



# **Shire of Ngaanyatjarra**

ON A JOURNEY

## **ORDINARY MEETING OF COUNCIL**

### **ATTACHMENTS**

**Tjulyuru Cultural and Civic Centre**

**Warburton Community**

**25 November 2020**

**at**

**1.00 pm**

Ordinary Meeting of Council  
25 November 2020.

Agenda item 7 - Announcement by Presiding member without discussion.

Commonwealth policy on Indigenous Affairs has a particular effect on the Shire of Ngaanyatjaraku, with nine remote Ngaanyatjarra communities within the Shire boundary.

The recent announcement of the negotiated partnership between the Commonwealth Government and the Coalition of the Peak Aboriginal and Torres Strait Islander community - controlled organisations on Closing the Gap targets has again raised the topic of an Indigenous Voice to Parliament.

There is already a very influential Voice to Parliament on Indigenous issues, the voice just happens to be the voice of Andrew Forrest, expressed through the exhaustive "Creating Parity" document published in 2014.

Creating Parity has been forceful in reshaping the affairs of remote Indigenous Communities by promulgating and sustaining a set of policies that coerce welfare reform and behaviour change.

The driven brilliance of Andrew Forrest can produce an FMG. Equally the same obsessive quality can produce an Anaconda.

In the matter of Anaconda, the participants invested their money and took risk in anticipation of benefit.

The Anaconda project left investors who had partnered with Forrest's vision disappointed and unhappy.

Fortescue Metals Group Metals group has investors who partnered with Forrest's vision and are in all likelihood very happy.

Indigenous policy is not entered in to as a risk and reward project. The consequences of a misfire can be devastating rather than disappointing.

Creating Parity ranges across private home ownership, reform of communal land tenure, a particularly harsh version of mutual obligation, compulsory income management of social payments to 80% of their value, relocation to opportunity and ideas to drive school attendance and achievement.

Behaviour modification is guided by the well-established principle of reinforcing the desired behaviour. The Creating Parity document obsesses with the unwanted behaviour and leaves no reward for achievement other than being good for its own sake, which does not seem to get too much traction elsewhere.

The cementing of the policies associated with Creating Parity effectively bury the prospect of community control.

The policy requires a centralised payment of income support that can be used to administer punishment for not compliance and be subject to income management.

The use of Indue Pty Ltd to administer compulsory income management through the Cashless Debit Card further locks the Commonwealth Government into continuing the welfare reform regime.

The Indue Card is yet another example of a rent-seeking arrangement with the Commonwealth Government whereby the provider sits behind a veil of “commercial in confidence” secrecy and no clear procurement process.

Indue Pty Ltd is paid a substantial annual fee per participant to administer the card. A massive expansion of the Indue Card proposed in the NT and Cape York to replace the Centrelink Basics Card will deliver a commercial benefit on a proportional scale.

The Supplemental Nutritional Assistance Program (SNAP) in the US that provides food support for people on welfare payments or low incomes has card access providers that operate in a competitive market and pay for the card on transaction fees that can be compared on company and consumer websites.

An extraordinary rent -seeking opportunity like the Cashless Welfare Card and the expansion of the program will be very heavily defended and defended for reasons that have nothing to do with the efficacy of compulsory Income management.

On the available evidence, income management would be discontinued.

Current Commonwealth Indigenous Affairs policy is rooted firmly in the conviction that all ills in Indigenous Affairs are attributable to the corrosive effects of passive welfare and that all solutions will be found in welfare reform.

The ever-present tension between centralisation and devolution in Government policy and program has never been so out of balance in Indigenous Affairs as it is now.

Damian McLean  
Shire President



# Shire of **Ngaanyatjarra**

ON A JOURNEY

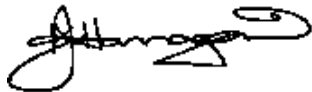
## **ORDINARY MEETING OF COUNCIL**

### **UNCONFIRMED MINUTES**

**28 October 2020**  
**at**  
**1.01 pm**

**SHIRE OF NGAANYATJARRAKU**  
**ORDINARY MEETING OF COUNCIL**

The Chief Executive Officer recommends the endorsement of these minutes at the next Ordinary Meeting of Council.



**Chief Executive Officer**

Date: 28-10-2020

These minutes were confirmed by Council as a true and correct record of proceedings of the Meeting of Council held on the 28 October 2020.

**Presiding Member:** \_\_\_\_\_ **Date:.**    /    /2020

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## **1. DECLARATION OF OPENING**

The Presiding Member declared the meeting open at 1.01pm.

## **2. ANNOUNCEMENT OF VISITORS**

The Presiding Member welcomed members of the public to the gallery.

## **3. ATTENDANCE**

### **3.1 PRESENT**

<b>Elected Members:</b>	President Deputy President Councillor Councillor Councillor Councillor Councillor	D McLean A Jones J Frazer J Porter D Frazer A Bates L West
<b>Staff:</b>	CEO FAC	K Hannagan (via MS Teams on TV) G Handy
<b>Guests:</b>	Nil	
<b>Members of Public:</b>	There were no members of the public in attendance at the commencement of the meeting.	

### **3.2 APOLOGIES**

### **3.3 APPROVED LEAVE OF ABSENCE**

## **4. PUBLIC QUESTION TIME**

### **4.1 RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE**

### **4.2 PUBLIC QUESTION TIME**

## **5. APPLICATIONS FOR LEAVE OF ABSENCE**

## **6. DECLARATION BY MEMBERS**

### **6.1 DUE CONSIDERATION BY COUNCILLORS TO THE AGENDA**

Councillors are requested to give due consideration to all matters contained in the Agenda presently before the meeting.

### **6.2 DECLARATIONS OF INTEREST**

#### **Councillors to Note**

A member who has an Impartiality, Proximity or Financial Interest in any matter to be discussed at a Council or Committee Meeting, that will be attended by the member, must disclose the nature of the interest:

- (a) In a written notice given to the Chief Executive Officer before the Meeting or;
- (b) At the Meeting, immediately before the matter is discussed.

A member, who makes a disclosure in respect to an interest, must not:

- (a) Preside at the part of the Meeting, relating to the matter or;
- (b) Participate in or be present during any discussion or decision-making procedure relative to the matter, unless to the extent that the disclosing member is allowed to do so under *Section 5.68 or Section 5.69 of the Local Government Act 1995*.

### **NOTES ON DECLARING INTERESTS (FOR YOUR GUIDANCE)**

The following notes are a basic guide for Councillors when they are considering whether they have an interest in a matter.

These notes are included in each agenda for the time being so that Councillors may refresh their memory.

1. A Financial Interest requiring disclosure occurs when a Council decision might advantageously or detrimentally affect the Councillor, or a person closely associated with the Councillor and is capable of being measure in money terms. There are exceptions in the *Local Government Act 1995*, but they should not be relied on without advice, unless the situation is very clear.
2. If a Councillor is a member of an Association (which is a Body Corporate) with not less than 10 members i.e. sporting, social, religious etc), and the Councillor is not a holder of office of profit or a guarantor, and has not leased land to or from the club, i.e., if the Councillor is an ordinary member of the Association, the Councillor has a common and not a financial interest in any matter to that Association.
3. If an interest is shared in common with a significant number of electors or ratepayers, then the obligation to disclose that interest does not arise. Each case needs to be considered.
4. If in doubt declare.
5. As stated in (b) above, if written notice disclosing the interest has not been given to the Chief Executive Officer before the meeting, then it **MUST** be given when the matter arises in the Agenda, and immediately before the matter is discussed.
6. Ordinarily the disclosing Councillor must leave the meeting room before discussion commences. The **only** exceptions are:
  - 6.1 Where the Councillor discloses the **extent** of the interest, and Council carries a motion under s.5.68(1)(b)(ii) or the *Local Government Act*; or
  - 6.2 Where the Minister allows the Councillor to participate under s.5.69(3) of the *Local Government Act*, with or without conditions.

