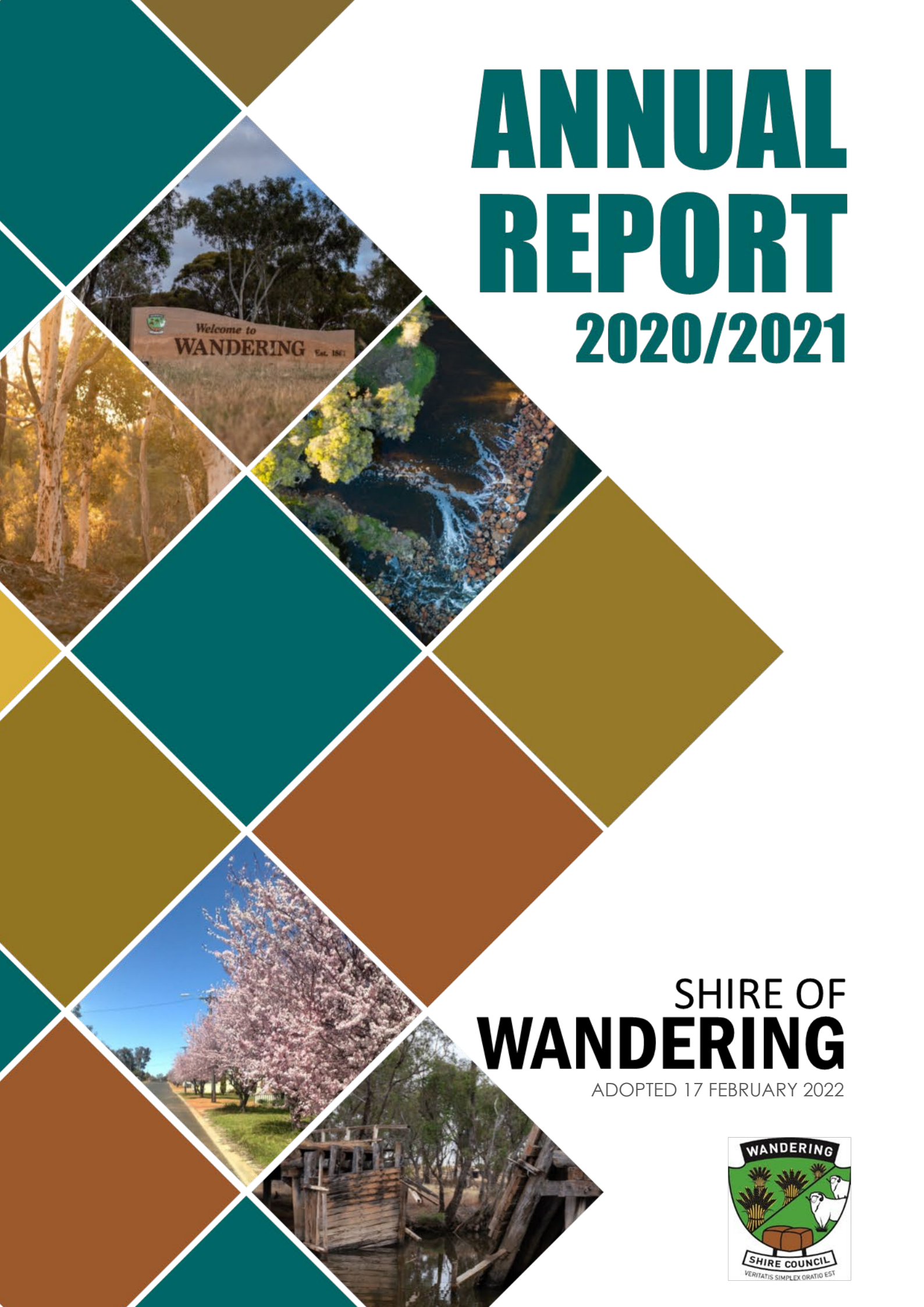


ANNUAL REPORT 2020/2021



SHIRE OF
WANDERING

ADOPTED 17 FEBRUARY 2022

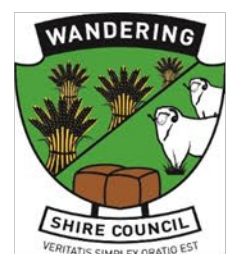




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OUR STATISTICS 2020 - 2021



444

Total number of residents*
* Based on 2016 Census



407

Total number of rateable properties



\$1,101,341

Rates levied



\$1,100

Minimum general residential rate



\$1,100

Minimum general rural rate



0%

Increase in Average rate



\$2,530,195

Operating revenue



\$57,817,562

Net assets



\$826,746

Operating grants revenue



\$1,142,720

Specific purpose grants revenue



109 km

Length of sealed roads



312 km

Length of gravel roads



0

Debt servicing ratio



224

Number of dwellings



74

Number of garbage services provided



PRESIDENT’S REPORT

I present the annual report for 2020/21 later than your Council desires. The Office of the Auditor General (OAG) now controls local government audits and new directions prevented them from delivering their report until just before Christmas. In many instances the information contained in my report is old and issues and projects mentioned have moved forward from the start of the review period 20 months ago.

The OAG contracted auditors AMD now have a much wider brief than past years, including not only finance but also detailed examination of business processes. I am pleased to report that although not perfect, your Shire administration fared well. Several areas of concern are currently being addressed and the financials did show a slight reduction in Reserve and Current Asset balances compared to the previous year.

Several of the business plans that the Shire must have and use have been reviewed in the report period. The Corporate, Long Term Financial and Asset Management Plans were among the continual updating that our administration is responsible for.

The Covid pandemic continued during the period and the Shire adhered to the State Government’s request to have a nil rate increase. This was not in the direction planned as our long term viability was based on a 6% increase at this time. However, new Government funds granted to alleviate the possible economic effects of the pandemic were received gratefully and plans were developed to install two chalets at the Caravan Park and a couple of smaller projects in the town. The majority of our community have had to accept only minor inconvenience in this Covid period and I thank you all, especially our staff.

Other issues and projects of the period:

- The review of the rating system used in the rural residential and light industrial areas continued and changes now look to be implemented for the 2022/23 year.
- The planning work moved forward for the doubling of blocks in our Light Industrial Area.
- The Community Centre Upgrade Committee started to put ideas together with architectural help.
- The Shire started to build a case for a major upgrade of the North Bannister to Pumphreys Road using the Secondary Freight Route grant funding. If all goes to plan this should be financially very positive as the contribution from the Shire is reduced from around 30% to just 7%. This road is our major artery and to a large degree our future development depends on increasing safe traffic flow.
- HWEDA projects continue and a review of its future beyond current works is being investigated.
- A review of the Local Government Act saw time at both Council and Zone given to its upgrading. Significant changes have occurred in relation to the Code of Conduct and CEO recruitment processes.
- On a disappointing note the Wandering Camp Out Group had to cancel their planned event due to the Covid restrictions. We of course now know the event was successfully held this last October 2021.

In closing I sincerely thank all our staff. Compared to all other Shires, Wandering has one of the smallest groups of employees and they have covered all tasks well. My Councillor colleagues once again worked on many challenges and I thank them for the hours spent in attending meetings and working through mountains of written material. I acknowledge their dedicated service to the Wandering Shire community.

CR IAN TURTON
Shire President



COUNCILLORS

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CEO'S REPORT

THE YEAR AT A GLANCE

JULY 2020

- Adoption of 2020/2021 Budget
- Community Meeting held

SEPTEMBER 2020

- Annual Policy Manual Review
- Delegations, authorisations and appointments review

OCTOBER 2020

- Endorsement of installing solar panels to the administration office and CRC
- Road grading maintenance plan created

NOVEMBER 2020

- 2021/2022 Rating Review
- Lease agreement for the old Wandering gravel pit

DECEMBER 2020

- Disposal of 7 Gnowing Street

FEBRUARY 2021

- Adoption of Model Code of Conduct

MARCH 2021

- Construction of two universal access park cabins for the Wandering Caravan Park
- Approval to install new access upgrade to the Wandering Community Resource Centre

APRIL 2021

- Adoption of Customer Service Charter
- Budget Review

MAY 2021

- Adoption of Corporate Business Plan
- Adoption of Long Term Financial Plan
- Adoption of Asset Management Plan
- Adoption of Bush Fire Risk Management Plan

JUNE 2021

- Adoption of amendments in the Asset Management Plan
- Adoption of Access and Inclusion Plan

ECONOMIC & BUSINESS DEVELOPMENT

Council continues to work with the Hotham Williams Economic Development Alliance to seek and progress development across the shire and region.

During the year the shire continued to progress the development of more light industrial blocks to try and help attract new businesses to the area.

The shire, with the assistance of grants from the Federal Government, worked on establishing 2 self-contained chalets at the caravan park to help cater for visitors to the area that do not have caravans. This additional accommodation option will hopefully increase visitor numbers and duration of stay.

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

A handwritten signature in black ink, appearing to read "Belinda Knight".

