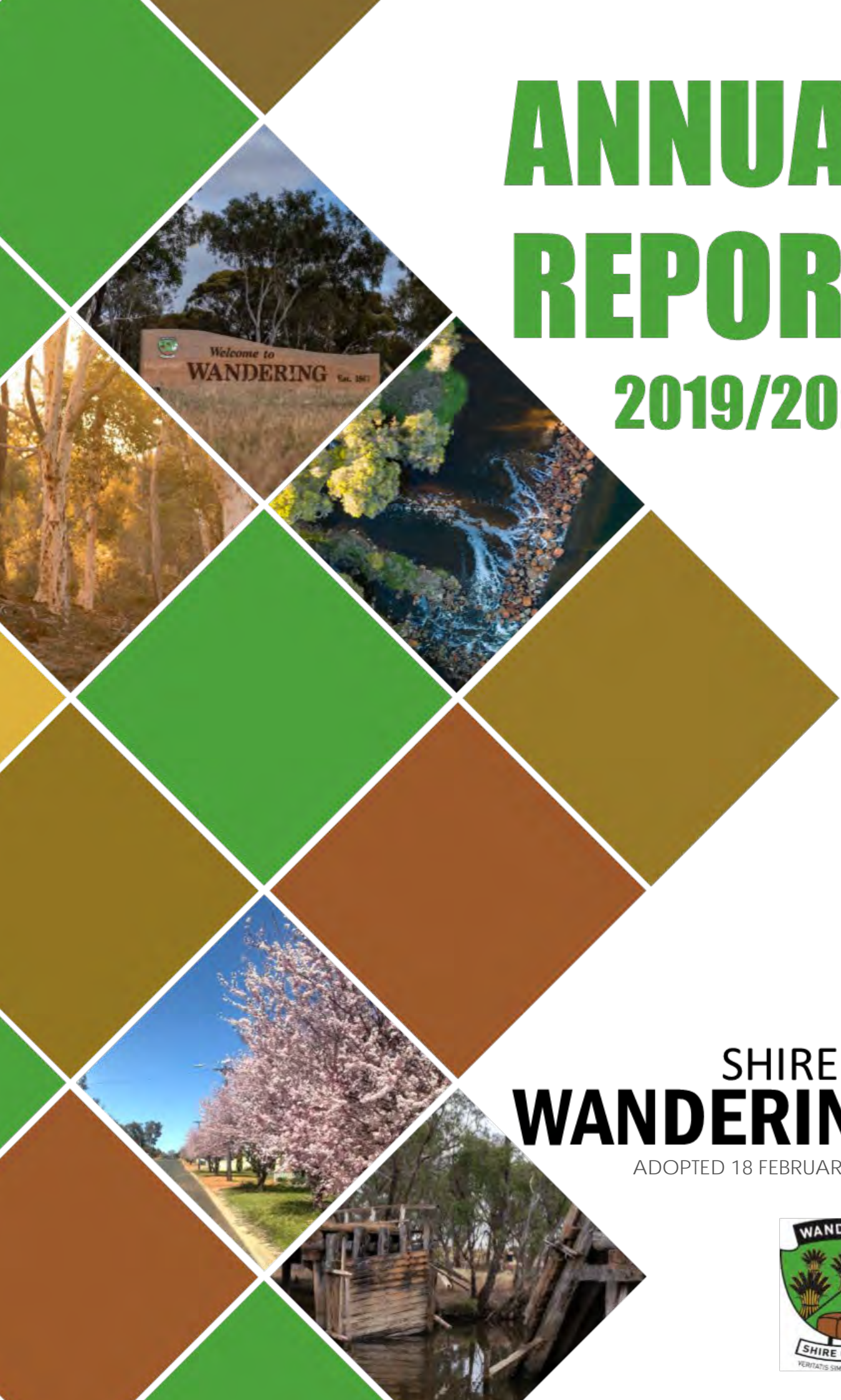


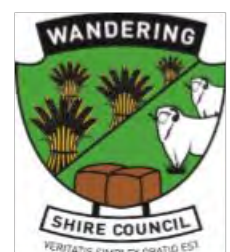
# ANNUAL REPORT

2019/2020



SHIRE OF  
**WANDERING**

ADOPTED 18 FEBRUARY 2021





# TABLE OF CONTENTS

Table of Contents ..... 2

Our Statistics 2019-2020 ..... 3

President’s Report ..... 4

Councillors ..... 5

CEO’s Report..... 6

Executive Manager Technical Services Report..... 7

Community Resource Centre Report ..... 8

Organisational Structure ..... 9

Integrated Planning ..... 11

Corporate Business Plan..... 12

Freedom of Information ..... 20

Services to the Community ..... 21

Equal Opportunity Statement ..... 22

Occupational Health & Safety ..... 23

Disability Access & Inclusion Plan..... 24

Record Keeping Plan..... 25

Financial Reports ..... 26

Auditor’s Report ..... 75



## OUR STATISTICS 2019-2020



**444**

Total number of residents\*  
\* Based on 2016 Census



**407**

Total number of  
rateable properties



**\$1,106,019**

Rates levied



**\$1,100**

Minimum general  
residential rate



**\$1,100**

Minimum general rural rate



**6%**

Increase in Average rate



**\$2,591,788**

Operating revenue



**\$57,817,562**

Net assets



**\$791,246**

Operating grants revenue



**\$510,157**

Specific purpose  
grants revenue



**109 km**

Length of sealed roads



**312 km**

Length of gravel roads



**0.69**

Debt servicing ratio



**224**

Number of dwellings



**74**

Number of garbage  
services provided



## PRESIDENT'S REPORT

In presenting the annual report for the 2019/2020 for our Shire I need to explain that its delivery to our Community is considerably later than Council normally expects. The State Government this year has been completing the changes for future auditing of local government Councils. Council only had the final documents delivered in person by our auditor at the recent February 2021 meeting. For those in our Community that are interested, a copy of the Audit is available online or through the Shire office. In summary the financial affairs of the Shire are sound for the period reviewed. The audit did highlight some areas that Council needs to address and our CEO, has already started to do that. It is worth mentioning that the new arrangements for local government audits will be significantly more detailed in the future covering a lot more than financial affairs and will be controlled by the Auditor General. Gone are the days where a Council was able to call for tenders to undertake the audit and it has now resulted in considerably more unfunded cost.

The beginning of the review period saw the Shire office under the control of our new CEO, Belinda Knight, and support managers Barry Gibbs and Alana Rosenthal. All these staff members came to the Shire with sound experience from not dissimilar Shires. Our outside works crew, under Brad Hunt, saw various road projects completed and the town and oval kept in very respectable order. It is worth noting that by the end of the review period the flood repair work and the associated financial funding was finally nearing completion. The decision to take this work on using our own staff and plant rather than letting it out to contract is questionable. The administration of the project was very costly.

The period under review includes the beginning of the Covid-19 pandemic. I am sure we now realise how lucky we ultimately have been. I congratulate our community and in particular the Staff and Councillors who accepted the challenge and adhered to the rules of the day. Administration and operational work continued, and Council had its first "remote" meeting. Covid-19 has put a lot more meaning into our regional emergency preparation meetings that should see us handle similar circumstances even better. Extra funding due to Covid-19, since this period under review, has some positive financial aspects for our Shire.

The administration of our Shire and I suspect many others of our size and type continue to have increasing pressures from compliance issues heaped upon us. Our CEO spent many hours in this her first year with us updating and adhering to the requirements of the Local Government Act. Unfortunately, this continues and comes at a cost that prohibits advancing projects that are priorities for our community. Our total rate collection is used to cover wages and that does not include the purchase of often needed specialist help. That leaves Council to operate with remaining funds from various Government Grants and some expense recovery. I congratulate all involved in the review period that managed to maintain a healthy financial result.

In closing I thank Councillors for their thoughtful input and general support given to me during this period. I encourage members of our Community to be involved with as much as possible that happens in the Shire. Serving on Council is a great experience and I believe many in our Community are well capable of this service and should give it serious consideration.

**CR IAN TURTON.**

Shire President





## COUNCILLORS

**CR I (IAN) TURTON**  
**SHIRE PRESIDENT**

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Welcome to  
**WANDERING** Est. 1861

## CEO'S REPORT

### THE YEAR AT A GLANCE

#### JULY 2019

- Adoption of 2018/2019 Budget

#### AUGUST 2019

- Annual review of Policies, Delegations, Authorisations and Appointments
- Commencement of Stage 2 of the Industrial Estate

#### SEPTEMBER 2019

- Adoption of 10-year Plant Replacement Program
- Secondary Freight Routes
- Wandering Heritage & Nature Walk Story

#### OCTOBER 2019

- Mandatory Code of Conduct for Council Members
- Vegetation Clearing & signage improvements – George Rd

#### NOVEMBER 2019

- New fees for standpipe water sales
- Consideration of disposal of 7 Gnowing Street
- Changeover of front-end loader

#### DECEMBER 2019

- 2020/2021 Rating Review
- Industrial Estate Stage 2 – Initiate rezoning
- Local Planning Policy – Sheds & Outbuildings

#### FEBRUARY 2020

- Budget Review
- Compliance Audit Return
- Future of Fuel Facility & Caravan Park
- Adoption of Style Guide – Logo & Stationery

#### MARCH 2020

- Audit Committee
- Rating Review Committee
- Appointment of Delegates to Committees
- Website refresh & Council portal

#### APRIL 2020

- Financial Hardship Policy
- Appointment of FCO's

#### MAY 2020

- Local Planning Policy – Permitted Uses
- Standpipe fees & charges
- 2020 Ordinary Meeting dates
- BFAC Minutes
- Differential Rates 2020/2021

#### JUNE 2020

- Caravan Park – options for management
- National Redress Scheme participation
- 5-year Road Program
- Appointment of dual FCO's

### ECONOMIC & BUSINESS DEVELOPMENT

The ongoing collaboration with the Hotham Williams Economic Development Alliance (HWEDA) has continued to provide opportunities for increased economic development across the Shire. HWEDA brings together representatives from the Peel and Wheatbelt Development Commissions, strategic businesses and local recourse companies, community representatives and the local governments of Williams, Wandering and Boddington.

The HWEDA Self-Drive Trails, part of the Marradong Country initiative, which can be found at [www.marradongcountry.org.au](http://www.marradongcountry.org.au) Links to the self-drive trails information can be found at [www.marradongtrails.com](http://www.marradongtrails.com).

I would like to express my appreciation to my staff and to the elected members for their support in my new role.

**BELINDA KNIGHT**

Chief Executive Officer



# EXECUTIVE MANAGER TECHNICAL SERVICES REPORT

The Shire of Wandering has a very small workforce that have been very efficient during the 2019/20 financial year with major capital and renewal works undertaken while still managing to undertaking the day to day maintenance work within the Shire. The capital and renewal work completed include:

- York Williams Road construction work has been completed for a 2 km section south of the Wandering Narrogin Road intersection. The work involved extending existing culverts and installation of precast headwalls, reshaping the road including lowering of a crest to improve the sight distance for motorists. Gravel was then laid to a minimum depth of 200mm prior to applying a two-coat bitumen seal using a 14 mm and 10 mm granite stone for the road surface. The work was funded on a 2/3 basis by the State Government Regional Road Group Program. This is based on the Roads 2030 Program for roads of high priority within each shire subject to set funding arrangements.
- Fourteen Mile Brook Road construction work was commenced from the Dwarda East Intersection to the Williams Shire Boundary. Work undertaken included installation of new culverts, extending existing culverts and installation of precast headwalls, reshaping a 600 m section of the road and placement of gravel to a minimum depth of 200mm prior to applying a one-coat bitumen seal using a 14 mm granite stone for the road surface. The remaining work will be completed in 2020/21. This work was also funded on a 2/3 basis by the State Government Regional Road Group Program.

- Road Failures within a 4 km section of the Wandering Narrogin Road was stabilized and resealed with a two-coat bitumen seal using a 14 mm and 10 mm granite stone for the road surface. that had failed due to the ageing bitumen seal and increase heavy haulage vehicles on the road. This was funded 100% by "Roads to Recovery" which is a Federal Government Program
- A 1.1 Km section of Pennington Road was constructed and sealed from the Wandering Pingelly Intersection. The roads was re-gravelled to a depth of 200 mm prior to applying a one-coat bitumen seal using a 14 mm granite stone for the road surface. The remaining second of 10 mm granite stone. This also was funded 100% by "Roads to Recovery" which is a Federal Government Program

Other non-funded work undertaken included the upgrade of the large culverts on the North Wandering Road to the east of Sheoak Road that was damaged during a truck rollover.

Even with this demanding capital and renewal works program Shire staff, with the assistance of some contractors, still undertook regular maintenance of the Shire's gravel road network and other maintenance work including road verge weed spraying, tree pruning, vegetation control and general Parks and Garden work as programmed.

**BARRY GIBBS,**

Executive Manager Technical Services





## COMMUNITY RESOURCE CENTRE REPORT

The need for business support services is becoming more prevalent as the community moves towards being accepting of the impending growth and development of the area and the need for additional business and service providers to support this growth. This has been more prevalent over the last many months as more interest in rural areas has grown since the pandemic hit and people look to move away from the city.

The WCRC has developed a regular program of business support activities and services by partnering with service providers such as RSM. In 2019-20 we hosted several business and economic development activities such as Social Media Marketing and HR/MC Truck Driver Training. These workshops assisted farmers, community groups and existing businesses to up-skill their current staff and volunteers and provided an opportunity for other community members to obtain certifications they can use to assist them to gain employment.

The WCRC is heavily relied on by many community groups for assistance with grant and sponsorship writing, auspicing grants, project and event management. Through these activities the CRC has formed strong relationships with community groups which in turn assists its own activities when the need for volunteers and additional resources is required.