Declarations of Interest provided:

Item Number/ Name	Type of Interest	Nature/Extent of Interest
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**7. ANNOUNCEMENTS BY THE PRESIDING MEMBER WITHOUT DISCUSSION**

**8. PETITIONS, DEPUTATIONS, PRESENTATIONS**

**8.1 PETITIONS**

**8.2 DEPUTATIONS**

**8.3 PRESENTATIONS**

**9. CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS**

**9.1 MINUTES OF ORDINARY MEETING OF COUNCIL (ATT 9.1)**

**Voting Requirement**  
Simple Majority

**Officers Recommendation and Council Resolution**

**Moved: Cr A Jones      Seconded: Cr D Frazer**

**That the Unconfirmed Minutes of the Ordinary Meeting of Council held on 30 September 2020 at the Council Chambers, Tjulyuru Cultural and Civic Centre, Warburton Community (ATTACHMENT 9.1) be confirmed as a true and accurate record.**

**Carried: 7/0**

## 10. CEO REPORTS

### 10.1 PROGRESS ON THE IMPLEMENTATION OF COUNCIL RESOLUTIONS

**FILE REFERENCE:** GV.05

**AUTHOR'S NAME AND POSITION:** Kevin Hannagan  
Chief Executive Officer

**DATE REPORT WRITTEN:** 15 October 2020

**DISCLOSURE OF INTERESTS:** The author has no financial, proximity or impartiality interest in the proposal.

#### **Summary**

The purpose of this agenda item is to report back to Council on the progress of the implementation of Council resolutions.

#### **Background**

The best practice in governance supports the regular review of Council decisions to ensure that they are actioned and implemented in a timely manner.

#### **Comment**

Several resolutions from the July 2020 meeting are still in progress, see Attachment 10.1 for details.

#### **Statutory Environment**

*Section 2.7 of the Local Government Act 1995 states:*

*"Role of council*

*(1) The council —*

*(a) governs the local government's affairs; and*

*(b) is responsible for the performance of the local government's functions.*

*(2) Without limiting subsection (1), the council is to —*

*(a) oversee the allocation of the local government's finances and resources; and*

*(b) determine the local government's policies."*

The above section of the Act notwithstanding, there is no specific legal requirement to present such a report to Council or for Council to receive or consider such a report. The decision to have the report in the Council's monthly agenda is entirely Council's prerogative. Staff acknowledge the critical and ongoing nature of the document, in that Council 'speaks by resolution'.

#### **Financial Implications**

There are no known financial implications for this matter.

#### **Strategic Implications**

Integrated Strategic Plan 2018 - 2028

Goal 3, Leadership

Outcome 3.2, Good Leadership

#### **Risk Management**

This item has been evaluated against the Shire of Ngaanyatjaraku Risk Management Framework, Risk Assessment Matrix. The perceived level of risk is "Low" risk and can be managed by routine procedures and is unlikely to need specific application of resources.

**Policy Implications**

There are no known policy implications for this matter.

**Attachments**

Attachment 10.1 - Council Resolutions - Status Report

**Voting Requirement**

Simple Majority

**Officers Recommendation and Council Resolution**

**Moved: Cr A Bates**

**Seconded: Cr J Porter**

**That Council notes the attached Council Resolutions – Status table as at September OCM 2020, (Attachment 10.1) and this report.**

**Carried: 7/0**

Unconfirmed

## 10.2 SCHEDULE OF ORDINARY MEETINGS OF COUNCIL FOR 2021

**FILE REFERENCE:** GV.00

**AUTHOR'S NAME AND POSITION:** Kevin Hannagan  
Chief Executive Officer

**DATE REPORT WRITTEN:** 6 October 2020

**DISCLOSURE OF INTERESTS:** The author has no financial, proximity or impartiality interests in the proposal.

### Summary

It is a statutory requirement for Council to adopt the schedule of meeting dates, times and locations for all Ordinary Meetings of Council each year.

### Background

In October 2019, Council adopted the meeting schedule for the 12-month period from January to December 2020. Council has generally set dates for Audit Committee meetings as required during the year.

This report sets out the proposed locations and commencement times of Council Meetings for the calendar year 2021.

### Comment

In determining the dates, times and locations for the Ordinary Meeting of Council for the upcoming year, consideration has been given to a number of factors including travel and other events that may clash.

To have consistency with operational requirements for preparing Council agendas it is suggested that meetings be held on the last Wednesday of the month. It is also suggested that the January 2021 meeting not be held due to the Christmas break and the December 2021 meeting be scheduled for the third Wednesday (15 December 2021) to best accommodate the Christmas and New Year period.

It is also proposed to close the Warburton Administration Building from 4.30pm Thursday 24<sup>th</sup> December 2020 up to and including Friday 1<sup>st</sup> January 2021.

### Statutory Environment

#### Local Government Act 1995

*Section 5.3 requires Council to hold an Ordinary Meeting not more than three months apart.*

*Section 5.25(1)(g) indicates regulations may be made concerning the giving of public notice of the date and agenda for council or committee meetings.*

#### Local Government (Administration) Regulations 1996

*Regulation 12 specifies the Date, Time and Venue of Ordinary Council Meetings for the next 12 months must be advertised once a year.*

### Financial Implications

Council sets aside sufficient funds in its budget to meet the cost of the advertisement and the associated Council meetings.

### Strategic Implications

Integrated Strategic Plan 2018 - 2028

Goal 3, Leadership

Outcome 3.2, Good Leadership

**Risk Management**

This item has been evaluated against the Shire of Ngaanyatjarraku Risk Management Framework, Risk Assessment Matrix. The perceived level of risk is "Low" risk and can be managed by routine procedures and is unlikely to need specific application of resources.

**Policy Implications**

Not Applicable

**Attachments**

Not applicable

**Voting Requirement**

Simple Majority Required.

**Officers Recommendation and Council Resolution**

Moved: Cr A Jones

Seconded: Cr D Frazer

**That Council:**

- 1) adopts the Schedule of Ordinary Council Meeting dates, times and locations for the period February 2021 to December 2021 as outlined below:

DATE	LOCATION	TIME
Wednesday, 24 February 2021	Council Chambers, Tjulyuru Cultural and Civic Centre, Warburton Community	1.00 pm
Wednesday, 31 March 2021	Council Chambers, Tjulyuru Cultural and Civic Centre, Warburton Community	1.00 pm
Wednesday, 28 April 2021	Council Chambers, Tjulyuru Cultural and Civic Centre, Warburton Community	1.00 pm
Wednesday, 26 May 2021	Council Chambers, Tjulyuru Cultural and Civic Centre, Warburton Community	1.00 pm
Wednesday, 30 June 2021	Council Chambers, Tjulyuru Cultural and Civic Centre, Warburton Community	1.00 pm
Wednesday, 28 July 2021	Council Chambers, Tjulyuru Cultural and Civic Centre, Warburton Community	1.00 pm
Wednesday, 25 August 2021	Council Chambers, Tjulyuru Cultural and Civic Centre, Warburton Community	1.00 pm
Wednesday, 29 September 2021	Council Chambers, Tjulyuru Cultural and Civic Centre, Warburton Community	1.00 pm

<b>Wednesday, 27 October 2021</b>	<b>Council Chambers, Tjulyuru Cultural and Civic Centre, Warburton Community</b>	<b>1.00 pm</b>
<b>Wednesday, 24 November 2021</b>	<b>Council Chambers, Tjulyuru Cultural and Civic Centre, Warburton Community</b>	<b>1.00 pm</b>
<b>Wednesday, 15 December 2021</b>	<b>Council Chambers, Tjulyuru Cultural and Civic Centre, Warburton Community</b>	<b>1.00 pm</b>

- 2) Gives Public Notice of closure of the Warburton Administration Building from 4.30pm Thursday 24th December 2020 up to and including Friday 1st January 2021.