BELINDA KNIGHT

Chief Executive Officer



EMTS REPORT

The Shire of Wandering has a very small workforce that have been very efficient during the 2020/21 financial year with major capital and renewal works undertaken while still managing to undertake the day to day maintenance work within the Shire. The capital and renewal works completed include:

- York Williams Road drainage culvert widening and selective gravel resheeting has been completed from the North Wandering Road intersection to the Wandering Pingelly Road intersection. The work was funded on a two thirds basis by the State Government Regional Road Group Program. This is based on the 2030 Program for roads of high priority within each Shire, subject to set funding arrangements.
- Completion of bitumen sealing work on Fourteen Mile Brook Road after last year's construction work. This commenced from the Dwarda East Intersection to the Williams Shire Boundary . Work undertaken included applying a two-coat bitumen seal using a 14mm and 10mm granite stone for the road surface. This was 100% funded by "Roads to Recovery" which is a Federal Government Program.
- Completion of bitumen sealing work on Pennington Road after last year's construction work, commencing from Wandering Pingelly Road for one kilometre to Premium Grains. Work undertaken included applying a one coat bitumen seal using a 10mm granite stone for the road surface. This was also 100% funded by "Roads to Recovery" which is a Federal Government Program
- Road Failures on Wandering Pingelly Road and Wandering Narrogin Road were stabilised and resealed with a two-coat bitumen seal using a 14mm and 10 mm granite stone for the road surface that had failed due to the ageing bitumen seal and increase of heavy haulage vehicles on the road. This was also funded 100% by "Roads to Recovery" which is a Federal Government Program
- Wandering Pingelly Road shoulder sealing of the inside of several bends to increase the sealed surface so to improve road safety and reduce shoulder maintenance. This work involved the clearing of regrowth trees and bushes and road shoulder preparation for the two-coat bitumen seal using a 10mm and 7mm granite stone. The work was undertaken between Fourteen Mile Brook Road and Edwards Road. The work was funded on a two thirds basis by the State Government Regional Road Group Program.
- Other funded work undertaken includes resealing work on North Wandering Road and Wandering Narrogin Road, Watts Street Car Park asphalt sealing, Upgrade of CRC Building access to cater for people with mobility requirements and earthworks for new Caravan Park Cabins.

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 building maintenance, road verge weed spraying, tree pruning, vegetation control and general Parks and Garden work as programmed to support our local community.

BARRY GIBBS

Executive Manager Technical Services



COMMUNITY RESOURCE CENTRE REPORT

The Wandering Community Resource Centre (WCRC) is partly funded through the Department of Primary Industries and Regional Development (DPIRD) and is a service provided under the Shire of Wandering. Its core services align with the contractual obligations with DPIRD and other contracts held such as Department of Transport and Services Australia. Any other activities and services are provided and developed through community needs analysis.

The WCRC is managed by one part-time co-ordinator who reports to the CEO of the Shire of Wandering. The WCRC is open Monday-Thursday 9am-4pm.

Community Resource Centres (CRCs) deliver a range of community services for DPIRD which, as part of the Western Australian Community Resource Network, contribute towards the Community Level Outcomes for the WACRN program. These Community Level Outcomes (CLO) are:

CLO 1 - Development of vibrant and sustainable regional communities.

CLO 2 - Regional communities have improved access to the state government and community information they need.

CLO 3 - Regional communities improve their economic health.

CLO – 4 Regional communities improve their social cohesion and capacity.

Each CRC service provider contributes towards these through their work in delivering services tailored to address the Service Level Outcome for the WACRN. The Service Level Outcomes (SLO) for the WACRN are:

SLO 1 – Community members are provided with access to state government and community information and services.

SLO 2 – Local businesses and the workforce have access to activities and initiatives that improve skills and capacity to foster economic growth in the local community.

SLO 3 – Community members have access to activities and initiatives that create or improve community connectedness and capacity.

Economic & Business Development Support:

The need for business support services is increasing as businesses adapt to the changing ways of doing business during a pandemic. This has increased the demand for online platform workshops to help with buying and selling online and developing their online presence.

The shortage of skilled workers in the regions has encouraged employers to advertise their employment vacancies online and engage in more paid social media marketing. This has resulted in further requests for help in learning how to undertake paid advertising using social media.

Graphic designing has also been in higher demand this year with businesses and community groups unable to easily access assistance with their designing requirements. Canva workshops and one on one assistance has been requested often and as a result more advanced training in Canva will be offered in 2022.

Some of the activities presented this year include:

- Canva for Beginners
- Networking
- Business Planning
- Grant Writing
- Business Financials

Social Development Support:

The WCRC has strong relationships with many community groups. The WCRC was able to conduct many more activities with the help of community groups such as the Wandering Lions Club, CWA and Wandering Golf Club.

These groups assisted in catering, set-up of activities and venue availability. As the WCRC has limited staff, these relationships and resource sharing enable the community to have access to events, services and activities it would otherwise not have. This is even more important for our low-income families who cannot travel for activities and rely on the WCRC to provide to reduce social isolation and enhance social well-being throughout the community.

Some of the activities presented this year include:

- Australia Day activities
- Remembrance Day morning tea
- Outdoor movies
- Monthly after school activities
- Plant Swaps
- Healthy eating workshops – Food Bank Series and Raw Foods
- Social bus trips
- Christmas markets
- Road Safety Week community BBQ
- Car Boot Sale
- Children’s Week
- Youth Week

The WCRC develops the monthly community newsletter which has increased its reach over the past 12 months and has received a much-needed overhaul of design. The newsletter now presents more professionally and is easier to read online.

The WCRC hosts a weekly craft group which enables everyone to bring along their chosen craft and enjoy in social interaction and develop friendships. It has helped several members of the group with their mental health that was struggling due to social isolation and given them a network they can now call on for help.

This group also goes on excursions at various times of the year and utilises the local tavern for regular lunches together. From this gathering some previously isolated people have found an enjoyable activity that has provided them with access to new friends and shared interests.

Services & Products:

The WCRC café is a needed service for locals and visitors. With limited options in surrounding areas it is well utilised all year round. It also provides a nice addition to workshops and the weekly craft group.

The sitting area within the building is well utilised for meetings and catch-ups by local people and people passing through town. Being located on the main street and close to the public toilets, visitors call in and request tourism and local attractions information.

The WCRC is in the process of trying to collate and update the history information of the town, as history is a regular request of information from visitors. Some history has been printed previously but copies are now no longer available or the information requires updating.

The outdoor movie equipment is regularly hired out to other neighbouring towns throughout the summer period. CBH provided funding to upgrade the equipment with a new projector and the inclusion of a popcorn and slushie machines.

We received a grant this year that allowed us to purchase ipads and laptops for seniors to hire which enables them to stay connected to family and friends and get online. This also enabled us to host a range of workshops so they could learn computing skills and how to use their mobile phones.

Some of our supporters:

Government:

- Department of Primary Industries and Regional Development
- Department of Transport
- Services Australia

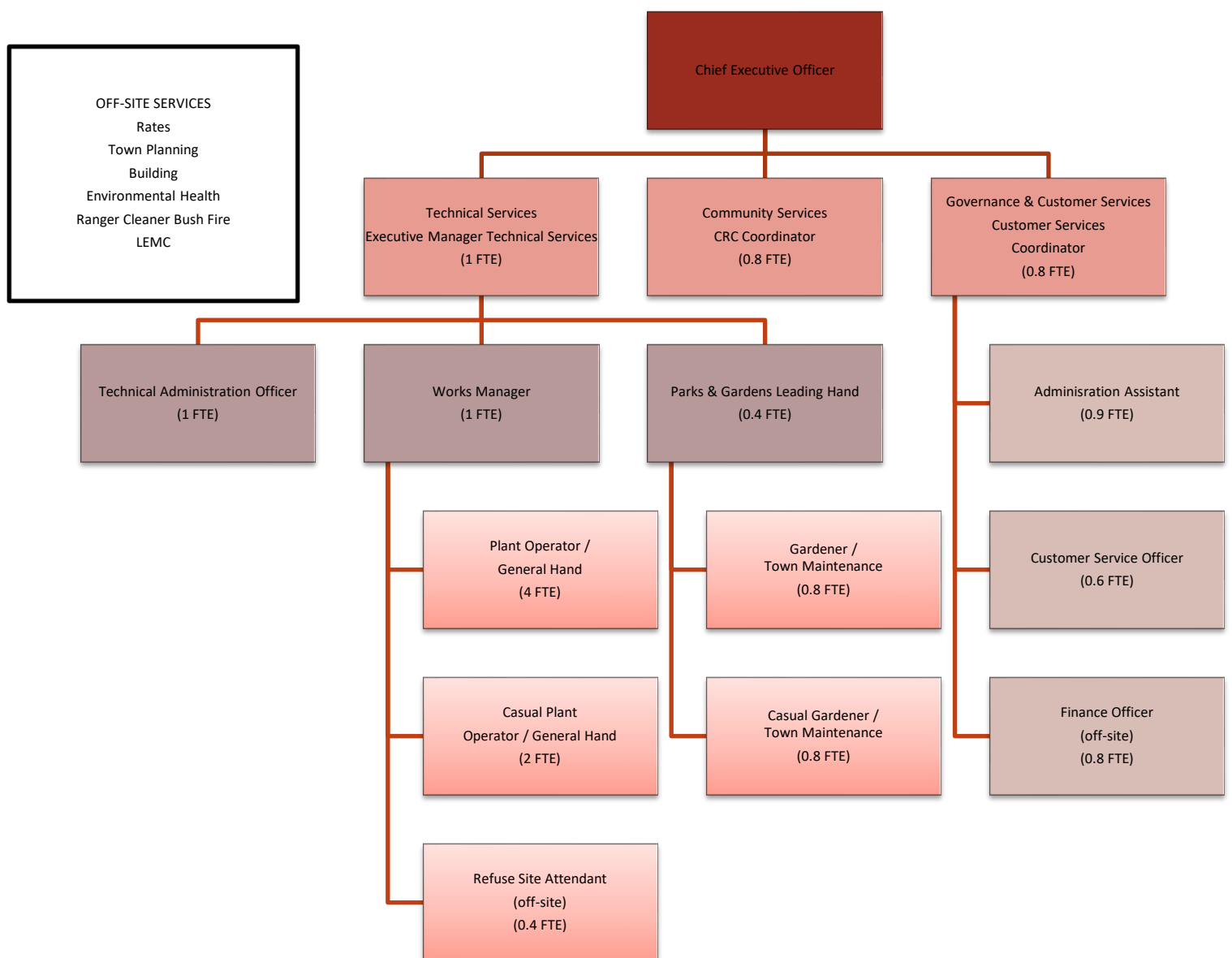
Grant Funding Bodies:

- Department of Communities
- Good Things Foundation
- CBH
- Department of Industry, Science, Energy & Resources
- Meerilinga
- Road Safety Commission

ALANA ROSENTHAL

Community Resource Centre Coordinator

ORGANISATIONAL STRUCTURE





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 requirements 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 employees to ensure continuity and quality management of the integrated planning process.