The WCRC has held many different activities throughout the past year that assist to bring the community together and reduce social isolation especially for those on a low income and seniors. Social events and activities are an important part of our community and need to remain a strong focus in coming years. This last year especially has identified how important the CRC is to the community in ensuring the community has access to information and services during tough times.

Some of the activities held this past year:

- Summer Movies Series

- Wandering Community Care Booklet (COVID Community Info)
- Craft Packs - COVID
- School holiday Programs
- Monthly Childrens' Activity
- Men's Night
- Community check-in morning teas

The WCRC works closely with other community groups such as the Lions Club and Wandering Fair committee to enable the centre to continue to meet the growing needs of the community and it stays in contact with community at a grass roots level.

The WCRC provides administration support to the Wandering Wine Awards committee who host the annual Long Table Lunch. The 2020 event was a sell-out with 150 tickets being sold, however the event was cancelled due to COVID-19. The WCRC gave a sponsorship towards the gift bags and provided printing and other office support. Assistance was also provided for the grant and sponsorship writing. The WCRC will continue to support this event for their 2021 event.

The Wandering Echo monthly community newsletter is produced by the WCRC and it forms a way for us to communicate with the community on a regular basis and promote all the activities happening around the area, encouraging people to actively participate within the community.

The WCRC has hosted 2 trainees over the last year. One trainee is studying a Certificate in Tourism and the other a Certificate in Events. Both of these positions are proving to be beneficial to the CRC and the Shire in assisting to develop programs and promotion of the area. Both of these trainees are due to complete their training by early 2021. The CRC is managed by one part-time manager, 4 days per week.

**ALANA ROSENTHAL**

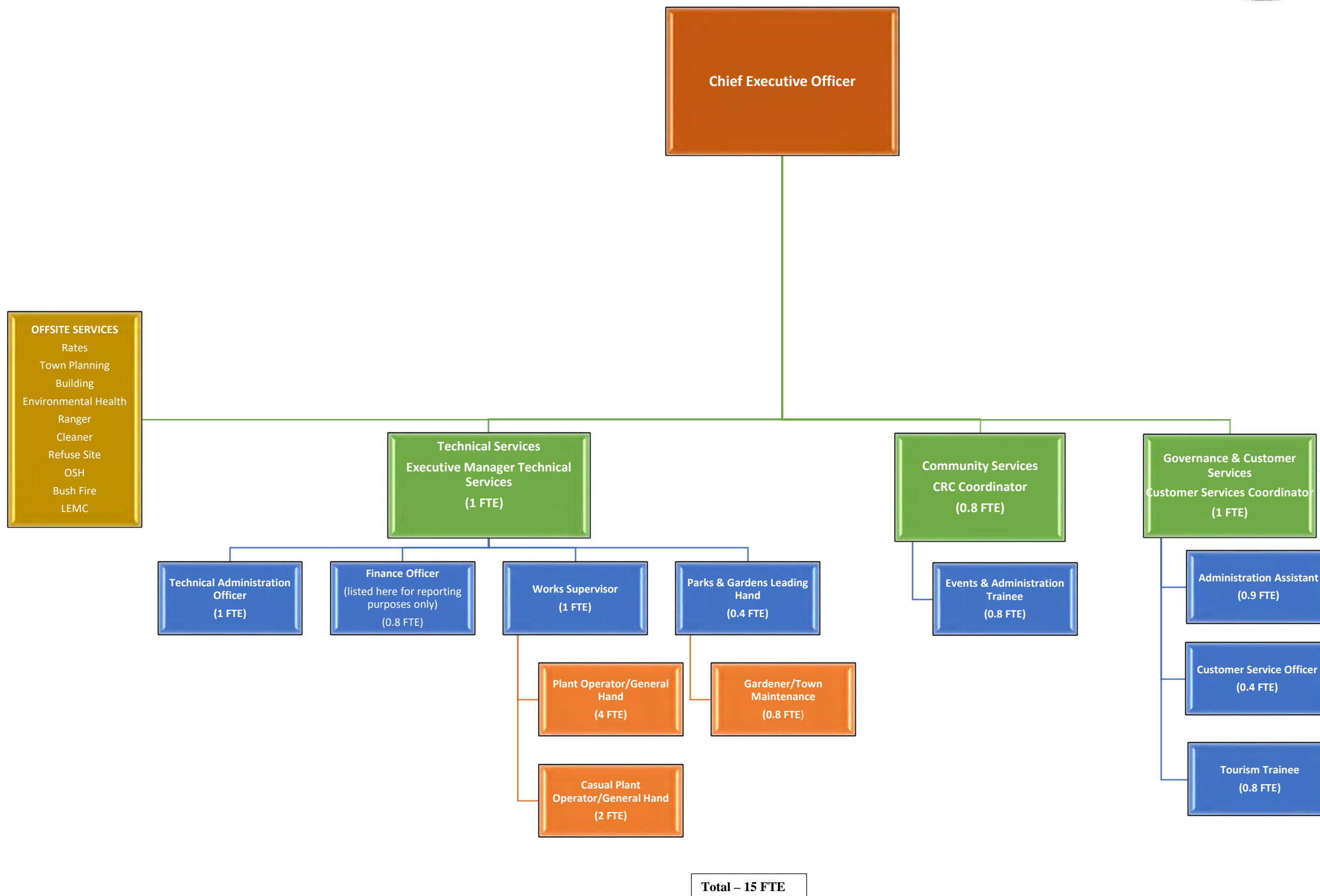
Community Resource Centre Coordinator





# ORGANISATIONAL STRUCTURE

# SHIRE OF WANDERING – ORGANISATIONAL CHART







# INTEGRATED PLANNING

## PRINCIPLES

The Council members and employees will follow the Local Government Department's Integrated Planning Framework that provides the process to:

- Ensure community input is explicitly and reliably generated.
- Provide capacity for location specific planning where appropriate.
- Inform long-term objectives of the Shire with these inputs.
- Identify the resourcing requirements to deliver against the long-term objectives.
- Clearly articulate long-term financial interchange implications and strategies.

## APPLICATION

As part of the Shire of Wandering's planning cycle, the principles and practices of the integrated planning framework will be demonstrated in all consultation, research, development and implementation phases of the strategic planning process.

Outcomes from the process are a Wandering Community Strategic Plan 2018-2028 (CSP) representing the long-term community aspirations, a Corporate Business Plan 2014-2018(CBP) outlining the strategic and operational objectives to be achieved in the four-year period. The CBP will demonstrate activities and projects are fully resourced and have appropriate timelines and performance measures.

- This will be underpinned by a series of informing strategies and plans which will include:
- A 10-year long-term financial plan;
- A workforce plan that is reviewed every four years in conjunction with the corporate business plan;

- An asset management plan for the life cycle of all assets including maintenance and replacement programs; and
- Any relevant issue specific strategies and plans for major projects or key developments.

The Council will ensure that there are adequate resources provided in both the integrated planning development and delivery phases to ensure timelines and legislative requirement are met and that the community expectations are addressed in a sustainable manner.

The integrated planning process and outcomes will be incorporated into the performance indicators of the CEO for the overall integrated planning process and for Managers for the components relative to their areas of control.

Council members and employees will be trained as appropriate and guideline documents and processes will be recorded appropriately and made available to all new and existing employee to ensure continuity and quality management of the integrated planning process.

# CORPORATE BUSINESS PLAN

OUTCOME: 1		IMPROVE OUR FINANCIAL POSITION		Responsible Agency/Officer	Measures & Targets	2019/20	2020/21	2021/22	2022/23	2019/20	2020/21	2021/22	2022/23
						Cost Estimates							
Improve accountability and transparency	1.1	Seek a high level of legislative compliance and effective internal controls											
		1.1.1	Meet key financial ratios	CEO	Ratios at or better than benchmark standard	✓	✓	✓	✓				
		1.1.2	Annual external audit identifies no adverse trends	CEO	Audit Report	✓	✓	✓	✓				
		Demonstrate sound financial planning											
		1.1.3	Investment strategy completed by 2020	CEO	Adopted Strategy	✓	✓						
Develop an investment strategy that plans for the future and provides cash-backed reserves to meet operational needs	1.2	Annually review and update the Long-Term Financial Plan and Strategic Resource Plan ensuring they integrate with the Strategic Community Plan and that adequate cash backed reserves are maintained to meet investing activities											
		1.2.1	Establish a "Fuel Facility Reserve" and actively save to fund 90% of the replacement of the fuel tanks by 2027/28	EMTS	Establishment of reserve fund	✓				\$15,000	\$15,000	\$15,000	\$15,000
		1.2.2	Maintain the Plant Replacement Reserve to ensure replacement of the Shire's Plant fleet	EMTS	Adopted Council Report	✓	✓	✓	✓	\$40,000	\$12,408	\$234,532	\$214,632
Prudently manage our financial resources to ensure value for money.	1.3	Ensure that the Annual Budget is in line with the strategies within the Corporate Business Plan											
		1.3.1	Balanced budget delivered annually	CEO	Budget	✓	✓	✓	✓				
		Demonstrate sound financial management, implementing opportunities where appropriate.											
		1.3.2	Reactive to industry trends.	CEO	Professional Development sessions attended	✓	✓	✓	✓	\$2,000	\$2,000	\$2,000	\$2,000



OUTCOME: 1 IMPROVE OUR FINANCIAL POSITION			Responsible Agency/Officer	Measures & Targets	2019/20	2020/21	2021/22	2022/23	2019/20	2020/21	2021/22	2022/23
									Cost Estimates			
Reduce reliance on operational grants	1.4	Conduct a Rate Review to ensure equity across rate categories										
		1.4.1	2017 Rate Review to be revisited and adopted, with/without amendment.	CEO/Consultant	Adopted Council Report	✓						
		Implement changes to rating structure as recommended by the Rate Review										
		1.4.2	Rate review implemented over a staged process	CEO	Budget	✓	✓	✓		\$3,500		
		Review income generated by rates										
		1.4.3	Rates are reviewed annually	Finance	Budget	✓	✓	✓	✓			

OUTCOME: 2 IMPROVE THE ECONOMIC GROWTH OF OUR COMMUNITY			Responsible Agency/Officer	Measures & Targets	2019/20	2020/21	2021/22	2022/23	2019/20	2020/21	2021/22	2022/23
									Cost Estimates			
The agricultural industry continues to be a main economic driver.	2.1	Maintain our road network to a high standard.										
		2.1.1	Maintain transport network in accordance with 5 year Road Project Plan and Asset Management Plans.	EMTS	Adopted Plans & Strategies	✓	✓	✓	✓			
			Roads (Renewal/Upgrade)			✓	✓	✓	✓	\$636,000	\$646,660	\$657,533
			Roads (Maintenance)			✓	✓	✓	✓	\$585,570	\$597,285	\$609,230
			Bridges (Renewal/Maintenance)			✓	✓	✓	✓	\$15,000	\$15,300	\$15,610
		Encourage new and existing complimentary business to grow.										
		2.1.2	Format strategy to actively promote and encourage development in the industrial areas.	Working Group/Consultant	Adopted Strategy		✓				\$4,000	

OUTCOME: 2	IMPROVE THE ECONOMIC GROWTH OF OUR COMMUNITY		Responsible Agency/Officer	Measures & Targets	2019/20	2020/21	2021/22	2022/23	2019/20	2020/21	2021/22	2022/23
Roads are a critical driver for our Shire	2.2	Develop a Road Management Plan, which incorporates a road hierarchy, minimum service levels, maintenance policy, contractor policy and Asset Management Plan							Cost Estimates			
		2.2.1	Develop a Road Management Plan incorporating a road hierarchy and minimum service levels	EMTS/CEO	Adopted Plans	✓						
		2.2.2	Develop Maintenance and Contractor Policy.	EMTS/CEO	Adopted Policies	✓						
		2.2.3	Review Strategic Resource Plan	EMTS/CEO	Adopted Plan	✓			\$550			
		Lobby and build enduring partnerships with key Government Departments to better manage Heavy Vehicles and their impact on local roads										
		2.2.4	Liaise with government and other agencies to ensure the future viability of the freight network in the Shire.	EMTS/Council	Maintain membership of Secondary Freight Network Group	✓	✓	✓	✓	\$6,000	\$6,000	\$6,000
		Develop a Roadside Reserve Management Plan										
		2.2.5	Roadside Reserve Management Plan to be developed	EMTS/Roadside Conservation Committee	Adopted Plan		✓			\$1,500		
		Develop a strategic Gravel Reserve Policy										
		2.2.6	Gravel Reserve Policy to be developed	EMTS/CEO	Adopted Policy		✓					



OUTCOME: 2	IMPROVE THE ECONOMIC GROWTH OF OUR COMMUNITY		Responsible Agency/Officer	Measures & Targets	2019/20	2020/21	2021/22	2022/23	2019/20	2020/21	2021/22	2022/23	
									Cost Estimates				
Facilitate increased business opportunities	2.3	Support Business Development and facilitate opportunities for startup and growth											
		2.3.1	Develop a Business Growth Strategy supporting commercial and industrial growth.	Consultant	Adopted Strategy			✓				\$3,500	
		Ensure our planning framework & environment supports nimble decision making and gives confidence to developers											
		2.3.2	Review land use planning documents	CEO/Consultant	Adopted Reviewed documents	✓	✓						
		2.3.3	Review Shire of Wandering Town Planning Scheme No. 3	Consultant	Adopted Scheme No. 4		✓	✓	✓		\$10,000	\$15,000	\$15,000
		Ensure our procurement policies support local business and help generate local employment											
		2.3.4	Review purchasing and procurement policy including identification of "buy local" principles.	CEO	Adopted Policy	✓			✓				
		Develop the remainder of the industrial area											
		2.3.5	Develop remaining lots at the Industrial area by 2020	Consultant		✓	✓			\$5,000	\$200,000		
Capture tourism opportunities locally	2.4	Encourage tourists, longer stays and repeat visitation											
		2.4.1	Support and develop tourism opportunities within the Shire	CEO/Concil	Maintain membership of HWEDA	✓	✓	✓	✓	\$5,000	\$5,000	\$5,000	\$5,000
		Provide for and maintain infrastructure that grows tourism											
		2.4.2	Redevelopment of the Wandering Caravan Park	EMTS/Consultant Contractors	Adoption of redevelopment plans Implementation			✓				\$20,000	