Carried: 7/0

## 10.3 SHIRE OF NGAANYATJARRAKU, PROSPECTUS

**FILE REFERENCE:** ED.00

**AUTHOR'S NAME AND POSITION:** Kevin Hannagan  
Chief Executive Officer

**DATE REPORT WRITTEN:** 8 October 2020

**DISCLOSURE OF INTERESTS:** The author has no financial, proximity or impartiality interest in the proposal.

### Summary

For Council to be updated on progress of the Shire of Ngaanyatjaraku's first Economic Development Prospectus.

### Background

The Shire is part of the Northern Goldfields Working Group comprising the Shires of Laverton, Leonora, Menzies and Wiluna. Their objective is to work collaboratively in areas of common interest to the Northern Goldfields. The Shires engaged Puzzle Consulting to develop the production: content and graphic design development for a business prospectus, in both hard and electronic formats for the five Shires, plus a combined Northern Goldfields prospectus.

### Comment

The Shires Chief Executive Officer has been working with the consultant to develop the Shire of Ngaanyatjaraku Prospectus that contains:

- Economic snapshot of the Shire
- The Outback Way: Australia's longest shortcut
- Industries in the region
- Profile
- Investment opportunity

The Shire of Ngaanyatjaraku, in partnership with the Ngaanyatjarra Council (Aboriginal Corporation) seeks to build on the growth in tourist visitation and their interest in the unique culture and art of the Yarnangu. Through a staged development project, the investment in sealing the Outback Way can be best leveraged through a commercial, tourist and community development.

There are two major projects identified as investment opportunities:

- Warburton Entry Upgrades, and
- Expansion of the Tjulyurru Regional Gallery

Further work will be required to develop these projects further including a major community consultation process and development of a Business case to seek funding. Further reports will be submitted to council as this major initiative progresses.

### Statutory Environment

*Section 2.7 of the Local Government Act 1995 states:*

*"Role of council*

*(3) The council —*

*(a) governs the local government's affairs; and*

*(b) is responsible for the performance of the local government's functions.*

*(4) Without limiting subsection (1), the council is to —*

*(a) oversee the allocation of the local government's finances and resources; and*

*(b) determine the local government's policies."*

**Financial Implications**

The Shire has made in its Annual Budget 2020/21 a budget allocation for the above-mentioned strategic plan / business case.

**Strategic Implications**

Integrated Strategic Plan 2018 – 2028

Goal 1, Looking after our land

Outcome 1.1, Enjoy the Land

Strategy, 1.1.2 Attract Tourism

Action - Develop a Prospectus outlining Shire opportunities for development

**Risk Management**

This item has been evaluated against the Shire of Ngaanyatjaraku's Risk Management Strategy, Risk Assessment Matrix. The perceived level of risk is "Low" risk and can be managed by routine procedures and is unlikely to need specific application of resources.

**Policy Implications**

Not Applicable.

**Attachments**

Attachment 10.3 – Shire of Ngaanyatjaraku, Prospectus

**Voting Requirement**

Simple Majority

**Officers Recommendation and Council Resolution**

Moved: Cr J Frazer

Seconded: Cr D Frazer

That Council notes this report on progress made in developing the Shire of Ngaanyatjaraku, Prospectus in accordance with the Shire's' Integrated Strategic Plan (SCP/CBP).

Carried: 7/0



## 10.4 OUTBACK HIGHWAY DEVELOPMENT COMMITTEE

**FILE REFERENCE:** GV.00

**AUTHOR'S NAME AND POSITION:** Kevin Hannagan  
Chief Executive Officer

**DATE REPORT WRITTEN:** 8 October 2020

**DISCLOSURE OF INTERESTS:** The author has no financial, proximity or impartiality interest in the proposal.

### Summary

For Council to consider further nominations to the Outback Highway Development Committee (OHDC).

### Background

Council considers nominating delegates to any external committees or organisation as it deems appropriate. At the October 2019 OCM Council nominated the following to the OHDC:

Delegate: Chief Executive Officer  
Deputy: Works Engineer.

### Comment

Given recent appointments it is now appropriate for Council to review the current nominations. It is now recommended that Council consider the following nominations to the OHDC:

Committee Member: Chief Executive Officer  
Committee Member: Director Governance & Corporate  
Proxy: Deputy Chief Executive Officer.

### Statutory Environment

*Local Government Act 1995:*

#### 5.9. Committees, types of

*(1) In this section — other person means a person who is not a council member or an employee.*

*(2) A committee is to comprise —*

- (a) council members only; or*
- (b) council members and employees; or*
- (c) council members, employees and other persons; or*
- (d) council members and other persons; or*
- (e) employees and other persons; or*
- (f) other persons only.*

### Financial Implications

The Shire has made in its Annual Budget 2020/21 a budget allocation for any associated costs with attendance at meetings if required.

### Strategic Implications

Integrated Strategic Plan 2018 – 2028  
Goal 3, Leadership  
Outcome 3.2, Good Leadership

### Risk Management

This item has been evaluated against the Shire of Ngaanyatjaraku's Risk Management Strategy,

Risk Assessment Matrix. The perceived level of risk is “Low” risk and can be managed by routine procedures and is unlikely to need specific application of resources.

**Policy Implications**

Council Policy 1.12, Committees.

**Attachments**

Not Applicable

**Voting Requirement**

Simple Majority

**Officers Recommendation and Council Resolution**

**Moved: Cr A Bates**

**Seconded: Cr D Frazer**

**That Council nominates the following Officers to the Outback Highway Development Committee:**

- **Committee Member: Chief Executive Officer**
- **Committee Member: Director Governance & Corporate**
- **Proxy: Deputy Chief Executive Officer.**

**Carried: 7/0**

# 11 DEPUTY CEO REPORTS

## 11.1 PAYMENTS LISTING, SEPTEMBER 2020

**FILE REFERENCE:** FM.07

**AUTHOR'S NAME AND POSITION:** Kerry Fisher  
Deputy Chief Executive Officer

**AUTHORISING OFFICER AND POSITION:** Kevin Hannagan  
Chief Executive Officer

**DATE REPORT WRITTEN:** 13 October 2020

**DISCLOSURE OF INTERESTS:** Nil

### Summary

For Council to confirm the payment of accounts listed in the attached Accounts for Payment.

### Background

In accordance with the Local Government (Financial Management) Regulations 1996 the Chief Executive Officer is required to present a list of payments to the Council at the next ordinary meeting of the council after the list is prepared.

### Comment

The payments made are consistent with previous months.

### Statutory Environment

*Local Government (Financial Management) Regulations 1996*

*S13. Payments from municipal fund or trust fund by CEO, CEO's duties as to etc.*

- (1) *If the local government has delegated to the CEO the exercise of its power to make payments from the municipal fund or the trust fund, a list of accounts paid by the CEO is to be prepared each month showing for each account paid since the last such list was prepared —*
- (a) the payee's name; and*
  - (b) the amount of the payment; and*
  - (c) the date of the payment; and*
  - (d) sufficient information to identify the transaction.*
- (2) *A list of accounts for approval to be paid is to be prepared each month showing-*
- (a) for each account which requires council authorisation in that month —*
    - (i) the payee's name; and*
    - (ii) the amount of the payment; and*
    - (iii) sufficient information to identify the transaction;*
  - and*
  - (b) the date of the meeting of the council to which the list is to be presented.*
- (3) *A list prepared under subregulation (1) or (2) is to be —*
- (a) presented to the council at the next ordinary meeting of the council after the list is prepared; and*
  - (b) recorded in the minutes of that meeting.*

### Financial Implications

The Shire makes annual budget allocations for payment of accounts.