Wandering Community Centre Play Ground

CORPORATE BUSINESS PLAN

OUTCOME: 1		IMPROVE OUR FINANCIAL POSITION		Responsible Agency/Officer	Measures & Targets	2021-2022	2022-2023	2023-2024	2024-2025	2021-2022	2022-2023	2023-2024	2024-2025
										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											
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	Maintain the Fuel Facility Reserve and actively save to fund 90% of the replacement of the fuel tanks by 2027/28	EMTS	Establishment of reserve fund	✓				\$70,826	\$86,701	\$103,002	\$119,547
		1.2.2	Maintain the Plant Replacement Reserve to ensure replacement of the Shire's Plant fleet	EMTS	Adopted Council Report	✓	✓	✓	✓	\$164,198	\$357,188	\$357,138	\$72,004
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	✓	✓	✓	✓	\$2,500	\$2,500	\$2,500	\$2,500
		Implement changes to rating structure as recommended by the Rate Review											
		1.4.2	Rate review implemented over a staged process	CEO/Consultant	Budget	✓	✓	✓		\$3,500	\$3,500		
		Review income generated by rates											
		1.4.3	Rates are reviewed annually	Consultant	Budget	✓	✓	✓	✓				

OUTCOME: 2	IMPROVE THE ECONOMIC GROWTH OF OUR COMMUNITY		Responsible Agency/Officer	Measures & Targets	2021/22	2022/23	2023/24	2024/25	2021/22	2022/23	2023/24	2024/25	
					Cost Estimates								
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	Continuing development of the Wandering Caravan Park	EMTS/Consultant Contractors	Implementation Stage 2 - Cabin	✓				\$140,000			
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	2021-2022	2022-2023	2023-2024	2024-2025	2021-2022	2022-2023	2023-2024	2024-2025
									Cost Estimates			
Our permanent and transient population grows		We assist with retaining the Wandering Primary School										
	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 a 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		
		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 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	2021-2022	2022-2023	2023-2024	2024-2025	2021-2022	2022-2023	2023-2024	2024-2025
					Cost Estimates							
People feel safe, connected and actively involved in the Community.	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	✓	✓	✓	✓				

OUTCOME: 3	RETAIN AND GROW OUR POPULATION		Responsible Agency/Officer	Measures & Targets	2021-2022	2022-2023	2023-2024	2024-2025	2021-2022	2022-2023	2023-2024	2024-2025
					Cost Estimates							
	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	2021-2022	2022-2023	2023-2024	2024-2025	2021-2022	2022-2023	2023-2024	2024-2025	
									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	✓				4000			
		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		\$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.



ANZAC Day Wreaths 2020



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 Bididi 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 and Narrogin 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.



ACCESS & INCLUSION PLAN

1.1 Outcome One: Events and Services

Shire of Wandering will provide events and services that are accessible to all community members.

What	How
Adapt services to meet the needs of a changing demographic.	Staff will react positively to changes as they arise, and where possible implement changes as a matter of priority
Events held will include requirements for universal access to all facets of the event	Event booking forms will include reference to universal access to ensure all events are accessible to everyone.
Shire staff will ensure they are able to provide support and assistance when required.	Implementation of a training program for all staff to ensure they are equipped with appropriate knowledge and skills.
Provide appropriate directional signage to town facilities	Increase signage in the main street to indicate where facilities are.

1.2 Outcome Two: Buildings and Facilities

The Shire of Wandering buildings and other facilities will be accessible to all community members.

What	How
Improve accessibility to community buildings, halls and toilets	Plans are currently being drawn up to incorporate at least two accessible parking bays and access ramp to the Wandering Community Centre, as well as universal toilet facilities.
Provide and maintain safe and accessible parking and footpaths	Planning underway for a universal access pathway connecting the Wandering Caravan Park, Wandering Community Centre and oval, to the town centre
Upgrade Wandering Caravan Park to provide a range of accommodation options that are accessible to all users.	Two universal access accommodation units will be constructed at the Caravan Park in Stage 1, with a view to increasing the number to five in the future.
Provide accessible and inclusive open spaces	Parks and open spaces to be monitored and reviewed to ensure there are no barriers to access.

1.3 Outcome Three: Accessible Information

Shire of Wandering information will be accessible to all community members.

What	How
Create Shire of Wandering documents in a range of suitable formats, including hard copy and digital.	Ensure documents are presented in an appropriate range of formats to meet the needs of the individual.
Provide information in alternative formats on individual request	Shire staff are training in the use of the Translating and Interpreting Service (TIS).
Effectively communicate to our community.	Ensure communication is provided in a form that contains simplified information with sufficient explanation.

1.4 Outcome Four: Quality of Service

All community members will receive the same level and quality of service from Shire of Wandering employees and elected members.

What	How
Ensure facilities are welcoming and inviting, and staff are in a position to assist with access when called upon to do so.	Planning is underway to replace or modify the current counter in the administration office to ensure it is accessible for all community members
Provide high quality service to our diverse community	Shire employees to complete training and professional development, as applicable, to ensure they have the knowledge and skills to provide quality services for all community members.
Promote the Access & Inclusion Plan to the community, staff and elected members	All Shire staff and elected members to have knowledge of the Access and Inclusion Plan; and Election packs distributed to potential elected members to be aware of the Shire's AIP and expectations

1.5 Outcome Five: Opportunities to Provide Feedback

All community members will have the same opportunities to provide feedback or make complaints to the Shire of Wandering.

What	How
Ensure a range of methods are available to capture complaints and feedback	Ensure complaints can be received in various avenues and actioned appropriately, Complaints can be submitted via: <ul style="list-style-type: none"> •Email •Phone •Letter/Post •In Person •Through the Shire website feedback form
Communicate and respond in an appropriate manner to complaints received.	Ensure concerns are reviewed with a compassionate manner and in confidence.
Ensure feedback regarding access is considered and reflected in the Access & Inclusion Plan	Complaints with regards to access to be referenced on an annual basis and monitored, reviewed and incorporated into the formalised actions of the next AIP.

1.6 Outcome Six: Public Consultation

All community members have the same opportunities to participate in public consultation conducted by the Shire of Wandering.

What	How
Engage with the community in a proactive manner utilising a range of consultation tools and methods.	Ensure public consultations are well advertised in both print and online.
Maintain community networks that can provide advice and guidance on access matters.	Ensure all community engagement and consultation is conducted in a safe, inclusive and accessible way.
Encourage diversity in all Shire represented committees and forums.	Ensure recommendations and areas of improvement to continually be built into organisational structure and priority areas.

1.7 Outcome Seven: Employment Opportunities

All community members are encouraged to pursue employment opportunities within the Shire of Wandering.

What	How
Recognise and apply the skills, knowledge, and experience of people with disability.	Ensure recruitment practices are inclusive and encourage everyone to apply for employment with the Shire.
Foster a workplace culture that is inclusive and welcoming for people of all abilities and backgrounds	Continuing to improve organisational culture that recognises access and inclusion issues, and encouraging diversity within the workforce.
Implement the actions outlined in the Shire of Wandering Equal Employment Opportunity & Diversity Plan.	Actively support and advocate for the Shire's Equal Employment Opportunity & Diversity Plan.

1.8 Outcome Eight: Capacity Building

The Shire of Wandering will build community capacity and advocate for inclusion.

What	How
Support residents to access information and services including the National Disability Insurance Scheme and mental health support networks.	Collaborate with the Shire of Wandering Community Resource Centre to provide NDIS information sessions.
Provide education to encourage inclusive recruitment in the local business community.	Collaborate with the Shire of Wandering Community Resource Centre to provide appropriate training sessions for the local business community.
Increase the capacity of local groups, clubs and organisations to be more inclusive.	Collaborate with the Shire of Wandering Community Resource Centre to assist local groups, clubs and organisations become more inclusive.



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 EMPLOYEE AND CONTRACTORS WILL BE IN ACCORDANCE WITH DESIGNATED ACCESS AND SECURITY CLASSIFICATIONS.

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 2021

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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 2021**

*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 2021 is based on proper accounts and records to present fairly the financial position of the Shire of Wandering at 30 June 2021 and the results of the operations for the financial year then ended in accordance with the Local Government Act 1995 and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.