OUTCOME: 2	IMPROVE THE ECONOMIC GROWTH OF OUR COMMUNITY		Responsible Agency/Officer	Measures & Targets	2019/20	2020/21	2021/22	2022/23	2019/20	2020/21	2021/22	2022/23	
									Cost Estimates				
The Hotham Williams Economic Development Alliance (HWEDA) partnership brings economic return to the Shire and community	2.5	Maintain our commitment to HWEDA											
		2.5.1	Ensure that a Council member is an active participant on the HWEDA Board	Council	Meetings attended by Council member	✓	✓	✓	✓				
		2.5.2	Support HWEDA Initiatives where they benefit the Shire and Region.	Council	Council resolutions supporting HWEDA initiatives	✓	✓	✓	✓				
		Start-up incentives are investigated for businesses											
		2.5.3	Format strategy to actively promote and encourage business development in the Shire.	Consultant	Adopted strategy		✓				\$3,500		



OUTCOME: 3	RETAIN AND GROW OUR POPULATION		Responsible Agency/Officer	Measures & Targets	2019/20	2020/21	2021/22	2022/23	2019/20	2020/21	2021/22	2022/23
Our permanent and transient population grows	3.1	We assist with retaining the Wandering Primary School							Cost Estimates			
		3.1.1 Liaise with government to ensure the future viability of the Wandering Primary School	CEO/Council	Provision of housing for School Staff	✓	✓	✓	✓				
		We promote the lifestyle and business opportunities of Wandering										
		3.1.2 Parks and gardens are maintained to an high standard.	EMTS	85% or greater satisfaction from survey (See 4.1.2) Maintain funding levels to meet target	✓	✓	✓	✓	\$90,000	\$108,000	\$129,600	\$155,520
		3.1.3 Number of residents engaged and actively participating in community events	CRC	Data collection	✓	✓	✓	✓				
		We support early years and youth										
		3.1.4 Develop a Youth Strategy that identifies initiatives, support services, facilities and programs.	Consultant	Adopted Strategy		✓				\$4,000		
		3.1.5 Continue to support Wandering Play Group	CRC	Number of playgroup functions held outside Play Group facility	✓	✓	✓	✓				
		We encourage Aging in Place										
		3.1.6 Undertake needs study for services and/or facilities for the well-aged	Consultant	Adopt Study		✓				\$4,000		
		3.1.7 Ensure Disability Access and Inclusion Plan meets changing needs of community	CEO/CRC	Survey (see 4.1.2)	✓	✓	✓	✓	\$1,520	\$2,000		

OUTCOME: 3	RETAIN AND GROW OUR POPULATION		Responsible Agency/Officer	Measures & Targets	2019/20	2020/21	2021/22	2022/23	2019/20	2020/21	2021/22	2022/23
People feel safe, connected and actively involved in the Community.	3.2	Facilitate and support activities that optimise use of our facilities										
		3.2.1	Develop Recreation Strategy to promote and encourage usage of recreation facilities	Consultant	Adopted Strategy		✓			\$4,000		
		3.2.2	Ensure Shire buildings are maintained and/or upgraded in a planned and funded approach.	EMTS/CEO/CRC		✓	✓	✓	✓	\$65,000	\$60,000	\$75,000
		Assist Community and sporting organisations to remain sustainable and active										
		3.2.2	Maintain a subsidised fee for use of facilities for sporting and community organisations of the Shire	CEO	Council Policy 30 - takeup	✓	✓	✓	✓			
		3.2.3	Provide grant writing assistance to local sporting and community groups	CRC	Number of grants written	✓	✓	✓	✓			
		The diversity and number of clubs in our Shire adds to our quality of life										
		3.2.4	Support Clubs by actively engaging with Council	CEO/Council	Number of Clubs assisting with Community Events Clubs invited to Council forums	✓	✓	✓	✓			
		Engage and celebrate local culture, both indigenous and non-indigenous										
		3.2.5	Advocate and support projects and initiatives that will develop and recognise the cultural heritage of the Shire	CEO/Council	Number of initiatives	✓	✓	✓	✓			
		3.2.6	Hold Welcome to Country for designated Shire Events	CEO/Council	Australia Day & other designated Civic Functions	✓	✓	✓	✓			
		Facilitate and support Emergency Services Planning										
		3.2.7	Actively participate with LEMC & DOAC	EMTS	Number of meetings attended	✓	✓	✓	✓			
		3.2.8	Actively pursue joint CESM role in conjunction with BFAC, DFES and other local governments	EMTS	Engagement of CESM		✓			\$5,000	\$5,000	\$5,000
		Preserve our history.										
			Secure the data contained in the Municipal Heritage inventory	CEO/Heritage Council	Hard and soft Copy secured.		✓			\$1,500		
			Undertake recorded history project for the preservation of spoken word stories.	CRC	Funding sourced & DVD/CD produced			✓			\$1,000	



OUTCOME: 4	PROVIDE STRONG LEADERSHIP			Responsible Agency/Officer	Measures & Targets	2019/20	2020/21	2021/22	2022/23	2019/20	2020/21	2021/22	2022/23
										Cost Estimates			
A well informed Community	4.1	Foster Opportunities for connectivity between Council and the Community											
		4.1.1	Develop and implmenet a Community Engagement and Communication Strategy	Consultant	Adopted Strategy		✓				\$4,000		
		4.1.2	Undertake biannual community satisfaction survey	Consultant/CRC	> 30% participation		✓		✓		\$2,500		\$2,500
We plan for the future and are strategically focussed.	4.2	Ensure accountable, ethical and best practice governance											
		4.2.1	Legislative compliance measures set at best practice levels or higher.	CEO	100% compliance on CAR	✓	✓	✓	✓				
		4.2.2	Full review of Policy Manual, Delegations and Authorisations.	CEO	Adopted Manual, Delegations & Authorisations.	✓			✓	\$3,500			
		Develop and maintain our Strategic Plan, Corporate Business Plan, Asset Management Plan, Workforce Plan and Long Term Financial Plan.											
		4.2.3	Review Integrated Plans within statutory guidelines	CEO	Adopted plans within statutory guidelines	✓	✓	✓	✓				
		Service Level Plans detail operational roles, responsibilities and resources.											
		4.2.4	Develop and implement service levels for all operational areas.	CEO/EMTS/CRC	Service levels incorporated into IPR		✓						
		Engage with local, regional, state and federal stakeholders to grow mutually beneficial relationships.											
		4.2.5	Develop and foster strategic alliances with local governments, major industry and government agencies	CEO/Council	Meetings attended	✓	✓	✓	✓				



# FREEDOM OF INFORMATION

This information statement is published in accordance with the *Freedom of Information Act 1992*.

## STRUCTURE & FUNCTIONS OF COUNCIL

The Shire of Wandering is established under the Local Government Act 1995, and has the responsibility for the administration of this Act within the municipality. Other major legislation, which creates a duty or an authority for Council to act, includes but is not limited to

- Health Act 1911
- Cat Act 2011
- Town Planning and Development Act 1928
- Bush Fires Act 1954
- Dog Act 1976
- Cemeteries Act 1986

## COUNCIL

Council's affairs are managed by seven people elected from the community who act in a voluntary capacity. The Council acts as a community board, establishing policies and making decisions within the requirements of the Local Government Act on a wide range of issues affecting the community, and in keeping with the legislative requirements to:

- Determine policies to be applied by Council in exercising its discretionary powers
- Determine the type, range and scope of projects to be undertaken by Council
- Develop comprehensive management plans, budgets, financial controls and performance objectives and indicators for the operations of Council.
- The Council makes decisions which direct and/or determine its activities and functions. Such decisions include the approval of works and services to be undertaken, and the allocation of resources to works and services.

- Decisions are also made to determine whether or not approvals are to be granted for applications for residential and commercial development.
- Ordinary meetings of Council are held on the third Thursday of each month commencing at 3.30pm except January. All members of the public are welcome to attend.





## SERVICES TO THE COMMUNITY

Council provides an extensive variety of services for the community under a wide range of legislation.

Services provided include:

- Building control
- Bush fire control
- Cemeteries
- Citizenship ceremonies
- Community Resource Centre
- Crossovers
- Demolition permits
- Dog control
- Cat control
- Environmental health
- Fire prevention
- Library services
- Street bins
- Media releases
- Parks and reserves
- Planning controls
- Playground equipment
- Public health services
- Public buildings for hire
- Public toilets
- Recreation/sporting facilities
- Roads and footpaths
- Rubbish collection
- Storm water drainage
- Street lighting
- Traffic control works
- Playgroup
- LEMAC (Local Emergency Management Advisory Committee)
- Weed control on reserves
- Natural Resource Management/ Landcare

### SIGNIFICANT LOCAL EVENTS

- Wheatbelt Wine Awards
- Wandering Fair

### TOURIST ATTRACTIONS

The Wandering Caravan Park is the perfect place for visitors to base themselves, and visit the following attractions:

- Wineries
- Hotham River
- Dryandra Woodland & Barna Mia Wildlife Sanctuary
- State Forest
- Bibbulman Track
- Munda Biddi Trail
- Mount Cooke Trail

### LOCAL INDUSTRIES AND SERVICES

Major agricultural activities include cereal crops, oil seed, livestock, vineyards and olive groves.

Education services include local primary school and bus services to Boddington for district high school education.

Local industries include smash repairs and mechanical services.

The Shire provides a high level of community amenities including town oval, tennis courts, basketball and netball courts, badminton courts, bowling greens, clay target shooting ground, and golf course.



# EQUAL OPPORTUNITY STATEMENT

## POLICY STATEMENT

The Shire of Wandering Council recognises its legal obligations under the Equal Opportunity Act 1984 (as amended) and will actively promote the principles of equity and diversity in the workplace. This means that Council aims to provide a work environment that fosters good working relationships where employees, contractors and volunteers are fairly and equally, and that unlawful discrimination does not take place.

Council aims to be respected for its commitment to equal opportunity as an employer and as a service provider to the community by adopting the following practices;

## APPOINTMENTS, PROMOTION & TRAINING

Access to employment, contracts, promotion, and training is to be fair and equitable. Decisions on matters affecting (prospective and current) employees, contractors and volunteers will be made on merit and are based on relevant experience, skills and ability required for the role.

No decisions will be made on the basis of nepotism or patronage.

## DIVERSITY

Council recognises, values, and respects social, cultural and linguistic diversity. Where it can reasonably be achieved, assistance will be provided to employees and volunteers with special needs in order to assist them in undertaking their roles effectively.

## DISCRIMINATION & HARASSMENT FREE ENVIRONMENT

Council promotes an environment where people can work effectively without the fear of unlawful discrimination or harassment. Discrimination is treating one person less favourably than another

because of a personal attribute which is covered by equal opportunity laws, and includes gender, marital status, pregnancy, family responsibilities or status, race, religious and/or political conviction, impairment, age, gender history, and sexual orientation.

Discrimination is unlawful. Harassment is also not tolerated. Harassment is defined as any unwelcome, offensive action or remark concerning a person's gender, race, age, impairment or one of the other attributes as covered in the Equal Opportunity legislation.

## GOOD WORKING RELATIONSHIPS

Council aims to provide an enjoyable, challenging, and harmonious work environment. Workplace bullying is one activity that detracts from this environment. It can create a risk to health and safety and will not be tolerated. Workplace bullying is defined as repeated, unreasonable behaviour directed towards a person or a group of persons at a workplace.

## RESPONSIBILITIES

All employees, volunteers and contractors have a shared responsibility to apply and promote the equal opportunity principles.

## GRIEVANCES

Grievances in relation to discrimination, harassment, and bullying will be dealt with fairly, quickly and confidentially by the Equal Opportunity Coordinator in accordance with grievance procedures.

The Equal Opportunity Coordinator will receive appropriate training to undertake this role. The Chief Executive Officer is the Equal Opportunity Coordinator for the Shire of Wandering.





# OCCUPATIONAL HEALTH & SAFETY

## POLICY STATEMENT

The Shire of Wandering will manage occupational safety and health including the development and implementation of an Occupational Safety and Health Management System that complies with or exceeds legislative requirements including, but not limited to:

- The Occupational Safety and Health Act 1984 (WA)
- The Occupational Safety and Health Regulations 1996 (WA),
- And with any other requirements placed upon the Shire or to which the Shire subscribes.

The Shire of Wandering will ensure that all levels of employees, including senior management, employees and contractors understand their roles and responsibilities in accordance with legislative requirements.

The Shire of Wandering will, so far as is practicable, meet our objectives by:

- Providing and maintaining workplaces, plant, and systems of work such that employees are not exposed to hazards; and
- Providing such information, instruction, and training to, and supervision of, employees as is necessary to enable them to perform their work in such a manner that they are not exposed to hazards; and
- Consulting and cooperating with safety and health representatives, if any, and other employees at our workplaces, regarding occupational safety and health at our workplaces; and

- Where it is not practicable to avoid the presence of hazards at our workplaces, providing our employees with, or otherwise providing for our employees to have, such adequate personal protective clothing and equipment as is practicable to protect them against those hazards; and
- Making arrangements for ensuring, so far as is practicable, that:
  - The use, cleaning, maintenance, transportation and disposal of plant; and
  - The use, handling, processing, storage, transportation and disposal of substances, at our workplaces is carried out in a manner such that our employees are not exposed to hazards

While at work all employees, including contractors and volunteers will be expected to:

- Ensure their own safety and health at work; and
- Avoid adversely affecting the safety or health of any other person through any act or omission at work;
- Comply with safety and health instructions given by the Shire, including any direction to wear personal protective clothing or equipment;
- Report all hazards, injury or harm to health in our workplaces to the Shire in a timely fashion and assist with any investigations when required;
- Cooperate with the Shire in our efforts to carry out our legislatively imposed safety and health duties

A safe and efficient place of work is our goal.