**Strategic Implications**

Integrated Strategic Plan 2018 - 2028

Goal 3, Leadership

Outcome 3.2, Good Leadership

**Risk Management**

This item has been evaluated against the Shire of Ngaanyatjaraku's Risk Management Framework, Risk Assessment Matrix. The perceived level of risk is "Low" risk and can be managed by routine procedures and is unlikely to need specific application of resources.

**Policy Implications**

There are no known policy implications for this matter

**Attachments**

Attachment 11.1 – Payment Listings

**Voting Requirement**

Simple Majority Required.

**Officers Recommendation and Council Resolution**

Moved: Cr J Porter

Seconded: Cr L West

That Council receives the Payment Listing, September 2020 totaling payments of \$582,676.56 as per Attachment 11.1.

Carried: 7/0

## 11.2 COUNCIL INVESTMENTS

**FILE REFERENCE:** FM.04

**AUTHOR'S NAME AND POSITION:** Kerry Fisher  
Deputy Chief Executive Officer

**AUTHORISING OFFICER AND POSITION:** Kevin Hannagan  
Chief Executive Officer

**DATE REPORT WRITTEN:** 20 October 2020

**DISCLOSURE OF INTERESTS:** The author and the authorising officer have no financial, proximity or impartiality interests in the proposal.

### Summary

For Council to be advised of the Shires Municipal Account and Investments as attached.

### Background

To invest the Shire of Ngaanyatjaraku surplus funds with consideration of risk and at the most favourable rate of interest available to it at the time, for that investment type, whilst ensuring that liquidity requirements are being met.

### Comment

Preservation of capital is to be the principal objective with consideration given to liquidity, cash flow requirements and return on investment.

Preservation of capital is the principal objective of the investment portfolio. Investments are to be performed in a manner that seeks to ensure security and safeguarding the investment portfolio. This includes managing credit and interest rate risk within identified thresholds and parameters.

The investment portfolio will ensure there is sufficient liquidity to meet all reasonably anticipated cash flow requirements, as and when they fall due, without incurring significant costs due to the unanticipated sale of an investment.

The investment is expected to achieve a predetermined market average rate of return that takes into account the Shire's risk tolerance. Any additional target set by the Shire will also consider the risk limitation and prudent investment principles.

### Statutory Environment

*Local Government Act 1995*

*Section 6.14 Power to Invest*

- (1) *Money held in the municipal fund or the trust fund of a local government that is not, for the time being, required by the local government for any other purpose may be invested as trust funds may be invested under the Trustees Act 1962 Part III.*
- (2A) *A local government is to comply with the regulations when investing money referred to in subsection (1).*
- (2) *Regulations in relation to investments by local governments may —*
  - (a) *make provision in respect of the investment of money referred to in subsection (1); and*
  - [(b) deleted]*
  - (c) *prescribe circumstances in which a local government is required to invest money held by it; and*
  - (d) *provide for the application of investment earnings; and*
  - (e) *generally, provide for the management of those investments.*

*Local Government (Financial Management) Regulations 1996*

19. *Investments, control procedures for*  
(1) *A local government is to establish and document internal control procedures to be followed by employees to ensure control over investments.*  
(2) *The control procedures are to enable the identification of —*  
(a) *the nature and location of all investments; and*  
(b) *the transactions related to each investment.*
- 19C. *Investment of money, restrictions on (Act s. 6.14(2)(a))*  
(1) *In this regulation —*  
*authorised institution means —*  
(a) *an authorised deposit taking institution as defined in the Banking Act 1959 (Commonwealth) section 5; or*  
(b) *the Western Australian Treasury Corporation established by the Western Australian Treasury Corporation Act 1986;*  
*foreign currency means a currency except the currency of Australia.*  
(2) *When investing money under section 6.14(1), a local government may not do any of the following —*  
(a) *deposit with an institution except an authorised institution;*  
(b) *deposit for a fixed term of more than 3 years;*  
(c) *invest in bonds that are not guaranteed by the Commonwealth Government, or a State or Territory government;*  
(d) *invest in bonds with a term to maturity of more than 3 years;*  
(e) *invest in a foreign currency.*

**Financial Implications**

Not applicable.

**Strategic Implications**

Integrated Strategic Plan 2018 - 2028

Goal 3, Leadership

Outcome 3.2, Good Leadership

**Risk Management**

This item has been evaluated against the Shire of Ngaanyatjaraku Risk Management Framework, Risk Assessment Matrix. The perceived level of risk is “Low” risk and can be managed by routine procedures and is unlikely to need specific application of resources.

**Policy Implications**

Corporate Policy Finance 2.12 Investment.

**Attachments**

Attachment 11.2 – Westpac screen prints of Municipal and Investment Accounts. (No monies are currently being held with any other institutions.)

**Voting Requirement**

Simple Majority Required.

**Officers Recommendation and Council Resolution**

**Moved: Cr A Bates**

**Seconded: Cr J Frazer**

**That the report on Council Investments as at 20 October 2020 be received.**

**Carried: 7/0**

## 11.3 MONTHLY STATEMENT OF FINANCIAL ACTIVITY FOR THE MONTH ENDED

**FILE REFERENCE:** FM.10

**AUTHOR'S NAME  
AND POSITION:** Kerry Fisher  
Deputy Chief Executive Officer

**AUTHORISING OFFICER  
AND POSITION:** Kevin Hannagan  
Chief Executive Officer

**DATE REPORT WRITTEN:** 20 October 2020

**DISCLOSURE OF  
INTERESTS:** The author and the authorising officer have no financial, proximity or impartiality interests in the proposal.

### **Summary**

For Council to receive the monthly financial report for September 2020.

### **Background**

Council is to prepare monthly financial reports as required by the Local Government (Financial Management Regulations) 1996.

Council has resolved that details and explanations of the material variances reflected on the Statement of Financial Activity are provided as required by Local Government (Financial Management) Regulation 34(1) (d). The attached statements include details of variances between Year to Date (YTD) Budget and YTD Actual data as per the adopted materiality threshold of \$20,000 or 10.00% whichever is the greater (refer last page of statements). These materiality levels have been applied in the preparation of this report.

### **Comment**

Comments in relation to budget to actual variances are included as notes (last page) in the Financial Reports attached. Comments related to 'Timing' refer to an estimate of when costs would occur at the time the budget was formulated versus actual costs being incurred.

Please note that the figures in this report do not contain Depreciation Expenses as the depreciation model will not be run until the 2019/20 Annual Audit is completed.

### **Statutory Environment**

*Local Government Act 1995*

#### 6.4. Financial report

- (1) A local government is to prepare an annual financial report for the preceding financial year and such other financial reports as are prescribed.
- (2) The financial report is to —
  - (a) be prepared and presented in the manner and form prescribed; and
  - (b) contain the prescribed information.