Signed on the

14th day of December

2021



Chief Executive Officer

Belinda Knight

Name of Chief Executive Officer

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

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
Revenue				
Rates	21(a)	1,101,341	1,101,272	1,106,019
Operating grants, subsidies and contributions	2(a)	826,746	1,031,660	791,246
Fees and charges	2(a)	560,013	809,130	622,701
Interest earnings	2(a)	11,201	15,810	16,387
Other revenue	2(a)	30,894	43,700	55,435
		2,530,195	3,001,572	2,591,788
Expenses				
Employee costs		(1,226,226)	(1,142,005)	(1,115,495)
Materials and contracts		(936,919)	(1,353,420)	(961,135)
Utility charges		(47,004)	(56,410)	(49,436)
Depreciation on non-current assets	10(b)	(1,166,417)	(1,112,530)	(1,116,142)
Interest expenses	2(b)	0	(2,970)	(119)
Insurance expenses		(77,405)	(92,700)	(89,895)
Other expenditure		(49,811)	(46,350)	(48,576)
		(3,503,782)	(3,806,385)	(3,380,798)
		(973,587)	(804,813)	(789,010)
Non-operating grants, subsidies and contributions	2(a)	1,142,720	1,324,455	510,157
Profit on asset disposals	10(a)	8,182	13,010	8,184
(Loss) on asset disposals	10(a)	(92,623)	(85,370)	(9,267)
Fair value adjustments to financial assets at fair value through profit or loss		935	0	0
		1,059,214	1,252,095	509,074
		85,627	447,282	(279,936)
Net result for the period				
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	11	1,442,382	0	0
		1,442,382	0	0
Total other comprehensive income for the period				
		1,528,009	447,282	(279,936)
Total comprehensive income for the period				

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 2021

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
Revenue				
	2(a)			
Governance		3,500	500	1,850
General purpose funding		1,660,835	1,888,822	1,679,182
Law, order, public safety		42,181	42,650	33,343
Health		3,906	2,450	1,454
Education and welfare		0	1,520	1,520
Housing		42,224	45,500	46,436
Community amenities		46,240	48,820	45,209
Recreation and culture		1,645	1,370	6,800
Transport		56,775	56,850	66,424
Economic services		620,253	854,665	653,461
Other property and services		52,636	58,425	56,109
		2,530,195	3,001,572	2,591,788
Expenses				
	2(b)			
Governance		(107,447)	(123,040)	(192,210)
General purpose funding		(158,643)	(294,415)	(136,432)
Law, order, public safety		(129,845)	(134,050)	(124,737)
Health		(6,309)	(12,060)	(20,830)
Education and welfare		(2,159)	(3,065)	(878)
Housing		(24,689)	(47,900)	(29,089)
Community amenities		(189,470)	(161,520)	(217,341)
Recreation and culture		(224,194)	(245,020)	(226,614)
Transport		(1,842,104)	(1,843,245)	(1,512,819)
Economic services		(778,732)	(880,835)	(803,950)
Other property and services		(40,190)	(58,265)	(115,779)
		(3,503,782)	(3,803,415)	(3,380,679)
Finance Costs				
	2(b)			
Transport		0	0	(119)
Economic services		0	(2,970)	0
		0	(2,970)	(119)
		(973,587)	(804,813)	(789,010)
Non-operating grants, subsidies and contributions	2(a)	1,142,720	1,324,455	510,157
Profit on disposal of assets	10(a)	8,182	13,010	8,184
(Loss) on disposal of assets	10(a)	(92,623)	(85,370)	(9,267)
Fair value adjustments to financial assets at fair value through profit or loss		935	0	0
		1,059,214	1,252,095	509,074
Net result for the period		85,627	447,282	(279,936)
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	11	1,442,382	0	0
Total other comprehensive income for the period		1,442,382	0	0
Total comprehensive income for the period		1,528,009	447,282	(279,936)



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

**SHIRE OF WANDERING
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021**

	NOTE	2021 \$	2020 \$
CURRENT ASSETS			
Cash and cash equivalents	3	841,093	1,434,257
Trade and other receivables	6	67,643	40,766
Inventories	7	74,270	59,572
TOTAL CURRENT ASSETS		983,006	1,534,595
NON-CURRENT ASSETS			
Trade and other receivables	6	1,251	2,020
Other financial assets	5	18,452	17,517
Inventories	7	0	421,950
Property, plant and equipment	8	7,320,571	5,496,500
Infrastructure	9	51,567,956	51,191,573
TOTAL NON-CURRENT ASSETS		58,908,230	57,129,560
TOTAL ASSETS		59,891,236	58,664,155
CURRENT LIABILITIES			
Trade and other payables	12	203,312	149,333
Other liabilities	13	217,439	546,460
Employee related provisions	15	81,180	71,242
TOTAL CURRENT LIABILITIES		501,931	767,035
NON-CURRENT LIABILITIES			
Employee related provisions	15	43,734	79,558
TOTAL NON-CURRENT LIABILITIES		43,734	79,558
TOTAL LIABILITIES		545,665	846,593
NET ASSETS		59,345,571	57,817,562
EQUITY			
Retained surplus		20,305,298	20,357,634
Reserves - cash backed	4	525,967	388,004
Revaluation surplus	11	38,514,306	37,071,924
TOTAL EQUITY		59,345,571	57,817,562

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 2021**

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2019		20,684,178	341,396	37,071,924	58,097,498
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
Balance as at 30 June 2020		20,357,634	388,004	37,071,924	57,817,562
Comprehensive income					
Net result for the period		85,627	0	0	85,627
Other comprehensive income	11	0	0	1,442,382	1,442,382
Total comprehensive income		85,627	0	1,442,382	1,528,009
Transfers from reserves	4	300,292	(300,292)	0	0
Transfers to reserves	4	(438,255)	438,255	0	0
Balance as at 30 June 2021		20,305,298	525,967	38,514,306	59,345,571

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 2021

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		1,086,117	1,101,272	1,102,949
Operating grants, subsidies and contributions		778,862	497,878	2,176,470
Fees and charges		560,013	809,130	622,701
Interest received		11,201	15,810	16,387
Goods and services tax received		285,291	152,261	117,991
Other revenue		30,894	43,700	55,435
		2,752,378	2,620,051	4,091,933
Payments				
Employee costs		(1,248,180)	(1,142,005)	(1,083,802)
Materials and contracts		(1,171,213)	(1,353,420)	(945,100)
Utility charges		(47,004)	(56,410)	(49,436)
Interest expenses		0	(2,970)	(119)
Insurance paid		(77,405)	(92,700)	(89,895)
Goods and services tax paid		(15,648)	(152,261)	(203,154)
Other expenditure		(49,811)	(46,350)	(48,576)
		(2,609,261)	(2,846,116)	(2,420,082)
Net cash provided by (used in) operating activities	16	143,117	(226,065)	1,671,851
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for development of land held for resale		0	(200,000)	0
Payments for purchase of property, plant & equipment	8(a)	(621,606)	(725,000)	(508,431)
Payments for construction of infrastructure	9(a)	(1,258,152)	(1,540,775)	(752,385)
Non-operating grants, subsidies and contributions		850,699	1,324,455	510,157
Proceeds from sale of property, plant & equipment	10(a)	292,778	379,000	155,132
Net cash provided by (used in) investment activities		(736,281)	(762,320)	(595,527)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	14(a)	0	(18,665)	(473,507)
Proceeds from new borrowings	14(a)	0	200,000	0
Net cash provided by (used in) financing activities		0	181,335	(473,507)
Net increase (decrease) in cash held		(593,164)	(807,050)	602,817
Cash at beginning of year		1,434,257	1,528,865	831,440
Cash and cash equivalents at the end of the year	16	841,093	721,815	1,434,257

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



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

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)	22 (b)	418,979	1,134,308	1,180,795
		418,979	1,134,308	1,180,795
Revenue from operating activities (excluding rates)				
Governance		3,500	500	1,850
General purpose funding		562,633	787,550	576,302
Law, order, public safety		42,181	42,650	33,343
Health		3,906	2,450	1,454
Education and welfare		0	1,520	1,520
Housing		42,224	45,500	46,436
Community amenities		46,240	48,820	45,209
Recreation and culture		1,645	1,370	6,800
Transport		64,957	69,860	69,307
Economic services		620,253	854,665	653,461
Other property and services		53,571	58,425	61,410
		1,441,110	1,913,310	1,497,092
Expenditure from operating activities				
Governance		(107,447)	(123,040)	(192,210)
General purpose funding		(158,643)	(294,415)	(136,432)
Law, order, public safety		(129,845)	(134,050)	(124,737)
Health		(6,309)	(12,060)	(20,830)
Education and welfare		(2,159)	(3,065)	(878)
Housing		(68,140)	(47,900)	(29,089)
Community amenities		(189,470)	(161,520)	(217,341)
Recreation and culture		(227,869)	(245,020)	(226,614)
Transport		(1,887,601)	(1,928,615)	(1,512,938)
Economic services		(778,732)	(883,805)	(803,950)
Other property and services		(40,190)	(58,265)	(125,046)
		(3,596,405)	(3,891,755)	(3,390,065)
Non-cash amounts excluded from operating activities	22(a)	1,235,689	672,108	1,143,919
Amount attributable to operating activities		(500,627)	(172,029)	431,741
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	2(a)	1,142,720	1,324,455	510,157
Proceeds from disposal of assets	10(a)	292,778	379,000	155,132
Purchase of land held for resale		0	(200,000)	0
Purchase of property, plant and equipment	8(a)	(621,606)	(725,000)	(508,431)
Purchase and construction of infrastructure	9(a)	(1,258,152)	(1,540,775)	(752,385)
Amount attributable to investing activities		(444,260)	(762,320)	(595,527)
FINANCING ACTIVITIES				
Repayment of borrowings	14(a)	0	(18,665)	(473,507)
Proceeds from borrowings	14(a)	0	200,000	0
Transfers to reserves (restricted assets)	4	(438,255)	(550,168)	(57,178)
Transfers from reserves (restricted assets)	4	300,292	201,910	10,570
Amount attributable to financing activities		(137,963)	(166,923)	(520,115)
Surplus/(deficit) before imposition of general rates		(1,082,850)	(1,101,272)	(683,901)
Total amount raised from general rates	21(a)	1,098,202	1,101,272	1,102,880
Surplus/(deficit) after imposition of general rates	22(b)	15,352	0	418,979