## DISABILITY ACCESS & INCLUSION PLAN

### **OUTCOME 1 - People with disability have the same opportunities as others to access the services of, and events organised by, the Shire of Wandering.**

- Monitor Shire services to ensure equitable access and inclusion.
- Ensure that events, whether organised or funded, are accessible to people with disability.

### **OUTCOME 2 - People with disability have the same opportunities as others to access buildings, playgrounds, outdoor spaces and other facilities in the Shire of Wandering.**

- Ensure that all new or redevelopment works provide access to people with disability, where practicable. Improved access was provided to Council's administration building, including a paved and ramped entry paths and relocation of easy access parking bays.
- Avoid abrupt vertical level changes, slopes and cambers in building access design, footpaths and paved areas. Footpaths in the main street were upgraded and kerb ramps installed.
- Provide handrails along ramps and within ablution facilities.
- Use surface finishes that are slip-resistant and evenly laid.
- Ensure signage is of sufficient size, colour, luminance contrast, location, illumination and type for visibility.
- Encourage private dwelling builders to consider possible future access issues in the design of their homes.
- Encourage the use of Independent Living Centre-approved assistive technology in building design and fit-out.
- Ensure that all recreational areas are accessible.

### **OUTCOME 3 - People with disability receive information from the Shire of Wandering in a format that will enable them to access information as readily as others**

- All printed material to be in clear, easy-to-understand English of font size of 12 or greater on non-reflective paper
- Information in alternative formats should be provided on request from a person with a disability i.e. website, email, CD, audio cassette or large-font print

### **OUTCOME 4 - People with disability receive the same level and quality of service from the employees and elected members of the Shire of Wandering as others**

- Improve community awareness about disability and access issues.

### **OUTCOME 5 & 6 - Opportunities are provided for people with disability to participate in public consultations, grievance mechanisms and decision-making processes.**

- When meeting with complainant provide interpreter if required
- Ensure that people with disability are actively consulted about the DAIP and any other significant planning processes.
- Ensure that people with disability are aware of and can access other established consultative processes.

### **OUTCOME 7 - People with disability have the same opportunities as others to obtain and maintain employment in the public sector**

- Promote the Shire as an inclusive workplace of choice and also promote new policies to encourage more employment of people with disability.
- Promote the benefits of employing people with disability to all managers.
- Review Position Description templates regularly to ensure that they are non-discriminatory and include people with disability.
- Employment advertisements are to be available in alternative formats upon request.





# RECORD KEEPING PLAN

Council's revised Record Keeping Plan was adopted by Council in 2011, and will undergo a full review in 2020/2021.

## POLICY STATEMENT

The Shire of Wandering is committed to making and keeping full and accurate records of its business transactions and its official activities.

Records created and received by Shire personnel and contractors, irrespective of format, are to be managed in accordance with the Shire's Record Keeping Plan and this Records Management Policy.

Records will not be destroyed except by reference to the General Disposal Authority for Local Government Records.

## RECORDS CREATION

All Council members, employee and contractors will create full and accurate records, in the appropriate format, of the Shire's business decisions and transactions to meet all legislative, business, administrative, financial, evidential historical requirements.

## RECORDS CAPTURE AND CONTROL

All records created and received in the course of Shire business are to be captured at the point of creation, regardless of format, with required metadata, into appropriate record keeping and business systems that are managed in accordance with sound record keeping principles.

## SECURITY AND PROTECTION OF RECORDS

The Shire of Wandering is responsible for the security and protection of all records created or captured as part of the Shire's day to day operations. All Shire employee and contractors have a responsibility to apply the following security and protection measures to all records created or received when carrying out the Shire's business.

## ACCESS TO RECORDS

Access to the Shire's records by the general public will be in accordance with the Freedom of Information Act 1992.

Access to the Shire's records by Council members will be through the Chief Executive Officer in accordance with the Local Government Act 1995.

## LOCAL GOVERNMENT COUNCIL MEMBERS

In relation to the recordkeeping requirements of Local Government council members, records must be created and kept which properly and adequately record the performance of member functions arising from their participation in the decision-making processes of Council and Committees of Council.

This requirement should be met through the creation and retention of records of meetings of Council and Committees of Council of Local government and other communications and transactions of council members which constitute evidence affecting the accountability of the Council and the discharge of its business.

Local Governments must ensure that appropriate practises are established to facilitate the ease of capture and management of council members' records up to and including the decision-making processes of Council.

## APPRAISAL, RETENTION AND DISPOSAL OF RECORDS

Records will only be destroyed or otherwise disposed of by reference to the General Disposal Authority for Local Government Records issued by the State Records Office and following authorisation from the responsible Officer and the Chief Executive Officer. Records identified as a State Archive should be transferred to the State Records Office in accordance with the requirements of the General Disposal Authority for Local Government Records.

# FINANCIAL REPORTS



**SHIRE OF WANDERING**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**TABLE OF CONTENTS**

Statement by Chief Executive Officer	2
Statement of Comprehensive Income by Nature or Type	3
Statement of Comprehensive Income by Program	4
Statement of Financial Position	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Rate Setting Statement	8
Index of Notes to the Financial Report	9
Independent Auditor's Report	49

**COMMUNITY VISION**

Wandering is a community of responsible, resilient and adaptable residents thriving in our scenic, economically diverse environment.

Principal place of business:  
22 Watts St  
WANDERING WA 6308

**SHIRE OF WANDERING  
FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2020**

*Local Government Act 1995  
Local Government (Financial Management) Regulations 1996*

**STATEMENT BY CHIEF EXECUTIVE OFFICER**

The attached financial report of the Shire of Wandering for the financial year ended 30 June 2020 is based on proper accounts and records to present fairly the financial position of the Shire of Wandering at 30 June 2020 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 18th day of October 2021



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Chief Executive Officer

Belinda Knight

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Name of Chief Executive Officer

**SHIRE OF WANDERING**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY NATURE OR TYPE**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	NOTE	2020 Actual \$	2020 Budget \$	2019 Actual \$
<b>Revenue</b>				
Rates	19(a)	1,106,019	1,100,481	1,042,011
Operating grants, subsidies and contributions	2(a)	791,246	506,593	814,911
Fees and charges	2(a)	622,701	742,785	718,058
Interest earnings	2(a)	16,387	9,500	9,454
Other revenue	2(a)	55,435	22,000	50,387
		2,591,788	2,381,359	2,634,821
<b>Expenses</b>				
Employee costs		(1,115,495)	(937,499)	(517,776)
Materials and contracts		(961,135)	(1,181,197)	(1,172,420)
Utility charges		(49,436)	(41,300)	(45,911)
Depreciation on non-current assets	10(b)	(1,116,142)	(969,400)	(1,015,410)
Interest expenses	2(b)	(119)	(2,976)	(14,232)
Insurance expenses		(89,895)	(89,014)	(108,660)
Other expenditure		(48,576)	(5,704)	(2,092)
		(3,380,798)	(3,227,090)	(2,876,501)
		(789,010)	(845,731)	(241,680)
Non-operating grants, subsidies and contributions	2(a)	510,157	1,260,439	1,154,966
Profit on asset disposals	10(a)	8,184	54	0
(Loss) on asset disposals	10(a)	(9,267)	(6,456)	(184,806)
Fair value adjustments to financial assets at fair value through profit or loss		0	0	17,517
		509,074	1,254,037	987,677
<b>Net result for the period</b>		<b>(279,936)</b>	<b>408,306</b>	<b>745,997</b>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	11	0	0	0
<b>Total other comprehensive income for the period</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>Total comprehensive income for the period</b>		<b>(279,936)</b>	<b>408,306</b>	<b>745,997</b>

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



**SHIRE OF WANDERING**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY PROGRAM**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	NOTE	2020 Actual \$	2020 Budget \$	2019 Actual \$
<b>Revenue</b>				
Governance	2(a)	1,850	0	1,384
General purpose funding		1,679,182	1,389,992	1,583,199
Law, order, public safety		33,343	39,260	39,885
Health		1,454	2,800	3,031
Education and welfare		1,520	0	0
Housing		46,436	59,950	31,886
Community amenities		45,209	47,100	48,892
Recreation and culture		6,800	1,300	1,388
Transport		66,424	58,012	56,065
Economic services		653,461	751,795	818,839
Other property and services		56,109	31,150	50,252
		<b>2,591,788</b>	<b>2,381,359</b>	<b>2,634,821</b>
<b>Expenses</b>				
Governance	2(b)	(192,210)	(196,742)	(184,598)
General purpose funding		(136,432)	(123,601)	(91,544)
Law, order, public safety		(124,737)	(147,515)	(160,357)
Health		(20,830)	(23,432)	(33,284)
Education and welfare		(878)	(1,455)	(966)
Housing		(29,089)	(35,538)	(49,350)
Community amenities		(217,341)	(209,631)	(202,488)
Recreation and culture		(226,614)	(213,091)	(185,349)
Transport		(1,512,819)	(1,362,462)	(1,081,494)
Economic services		(803,950)	(876,500)	(884,046)
Other property and services		(115,779)	(34,147)	11,207
		<b>(3,380,679)</b>	<b>(3,224,114)</b>	<b>(2,862,269)</b>
<b>Finance Costs</b>				
General purpose funding	2(b)	0	(1,600)	(10,583)
Housing		0	(1,376)	(3,649)
Transport		(119)	0	0
		<b>(119)</b>	<b>(2,976)</b>	<b>(14,232)</b>
		<b>(789,010)</b>	<b>(845,731)</b>	<b>(241,680)</b>
Non-operating grants, subsidies and contributions	2(a)	510,157	1,260,439	1,154,966
Profit on disposal of assets	10(a)	8,184	54	0
(Loss) on disposal of assets	10(a)	(9,267)	(6,456)	(184,806)
Fair value adjustments to financial assets at fair value through profit or loss		0	0	17,517
		<b>509,074</b>	<b>1,254,037</b>	<b>987,677</b>
<b>Net result for the period</b>		<b>(279,936)</b>	<b>408,306</b>	<b>745,997</b>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	11	0	0	0
<b>Total other comprehensive income for the period</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>Total comprehensive income for the period</b>		<b>(279,936)</b>	<b>408,306</b>	<b>745,997</b>

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

**SHIRE OF WANDERING**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2020**

	NOTE	2020 \$	2019 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	1,434,257	831,440
Trade and other receivables	6	40,766	916,026
Inventories	7	59,572	66,572
<b>TOTAL CURRENT ASSETS</b>		<b>1,534,595</b>	<b>1,814,038</b>
<b>NON-CURRENT ASSETS</b>			
Trade and other receivables	6	2,020	2,020
Other financial assets	5(a)	17,517	17,517
Inventories	7	421,950	421,950
Property, plant and equipment	8	5,496,500	5,400,146
Infrastructure	9	51,191,573	51,299,468
<b>TOTAL NON-CURRENT ASSETS</b>		<b>57,129,560</b>	<b>57,141,101</b>
<b>TOTAL ASSETS</b>		<b>58,664,155</b>	<b>58,955,139</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	149,333	216,719
Contract liabilities	13	546,460	0
Borrowings	14(a)	0	473,507
Employee related provisions	15	71,242	74,735
<b>TOTAL CURRENT LIABILITIES</b>		<b>767,035</b>	<b>764,961</b>
<b>NON-CURRENT LIABILITIES</b>			
Employee related provisions	15	79,558	53,114
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>79,558</b>	<b>53,114</b>
<b>TOTAL LIABILITIES</b>		<b>846,593</b>	<b>818,075</b>
<b>NET ASSETS</b>		<b>57,817,562</b>	<b>58,137,064</b>
<b>EQUITY</b>			
Retained surplus		20,357,634	20,723,744
Reserves - cash backed	4	388,004	341,396
Revaluation surplus	11	37,071,924	37,071,924
<b>TOTAL EQUITY</b>		<b>57,817,562</b>	<b>58,137,064</b>

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

**SHIRE OF WANDERING**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
<b>Balance as at 1 July 2018</b>		<b>20,034,436</b>	<b>284,707</b>	<b>37,071,924</b>	<b>57,391,067</b>
Comprehensive income					
Net result for the period		745,997	0	0	745,997
Total comprehensive income		745,997	0	0	745,997
Transfers from reserves	4	84,500	(84,500)	0	0
Transfers to reserves	4	(141,189)	141,189	0	0
<b>Balance as at 30 June 2019</b>		<b>20,723,744</b>	<b>341,396</b>	<b>37,071,924</b>	<b>58,137,064</b>
Change in accounting policies	22(d)	(39,566)	0	0	(39,566)
<b>Restated total equity at 1 July 2019</b>		<b>20,684,178</b>	<b>341,396</b>	<b>37,071,924</b>	<b>58,097,498</b>
Comprehensive income					
Net result for the period		(279,936)	0	0	(279,936)
Total comprehensive income		(279,936)	0	0	(279,936)
Transfers from reserves	4	10,570	(10,570)	0	0
Transfers to reserves	4	(57,178)	57,178	0	0
<b>Balance as at 30 June 2020</b>		<b>20,357,634</b>	<b>388,004</b>	<b>37,071,924</b>	<b>57,817,562</b>