*Local Government (Financial Management) Regulations 1996.*

#### 34. Financial activity statement required each month (Act s. 6.4)

- (1A) In this regulation —  
committed assets means revenue unspent but set aside under the annual budget for a specific purpose.
- (1) A local government is to prepare each month a statement of financial activity reporting on the revenue and expenditure, as set out in the annual budget under regulation 22(1)(d), for that month in the following detail —
  - (a) annual budget estimates, taking into account any expenditure incurred for an additional purpose under section 6.8(1)(b) or (c); and

- (b) budget estimates to the end of the month to which the statement relates; and
- (c) actual amounts of expenditure, revenue and income to the end of the month to which the statement relates; and
- (d) material variances between the comparable amounts referred to in paragraphs (b) and (c); and
- (e) the net current assets at the end of the month to which the statement relates.
- (2) Each statement of financial activity is to be accompanied by documents containing
  - (a) an explanation of the composition of the net current assets of the month to which the statement relates, less committed assets and restricted assets; and
  - (b) an explanation of each of the material variances referred to in sub regulation (1)(d); and
  - (c) such other supporting information as is considered relevant by the local government.
- (3) The information in a statement of financial activity may be shown —
  - (a) according to nature and type classification; or
  - (b) by program; or
  - (c) by business unit.
- (4) A statement of financial activity, and the accompanying documents referred to in sub regulation (2), are to be —
  - (a) presented at an ordinary meeting of the council within 2 months after the end of the month to which the statement relates; and
  - (b) recorded in the minutes of the meeting at which it is presented.
- (5) Each financial year, a local government is to adopt a percentage or value, calculated in accordance with the AAS, to be used in statements of financial activity for reporting material variances.

### **Financial Implications**

Monthly financial reporting is a primary financial management and control process. It provides the Council with the ability to oversee the Shire's financial performance against budgeted targets. Please note that the figures in this report do not contain Depreciation Expense as mentioned above.

### **Strategic Implications**

Integrated Strategic Plan 2018 - 2028

Goal 3, Leadership

Outcome 3.2, Good Leadership

### **Risk Management**

This item has been evaluated against the Shire of Ngaanyatjaraku Risk Management Framework, Risk Assessment Matrix. The perceived level of risk is "Low" risk and can be managed by routine procedures and is unlikely to need specific application of resources.

### **Policy Implications**

No policy implications apply in the preparation of the report.

### **Attachments**

Attachment 11.3 - Monthly Financial Report, September 2020.

### **Voting Requirement**

Simple Majority Required.



**Officers Recommendation and Council Resolution**

**Moved: Cr D Frazer      Seconded: Cr J Porter**

**That Council receives the monthly financial report for September 2020.**

**Carried: 7/0**

Unconfirmed

## 11.4 RATES WRITE OFF – PANDA MINING A2809

<b>FILE REFERENCE:</b>	FM.08
<b>AUTHOR'S NAME AND POSITION:</b>	Kerry Fisher Deputy Chief Executive Officer
<b>AUTHORISING OFFICER AND POSITION:</b>	Kevin Hannagan Chief Executive Officer
<b>DATE REPORT WRITTEN:</b>	15 October 2020
<b>DISCLOSURE OF FINANCIAL INTEREST:</b>	The author and the authorising officer have no financial, proximity or impartiality interests in the proposal.

### Summary

For Council to consider writing-off amounts charged to Panda Mining for mining tenement E69/03458, Assessment 2809 of \$2,851.64.

### Background

Rates were raised for Panda Mining on Assessment A2809, Mining Tenement E69/03458 in 2019/20 billing for \$2,570.40. This account remained unpaid and subsequent notices were sent requesting payment. An email from Panda Mining was received 3 January 2020 requesting a waiver of the rates due to not being able to access the site. Information was sought from Alex Knight, General Manager Land and Culture Ngaanyatjarra Council (Aboriginal Corporation) in regard to this matter. Mr Knight advised that Panda Mining had been informed a Preliminary Anthropological Assessment was done and the traditional owners would not grant access to the tenement for exploration. Shire of Ngaanyatjarraku officers corresponded with Mr Jon Crowe, Director at Panda Mining informing him that a waiver was not going to be given as land access was not a Shire matter and that payment was due including interest. An option open to them would be to surrender the tenement and then seek consideration again from the Shire. Mr Crowe informed the Deputy Chief Executive Officer on 23 March 2020 that Panda Mining would be surrendering the tenement. Landgate Tenement Schedule report dated 11 August 2020 attached contains the information in regard to the death (surrender) of tenement E69/03458.

### Comment

It is not financially viable for the Shire to pursue the outstanding amount, particularly in light of the time elapsed since the surrender by Panda Mining and the Shire receiving the notification from Landgate. The amount owing of \$2,854.64 contains a portion of interest totaling \$281.24 which for the most part has accrued due to the length of time from the initial request for a waiver. It appears that Panda Mining did not understand that rates would be required to be paid regardless of them accessing the site and once this was made clear to their Director, Mr Jon Crowe the process to forfeit the tenement was initiated.

### Statutory Environment

*Local Government Act 1995*

- 6.12. *Power to defer, grant discounts, waive or write off debts*
- (1) *Subject to subsection (2) and any other written law, a local government may —*
  - (a) *when adopting the annual budget, grant\* a discount or other incentive for the early payment of any amount of money; or*
  - (b) *waive or grant concessions in relation to any amount of money; or*
  - (c) *write off any amount of money,*  
*which is owed to the local government.*

*\* Absolute majority required.*

**Financial Implications**

The write-off of the Panda Mining debtor is considered unviable to recover or irrecoverable and will result in an expense to the Shire for the 2020/21 Financial Year End of \$2,851.64.

**Strategic Implications**

Strategic Community Plan 2016 - 2026

Goal 4, Our Leadership

Outcome 4.2, A capable and compliant local government

**Risk Management**

This item has been evaluated against the Shire of Ngaanyatjaraku's Risk Management Framework, Risk Assessment Matrix. The perceived level of risk is "Low" risk and can be managed by routine procedures and is unlikely to need specific application of resources.

**Policy Implications**

No policy implications apply in the preparation of the report.

**Attachments**

Attachment – Register for Tenement E69/03458 death.

**Voting Requirement**

Absolute Majority Required.

**Officers Recommendation and Council Resolution**

**Moved: Cr D Frazer**

**Seconded: Cr J Frazer**

**That Council approves to write-off the outstanding current amount of \$2,851.64 rate and interest charges owed by Panda Mining for Mining Tenement E69/03458, Assessment A2809.**

**Carried: 7/0**

## 12. DIRECTOR GOVERNANCE & CORPORATE REPORTS

### 12.1 REVIEW OF AUDIT AND RISK COMMITTEE CHARTER

**FILE REFERENCE:** CM.14

**AUTHOR'S NAME AND POSITION:** Cary Green  
Director Governance and Corporate

**DATE REPORT WRITTEN:** 13 October 2020

**DISCLOSURE OF INTERESTS:** The author has no financial, proximity or impartiality interest in the proposal.

#### **Summary**

For Council to consider amending the Shires Policy Manual for the revised Audit and Risk Committee – Charter.

#### **Background**

The Local Government Act 1995 (the Act) requires that all local governments establish an audit committee. An audit committee plays a key role in assisting a local government to fulfil its governance and oversight responsibilities in relation to financial reporting, internal control structure, risk management systems, legislative compliance, ethical accountability and the internal and external audit functions.

In line with above requirements, the Shire engaged Moore Australia (MA) to review the Shire of Ngaanyatjaraku's Audit and Risk Committee Charter. This has been modelled on the Shires original Audit and Risk Committee Terms of Reference which was adopted by Council on 24 June 2020.

The review was instigated to ensure compliance with recent legislation changes, expansion in scope and general responsibilities associated with Audit and Risk Committees, as well as improvements in setting out the types of activities to be undertaken.

In reviewing the document MA considered the following resources:

- Report 26: 2019-20 Western Australia Public Sector Audit Committees – Better Practice Guide, published by the Office of the Auditor General (OAG) 25 June 2020
- Audit Committees A Guide to Good Practice (Third Edition), published by the Australian Institute of Company Directors (AICD) July 2017
- *Local Government Act 1995*
- *Local Government (Audit) Regulations 1996*
- Shire of Ngaanyatjaraku Policy 1.11 Audit and Risk Committee Terms of Reference
- Local Government Operational Guideline Number 09 (Audit in Local Government) published Department of Local Government, Sport and Cultural Industries (DLGSC) September 2013

The Audit and Risk committee is a formally appointed committee of council and is responsible to that body. The committee does not have executive powers or authority to implement actions in areas over which the CEO has legislative responsibility and does not have any delegated authority except as provided by legislation.