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



SHIRE OF WANDERING
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FOR THE YEAR ENDED 30 JUNE 2021

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1. BASIS OF PREPARATION

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

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

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

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

THE LOCAL GOVERNMENT REPORTING ENTITY

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

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

INITIAL APPLICATION OF ACCOUNTING STANDARDS

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

These were:

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

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

NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE YEARS

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

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

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

CRITICAL ACCOUNTING ESTIMATES

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

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

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

2. REVENUE AND EXPENSES

REVENUE RECOGNITION POLICY

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Timing of revenue recognition
Rates - general rates	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 2021

2. REVENUE AND EXPENSES (Continued)

(a) Grant revenue

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

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Operating grants, subsidies and contributions			
General purpose funding	543,775	764,200	548,890
Law, order, public safety	41,540	41,540	31,518
Education and welfare	0	1,520	1,520
Transport	56,275	56,600	55,512
Economic services	181,156	163,720	149,806
Other property and services	4,000	4,080	4,000
	826,746	1,031,660	791,246
Non-operating grants, subsidies and contributions			
General purpose funding	61,152	0	0
Law, order, public safety	9,114	0	0
Transport	1,072,454	1,324,455	510,157
	1,142,720	1,324,455	510,157
Total grants, subsidies and contributions	1,969,466	2,356,115	1,301,403
Fees and charges			
General purpose funding	4,518	3,460	3,675
Law, order, public safety	2,550	1,110	1,873
Health	3,906	2,450	1,454
Housing	42,224	45,500	46,436
Community amenities	46,240	47,290	45,209
Recreation and culture	1,600	1,370	1,570
Transport	500	250	10,912
Economic services	439,097	690,945	501,752
Other property and services	19,378	16,755	9,820
	560,013	809,130	622,701

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

SIGNIFICANT ACCOUNTING POLICIES

Grants, subsidies and contributions

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

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

Fees and Charges

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

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

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Contracts with customers and transfers for recognisable non-financial assets

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

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Operating grants, subsidies and contributions	216,841	200,060	791,246
Fees and charges	551,045	801,920	613,552
Other revenue	26,940	22,080	25,736
Non-operating grants, subsidies and contributions	1,142,720	1,324,455	510,157
	<u>1,937,546</u>	<u>2,348,515</u>	<u>1,940,691</u>

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

Revenue from contracts with customers included as a contract liability at the start of the period	11,460	11,460	39,566
Revenue from contracts with customers recognised during the year	783,366	1,012,600	1,390,968
Revenue from transfers intended for acquiring or constructing recognisable non financial assets held as a liability at the start of the period	498,000	498,000	0
Revenue from transfers intended for acquiring or constructing recognisable non financial assets during the year	644,720	826,455	510,157
	<u>1,937,546</u>	<u>2,348,515</u>	<u>1,940,691</u>

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

Trade and other receivables from contracts with customers	28,477		12,890
Contract liabilities from contracts with customers	(11,460)		(48,460)
Financial assets held from transfers for recognisable financial assets	205,979		498,000
Grant liabilities from transfers for recognisable non financial assets	(205,979)		(498,000)

No impairment of assets associated with contracts with customers are currently expected.

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 2021

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Revenue from statutory requirements

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

	2021 Actual \$	2021 Budget \$	2020 Actual \$
General rates	1,098,202	1,098,072	1,102,880
Statutory permits and licences	8,218	6,860	8,044
Fines	750	350	1,105
	<u>1,107,170</u>	<u>1,105,282</u>	<u>1,112,029</u>
Other revenue			
Reimbursements and recoveries	3,954	43,700	29,699
Other	26,940	0	25,736
	<u>30,894</u>	<u>43,700</u>	<u>55,435</u>
Interest earnings			
Interest on reserve funds	802	2,550	2,178
Rates instalment and penalty interest (refer Note 21(b))	8,222	8,670	8,764
Other interest earnings	2,177	4,590	5,445
	<u>11,201</u>	<u>15,810</u>	<u>16,387</u>

SIGNIFICANT ACCOUNTING POLICIES

Interest earnings

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

Interest earnings (continued)

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

(b) Expenses

Auditors remuneration

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Audit Services	9,017	15,000	11,079
	<u>9,017</u>	<u>15,000</u>	<u>11,079</u>

Interest expenses (finance costs)

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Borrowings	0	2,970	119
	<u>0</u>	<u>2,970</u>	<u>119</u>

Other expenditure

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Sundry expenses	49,811	46,350	0
	<u>49,811</u>	<u>46,350</u>	<u>0</u>

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

3. CASH AND CASH EQUIVALENTS

NOTE	2021	2020
	\$	\$
Cash at bank and on hand	841,093	1,434,257
Total cash and cash equivalents	841,093	1,434,257
Restrictions		
The following classes of assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:		
- Cash and cash equivalents	743,406	934,464
	743,406	934,464
The restricted assets are a result of the following specific purposes to which the assets may be used:		
Reserves - cash backed	4	525,967
Contract liabilities from contracts with customers	13	11,460
Grants for transfers for recognisable non financial assets	13	205,979
Total restricted assets	743,406	934,464

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 2021

4. RESERVES - CASH BACKED

	2021 Actual Opening Balance	2021 Actual Transfer to	2021 Actual Transfer (from)	2021 Actual Closing Balance	2021 Budget Opening Balance	2021 Budget Transfer to	2021 Budget Transfer (from)	2021 Budget Closing Balance	2020 Actual Opening Balance	2020 Actual Transfer to	2020 Actual Transfer (from)	2020 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Reserves cash backed - Leave Reserve	39,423	20,821	0	60,244	39,421	21,000	0	60,421	39,173	250	0	39,423
(b) Reserves cash backed - Office equipment reserve	35,140	12,342	0	47,482	35,139	12,500	0	47,639	34,918	222	0	35,140
(c) Reserves cash backed - Land & building reserve	73,703	339,703	(181,547)	231,859	73,699	340,023	0	413,722	33,488	40,215	0	73,703
(d) Reserves cash backed - Plant replacement reserve	224,737	457	(91,745)	133,449	224,727	111,645	(201,910)	134,462	233,817	1,490	(10,570)	224,737
(e) Reserves cash backed - Fuel facility reserve	15,001	64,932	(27,000)	52,933	15,000	65,000	0	80,000	0	15,001	0	15,001
	388,004	438,255	(300,292)	525,967	387,986	550,168	(201,910)	736,244	341,396	57,178	(10,570)	388,004

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:

Anticipated

date of use Purpose of the reserve

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

5. OTHER FINANCIAL ASSETS

Non-current assets

Financial assets at fair value through profit and loss

Financial assets at fair value through profit and loss

Units in Local Government House Trust

	2021	2020
	\$	\$
	18,452	17,517
	18,452	17,517
	18,452	17,517
	18,452	17,517

SIGNIFICANT ACCOUNTING POLICIES

Financial assets at fair value through profit and loss

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

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

Impairment and risk

Information regarding impairment and exposure to risk can be found at Note 23.

6. TRADE AND OTHER RECEIVABLES

Current

Rates receivable	
Trade and other receivables	
Accrued income	

Non-current

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

	2021	2020
	\$	\$
	39,167	23,174
	28,476	12,890
	0	4,702
	<u>67,643</u>	<u>40,766</u>
	1,251	2,020
	<u>1,251</u>	<u>2,020</u>

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 23.

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:

Balance at beginning of year

Inventories expensed during the year
 Inventories transferred to fixed assets during the year
 Additions to inventory
Balance at end of year

	2021	2020
	\$	\$
	53,717	26,139
	0	3,533
	20,553	29,900
	74,270	59,572
	0	421,950
	0	421,950
	481,522	488,522
	(329,937)	(590,701)
	(421,950)	0
	344,635	583,701
	74,270	481,522

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.

During the financial year, land held for resale was transferred to fixed assets as the likelihood of the land being sold is remote.