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



**SHIRE OF WANDERING**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	NOTE	2020 Actual \$	2020 Budget \$	2019 Actual \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Rates		1,102,949	1,100,481	1,048,660
Operating grants, subsidies and contributions		2,176,470	1,397,835	860,434
Fees and charges		622,701	742,785	718,058
Interest received		16,387	9,500	9,454
Goods and services tax received		117,991	129,001	104,757
Other revenue		55,435	22,000	50,387
		4,091,933	3,401,602	2,791,750
<b>Payments</b>				
Employee costs		(1,083,802)	(937,499)	(540,132)
Materials and contracts		(945,100)	(1,196,193)	(1,352,864)
Utility charges		(49,436)	(41,300)	(45,911)
Interest expenses		(119)	(2,976)	(13,444)
Insurance paid		(89,895)	(89,014)	(108,660)
Goods and services tax paid		(203,154)	(129,001)	(81,080)
Other expenditure		(48,576)	(5,704)	(2,092)
		(2,420,082)	(2,401,687)	(2,144,183)
<b>Net cash provided by (used in) operating activities</b>	16	1,671,851	999,915	647,567
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for purchase of property, plant & equipment	8(a)	(508,431)	(462,500)	(180,888)
Payments for construction of infrastructure	9(a)	(752,385)	(1,613,267)	(1,491,731)
Non-operating grants, subsidies and contributions	2(a)	510,157	1,260,439	1,154,966
Proceeds from sale of property, plant & equipment	10(a)	155,132	120,000	224,665
<b>Net cash provided by (used in) investment activities</b>		(595,527)	(695,328)	(292,988)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of borrowings	13(a)	(473,507)	(473,507)	(721,710)
Proceeds from new borrowings	13(a)	0	0	400,000
<b>Net cash provided by (used in) financing activities</b>		(473,507)	(473,507)	(321,710)
<b>Net increase (decrease) in cash held</b>		602,817	(168,920)	32,869
Cash at beginning of year		831,440	802,553	798,571
<b>Cash and cash equivalents at the end of the year</b>	16	1,434,257	633,633	831,440

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

**SHIRE OF WANDERING**  
**RATE SETTING STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	NOTE	2020 Actual \$	2020 Budget \$	2019 Actual \$
<b>OPERATING ACTIVITIES</b>				
Net current assets at start of financial year - surplus/(deficit)	20 (b)	1,180,795	1,158,383	1,094,257
		1,180,795	1,158,383	1,094,257
<b>Revenue from operating activities (excluding rates)</b>				
Governance		1,850	0	1,384
General purpose funding		576,302	292,650	561,667
Law, order, public safety		33,343	39,260	39,885
Health		1,454	2,800	3,031
Education and welfare		1,520	0	0
Housing		46,436	59,950	31,886
Community amenities		45,209	47,100	48,892
Recreation and culture		6,800	1,300	1,388
Transport		69,307	58,066	56,065
Economic services		653,461	751,795	818,839
Other property and services		61,410	31,150	50,252
		1,497,092	1,284,071	1,613,289
<b>Expenditure from operating activities</b>				
Governance		(192,210)	(196,742)	(184,598)
General purpose funding		(136,432)	(125,201)	(101,337)
Law, order, public safety		(124,737)	(147,515)	(162,938)
Health		(20,830)	(23,432)	(33,284)
Education and welfare		(878)	(1,455)	(966)
Housing		(29,089)	(36,914)	(103,200)
Community amenities		(217,341)	(209,631)	(202,488)
Recreation and culture		(226,614)	(213,091)	(190,931)
Transport		(1,512,938)	(1,368,918)	(1,185,135)
Economic services		(803,950)	(876,500)	(884,046)
Other property and services		(125,046)	(34,147)	(12,384)
		(3,390,065)	(3,233,546)	(3,061,307)
Non-cash amounts excluded from operating activities	20(a)	1,143,919	976,973	1,206,460
<b>Amount attributable to operating activities</b>		431,741	185,881	852,699
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions	2(a)	510,157	1,260,439	1,154,966
Proceeds from disposal of assets	10(a)	155,132	120,000	224,665
Purchase of property, plant and equipment	8(a)	(508,431)	(462,500)	(180,888)
Purchase and construction of infrastructure	9(a)	(752,385)	(1,613,267)	(1,491,731)
<b>Amount attributable to investing activities</b>		(595,527)	(695,328)	(292,988)
<b>FINANCING ACTIVITIES</b>				
Repayment of borrowings	14(b)	(473,507)	(473,507)	(721,710)
Proceeds from borrowings	14(c)	0	0	400,000
Transfers to reserves (restricted assets)	4	(57,178)	(297,187)	(141,189)
Transfers from reserves (restricted assets)	4	10,570	200,000	84,500
<b>Amount attributable to financing activities</b>		(520,115)	(570,694)	(378,399)
<b>Surplus/(deficit) before imposition of general rates</b>		(683,901)	(1,080,141)	181,312
<b>Total amount raised from general rates</b>	19(a)	1,102,880	1,097,342	1,039,049
<b>Surplus/(deficit) after imposition of general rates</b>	20(b)	<b>418,979</b>	<b>17,201</b>	<b>1,220,361</b>

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

**SHIRE OF WANDERING**  
**INDEX OF NOTES TO THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

Note 1	Basis of Preparation	10
Note 2	Revenue and Expenses	11
Note 3	Cash and Cash Equivalents	15
Note 4	Reserves - Cash backed	16
Note 5	Other Financial Assets	17
Note 6	Trade and Other Receivables	18
Note 7	Inventories	19
Note 8	Property, Plant and Equipment	20
Note 9	Infrastructure	22
Note 10	Fixed Assets	24
Note 11	Revaluation Surplus	27
Note 12	Trade and Other Payables	28
Note 13	Contract Liabilities	29
Note 14	Information on Borrowings	30
Note 15	Employee Provisions	32
Note 16	Notes to the Statement of Cash Flows	33
Note 17	Total Assets Classified by Function and Activity	34
Note 18	Related Party Transactions	35
Note 19	Rating Information	37
Note 20	Rate Setting Statement Information	40
Note 21	Financial Risk Management	41
Note 22	Initial Application of Australian Accounting Standards	44
Note 23	Other Significant Accounting Policies	46
Note 24	Activites/Programs	47
Note 25	Financial Ratios	48



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.

**AMENDMENTS TO LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996**  
The *Local Government (Financial Management) Regulations 1996* take precedence over Australian Accounting Standards. Prior to 1 July 2019, *Financial Management Regulation 16* arbitrarily prohibited a local government from recognising as assets Crown land that is a public thoroughfare, i.e. land under roads, and land not owned by but under the control or management of the local government, unless it is a golf course, showground, racecourse or recreational facility of State or regional significance. Consequently, some assets pertaining to vested land, including land under roads acquired on or after 1 July 2008, were not recognised in previous financial reports of the Shire. This was not in accordance with the requirements of AASB 1051 *Land Under Roads* paragraph 15 and AASB 116 *Property, Plant and Equipment* paragraph 7.

From 1 July 2019, the Shire has applied AASB 16 *Leases* which requires leases to be included by lessees in the statement of financial position. Also, the *Local Government (Financial Management) Regulations 1996* have been amended to 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 (i.e. not included in the statement of financial position) 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.

Therefore the departure from AASB 1051 and AASB 16 in respect of the comparatives for the year ended 30 June 2019 remains.

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 report has been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

**NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE YEARS**  
On 1 July 2020 the following new accounting standards are to be adopted:

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

AASB 1059 *Service Concession Arrangements: Grantors* is not expected to impact the financial report.

Specific impacts of AASB 2018-7 *Amendments to Australian Accounting Standards - Materiality*, have not been identified.

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

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

**THE 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.

**SHIRE OF WANDERING**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**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	General rates	Over time	Payment dates adopted by council during the year	None	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Grant contracts with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants, subsidies or contributions for the construction of non-financial assets	Construction or acquisition of recognisable non-financial assets to be controlled by the local government	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the funding body	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations
Grants, subsidies or contributions with no contractual commitments	General appropriations and contributions with no reciprocal commitment	No obligations	Not applicable	Not applicable	Cash received	On receipt of funds	Not applicable	When assets are controlled
Fees and charges - 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 of the licence, registration or approval
Fees and charges - 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
Fees and charges - 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
Fees and charges - 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
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
Fees and charges - 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
Fees and charges - fines	Fines issued for breaches of local laws	Single point in time	Payment in full within defined time	None	Adopted by council through local law	When taxable event occurs	Not applicable	When fine notice is issued
Other revenue - commissions	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
Other revenue - reimbursements	Insurance claims	Single point in time	Payment in arrears for claimable event	None	Set by mutual agreement with the customer	When claim is agreed	Not applicable	When claim is agreed

**SHIRE OF WANDERING**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**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:

	<b>2020 Actual \$</b>	<b>2020 Budget \$</b>	<b>2019 Actual \$</b>
<b>Operating grants, subsidies and contributions</b>			
General purpose funding	548,890	275,011	524,656
Law, order, public safety	31,518	31,260	29,799
Education and welfare	1,520	0	0
Transport	55,512	55,512	52,072
Economic services	149,806	144,810	208,384
Other property and services	4,000	0	0
	<b>791,246</b>	<b>506,593</b>	<b>814,911</b>
<b>Non-operating grants, subsidies and contributions</b>			
Transport	510,157	1,250,939	1,154,966
Economic services	0	2,500	0
Other property and services	0	7,000	0
	<b>510,157</b>	<b>1,260,439</b>	<b>1,154,966</b>
<b>Total grants, subsidies and contributions</b>	<b>1,301,403</b>	<b>1,767,032</b>	<b>1,969,877</b>
<b>Fees and charges</b>			
General purpose funding	3,675	3,000	3,908
Law, order, public safety	1,873	8,000	10,086
Health	1,454	2,800	3,031
Housing	46,436	59,950	31,886
Community amenities	45,209	47,100	48,892
Recreation and culture	1,570	1,300	1,388
Transport	10,912	2,500	3,993
Economic services	501,752	606,985	608,963
Other property and services	9,820	11,150	5,911
	<b>622,701</b>	<b>742,785</b>	<b>718,058</b>

**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)

#### 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:

	2020 Actual \$	2020 Budget \$	2019 Actual \$
Operating grants, subsidies and contributions	791,246	506,593	0
Fees and charges	622,701	742,785	0
Other revenue	55,436	22,000	0
Non-operating grants, subsidies and contributions	510,157	1,260,439	0
	1,979,540	2,531,817	0

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:

Contracts with customers included as a contract liability at the start of the period	39,566	0	0
Other revenue from contracts with customers recognised during the year	1,469,383	1,271,378	0
Other revenue from performance obligations satisfied during the year	470,591	1,260,439	0
	1,979,540	2,531,817	0

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	12,890	0	0
Contract liabilities from contracts with customers	(48,460)		
Capital grant liabilities from contracts with customers	(498,000)	0	0

Contract liabilities for contracts with customers primarily relate to grants with performance obligations received in advance, for which revenue is recognised over time as the performance obligations are met.

Information is not provided about remaining performance obligations for contracts with customers that had an original expected duration of one year or less.

Consideration from contracts with customers is included in the transaction price.

Performance obligations in relation to contract liabilities from transfers for recognisable non financial assets are satisfied as project milestones are met or completion of construction or acquisition of the asset. All associated performance obligations are expected to be met over the next 12 months.

**SHIRE OF WANDERING**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**2. REVENUE AND EXPENSES (Continued)**

**(a) Revenue (Continued)**

**Revenue from statutory requirements**

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

General rates

**Other revenue**

Reimbursements and recoveries

Other

**Interest earnings**

Interest on reserve funds

Rates instalment and penalty interest (refer Note 19(c))

Other interest earnings

	2020 Actual \$	2020 Budget \$	2019 Actual \$
General rates	1,102,880	1,097,342	1,039,049
	1,102,880	1,097,342	1,039,049
Other revenue			
Reimbursements and recoveries	29,699	2,000	7,585
Other	25,736	20,000	42,802
	55,435	22,000	50,387
Interest earnings			
Interest on reserve funds	2,178	1,500	1,188
Rates instalment and penalty interest (refer Note 19(c))	8,764	7,000	7,428
Other interest earnings	5,445	1,000	838
	16,387	9,500	9,454

**SIGNIFICANT ACCOUNTING POLICIES**

**Interest earnings**

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

**Interest earnings (continued)**

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

**(b) Expenses**

**Auditors remuneration**

- Audit of the Annual Financial Report

**Interest expenses (finance costs)**

Borrowings

Note	Actual \$	Budget \$	Actual \$
	11,079	15,000	12,417
	11,079	15,000	12,417
14(b)	119	2,976	14,232
	119	2,976	14,232

**SHIRE OF WANDERING**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**3. CASH AND CASH EQUIVALENTS**

NOTE	2020	2019
	\$	\$
Cash at bank and on hand	1,434,257	831,440
<b>Total cash and cash equivalents</b>	<b>1,434,257</b>	<b>831,440</b>

**Restrictions**

requirements which limit or direct the purpose for which the resources may be used:

- Cash and cash equivalents	934,464	341,396
	<b>934,464</b>	<b>341,396</b>

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

Reserves - cash backed	4	388,004	341,396
Contract liabilities from contracts with customers	13	48,460	0
Capital grant liabilities from contracts with customers	12	498,000	0
<b>Total restricted assets</b>		<b>934,464</b>	<b>341,396</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**Cash and cash equivalents**

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks and other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are reported as short term borrowings in current liabilities in the statement of financial position.

**Restricted assets**

Restricted asset balances are not available for general use by the local government due to externally imposed restrictions. Externally imposed restrictions are specified in an agreement, contract or legislation. This applies to reserves, unspent grants, subsidies and contributions and unspent loans that have not been fully expended in the manner specified by the contributor, legislation or loan agreement.