#### **Comment**

The purpose of the Audit and Risk Committee Charter is to support the Committee in understanding its role and oversight responsibilities in monitoring compliance with legislation, performance, risk and internal controls, internal audit, liaising with external auditors and reporting to Council.

The Charter provides details in relation to the:

1. *Powers of the Committee*
2. *Membership of the Committee*
3. *Meetings of the Committee*
4. *Reporting of the Committee.*

The Charter also outlines the duties and responsibilities of the Committee, in relation to:

1. *Compliance and ethics*
2. *Financial and performance reporting*
3. *Risk management, fraud and internal controls*
4. *Internal audit*
5. *External audit*
6. *Other.*

The attached Audit and Risk Committee – Charter is forwarded to Council for consideration.

### **Statutory Environment**

Section 2.7(2)(b) of the Local Government Act 1995 sets out the role of council that includes determining Council policies.

Local Government (Audit) Regulations 1996. Regulation 17 states as follows:

- (1) The CEO is to review the appropriateness and effectiveness of a local government's systems and procedures in relation to —
  - (a) *risk management; and*
  - (b) *internal control; and*
  - (c) *legislative compliance.*
- (2) The review may relate to any or all of the matters referred to in sub regulation (1)(a), (b) and (c), but each of those matters is to be the subject of a review at least once every 2 calendar years.
- (3) The CEO is to report to the audit committee the results of that review.'

### **Financial Implications**

Reimbursement of reasonable expenses incurred in the performance of the duties of a committee member will be approved by the CEO and paid to each external person who is a member of the committee. The CEO may remunerate an independent committee member if considered necessary and appropriate, in accordance with the Shires policies. These costs have been allowed for in the 2020/21 Annual Budget.

### **Strategic Implications**

Integrated Strategic Plan 2018 - 2028

Goal 3, Leadership

Outcome 3.2, Good Leadership

### **Risk Management**

This item has been evaluated against the Shire of Ngaanyatjaraku's Risk Management Strategy, Risk Assessment Matrix. The perceived level of risk is high prior to treatment, the adoption of the updated Charter will reduce the risk.

### **Policy Implications**

Policy 1.11 - The updated Charter will provide Councillors and staff with clearer direction to guide the Audit and Risk Committee.

### **Attachments**

Attachment 12.1 – Amended Policy, 1.11 Audit and Risk Committee Charter

## **Voting Requirement**

Absolute Majority

### **Officers Recommendation and Council Resolution**

**Moved: Cr A Bates**

**Seconded: Cr D Frazer**

#### **That Council:**

- 1. adopts by absolute majority, to amend the Shires Policy Manual item 1.11 for the revised (as tabled) Audit and Risk Committee – Charter;**
- 2. publishes a copy of the amended policy manual on the Shire's official website;**
- 3. Appoints Crs D McLean, A Jones, D Frazer, J Frazer to the A&RC with a review of Councillor representation after the next Council election in 2021; and**
- 4. Requests the CEO to commence the process to seek nominations for Council consideration of an appointment of an external person to the A&R Committee.**

**Carried: 7/0**

## 12.2 INTEGRATED STRATEGIC PLAN – QUARTERLY PROGRESS REPORT

<b>FILE REFERENCE:</b>	CM.14
<b>AUTHOR'S NAME AND POSITION:</b>	Cary Green Director Governance and Corporate
<b>DATE REPORT WRITTEN:</b>	19 October 2020
<b>DISCLOSURE OF INTERESTS:</b>	The author has no financial, proximity or impartiality interest in the proposal.

### Summary

To provide Council with a Quarterly progress report on the Integrated Strategic Plan (2018-2028).

### Background

This Integrated Strategic Plan (2018-2028) was formally adopted by the Shire on the 28<sup>TH</sup> November 2018 and was developed after extensive community engagement with our community's aspirations and needs at its heart. This new, integrated strategic plan, combines both the Shire's Strategic Community Plan and Corporate Business Plan into one simple, easily understood document that is scale appropriate for the Shire of Ngaanyatjaraku. It will help shape the services that the Shire of Ngaanyatjaraku will deliver over the next ten years.

The ISP is underpinned by a 10-year Long-Term Financial Plan, a 20-year Asset Management Plan and a Workforce Plan which will set out the resources required to deliver the CBP.

### Comment

This report provides a quarterly progress update on the strategic goals listed in the plan, to ensure Council and the community are kept abreast of the achievements of the plan. The Shire will conduct a major review of the plan every four years with a desktop review every two years.

Shire officers in partnership with Moore Australia are finalising the process to start the major review process in 2021. This will involve a review of all the ISP suite of plans.

Attached are details of progress on each Action Item in the plan.

### Statutory Environment

S5.56 (1) of the Local Government Act 1995.

Council's minimum obligations relating to planning for the future (IPR).

### Financial Implications

The Integrated Strategic Plan is an informing document that links the Shires Strategic objectives with the operational functions. This plan provides a valuable management tool to allow the Shire to focus on financial sustainability and informs the Long-Term Financial Plan and the Annual Budgets. The Shire has budgeted for the major review process in its Annual Budget 2020/21.

### Strategic Implications

Integrated Strategic Plan 2018 – 2028

### Strategic Goals

Goal 1 - Our Land - looking after our land

Goal 2 – Our people - looking after our people

Goal 3 – Leadership - show the way for our community

### Risk Management

This item has been evaluated against the Shire of Ngaanyatjaraku's Risk Management Strategy,

Risk Assessment Matrix. The perceived level of risk is medium as the ISP has been adopted. However, continuing to monitor and progress the outcomes of the plan will further reduce the risk.

**Policy Implications**

Not Applicable.

**Attachments**

Attachment 12.2 – Integrated Strategic Plan - Quarterly Progress Report

**Voting Requirement**

Simple Majority

**Officers Recommendation and Council Resolution**

**Moved: Cr A Jones**

**Seconded: Cr J Frazer**

**That Council notes the Integrated Strategic Plan – Quarterly Progress Report as at September 2020.**

**Carried: 7/0**



## 13. EHO & BUILDING SERVICES REPORTS

### 13.1 ACTION REPORT – ENVIRONMENTAL HEALTH & BUILDING SERVICES

**FILE REFERENCE:** EM.00

**AUTHOR'S NAME AND POSITION:** Maurice Walsh  
EHO & Building Officer

**AUTHORISING OFFICER AND POSITION:** Kevin Hannagan  
Chief Executive Officer

**DATE REPORT WRITTEN:** 15 October 2020

**DISCLOSURE OF INTERESTS:** The author and the authorising officer have no financial, proximity or impartiality interests in the proposal.

#### **Summary**

To inform Council of Environmental Health & Building Services activities and actions for the preceding month.

#### **Background**

Not applicable

#### **Comment**

See attachment.

#### **Statutory Environment**

Not applicable

#### **Financial Implications**

No known financial implications for this matter.

#### **Strategic Implications**

Integrated Strategic Plan 2018 - 2028

Goal 3, Leadership

Outcome 3.2, Good Leadership

#### **Risk Management**

This item has been evaluated against the Shire of Ngaanyatjaraku Risk Management Framework, Risk Assessment Matrix. The perceived level of risk is "Low" risk and can be managed by routine procedures and is unlikely to need specific application of resources.

#### **Policy Implications**

There are no known policy implications for this matter

#### **Attachments**

Attachment 13.1 – Action Report, EHO / Building Services

#### **Voting Requirement**

Simple Majority Required.