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

8. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Balances

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

	Land	Buildings - non- specialised	Buildings - specialised	Total land and buildings	Furniture and equipment	Plant and equipment	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2019	566,000	1,422,792	1,846,311	3,835,103	29,010	1,536,033	5,400,146
Additions	0	0	0	0	40,965	467,466	508,431
(Disposals)	0	0	0	0	0	(156,215)	(156,215)
Depreciation (expense)	0	(29,639)	(38,457)	(68,096)	(23,372)	(164,394)	(255,862)
Balance at 30 June 2020	566,000	1,393,153	1,807,854	3,767,007	46,603	1,682,890	5,496,500
Comprises:							
Gross balance amount at 30 June 2020	566,000	1,481,950	1,922,900	3,970,850	101,457	2,111,778	6,184,085
Accumulated depreciation at 30 June 2020	0	(88,797)	(115,046)	(203,843)	(54,854)	(428,888)	(687,585)
Balance at 30 June 2020	566,000	1,393,153	1,807,854	3,767,007	46,603	1,682,890	5,496,500
Additions	0	0	22,789	22,789	0	598,817	621,606
(Disposals)	(30,000)	(152,280)	0	(182,280)	0	(194,939)	(377,219)
Revaluation increments / (decrements) transferred to revaluation surplus	492,050	123,356	826,976	1,442,382	0	0	1,442,382
Depreciation (expense)	0	(24,229)	(35,297)	(59,526)	(22,812)	(202,310)	(284,648)
Transfers *	421,950	0	0	421,950	0	0	421,950
Balance at 30 June 2021	1,450,000	1,340,000	2,622,322	5,412,322	23,791	1,884,458	7,320,571
Comprises:							
Gross balance amount at 30 June 2021	1,450,000	1,340,000	2,622,322	5,412,322	101,457	2,436,096	7,949,875
Accumulated depreciation at 30 June 2021	0	0	0	0	(77,666)	(551,638)	(629,304)
Balance at 30 June 2021	1,450,000	1,340,000	2,622,322	5,412,322	23,791	1,884,458	7,320,571

* Land held for resale was transferred from non-current inventories during the year to fixed assets, as the likelihood of selling this asset is limited.

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Land and buildings					
Land	Level 2	Market cost	Independent valuation	June 2021	Unobservable inputs for assets and liabilities
Buildings - non-specialised	Level 2	Market cost	Independent valuation	June 2021	Unobservable inputs for assets and liabilities
Buildings - specialised	Level 3	Replacement cost	Independent valuation	June 2021	Unobservable inputs for assets and liabilities
(ii) Cost					
Furniture and equipment		Deemed cost	Deemed cost	June 2019	Purchase cost
Plant and equipment		Deemed cost	Deemed cost	June 2019	Purchase cost

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

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

9. INFRASTRUCTURE

(a) Movements in Balances

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

	Infrastructure - roads	Infrastructure - bridges	Infrastructure - drainage	Infrastructure - footpaths	Infrastructure - recreation	Infrastructure - other	Total Infrastructure
	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2019	35,296,674	10,312,707	3,673,793	205,925	1,185,356	625,013	51,299,468
Additions	752,385	0	0	0	0	0	752,385
Depreciation (expense)	(505,097)	(211,347)	(74,615)	(10,785)	(34,174)	(24,262)	(860,280)
Balance at 30 June 2020	35,543,962	10,101,360	3,599,178	195,140	1,151,182	600,751	51,191,573
Comprises:							
Gross balance 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)
Balance at 30 June 2020	35,543,962	10,101,360	3,599,178	195,140	1,151,182	600,751	51,191,573
Additions	760,152	498,000	0	0	0	0	1,258,152
Depreciation (expense)	(527,668)	(211,348)	(74,615)	(10,784)	(33,735)	(23,619)	(881,769)
Balance at 30 June 2021	35,776,446	10,388,012	3,524,563	184,356	1,117,447	577,132	51,567,956
Comprises:							
Gross balance at 30 June 2021	37,243,098	11,065,365	3,730,758	215,696	1,265,600	673,537	54,194,054
Accumulated depreciation at 30 June 2021	(1,466,652)	(677,353)	(206,195)	(31,340)	(148,153)	(96,405)	(2,626,098)
Balance at 30 June 2021	35,776,446	10,388,012	3,524,563	184,356	1,117,447	577,132	51,567,956

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

9. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Infrastructure - roads	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

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 zero cost or otherwise significantly less than fair value, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the Shire includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

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

Revaluation

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

AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY

Revaluation (Continued)

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

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

Land under roads from 1 July 2019

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

Vested improvements from 1 July 2019

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

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

10. FIXED ASSETS

(a) Disposals of Assets

	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss	2021 Budget Net Book Value	2021 Budget Sale Proceeds	2021 Budget Profit	2021 Budget Loss	2020 Actual Net Book Value	2020 Actual Sale Proceeds	2020 Actual Profit	2020 Actual Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Land - freehold land	30,000	30,000	0	0	0	0	0	0	0	0	0	0
Buildings - non-specialised	152,280	108,829	0	(43,451)	140,000	140,000	0	0	0	0	0	0
Plant and equipment	194,939	153,949	8,182	(49,172)	311,360	239,000	13,010	(85,370)	156,215	155,132	8,184	(9,267)
	377,219	292,778	8,182	(92,623)	451,360	379,000	13,010	(85,370)	156,215	155,132	8,184	(9,267)

The following assets were disposed of during the year.

	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss
Plant and Equipment				
Recreation and culture				
SBS Satellite TV and Radio	3,675	0	0	(3,675)
Transport				
Isuzu 2007 Truck FV21400	67,852	55,767	0	(12,085)
Grader 2008 Cat 120M	123,412	90,000	0	(33,412)
Holden Colorado Ute	0	8,182	8,182	0
	194,939	153,949	8,182	(49,172)
Land				
Housing				
7 Gnowing Street	30,000	30,000	0	0
	30,000	30,000	0	0
Buildings - non-specialised				
Housing				
7 Gnowing Street	152,280	108,829	0	(43,451)
	152,280	108,829	0	(43,451)
	377,219	292,778	8,182	(92,623)

10. FIXED ASSETS

(b) Depreciation

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Buildings - non-specialised	24,229	69,600	29,639
Buildings - specialised	35,297	0	38,457
Furniture and equipment	22,812	28,880	23,372
Plant and equipment	202,310	143,490	164,394
Infrastructure - roads	527,668	800,000	505,097
Infrastructure - bridges	211,348	10,980	211,347
Infrastructure - drainage	74,615	24,780	74,615
Infrastructure - footpaths	10,784	34,800	10,785
Infrastructure - recreation	33,735	0	34,174
Infrastructure - other	23,619	0	24,262
	<u>1,166,417</u>	<u>1,112,530</u>	<u>1,116,142</u>

SIGNIFICANT ACCOUNTING POLICIES

Depreciation

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

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

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

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

Depreciation rates

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

Asset Class	Useful life
Buildings	40 to 50 years
Furniture and equipment	3 to 10 years
Plant and equipment	3 to 10 years
Sealed roads and streets formation pavement seal	not depreciated
- bituminous seals	50 years
- asphalt surfaces	20 years
Gravel roads formation pavement	25 years
Footpaths - slab	not depreciated
Sewerage piping	50 years
Water supply piping and drainage systems	20 years
Recreation assets	100 years
Other assets	75 years
Bridges	4 to 50 years
	4 to 50 years

Depreciation on revaluation

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

- 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
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11. REVALUATION SURPLUS

	2021 Opening Balance	2021 Revaluation Increment	2021 Revaluation (Decrement)	Total Movement on Revaluation	2021 Closing Balance	2020 Opening Balance	2020 Revaluation Increment	2020 Revaluation (Decrement)	Total Movement on Revaluation	2020 Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus - PPE & Other	2,056,825	1,442,382	0	1,442,382	3,499,207	2,056,825	0	0	0	2,056,825
Revaluation surplus - Infrastructure	35,015,099	0	0	0	35,015,099	35,015,099	0	0	0	35,015,099
	37,071,924	1,442,382	0	1,442,382	38,514,306	37,071,924	0	0	0	37,071,924

12. TRADE AND OTHER PAYABLES

Current

Sundry creditors
Accrued salaries and wages
Bonds and deposits held
Accrued expenses

2021	2020
\$	\$
146,563	112,278
18,525	14,593
28,436	19,535
9,788	2,927
203,312	149,333

SIGNIFICANT ACCOUNTING POLICIES

Trade and other payables

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

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

Prepaid rates

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

13. OTHER LIABILITIES

Current

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

2021	2020
\$	\$
11,460	48,460
205,979	498,000
217,439	546,460

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

Less than 1 year

Contract liabilities	Liabilities under transfers to acquire or construct non-financial assets to be controlled by the entity
\$	\$
11,460	205,979
11,460	205,979

SIGNIFICANT ACCOUNTING POLICIES

Contract liabilities

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

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

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

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

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

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

Service concession liabilities

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

SHIRE OF WANDERING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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14. INFORMATION ON BORROWINGS

(a) Repayments - Borrowings

Particulars	Loan Number	Institution	Interest Rate	Actual	30 June 2021	30 June 2021	30 June 2021	Budget	30 June 2021	30 June 2021	30 June 2021	30 June 2021	Actual	30 June 2020	30 June 2020	30 June 2020
				Principal 1 July 2020	Actual Principal repayments	Actual Interest repayments	Actual Principal outstanding	Principal 1 July 2020	Budget New Loans	Budget Principal repayments	Budget Interest repayments	Budget Principal outstanding	Principal 1 July 2019	Actual Principal repayments	Actual Interest repayments	Actual Principal outstanding
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
General purpose funding																
Short term lending facility		Treasury	1.56%	0	0	0	0	0	0	0	0	0	400,000	(400,000)	(119)	0
Housing																
5 Dunmall Drive		Treasury	2.49%	0	0	0	0	0	0	0	0	0	73,507	(73,507)	0	0
Community amenities																
Industrial Estate Development		Treasury	1.60%	0	0	0	0	0	200,000	(18,665)	(2,970)	181,335	0	0	0	0
				0	0	0	0	0	200,000	(18,665)	(2,970)	181,335	473,507	(473,507)	(119)	0

* WA Treasury Corporation

SHIRE OF WANDERING
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14. INFORMATION ON BORROWINGS (Continued)

	2021	2020
	\$	\$
(b) Undrawn Borrowing Facilities		
Credit Standby Arrangements		
Bank overdraft limit	0	0
Bank overdraft at balance date	0	0
Credit card limit	5,000	5,000
Credit card balance at balance date	(1,729)	(4,648)
Total amount of credit unused	3,271	352

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 23.