**SHIRE OF WANDERING**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**4. RESERVES - CASH BACKED**

	2020 Actual Opening Balance	2020 Actual Transfer to	2020 Actual Transfer (from)	2020 Actual Closing Balance	2020 Budget Opening Balance	2020 Budget Transfer to	2020 Budget Transfer (from)	2020 Budget Closing Balance	2019 Actual Opening Balance	2019 Actual Transfer to	2019 Actual Transfer (from)	2019 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Leave reserve	39,173	250	0	39,423	39,173	1,171	0	40,344	39,001	172	0	39,173
(b) Office equipment reserve	34,918	222	0	35,140	34,917	153	0	35,070	34,765	153	0	34,918
(c) Land & building reserve	33,488	40,215	0	73,703	33,488	40,028	0	73,516	5,459	28,029	0	33,488
(d) Plant replacement reserve	233,817	1,490	(10,570)	224,737	233,817	240,835	(200,000)	274,652	205,482	112,835	(84,500)	233,817
(e) Fuel facility reserve	0	15,001	0	15,001	0	15,000	0	15,000	0	0	0	0
	341,396	57,178	(10,570)	388,004	341,395	297,187	(200,000)	438,582	284,707	141,189	(84,500)	341,396

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

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

Name of Reserve	Anticipated date of use	Purpose of the reserve
(a) Leave reserve	Ongoing	For the payment of long service leave
(b) Office equipment reserve	2023/2024	For the payment of office equipment
(c) Land & building reserve	2020/2021	For the purchase of land and buildings and major repairs/upgrades of exhistng buildings
(d) Plant replacement reserve	2021/2022	For the purchase of plant and equipment
(e) Fuel facility reserve	2027/2028	For the renewal or replacement of fuel facility equipment

SHIRE OF WANDERING  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
 FOR THE YEAR ENDED 30 JUNE 2020

5. OTHER FINANCIAL ASSETS

(a) Non-current assets

Financial assets at fair value through profit and loss

2020	2019
\$	\$
17,517	17,517
17,517	17,517
17,517	17,517
17,517	17,517

Financial assets at fair value through profit and loss

Units in Local Government House Trust

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 21.

## 6. TRADE AND OTHER RECEIVABLES

### Current

Rates receivable	
Trade and other receivables	
Other receivables - Accrued income	

### Non-current

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

2020	2019
\$	\$
23,174	20,104
12,890	154,680
4,702	741,242
40,766	916,026
2,020	2,020
2,020	2,020

### 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 21.

### SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Classification and subsequent measurement

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

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

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



## 7. INVENTORIES

### Current

Fuel and materials  
History books  
Gravel

### Non-current

Land held for resale - cost  
Cost of acquisition

The following movements in inventories occurred during the year:

### Carrying amount at beginning of period

Inventories expensed during the year

Additions to inventory

### Carrying amount at end of period

	2020	2019
	\$	\$
	26,139	33,139
	3,533	3,533
	29,900	29,900
	59,572	66,572
	421,950	421,950
	421,950	421,950
	488,522	495,672
	(590,701)	(730,664)
	583,701	723,514
	481,522	488,522

## 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. PROPERTY, PLANT AND EQUIPMENT

### (a) Movements in Carrying Amounts

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

	Land - freehold land	Total land	Buildings - non- specialised	Buildings - specialised	Total buildings	Total land and buildings	Furniture and equipment	Plant and equipment	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2018</b>	599,000	599,000	1,640,590	1,884,769	3,525,359	4,124,359	26,983	1,671,098	5,822,440
Additions	0	0	0	0	0	0	18,059	162,829	180,888
(Disposals)	(33,000)	(33,000)	(186,866)	0	(186,866)	(219,866)	0	(147,132)	(366,998)
Asset Write Off - Change in accounting policy	0	0	0	0	0	0	(4,816)	(35,679)	(40,495)
Depreciation (expense)	0	0	(30,932)	(38,458)	(69,390)	(69,390)	(11,216)	(115,083)	(195,689)
<b>Carrying amount at 30 June 2019</b>	566,000	566,000	1,422,792	1,846,311	3,269,103	3,835,103	29,010	1,536,033	5,400,146
<b>Comprises:</b>									
Gross carrying amount at 30 June 2019	566,000	566,000	1,481,950	1,922,900	3,404,850	3,970,850	60,492	1,828,107	5,859,449
Accumulated depreciation at 30 June 2019	0	0	(59,158)	(76,589)	(135,747)	(135,747)	(31,482)	(292,074)	(459,303)
<b>Carrying amount at 30 June 2019</b>	566,000	566,000	1,422,792	1,846,311	3,269,103	3,835,103	29,010	1,536,033	5,400,146
Additions	0	0	0	0	0	0	40,965	467,466	508,431
(Disposals)	0	0	0	0	0	0	0	(156,215)	(156,215)
Depreciation (expense)	0	0	(29,639)	(38,457)	(68,096)	(68,096)	(23,372)	(164,394)	(255,862)
<b>Carrying amount at 30 June 2020</b>	566,000	566,000	1,393,153	1,807,854	3,201,007	3,767,007	46,603	1,682,890	5,496,500
<b>Comprises:</b>									
Gross carrying amount at 30 June 2020	566,000	566,000	1,481,950	1,922,900	3,404,850	3,970,850	101,457	2,111,778	6,184,085
Accumulated depreciation at 30 June 2020	0	0	(88,797)	(115,046)	(203,843)	(203,843)	(54,854)	(428,888)	(687,585)
<b>Carrying amount at 30 June 2020</b>	566,000	566,000	1,393,153	1,807,854	3,201,007	3,767,007	46,603	1,682,890	5,496,500

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

### (b) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
<b>Land and buildings</b>					
Land - freehold land	Level 3	Replacement cost	Independent valuation	June 2017	Unobservable inputs for assets and liabilities
Buildings - non-specialised	Level 3	Replacement cost	Independent valuation	June 2017	Unobservable inputs for assets and liabilities
Buildings - specialised	Level 3	Replacement cost	Independent valuation	June 2017	Unobservable inputs for assets and liabilities
<b>Furniture and equipment</b>	Level 2	Current market price	Management valuation	June 2016	Inputs other than quoted prices that are observable for the assets and liabilities, either directly or indirectly.
<b>Plant and equipment</b>	Level 2	Current market price	Management valuation	June 2016	Inputs other than quoted prices that are observable for the assets and liabilities, either directly or indirectly.

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.

Following a change to the *Local Government (Financial Management) Regulations 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 is effective from 1 July 2019 and represents a change in accounting policy.

Revaluations carried out previously were not reversed as it was deemed fair value approximates cost at the date of the change.



**SHIRE OF WANDERING**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**9. INFRASTRUCTURE**

**(a) Movements in Carrying Amounts**

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

	Infrastructure - roads	Infrastructure - bridges	Infrastructure - drainage	Infrastructure - footpaths	Infrastructure - recreation	Infrastructure - other	Total Infrastructure
	\$	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2018</b>	34,626,960	10,467,365	3,442,625	215,696	1,227,515	649,275	50,629,436
Additions	1,103,601	100,000	288,130	0	0	0	1,491,731
(Disposals)	0	0	0	0	(1,978)	0	(1,978)
Depreciation (expense)	(433,887)	(254,658)	(56,962)	(9,771)	(40,181)	(24,262)	(819,721)
<b>Carrying amount at 30 June 2019</b>	35,296,674	10,312,707	3,673,793	205,925	1,185,356	625,013	51,299,468
<b>Comprises:</b>							
Gross carrying amount at 30 June 2019	35,730,561	10,567,365	3,730,758	215,696	1,265,600	673,537	52,183,517
Accumulated depreciation at 30 June 2019	(433,887)	(254,658)	(56,965)	(9,771)	(80,244)	(48,524)	(884,049)
<b>Carrying amount at 30 June 2019</b>	35,296,674	10,312,707	3,673,793	205,925	1,185,356	625,013	51,299,468
Additions	752,385	0	0				752,385
Depreciation (expense)	(505,097)	(211,347)	(74,615)	(10,785)	(34,174)	(24,262)	(860,280)
<b>Carrying amount at 30 June 2020</b>	35,543,962	10,101,360	3,599,178	195,140	1,151,182	600,751	51,191,573
<b>Comprises:</b>							
Gross carrying amount at 30 June 2020	36,482,946	10,567,365	3,730,758	215,696	1,265,600	673,537	52,935,902
Accumulated depreciation at 30 June 2020	(938,984)	(466,005)	(131,580)	(20,556)	(114,418)	(72,786)	(1,744,329)
<b>Carrying amount at 30 June 2020</b>	35,543,962	10,101,360	3,599,178	195,140	1,151,182	600,751	51,191,573

SHIRE OF WANDERING  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2020

9. INFRASTRUCTURE (Continued)

(b) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Infrastructure - roads	Level 3	Cost approach using depreciated replacement cost	Management valuation	June 2018	Construction costs and current condition, residual values and remaining useful life assessment inputs
Infrastructure - bridges	Level 3	Cost approach using depreciated replacement cost	Independent valuation	June 2018	Construction costs and current condition, residual values and remaining useful life assessment inputs
Infrastructure - drainage	Level 3	Cost approach using depreciated replacement cost	Management valuation	June 2018	Construction costs and current condition, residual values and remaining useful life assessment inputs
Infrastructure - footpaths	Level 3	Cost approach using depreciated replacement cost	Management valuation	June 2018	Construction costs and current condition, residual values and remaining useful life assessment inputs
Infrastructure - recreation	Level 3	Cost approach using depreciated replacement cost	Independent valuation	June 2017	Unobservable inputs for assets and liabilities
Infrastructure - other	Level 3	Cost approach using depreciated replacement cost	Independent valuation	June 2017	Unobservable inputs for assets and liabilities

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

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

## 10. FIXED ASSETS

### SIGNIFICANT ACCOUNTING POLICIES

#### Fixed assets

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

#### Initial recognition and measurement between mandatory revaluation dates

Assets for which the fair value as at the date of acquisition is under \$5,000 are not recognised as an asset in accordance with *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 no cost or for nominal consideration, 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 acquired between initial recognition and the next revaluation of the asset class in accordance with the mandatory measurement framework, are recognised at cost and disclosed as being at fair value as management believes cost approximates fair value. They are subject to subsequent revaluation at the next anniversary date in accordance with the mandatory measurement framework.

#### Revaluation

The fair value of land, buildings and infrastructure is determined at least every three to five years in accordance with the regulatory framework, or when Council is of the opinion that the fair value of an asset is materially different from its carrying amount. This included buildings and infrastructure items which were pre-existing improvements (ie. vested improvements) on vested land acquired by the Shire. 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 and infrastructure 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.

### AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY

#### Land under control prior to 1 July 2019

In accordance with the then *Local Government (Financial Management Regulation 16(a)(ii))*, the Shire was previously required to include as an asset (by 30 June 2013), vested Crown Land operated by the local government as a golf course, showground, racecourse or other sporting or recreational facility of State or Regional significance.

Upon initial recognition, these assets were recorded at cost in accordance with AASB 116. They were then classified as Land and revalued along with other land in accordance with the other policies detailed in this Note.

#### Land under roads prior to 1 July 2019

In Western Australia, most land under roads is Crown Land, the responsibility for managing which, is vested in the local government.

Effective as at 1 July 2008, Council elected not to recognise any value for land under roads acquired on or before 30 June 2008. This accords with the treatment available in *Australian Accounting Standard AASB 1051 Land Under Roads* and then *Local Government (Financial Management) Regulation 16(a)(i)* prohibits local governments from recognising such land as an asset. This regulation has now been deleted.

In respect of land under roads acquired on or after 1 July 2008, as detailed above, the then *Local Government (Financial Management) Regulation 16(a)(i)* prohibits local governments from recognising such land as an asset.

Whilst such treatment is inconsistent with the requirements of *AASB 1051, Local Government (Financial Management) Regulation 4(2)* provides, in the event of such an inconsistency, the *Local Government (Financial Management) Regulations* prevail.

Consequently, any land under roads acquired on or after 1 July 2008 is not included as an asset of the Shire.

#### 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, are 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.

The Shire has accounted for the removal of the vested land values associated with vested land previously recognised by removing the land value and associated revaluation reserve as at 1 July 2019. The comparatives have not been restated.

#### 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.

SHIRE OF WANDERING  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2020

## 10. FIXED ASSETS

### (a) Disposals of Assets

	2020 Actual Net Book Value	2020 Actual Sale Proceeds	2020 Actual Profit	2020 Actual Loss	2020 Budget Net Book Value	2020 Budget Sale Proceeds	2020 Budget Profit	2020 Budget Loss	2019 Actual Net Book Value	2019 Actual Sale Proceeds	2019 Actual Profit	2019 Actual Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Land - freehold land	0	0	0	0	0	0	0	0	33,000	0	0	(33,000)
Buildings - non-specialised	0	0	0	0	0	0	0	0	186,866	169,665	0	(17,201)
Furniture and equipment	0	0	0	0	0	0	0	0	4,816	0	0	(4,816)
Plant and equipment	156,215	155,132	8,184	(9,267)	126,402	120,000	54	(6,456)	182,811	55,000	0	(127,811)
Infrastructure - recreation	0	0	0	0	0	0	0	0	1,978	0	0	(1,978)
	156,215	155,132	8,184	(9,267)	126,402	120,000	54	(6,456)	409,471	224,665	0	(184,806)

The following assets were disposed of during the year.