**Officers Recommendation and Council Resolution**

**Moved: Cr A Bates**

**Seconded: Cr L West**

**That Council receives the Action Report, EHO / Building Services for September 2020.**

**Carried: 7/0**

**14. WORKS ENGINEERING REPORTS**

**15. NEW BUSINESS OF AN URGENT NATURE AS ADMITTED BY DECISION**

**16. CONFIDENTIAL MATTERS**

**17. NEXT MEETING**

Scheduled for Wednesday, 25 November 2020 at the Tjulyuru Cultural and Civic Centre, Warburton Community commencing at 1:00 pm.

**18. CLOSURE OF MEETING**

There being no further business to discuss the Presiding Member closed the meeting at 1.40 pm.

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

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**COMMUNITY VISION**

**The Shire of Ngaanyatjarraku - On a journey**

Our Land - Looking after our Land

Our People - Looking after our People

Leadership - Showing the way for our Community

Principal place of business:

Great Central Road

Warburton Aboriginal Community

Western Australia

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

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

**STATEMENT BY CHIEF EXECUTIVE OFFICER**

The attached financial report of the Shire of Ngaanyatjarraku for the financial year ended 30 June 2020 is based on proper accounts and records to present fairly the financial position of the Shire of Ngaanyatjarraku at 30 June 2020 and the results of the operations for the financial year then ended in accordance with the Local Government Act 1995 and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.

Signed on the            19            day of            November            2020

  
\_\_\_\_\_  
Chief Executive Officer

Kevin Hannagan

\_\_\_\_\_  
Name of Chief Executive Officer

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

	NOTE	2020 Actual \$	2020 Budget \$	2019 Actual \$
<b>Revenue</b>				
Rates	22(a)	260,272	277,174	256,220
Operating grants, subsidies and contributions	2(a)	5,604,524	3,373,461	5,459,889
Fees and charges	2(a)	488,860	485,136	368,094
Interest earnings	2(a)	61,100	50,000	37,987
Other revenue	2(a)	99,030	65,915	91,727
		<b>6,513,786</b>	<b>4,251,686</b>	<b>6,213,917</b>
<b>Expenses</b>				
Employee costs		(1,653,127)	(1,999,022)	(2,297,876)
Materials and contracts		(2,178,796)	(2,723,545)	(2,428,878)
Utility charges		(47,146)	(103,560)	(111,528)
Depreciation on non-current assets	11(b)	(1,512,133)	(905,050)	(1,420,559)
Insurance expenses		(153,038)	(148,993)	(150,951)
Other expenditure		(67,306)	(90,478)	(70,002)
		<b>(5,611,546)</b>	<b>(5,970,648)</b>	<b>(6,479,794)</b>
		<b>902,240</b>	<b>(1,718,962)</b>	<b>(265,877)</b>
Non-operating grants, subsidies and contributions	2(a)	2,755,744	3,368,563	4,488,897
Profit on asset disposals	11(a)	20,630	0	87,202
(Loss) on asset disposals	11(a)	(57,282)	(66,400)	(272,834)
		<b>2,719,092</b>	<b>3,302,163</b>	<b>4,303,265</b>
<b>Net result for the period</b>		<b>3,621,332</b>	<b>1,583,201</b>	<b>4,037,388</b>
<b>Other comprehensive income</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>Total other comprehensive income for the period</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>Total comprehensive income for the period</b>		<b>3,621,332</b>	<b>1,583,201</b>	<b>4,037,388</b>

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

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

	NOTE	2020 Actual \$	2020 Budget \$	2019 Actual \$
<b>Revenue</b>				
Governance	2(a)	45,178	27,500	5,639
General purpose funding		3,450,613	1,955,233	3,511,267
Law, order, public safety		416	416	408
Health		1,426	400	110,108
Education and welfare		204,195	155,000	283,710
Housing		147,854	135,000	22,209
Community amenities		95,734	105,736	110,973
Recreation and culture		241,158	280,000	276,279
Transport		2,326,062	1,558,401	1,750,807
Economic services		1,150	34,000	14,275
Other property and services		0	0	128,242
		6,513,786	4,251,686	6,213,917
<b>Expenses</b>				
Governance	2(b)	(158,923)	(204,255)	(75,028)
General purpose funding		(250)	0	(34,533)
Law, order, public safety		(6,219)	(7,547)	(60,426)
Health		(270,545)	(365,805)	(464,038)
Education and welfare		(346,056)	(439,302)	(733,404)
Housing		(339,255)	(420,585)	(305,636)
Community amenities		(603,952)	(879,116)	(443,769)
Recreation and culture		(623,525)	(839,685)	(834,993)
Transport		(3,243,085)	(2,651,255)	(3,234,955)
Economic services		(19,635)	(163,098)	(130,491)
Other property and services		(101)	0	(162,521)
		(5,611,546)	(5,970,648)	(6,479,794)
		902,240	(1,718,962)	(265,877)
Non-operating grants, subsidies and contributions	2(a)	2,755,744	3,368,563	4,488,897
Profit on disposal of assets	11(a)	20,630	0	87,202
(Loss) on disposal of assets	11(a)	(57,282)	(66,400)	(272,834)
		2,719,092	3,302,163	4,303,265
<b>Net result for the period</b>		<b>3,621,332</b>	<b>1,583,201</b>	<b>4,037,388</b>
<b>Other comprehensive income</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>Total other comprehensive income for the period</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>Total comprehensive income for the period</b>		<b>3,621,332</b>	<b>1,583,201</b>	<b>4,037,388</b>

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

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

	NOTE	2020 \$	2019 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	6,902,571	4,936,977
Trade and other receivables	6	62,092	317,516
Inventories	7	50,497	71,223
Other assets	8	3,525	27,535
<b>TOTAL CURRENT ASSETS</b>		<b>7,018,685</b>	<b>5,353,251</b>
<b>NON-CURRENT ASSETS</b>			
Other financial assets	5(a)	35,034	35,034
Property, plant and equipment	9	7,505,771	7,832,952
Infrastructure	10	104,335,934	102,035,164
<b>TOTAL NON-CURRENT ASSETS</b>		<b>111,876,739</b>	<b>109,903,150</b>
<b>TOTAL ASSETS</b>		<b>118,895,424</b>	<b>115,256,401</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	14	182,675	201,390
Contract liabilities	15	317,137	0
Employee related provisions	16	154,226	172,862
<b>TOTAL CURRENT LIABILITIES</b>		<b>654,038</b>	<b>374,252</b>
<b>NON-CURRENT LIABILITIES</b>			
Employee related provisions	16	18,741	24,262
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>18,741</b>	<b>24,262</b>
<b>TOTAL LIABILITIES</b>		<b>672,779</b>	<b>398,514</b>
<b>NET ASSETS</b>		<b>118,222,645</b>	<b>114,857,887</b>
<b>EQUITY</b>			
Retained surplus		61,116,185	59,546,363
Reserves - cash backed	4	3,838,873	2,043,937
Revaluation surplus	13	53,267,587	53,267,587
<b>TOTAL EQUITY</b>		<b>118,222,645</b>	<b>114,857,887</b>

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

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

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
<b>Balance as at 1 July 2018</b>		<b>56,699,578</b>	<b>853,334</b>	<b>53,267,587</b>	<b>110,820,499</b>
Comprehensive income					
Net result for the period		4,037,388	0	0	4,037,388
Other comprehensive income	13	0	0	0	0
Total comprehensive income		4,037,388	0	0	4,037,388
Transfers from reserves	4	619,116	(619,116)	0	0
Transfers to reserves	4	(1,809,719)	1,809,719	0	0
<b>Balance as at 30 June 2019</b>		<b>59,546,363</b>	<b>2,043,937</b>	<b>53,267,587</b>	<b>114,857,887</b>
Change in accounting policy	25(d)	(256,574)	0	0	(256,574)
<b>Restated total equity at 1 July 2019</b>		<b>59,289,789</b>	<b>2,043,937</b>	<b>53,267,587</b>	<b>114,601,313</b>
Comprehensive income					
Net result for the period		3,621,332	0	0	3,621,332
Other comprehensive income	13	0	0	0	0
Total comprehensive income		3,621,332	0	0	3,621,332
Transfers to reserves	4	(1,794,936)	1,794,936	0	0
<b>Balance as at 30 June 2020</b>		<b>61,116,185</b>	<b>3,838,873</b>	<b>53,267,587</b>	<b>118,222,645</b>