15. EMPLOYEE RELATED PROVISIONS

(a) Employee Related Provisions

	Provision for Annual Leave	Provision for Long Service Leave	Total
	\$	\$	\$
Opening balance at 1 July 2020			
Current provisions	60,004	11,238	71,242
Non-current provisions	0	79,558	79,558
	60,004	90,796	150,800
Additional provision	44,816	0	44,816
Amounts used	(39,652)	(31,050)	(70,702)
Balance at 30 June 2021	65,168	59,746	124,914
Comprises			
Current	65,168	16,012	81,180
Non-current	0	43,734	43,734
	65,168	59,746	124,914

	2021	2020
	\$	\$
Less than 12 months after the reporting date	38,412	93,642
More than 12 months from reporting date	132,089	79,558
Expected reimbursements from other WA local governments	(45,587)	(22,400)
	124,914	150,800

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

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

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

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

Short-term employee benefits

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

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

Other long-term employee benefits

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

Other long-term employee benefits (Continued)

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

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

Provisions

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

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

16. NOTES TO THE STATEMENT OF CASH FLOWS

Reconciliation of Cash

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

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Cash and cash equivalents	841,093	721,815	1,434,257

Reconciliation of Net Cash Provided By Operating Activities to Net Result

Net result	85,627	447,282	(279,936)
Non-cash flows in Net result:			
Adjustments to fair value of financial assets at fair value through profit and loss	(935)	0	0
Depreciation on non-current assets	1,166,417	1,112,530	1,116,142
(Profit)/loss on sale of asset	84,441	72,360	1,083
Transfer of inventory to fixed assets	(421,950)	0	0
Changes in assets and liabilities:			
(Increase)/decrease in receivables	(26,108)	0	875,260
(Increase)/decrease in inventories	407,252	0	7,000
Increase/(decrease) in payables	53,979	0	(67,386)
Increase/(decrease) in employee provisions	(25,886)	0	22,951
Increase/(decrease) in other liabilities	(329,021)	(533,782)	506,894
Non-operating grants, subsidies and contributions	(850,699)	(1,324,455)	(510,157)
Net cash from operating activities	143,117	(226,065)	1,671,851

17. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2021	2020
	\$	\$
General purpose funding	40,418	25,194
Law, order, public safety	506,442	559,074
Health	220	0
Housing	2,087,910	2,024,451
Community amenities	748,030	586,834
Recreation and culture	2,299,814	1,983,011
Transport	51,156,741	50,952,188
Economic services	725,283	642,434
Other property and services	1,279,639	1,890,969
Unallocated	1,046,739	0
	<u>59,891,236</u>	<u>58,664,155</u>

18. CAPITAL COMMITMENTS

(a) Capital Expenditure Commitments

Contracted for:

- capital expenditure projects

	2021	2020
	\$	\$
	122,789	0
	<u>122,789</u>	<u>0</u>

19. ELECTED MEMBERS REMUNERATION

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Elected member -President			
President's annual allowance	5,959	7,500	4,469
Meeting attendance fees	3,553	3,572	3,553
Other expenses	571	700	0
Annual allowance for ICT expenses	1,050	1,050	1,050
	11,133	12,822	9,072
Elected member - Deputy President			
Deputy President's annual allowance	508	500	380
Meeting attendance fees	3,553	3,572	3,553
Other expenses	1,157	700	0
Annual allowance for ICT expenses	1,050	1,050	1,050
Travel and accommodation expenses	0	0	355
	6,268	5,822	5,338
Elected member - 1			
Meeting attendance fees	3,553	3,572	1,777
Other expenses	1,157	700	0
Annual allowance for ICT expenses	1,050	1,050	525
	5,760	5,322	2,302
Elected member - 2			
Meeting attendance fees	3,553	3,571	3,553
Other expenses	749	700	0
Annual allowance for ICT expenses	1,050	1,050	1,050
Travel and accommodation expenses	475	0	374
	5,827	5,321	4,977
Elected member - 3			
Meeting attendance fees	3,553	3,571	1,776
Other expenses	1,157	700	0
Annual allowance for ICT expenses	1,050	1,050	525
	5,760	5,321	2,301
Elected member - 4			
Meeting attendance fees	3,553	3,571	3,553
Other expenses	571	700	0
Annual allowance for ICT expenses	0	1,050	525
	4,124	5,321	4,078
Elected member - 5			
President's annual allowance	0	0	2490
Meeting attendance fees	3,553	3,571	3,553
Other expenses	571	700	0
Annual allowance for ICT expenses	1,050	1,050	1,050
	5,174	5,321	7,093
	44,046	45,250	35,161

19. ELECTED MEMBERS REMUNERATION

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Fees, expenses and allowances to be paid or reimbursed to elected council members.			
President's allowance	5,959	7,500	6,959
Deputy President's allowance	508	500	380
Meeting attendance fees	24,871	25,000	21,318
Other expenses	5,933	4,900	0
Annual allowance for ICT expenses	6,300	7,350	5,775
Travel and accommodation expenses	475	0	729
	44,046	45,250	35,161

20. RELATED PARTY TRANSACTIONS

Key Management Personnel (KMP) Compensation Disclosure

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

	2021 Actual	2020 Actual
	\$	\$
Short-term employee benefits	349,528	341,851
Post-employment benefits	45,112	43,126
Other long-term benefits	55,781	24,451
	450,421	409,428

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.

20. RELATED PARTY TRANSACTIONS (Continued)

Transactions with related parties

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

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

The following transactions occurred with related parties:

	2021 Actual	2020 Actual
	\$	\$
Purchase of goods and services	5,451	23,084
Short term employee benefits -other related parties	153,421	108,884

Related Parties

The Shire's main related parties are as follows:

i. Key management personnel

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

ii. Other Related Parties

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

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

iii. Entities subject to significant influence by the Shire

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

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21. RATING INFORMATION

(a) Rates

RATE TYPE	Rate in \$	Number of Properties	2020/21 Actual Rateable Value \$	2020/21 Actual Rate Revenue \$	2020/21 Actual Interim Rates \$	2020/21 Actual Back Rates \$	2020/21 Actual Total Revenue \$	2020/21 Budget Rate Revenue \$	2020/21 Budget Interim Rate \$	2020/21 Budget Back Rate \$	2020/21 Budget Total Revenue \$	2019/20 Actual Total Revenue \$
Differential general rate / general rate												
Gross rental valuations												
Residential	0.10944	41	478,296	52,345	(1,826)	0	50,519	52,345	0	0	52,345	52,345
Special Use	0.12961	3	157,820	20,455	0	0	20,455	20,455	0	0	20,455	22,844
Unimproved valuations												
Rural Residential	0.01374	34	2,591,000	35,600	0	0	35,600	35,600	0	0	35,600	35,600
Rural and Mining	0.00687	134	120,114,000	825,183	1,054	279	826,516	824,812	0	0	824,812	825,183
Sub-Total		212	123,341,116	933,583	(772)	279	933,090	933,212	0	0	933,212	935,972
Minimum payment	\$											
Gross rental valuations												
Residential	1,100	39	0	42,900	0	0	42,900	42,900	0	0	42,900	42,900
Special Use	1,100	2	0	2,200	(1,100)	0	1,100	2,200	0	0	2,200	2,200
Unimproved valuations												
Rural Residential	1,100	70	0	70,000	0	0	70,000	70,000	0	0	70,000	70,000
Rural and Mining	1,100	84	0	92,400	0	0	92,400	91,300	0	0	91,300	92,400
Sub-Total		195	0	207,500	(1,100)	0	206,400	206,400	0	0	206,400	207,500
		407	123,341,116	1,141,083	(1,872)	279	1,139,490	1,139,612	0	0	1,139,612	1,143,472
Discounts/concessions (Note 21(b))							(41,288)				(41,540)	(40,592)
Total amount raised from general rate							1,098,202				1,098,072	1,102,880
Ex-gratia rates							3,139				3,200	3,139
Totals							1,101,341				1,101,272	1,106,019

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.