	2020 Actual Net Book Value	2020 Actual Sale Proceeds	2020 Actual Profit	2020 Actual Loss
<b>Plant and Equipment</b>				
<b>Transport</b>				
Caterpillar 924G Front End loader	64,617	67,500	2,883	0
<b>Other property and services</b>				
Holden VF Caprice Sedan	37,674	28,407	0	(9,267)
Toyota Hilux Dual Cab Ute	18,864	23,636	4,772	0
Holden Trailblazer 4x4	35,060	35,589	529	0
	156,215	155,132	8,184	(9,267)



## 10. FIXED ASSETS

### (b) Depreciation

	2020 Actual	2020 Budget	2019 Actual
	\$	\$	\$
Buildings - non-specialised	29,639	40,000	30,932
Buildings - specialised	38,457	21,000	38,458
Furniture and equipment	23,372	10,000	11,216
Plant and equipment	164,394	95,000	115,083
Infrastructure - roads	505,097	683,500	433,887
Infrastructure - bridges	211,347	0	254,658
Infrastructure - drainage	74,615	56,900	56,962
Infrastructure - footpaths	10,785	9,000	9,771
Infrastructure - recreation	34,174	30,000	40,181
Infrastructure - other	24,262	24,000	24,262
	1,116,142	969,400	1,015,410

## 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	40 to 50 years
Furniture and equipment	3 to 10 years
Plant and equipment	3 to 10 years
Sealed roads and streets formation	not depreciated
pavement	50 years
seal	
- bituminous seals	20 years
- asphalt surfaces	25 years
Gravel roads formation	not depreciated
pavement	50 years
Footpaths - slab	20 years
Sewerage piping	100 years
Water supply piping and drainage systems	75 years

### Depreciation on revaluation

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

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

### Amortisation

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

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

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

**SHIRE OF WANDERING**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**11. REVALUATION SURPLUS**

	2020 Opening Balance	Total Movement on Revaluation	2020 Closing Balance	2019 Opening Balance	Total Movement on Revaluation	2019 Closing Balance
	\$	\$	\$	\$	\$	\$
Revaluation surplus - Plant and equipment	2,056,825	0	2,056,825	2,056,825	0	2,056,825
Revaluation surplus - Infrastructure - roads	35,015,099	0	35,015,099	35,015,099	0	35,015,099
	37,071,924	0	37,071,924	37,071,924	0	37,071,924

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.

12. TRADE AND OTHER PAYABLES

Current

Sundry creditors
Accrued salaries and wages
Bonds and deposits held
Accrued interest on short term borrowings
Accrued expenses

2020	2019
\$	\$
112,278	178,405
14,593	5,851
19,535	28,887
0	3,576
2,927	0
149,333	216,719

SIGNIFICANT ACCOUNTING POLICIES

Trade and other payables

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

Prepaid rates

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

13. CONTRACT LIABILITIES

Current

Contract liabilities from contracts with customers  
Capital grant liabilities from contracts with customers

2020	2019
\$	\$
48,460	0
498,000	0
546,460	0

SIGNIFICANT ACCOUNTING POLICIES

Contract Liabilities

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

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

Contract Grant liability

Capital grant liabilities relate to the Shire's obligations to construct non financial assets that are yet to be fulfilled at the end of the financial year. The Shire expects to satisfy the performance obligations within the next 12 months.



SHIRE OF WANDERING  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2020

14. INFORMATION ON BORROWINGS

(a) Borrowings			2020	2019												
			\$	\$												
Current			0	473,507												
			0	473,507												
Particulars	Loan Number	Institution	Interest Rate	Actual Principal 1 July 2019	30 June 2020 Actual Principal repayments	30 June 2020 Actual Interest repayments	30 June 2020 Actual Principal outstanding	Budget Principal 1 July 2019	30 June 2020 Budget Principal repayments	30 June 2020 Budget Interest repayments	30 June 2020 Budget Principal outstanding	Actual Principal 1 July 2018	30 June 2019 Actual New Loans	30 June 2019 Actual Principal repayments	30 June 2019 Actual Interest repayments	30 June 2019 Actual Principal outstanding
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
General purpose funding																
Short term lending facility		Treasury	1.56%	400,000	400,000	119	0	400,000	400,000	1,600	0	650,000	400,000	650,000	10,583	400,000
Housing																
5 Dunmall Drive		Treasury	2.49%	73,507	73,507	0	0	73,507	73,507	1,376	0	145,217	0	71,710	3,649	73,507
				473,507	473,507	119	0	473,507	473,507	2,976	0	795,217	400,000	721,710	14,232	473,507
* WA Treasury Corporation																

\* WA Treasury Corporation

SHIRE OF WANDERING  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
 FOR THE YEAR ENDED 30 JUNE 2020

14. INFORMATION ON BORROWINGS (Continued)

	2020	2019
	\$	\$
<b>(b) Undrawn Borrowing Facilities</b>		
<b>Credit Standby Arrangements</b>		
Bank overdraft limit	0	200,000
Credit card limit	5,000	20,000
Credit card balance at balance date	(4,648)	(414)
<b>Total amount of credit unused</b>	<b>352</b>	<b>219,586</b>
 <b>Loan facilities</b>		
Loan facilities - current	0	473,507
<b>Total facilities in use at balance date</b>	<b>0</b>	<b>473,507</b>

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

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

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

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

Borrowing costs

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

Risk

Information regarding exposure to risk can be found at Note 21.

## 15. EMPLOYEE RELATED PROVISIONS

### (a) Employee Related Provisions

#### Opening balance at 1 July 2019

Current provisions

Non-current provisions

Additional provision

Amounts used

#### Balance at 30 June 2020

#### Comprises

Current

Non-current

#### Amounts are expected to be settled on the following basis:

Less than 12 months after the reporting date

More than 12 months from reporting date

Expected reimbursements from other WA local governments

	Provision for Annual Leave	Provision for Long Service Leave	Total
	\$	\$	\$
Opening balance at 1 July 2019			
Current provisions	55,707	19,028	74,735
Non-current provisions	0	53,114	53,114
	55,707	72,142	127,849
Additional provision	68,637	27,865	96,502
Amounts used	(64,340)	(9,211)	(73,551)
Balance at 30 June 2020	60,004	90,796	150,800
Comprises			
Current	60,004	11,238	71,242
Non-current	0	79,558	79,558
	60,004	90,796	150,800

	2020	2019
	\$	\$
Less than 12 months after the reporting date	93,642	70,133
More than 12 months from reporting date	79,558	95,531
Expected reimbursements from other WA local governments	(22,400)	(37,815)
	150,800	127,849

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

#### 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

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

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 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.

#### Other long-term employee benefits (Continued)

Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

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

#### Provisions

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

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

## 16. NOTES TO THE STATEMENT OF CASH FLOWS

### Reconciliation of Cash

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

	2020 Actual	2020 Budget	2019 Actual
	\$	\$	\$
Cash and cash equivalents	1,434,257	633,633	831,440
<b>Reconciliation of Net Cash Provided By Operating Activities to Net Result</b>			
Net result	(279,936)	408,306	745,997
Non-cash flows in Net result:			
Adjustments to fair value of financial assets at fair value through profit and loss	0	0	(17,517)
Depreciation on non-current assets	1,116,142	969,400	1,015,410
(Profit)/loss on sale of asset	1,083	6,402	184,806
Changes in assets and liabilities:			
(Increase)/decrease in receivables	875,260	891,242	75,849
(Increase)/decrease in inventories	7,000	30,800	7,150
Increase/(decrease) in payables	(67,386)	(45,796)	(199,943)
Increase/(decrease) in provisions	22,951	0	(9,219)
Increase/(decrease) in contract liabilities	506,894	0	0
Non-operating grants, subsidies and contributions	(510,157)	(1,260,439)	(1,154,966)
Net cash from operating activities	1,671,851	999,915	647,567

## 17. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2020	2019
	\$	\$
General purpose funding	25,194	20,390
Law, order, public safety	559,074	467,812
Health	0	57
Education and welfare	0	12,500
Housing	2,024,451	2,004,464
Community amenities	586,834	550,209
Recreation and culture	1,983,011	1,883,246
Transport	50,952,188	51,419,996
Economic services	642,434	567,585
Other property and services	1,890,969	1,539,047
Unallocated	0	489,833
	58,664,155	58,955,139



## 18. RELATED PARTY TRANSACTIONS

### Elected Members Remuneration

The following fees, expenses and allowances were paid to council members and/or the President.

	2020 Actual	2020 Budget	2019 Actual
	\$	\$	\$
Meeting fees	21,698	9,000	0
President's allowance	6,959	4,000	4,000
Travelling expenses	729	0	0
Telecommunications allowance	5,775	6,000	0
	35,161	19,000	4,000

### Key Management Personnel (KMP) Compensation Disclosure

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

	2020 Actual	2019 Actual
	\$	\$
Short-term employee benefits	341,851	357,458
Post-employment benefits	43,126	48,393
Other long-term benefits	24,451	73,691
Termination benefits	0	34,151
	409,428	513,693

#### *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.

#### *Termination benefits*

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

18. 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.

The following transactions occurred with related parties:	2020	2019
	Actual	Actual
	\$	\$
Purchase of goods and services	23,084	32,130
Short term employee benefits -other related parties	108,884	127,564

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*  
The associate person of KMP was employed by the Shire under normal employment terms and conditions.
- iii. Entities subject to significant influence by the Shire*  
An entity that has the power to participate in the financial and operating policy decisions of an entity, but does not have control over those policies, is an entity which holds significant influence. Significant influence may be gained by share ownership, statute or agreement.

**SHIRE OF WANDERING**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

## 19. RATING INFORMATION

### (a) Rates

			2019/20 Actual Rateable Value	2019/20 Actual Rate Revenue	2019/20 Actual Interim Rates	2019/20 Actual Back Rates	2019/20 Actual Total Revenue	2019/20 Budget Rate Revenue	2019/20 Budget Interim Rate	2019/20 Budget Back Rate	2019/20 Budget Total Revenue	2018/19 Actual Total Revenue
RATE TYPE	Rate in \$	Number of Properties	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Differential general rate / general rate												
<b>Gross rental valuations</b>												
Residential	0.10944	41	478,296	52,345	0	0	52,345	50,837	0	0	50,837	49,766
Special Use	0.12961	3	157,820	20,455	2,389	0	22,844	20,455	0	0	20,455	18,940
<b>Unimproved valuations</b>												
Rural residential	0.01421	34	2,591,000	35,600	0	0	35,600	61,252	0	0	61,252	73,875
Rural and Mining	0.00719	134	120,114,000	825,183	0	0	825,183	816,921	0	0	816,921	737,035
<b>Sub-Total</b>		212	123,341,116	933,583	2,389	0	935,972	949,465	0	0	949,465	879,616
<b>Minimum payment</b>	Minimum \$											
<b>Gross rental valuations</b>												
Residential	1,100	39	170,720	42,900	0	0	42,900	44,000	0	0	44,000	37,000
Special Use	1,100	2	6,705	2,200	0	0	2,200	2,200	0	0	2,200	2,400
<b>Unimproved valuations</b>												
Rural residential	1,100	70	4,464,500	70,000	0	0	70,000	57,200	0	0	57,200	55,836
Rural and Mining	1,100	84	8,579,018	92,400	0	0	92,400	90,200	0	0	90,200	102,399
<b>Sub-Total</b>		195	13,220,943	207,500	0	0	207,500	193,600	0	0	193,600	197,635
		407	136,562,059	1,141,083	2,389	0	1,143,472 (40,592)	1,143,065	0	0	1,143,065 (45,723)	1,077,251 (38,202)
Discounts (Note 19(b))												
<b>Total amount raised from general rate</b>							1,102,880				1,097,342	1,039,049
Ex-gratia rates							3,139				3,139	2,962
<b>Totals</b>							1,106,019				1,100,481	1,042,011

## SIGNIFICANT ACCOUNTING POLICIES

## Rates

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

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

SHIRE OF WANDERING  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
 FOR THE YEAR ENDED 30 JUNE 2020

19. RATING INFORMATION (Continued)

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

Rates Discounts

Rate or Fee Discount Granted	Discount %	Discount \$	2020 Actual \$	2020 Budget \$	2019 Actual \$	Circumstances in which Discount is Granted
Rates	5.00%		40,592	45,723	38,202	Payment of full rates amount owing including arrears, received on or before the 16th August 2019 or 21 days after the date of service on the rate notice, whichever is later.
Total discounts/concessions (Note 19(a))			40,592	45,723	38,202	

## 19. RATING INFORMATION (Continued)

### (c) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
<b>Option One</b>				
Single full payment	30/08/2019	0.00	0.00%	11.00%
<b>Option Two</b>				
First instalment	30/08/2019	0.00	5.50%	11.00%
Second instalment	3/01/2020	10.00	5.50%	11.00%
<b>Option Three</b>				
First instalment	30/08/2019	0.00	5.50%	11.00%
Second instalment	1/11/2019	10.00	5.50%	11.00%
Third instalment	3/01/2020	10.00	5.50%	11.00%
Fourth instalment	27/03/2020	10.00	5.50%	11.00%

	2020 Actual \$	2020 Budget \$	2019 Actual \$
Interest on unpaid rates	5,345	5,000	4,600
Interest on instalment plan	3,419	2,000	2,828
Charges on instalment plan	3,020	3,000	2,370
	11,784	10,000	9,798



**SHIRE OF WANDERING**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**20. RATE SETTING STATEMENT INFORMATION**

		2019/20 Budget	2019/20	2018/19
		(30 June 2020)	(1 July 2019)	(30 June 2019)
		Carried	Brought	Carried
		Forward)	Forward)	Forward)
Note		\$	\$	\$
<b>(a) Non-cash amounts excluded from operating activities</b>				
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .				
<b>Adjustments to operating activities</b>				
Less: Profit on asset disposals	10(a)	(8,184)	(54)	0
Less: Movement in liabilities associated with restricted cash		250	1,171	172
Less: Fair value adjustments to financial assets at fair value through profit and loss		0	0	(17,517)
Movement in pensioner deferred rates (non-current)		0	0	(2,020)
Movement in employee benefit provisions (non-current)		26,444	0	25,609
Add: Loss on disposal of assets	10(a)	9,267	6,456	184,806
Add: Depreciation on non-current assets	10(b)	1,116,142	969,400	1,015,410
<b>Non cash amounts excluded from operating activities</b>		<b>1,143,919</b>	<b>976,973</b>	<b>1,206,460</b>
<b>(b) Surplus/(deficit) after imposition of general rates</b>				
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.				
<b>Adjustments to net current assets</b>				
Less: Reserves - cash backed	4	(388,004)	(438,582)	(341,396)
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings	14(a)	0	0	473,507
- Employee benefit provisions		39,423	40,344	39,173
<b>Total adjustments to net current assets</b>		<b>(348,581)</b>	<b>(398,238)</b>	<b>171,284</b>
<b>Net current assets used in the Rate Setting Statement</b>				
Total current assets		1,534,595	702,691	1,814,038
Less: Total current liabilities		(767,035)	(287,252)	(804,527)
Less: Total adjustments to net current assets		(348,581)	(398,238)	171,284
<b>Net current assets used in the Rate Setting Statement</b>		<b>418,979</b>	<b>17,201</b>	<b>1,220,361</b>
<b>(c) Adjustments to current assets and liabilities at 1 July 2019 on application of new accounting standards</b>				
<b>Total current liabilities at 30 June 2019</b>				
- Contract liabilities from contracts with customers	22(a)			(764,961)
<b>Total current liabilities at 1 July 2019</b>				<b>(39,566)</b>
				<b>(804,527)</b>

## 21. 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 variable 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

### (a) Interest rate risk

#### Cash and cash equivalents

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

	Weighted Average Interest Rate %	Carrying Amounts \$	Fixed Interest Rate \$	Variable Interest Rate \$	Non Interest Bearing \$
<b>2020</b>					
Cash and cash equivalents	0.13%	1,434,257	0	1,433,157	1,100
<b>2019</b>					
Cash and cash equivalents	0.05%	831,440	0	830,340	1,100

#### Sensitivity

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

	2020 \$	2019 \$
Impact of a 1% movement in interest rates on profit and loss and equity*	14,343	8,314

\* 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 13 (a).