21. RATING INFORMATION (Continued)

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

Rates Discounts

Rate or Fee Discount Granted	Discount	2021 Actual	2021 Budget	2020 Actual	Circumstances in which Discount is Granted
	%	\$	\$	\$	
Rates	5.00%	41,288	41,540	40,592	Payment of full rates owing including arrears, received on or before 35 days after the date of service on the rate notice.
Total discounts/concessions (Note 21(a))		41,288	41,540	40,592	

21. RATING INFORMATION (Continued)

(b) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
Option One				
Single full payment	35 days from notice	0	0%	8%
Option Two				
First instalment	35 days from notice	0	5.5%	8%
Second instalment	4/01/2021	10	5.5%	8%
Option Three				
First instalment	35 days from notice	0	0%	8%
Second instalment	26/10/2020	10	5.5%	8%
Third instalment	4/01/2021	10	5.5%	8%
Fourth instalment	22/03/2021	10	5.5%	8%

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Interest on unpaid rates	5,709	5,100	5,345
Interest on instalment plan	2,513	3,570	3,419
Charges on instalment plan	1,670	3,060	3,020
	9,892	11,730	11,784

22. RATE SETTING STATEMENT INFORMATION

		2020/21 Budget	2019/20
	2020/21 (30 June 2021 Carried Forward)	(30 June 2021 Carried Forward)	(30 June 2020 Carried Forward)
Note	\$	\$	\$
(a) Non-cash amounts excluded from operating activities			
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .			
Adjustments to operating activities			
Less: Profit on asset disposals	10(a) (8,182)	(13,010)	(8,184)
Less: Non-cash grants and contributions for assets	0	(533,782)	0
Less: Movement in liabilities associated with restricted cash	20,821	21,000	250
Less: Fair value adjustments to financial assets at fair value through profit and loss	(935)	0	0
Movement in pensioner deferred rates (non-current)	769	0	0
Movement in employee benefit provisions (non-current)	(35,824)	0	26,444
Add: Loss on disposal of assets	10(a) 92,623	85,370	9,267
Add: Depreciation on non-current assets	10(b) 1,166,417	1,112,530	1,116,142
Non cash amounts excluded from operating activities	1,235,689	672,108	1,143,919
(b) Surplus/(deficit) after imposition of general rates			
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.			
Adjustments to net current assets			
Less: Reserves - cash backed	4 (525,967)	(736,244)	(388,004)
Less: Current assets not expected to be received at end of year			
- Land held for resale	7 0	(200,000)	0
Add: Current liabilities not expected to be cleared at end of year			
- Current portion of borrowings	14(a) 0	181,335	0
- Employee benefit provisions	60,244	60,421	39,423
Total adjustments to net current assets	(465,723)	(694,488)	(348,581)
Net current assets used in the Rate Setting Statement			
Total current assets	983,006	1,069,025	1,534,595
Less: Total current liabilities	(501,931)	(374,537)	(767,035)
Less: Total adjustments to net current assets	(465,723)	(694,488)	(348,581)
Net current assets used in the Rate Setting Statement	15,352	0	418,979

23. FINANCIAL RISK MANAGEMENT

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

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

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

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

(a) Interest rate risk

Cash and cash equivalents

The Shire's main interest rate risk arises from cash and cash equivalents with variable interest rates, which exposes the Shire to cash flow interest rate risk. Short term overdraft facilities also have variable interest rates however these are repaid within 12 months, reducing the risk level to minimal.

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

	Weighted Average Interest Rate	Carrying Amounts	Fixed Interest Rate	Variable Interest Rate	Non Interest Bearing
	%	\$	\$	\$	\$
2021					
Cash and cash equivalents	0.01%	841,093	0	839,993	1,100
2020					
Cash and cash equivalents	0.13%	1,434,257	0	1,433,157	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.

	2021	2020
	\$	\$
Impact of a 1% movement in interest rates on profit and loss and equity*	8,400	14,332

* 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 14(a).

23. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Trade and Other Receivables

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

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

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

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

The expected loss rates are based on the payment profiles of rates and fees and charges over a period of 36 months before 1 July 2020 or 1 July 2021 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors. No expected loss was forecast on 1 July 2020 or 1 July 2021 for rates receivable as penalty interest applies to unpaid rates and properties associated with unpaid rates may be disposed of to recover unpaid rates. rate based on these factors.

	Current	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total
30 June 2021					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	1,289	24,028	10,936	4,165	40,418
Loss allowance	0	0	0	0	0
29 June 2020					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	1,016	11,548	7,555	5,075	25,194
Loss allowance	0	0	0	0	0

As at 30 June 2021 and 30 June 2020 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
30 June 2021					
Trade and other receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	22,224	209	0	6,044	28,477
Loss allowance	0	0	0	0	0
29 June 2020					
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
Loss allowance	0	0	0	0	0

23. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

Payables

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

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

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
<u>2021</u>					
Payables	169,217	0	0	169,217	203,312
Contract liabilities	245,875	0	0	245,875	217,439
	415,092	0	0	415,092	420,751
<u>2020</u>					
Payables	149,333	0	0	149,333	149,333
	149,333	0	0	149,333	149,333

SHIRE OF WANDERING

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

24. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

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

c) Rounding off figures

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

d) Comparative figures

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

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

e) Budget comparative figures

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

f) Superannuation

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

g) Fair value of assets and liabilities

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

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

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

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

h) Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

i) Impairment of assets

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

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

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

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

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

25. ACTIVITIES/PROGRAMS

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

PROGRAM NAME AND OBJECTIVES	ACTIVITIES
<p>GOVERNANCE</p> <p>To provide a decision making process for the efficient allocation of scarce resources.</p>	<p>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.</p>
<p>GENERAL PURPOSE FUNDING</p> <p>To collect revenue to allow for the provision of services.</p>	<p>Collection of Rates revenue, financial assistance grants for general purpose and interest revenue.</p>
<p>LAW, ORDER, PUBLIC SAFETY</p> <p>To provide services to help ensure a safer and environmentally conscious community.</p>	<p>Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services.</p>
<p>HEALTH</p> <p>To provide services for community and environmental health.</p>	<p>Health inspection and advisory services, analytical services, pest and weed control, and assistance to provide health initiatives.</p>
<p>EDUCATION AND WELFARE</p> <p>To support services relating to youth, elderly and the disadvantaged.</p>	<p>Support school activities, aged care initiatives and disability inclusion plan.</p>
<p>HOUSING</p> <p>Provision of shire housing and privately rented accommodation.</p>	<p>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.</p>
<p>COMMUNITY AMENITIES</p> <p>To provide amenities required by the community.</p>	<p>Rubbish collection services and operation of waste transfer station. Maintenance of cemeteries and public conveniences. Administration of town planning activities.</p>
<p>RECREATION AND CULTURE</p> <p>To establish and maintain infrastructure and resources to meet the recreational and cultural needs of the community.</p>	<p>Maintenance of halls, playgrounds, recreation grounds and reserves. Operation of Library and maintenance of heritage and history inventory.</p>
<p>TRANSPORT</p> <p>To provide safe and effective transport services to the community.</p>	<p>Construction and maintenance of streets, roads, bridges, signage and footpaths. Cleaning and lighting of town streets. Depot maintenance.</p>
<p>ECONOMIC SERVICES</p> <p>To help promote Wandering and its economic wellbeing.</p>	<p>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.</p>
<p>OTHER PROPERTY AND SERVICES</p> <p>To monitor and control operating accounts.</p>	<p>Provisions of private work operations, plant repairs, operation costs and all administration costs.</p>

26. FINANCIAL RATIOS

	2021 Actual	2020 Actual	2019 Actual
Current ratio	1.07	0.83	1.94
Asset consumption ratio	0.95	0.96	0.71
Asset renewal funding ratio	1.36	1.39	1.51
Asset sustainability ratio	1.12	0.29	1.04
Debt service cover ratio	N/A	0.69	0.84
Operating surplus ratio	(0.63)	(0.44)	(0.23)
Own source revenue coverage ratio	0.47	0.53	0.58

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

Auditor General

INDEPENDENT AUDITOR'S REPORT 2021 Shire of Wandering



To the Councillors of the Shire of Wandering

Report on the audit of the annual financial report

Opinion

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

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

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

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

Basis for opinion

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

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

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

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

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

Auditor's responsibility for the audit of the financial report

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

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

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

Report on other legal and regulatory requirements

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

- (i) In my opinion, the following material matters indicate a significant adverse trend in the financial position of the Shire:
 - a) The Debt Service Cover Ratio as set out in Note 26 has been below the Department of Local Government, Sport and Cultural Industries (DLGSC) standard for the last three financial years.
 - b) The Operating Surplus Ratio as set out in Note 26 has been below the DLGSC standard for the last three financial years.
- (ii) The following material matters indicating non-compliance with Part 6 of the Act, the Regulations or applicable financial controls of any other relevant written law were identified during the course of my audit:
 - a) Financial activity statements for the months of October and December 2020 were not prepared and presented to Council as required by Section 6.4 of the Local Government Act 1995 and Regulation 34(1) of the Local Government (Financial Management) Regulations 1996.
 - b) The Financial Management Review was not completed every three years as required by Regulation 5(2)(c) of the Local Government (Financial Management) Regulations 1996. The last review being completed in 2016.
 - c) Changes made to supplier master files were not independently reviewed and approved by a senior staff member. This increases the risk of unauthorised changes to key information, although our audit sampling did not identify any.

- d) Credit card transactions were not separately listed in the monthly payments submitted to Council as required by Regulation 13(1) of the Local Government (Financial Management) Regulations 1996. Credit card statements were not signed by the credit card holder nor subject to independent review. Credit card holders were not required to sign an agreement acknowledging they will comply with the terms and conditions of use as outlined within the Shire's Credit Card policy.
 - e) Two related parties had joint banking authority access to one bank account throughout the year and the Shire had not implemented appropriate risk mitigation strategies nor controls to ensure independent approval of banking transactions.
 - f) Reserve bank reconciliations were not consistently reconciled and subject to independent review on a monthly basis throughout the year. In addition, the Shire does not maintain an investment register.
 - g) Rateable values reconciliations were not subject to independent review.
- (iii) All required information and explanations were obtained by me.
 - (iv) All audit procedures were satisfactorily completed.
 - (v) In my opinion, the Asset Consumption Ratio and the Asset Renewal Funding Ratio included in the financial report were supported by verifiable information and reasonable assumptions.

Other matter

The annual financial report of the Shire for the year ended 30 June 2020 was audited by another auditor who expressed an unmodified opinion on that annual financial report. The financial ratios for 2019 and 2020 in Note 26 of the audited annual financial report were included in the audited annual financial report for those years.

Other information

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

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

Matters relating to the electronic publication of the audited financial report

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

Grant Robinson
Assistant Auditor General Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
22 December 2021

Scenic Wandering