## 21. FINANCIAL RISK MANAGEMENT (Continued)

### (b) Credit risk

#### Trade and Other Receivables

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 2019 or 1 July 2020 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. No expected loss was forecast on 1 July 2019 or 1 July 2020 for rates receivable as penalty interest applies to unpaid rates and properties associated with unpaid rates may be disposed of to recover unpaid rates.

	Current	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total
<b>30 June 2020</b>					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	1,016	11,548	7,555	5,075	25,194
<b>30 June 2019</b>					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	1,915	12,058	5,931	2,220	22,124

As at 30 June 2020 and 30 June 2019 no material expected loss was determined for trade receivables.

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
<b>30 June 2020</b>					
Trade and other receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	2,472	4,713	4,359	1,346	12,890
<b>30 June 2019</b>					
Trade and other receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	148,620	0	1,067	4,993	154,680

## 21. FINANCIAL RISK MANAGEMENT (Continued)

### (c) Liquidity risk

#### Payables and borrowings

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

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
<b><u>2020</u></b>					
Payables	149,333	0	0	149,333	149,333
	149,333	0	0	149,333	149,333
<b><u>2019</u></b>					
Payables	216,719	0	0	216,719	216,719
Borrowings	475,505			475,505	473,507
	692,224	0	0	692,224	690,226

22. INITIAL APPLICATION OF AUSTRALIAN 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.

(a) AASB 15: Revenue from Contracts with Customers

The Shire adopted AASB 15 Revenue from Contracts with Customers (issued December 2014) on 1 July 2019 resulting in changes in accounting policies. In accordance with the transition provisions AASB 15, the Shire adopted the new rules retrospectively with the cumulative effect of initially applying these rules recognised on 1 July 2019. In summary the following adjustments were made to the amounts recognised in the statement of financial position at the date of initial application (1 July 2019):

	Note	AASB 118 carrying amount 30 June 2019 \$	Reclassification \$	AASB 15 carrying amount 01 July 2019 \$
<b>Contract liabilities - current</b>				
Contract liabilities from contracts with customers	13	0	(39,566)	(39,566)
Adjustment to retained surplus from adoption of AASB 15	22(d)		(39,566)	

(b) AASB 1058: Income For Not-For-Profit Entities

The Shire adopted AASB 1058 Income for Not-for-Profit Entities (issued December 2016) on 1 July 2019 which will result in changes in accounting policies. In accordance with the transition provisions AASB 1058, the Shire adopted the new rules retrospectively with the cumulative effect of initially applying AASB 1058 recognised at 1 July 2019. Comparative information for prior reporting periods was not restated in accordance with AASB 1058 transition requirements. There were no adjustments at 1 July 2019 as a result of the adoption of AASB 1058.



**SHIRE OF WANDERING**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**22. INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS (Continued)**

- (b) The table below provides details of the amount by which each financial statement line item is affected in the current reporting period by the application of this Standard as compared to AASB 118 and 1004 and related Interpretations that were in effect before the change.

		2020	Adjustment due	2020
	Note	As reported under AASB 15 and AASB 1058	to application of AASB 15 and AASB 1058	Compared to AASB 118 and AASB 1004
		\$	\$	\$
<b>Statement of Comprehensive Income</b>				
<b>Revenue</b>				
Rates	19(a)	1,106,019	0	1,106,019
Operating grants, subsidies and contributions	2(a)	791,246	546,460	1,337,706
Fees and charges	2(a)	622,701	0	622,701
Non-operating grants, subsidies and contributions	2(a)	510,157	0	510,157
Net result		(279,936)	546,460	266,524
<b>Statement of Financial Position</b>				
Trade and other payables	12	149,333	0	149,333
Contract liabilities	13	546,460	(546,460)	0
Net assets		57,817,562	546,460	58,364,022
<b>Statement of Changes in Equity</b>				
Net result		(279,936)	546,460	266,524
Retained surplus		20,357,634	546,460	20,904,094

Refer to Note 2(a) for new revenue recognition accounting policies as a result of the application of AASB 15 and AASB 1058.

**(c) AASB 16: Leases**

The Shire adopted AASB 16 retrospectively from 1 July 2019 which resulted in changes in accounting policies. In accordance with the transition provisions of AASB 16, the Shire has applied this Standard to its leases retrospectively, with the cumulative effect of initially applying AASB16 recognised on 1 July 2019. In applying AASB 16, under the specific transition provisions chosen, the Shire will not restate comparatives for prior reporting periods. The Shire holds no leases during the current or comparative year for reporting purposes.

**(d) Impact of New Accounting Standards on Retained Surplus**

The impact on the Shire's retained surplus due to the adoption of AASB 15, AASB 1058 and AASB 16 as at 1 July 2019 was as follows:

	Note	Adjustments	2019
		\$	\$
Retained surplus - 30 June 2019			20,723,744
Adjustment to retained surplus from adoption of AASB 15	22(a)	(39,566)	(39,566)
Retained surplus - 1 July 2019			20,684,178

## **23. 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 ends of the reporting period.

**SHIRE OF WANDERING**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**24. ACTIVITIES/PROGRAMS**

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

<b>PROGRAM NAME AND OBJECTIVES</b>	<b>ACTIVITIES</b>
<b>GOVERNANCE</b> To provide a decision making process for the efficient allocation of scarce resources.	Members expenses and other costs of the Shire that relate to the tasks of assisting Councillors and the public on matters which do not concern specific Council services.
<b>GENERAL PURPOSE FUNDING</b> To collect revenue to allow for the provision of services.	Collection of Rates revenue, financial assistance grants for general purpose and interest revenue.
<b>HEALTH</b> To provide services for community and environmental health.	Health inspection and advisory services, analytical services, pest and weed control, and assistance to provide health initiatives.
<b>EDUCATION AND WELFARE</b> To support services relating to youth, elderly and the disadvantaged.	Support school activities, aged care initiatives and disability inclusion plan.
<b>HOUSING</b> Provision of shire housing and privately rented accommodation.	Management and maintenance for shire housing privately rented while not required by staff and provision of rental accommodation to the Housing Authority for teachers accommodation.
<b>COMMUNITY AMENITIES</b> To provide amenities required by the community.	Rubbish collection services and operation of waste transfer station. Maintenance of cemeteries and public conveniences. Administration of town planning activities.
<b>RECREATION AND CULTURE</b> To establish and maintain infrastructure and resources to meet the recreational and cultural needs of the community.	Maintenance of halls, playgrounds, recreation grounds and reserves. Operation of Library and maintenance of heritage and history inventory.
<b>TRANSPORT</b> To provide safe and effective transport services to the community.	Construction and maintenance of streets, roads, bridges, signage and footpaths. Cleaning and lighting of town streets. Depot maintenance.
<b>ECONOMIC SERVICES</b> To help promote Wandering and its economic wellbeing.	Tourism and area promotion including operation of caravan park. Implementation of building control and provision of a fuel facility, postal agency and Community Resource Centre.
<b>OTHER PROPERTY AND SERVICES</b> To monitor and control operating accounts.	Provisions of private work operations, plant repairs, operation costs and all administration costs.

## 25. FINANCIAL RATIOS

	2020 Actual	2019 Actual	2018 Actual
Current ratio	0.83	1.94	1.19
Asset consumption ratio	0.96	0.71	0.72
Asset renewal funding ratio	1.39	1.51	n/a
Asset sustainability ratio	0.29	1.04	2.09
Debt service cover ratio	0.69	0.84	2.25
Operating surplus ratio	(0.44)	(0.23)	0.04
Own source revenue coverage ratio	0.53	0.58	0.70

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'S REPORT



## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SHIRE OF WANDERING

### Report on the Financial Report

#### Opinion

We have audited the financial report of the Shire of Wandering, which comprises the statement of financial position as at 30 June 2020, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the declaration by the Chief Executive Officer.

In our opinion, the financial report of the Shire of Wandering is in accordance with the underlying records of the Shire, including:

- a) giving a true and fair view of the Shire's financial position as at 30 June 2020 and of its performance for the year ended on that date; and
- b) complying with Australian Accounting Standards (including Australia Accounting Interpretations) to the extent that they are not inconsistent with the Act, the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended).

#### Basis for Opinion

We have conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report.

We are independent of the Shire in accordance with the auditor independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our ethical requirements in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis of Matter – Basis of Accounting

We draw attention to Notes 1 and 10 to the financial report, which describes the basis of accounting. The annual financial report has been prepared for the purpose of fulfilling the Shire's financial reporting responsibilities under the Act, including the Local Government (Financial Management) Regulations 1996 (Regulations). Our opinion is not modified in respect of these matters:

- (a) Regulation 17A requires a local government to measure vesting improvements at fair value and the associated vested land at zero cost. This is a departure from AASB 16 Lease which would have required the entity to measure the vested improvements also at zero cost.
- (b) In respect of the comparatives for the previous year ended 30 June 2019, Regulation 16 did not allow a local government to recognise some categories of land, including land under roads, as assets in the annual financial report.

### **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 annual financial report in accordance with the requirements of the Act, the Regulations and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards. The CEO is also responsible for such internal control as the CEO determines is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error. In preparing the financial report, the CEO is responsible for assessing the Shire's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the State government has made decisions affecting the continued existence of the Shire.

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

### **Auditor's Responsibilities for the Audit of the Financial Report**

Our objectives 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 our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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.

As part of an audit in accordance with the Australia Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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.
- Obtain and understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Shire's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the CEO.
- Conclude on the appropriateness of CEO's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Shire's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Shire to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Council and the CEO regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### **Reporting on Other Legal and Regulatory Requirements**

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

- a) In our opinion, the following material matters indicate significant adverse trends in the financial position of the Shire:
  - i. The Debt service cover ratio as reported in Note 25 of the annual financial report has been below the Department of Local Government, Sport and Cultural Industries' standard for the past two financial years.
  - ii. The Operating surplus ratio as reported in Note 25 of the annual financial report has been below the Department of Local Government, Sport and Cultural Industries' standard for the past two financial years.

- b) The following material matters indicating non-compliance with Part 6 of the Local Government Act 1995, the Local Government (Financial Management) Regulations 1996 or applicable financial controls of any other written law were identified during the course of my audit:
- i. The Local Government (Financial Management) Regulations 1996 paragraph 5(2)(c) requires the CEO to undertake a review of the appropriateness and effectiveness of the financial management systems and procedures no less than every three financial years. We note that the last Financial Management Review was took place in 2016.
  - ii. The Local Government (Audit) Regulations 1996 paragraph 17 requires the CEO to undertake a review of the appropriateness and effectiveness of a local government's system and procedures in relation to risk management, internal control and legislative compliance, no less than every three financial years. We note that the last review was carried not carried in the past 3 years.
  - iii. For approximately 17% journal transactions sampled, there was no evidence of who prepared and who reviewed the transactions, we were there unable to determine whether the journal entries were reviewed by a person independent of the preparer.
  - iv. Bank reconciliations for a bank account were not performed for 9 months of the year.
  - v. The Shire disposed of an asset by trading the asset for a new one. The Shire did not comply with Local Government Act 1995 Section 3.58 as public notice was not given for the disposal of the asset.
  - vi. We noted that the required number of quotations was not obtained for 13% of the transaction we sampled.
  - vii. We found inadequate segregation of duties in relation to payment preparation and authority to approve payments.
  - viii. Two credit card accounts, in the name of former employees were still in use by the Shire during the financial year.
  - ix. We identified that one employee was underpaid as a result of the incorrect rate being used for payroll.
- c) All required information and explanations were obtained by us.
- d) All audit procedures were satisfactorily completed.
- e) In our opinion, the asset consumption ratio and the asset renewal funding ratio included in the annual financial report was supported by verifiable information and reasonable assumptions.

## **Matters Relating to the Electronic Publication of the Audited Financial Report**

This auditor's report relates to the annual financial report of the Shire of Wandering for the year ended 30 June 2020 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.

BUTLER SETTINERI (AUDIT) PTY LTD



MARIUS VAN DER MERWE CA  
Director

Perth

Date: 18 February 2021





# *Scenic Wandering*