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



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

	NOTE	2020 Actual \$	2020 Budget \$	2019 Actual \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Rates		255,439	277,174	293,545
Operating grants, subsidies and contributions		5,900,644	3,373,461	6,233,103
Fees and charges		488,860	485,136	623,355
Interest received		61,100	50,000	37,987
Goods and services tax received		124,908	281,252	323,390
Other revenue		99,030	65,915	91,727
		6,929,981	4,532,938	7,603,107
<b>Payments</b>				
Employee costs		(1,715,528)	(1,999,022)	(2,481,269)
Materials and contracts		(2,114,531)	(2,936,231)	(2,653,367)
Utility charges		(47,146)	(103,560)	(111,528)
Insurance paid		(153,038)	(148,993)	(150,951)
Goods and services tax paid		(100,208)	(281,252)	(269,356)
Other expenditure		(67,306)	(90,478)	(70,002)
		(4,197,757)	(5,559,536)	(5,736,473)
<b>Net cash provided by (used in) operating activities</b>	17	2,732,224	(1,026,598)	1,866,634
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for purchase of property, plant & equipment	9(a)	(119,608)	(174,000)	(137,130)
Payments for construction of infrastructure	10(a)	(3,540,022)	(3,965,943)	(4,770,837)
Non-operating grants, subsidies and contributions	2(a)	2,755,744	3,368,563	4,488,897
Proceeds from sale of property, plant & equipment	11(a)	137,256	52,100	319,566
<b>Net cash provided by (used in) investment activities</b>		(766,630)	(719,280)	(99,504)
<b>Net increase (decrease) in cash held</b>		1,965,594	(1,745,878)	1,767,130
Cash at beginning of year		4,936,977	4,937,932	3,169,847
<b>Cash and cash equivalents at the end of the year</b>	17	6,902,571	3,192,054	4,936,977

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

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

	NOTE	2020 Actual \$	2020 Budget \$	2019 Actual \$
<b>OPERATING ACTIVITIES</b>				
<b>Net current assets at start of financial year - surplus/(deficit)</b>	23 (b)	2,678,488	2,593,533	3,063,925
		2,678,488	2,593,533	3,063,925
<b>Revenue from operating activities (excluding rates)</b>				
Governance		65,808	27,500	5,639
General purpose funding		3,222,604	1,742,941	3,319,929
Law, order, public safety		416	416	408
Health		1,426	400	110,108
Education and welfare		204,195	155,000	300,195
Housing		147,854	135,000	22,209
Community amenities		95,734	105,736	121,446
Recreation and culture		241,158	280,000	276,279
Transport		2,326,062	1,558,401	1,800,336
Economic services		1,150	34,000	24,990
Other property and services		0	0	128,242
		6,306,407	4,039,394	6,109,781
<b>Expenditure from operating activities</b>				
Governance		(158,923)	(204,255)	(335,916)
General purpose funding		(250)	0	(34,533)
Law, order, public safety		(6,219)	(7,547)	(60,426)
Health		(270,545)	(365,805)	(464,038)
Education and welfare		(346,056)	(439,302)	(733,404)
Housing		(339,255)	(420,585)	(305,636)
Community amenities		(603,952)	(879,116)	(443,769)
Recreation and culture		(623,525)	(839,685)	(834,993)
Transport		(3,300,367)	(2,717,655)	(3,234,955)
Economic services		(19,635)	(163,098)	(130,491)
Other property and services		(101)	0	(174,467)
		(5,668,828)	(6,037,048)	(6,752,628)
Non-cash amounts excluded from operating activities	23(a)	1,543,264	971,450	1,612,753
<b>Amount attributable to operating activities</b>		4,859,331	1,567,329	4,033,831
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions	2(a)	2,755,744	3,368,563	4,488,897
Proceeds from disposal of assets	11(a)	137,256	52,100	319,566
Purchase of property, plant and equipment	9(a)	(119,608)	(174,000)	(137,130)
Purchase and construction of infrastructure	10(a)	(3,540,022)	(3,965,943)	(4,770,837)
<b>Amount attributable to investing activities</b>		(766,630)	(719,280)	(99,504)
<b>FINANCING ACTIVITIES</b>				
Transfers to reserves (restricted assets)	4	(1,794,936)	(1,060,341)	(1,809,719)
Transfers from reserves (restricted assets)	4	0	0	619,116
<b>Amount attributable to financing activities</b>		(1,794,936)	(1,060,341)	(1,190,603)
<b>Surplus/(deficit) before imposition of general rates</b>		2,297,765	(212,292)	2,743,724
<b>Total amount raised from general rates</b>	22(a)	228,009	212,292	191,338
<b>Surplus/(deficit) after imposition of general rates</b>	23(b)	<b>2,525,774</b>	<b>0</b>	<b>2,935,062</b>

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

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

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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.

### **AMENDMENTS TO LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996**

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

From 1 July 2019, the Shire has applied AASB 16 *Leases* which requires leases to be included by lessees in the statement of financial position. Also, the *Local Government (Financial Management) Regulations 1996* have been amended to specify that vested land is a right-of-use asset to be measured at cost. All right-of-use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost (i.e. not included in the statement of financial position) rather than at fair value. The exception is vested improvements on concessionary land leases such as roads, buildings or other infrastructure which continue to be reported at fair value, as opposed to the vested land which is measured at zero cost. The measurement of vested improvements at fair value is a departure from AASB 16 which would have required the Shire to measure any vested improvements at zero cost.

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

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

### **NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE YEARS**

On 1 July 2020 the following new accounting standards are to be adopted:

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

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

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

### **CRITICAL ACCOUNTING ESTIMATES**

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

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

### **THE LOCAL GOVERNMENT REPORTING ENTITY**

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

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

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

**2. REVENUE AND EXPENSES**

**REVENUE RECOGNITION POLICY**

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

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

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

## 2. REVENUE AND EXPENSES

### (a) Grant revenue

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

	2020 Actual \$	2020 Budget \$	2019 Actual \$
<b>Operating grants, subsidies and contributions</b>			
Governance	2,094	2,500	2,474
General purpose funding	3,129,242	1,628,059	3,216,647
Health	0	0	108,107
Education and welfare	154,686	154,500	281,339
Community amenities	10,000	0	7,500
Recreation and culture	371	0	550
Transport	2,308,131	1,558,402	1,747,174
Economic services	0	30,000	0
Other property and services	0	0	96,098
	5,604,524	3,373,461	5,459,889
<b>Non-operating grants, subsidies and contributions</b>			
Transport	2,755,744	3,368,563	4,488,897
	2,755,744	3,368,563	4,488,897
<b>Total grants, subsidies and contributions</b>	8,360,268	6,742,024	9,948,786
<b>Fees and charges</b>			
Governance	562	0	60
General purpose funding	0	0	413
Health	260	400	0
Education and welfare	48,000	0	500
Housing	147,854	135,000	22,209
Community amenities	85,734	105,736	103,473
Recreation and culture	205,300	240,000	227,164
Economic services	1,150	4,000	14,275
	488,860	485,136	368,094

### 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 NGAANYATJARRAKU  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2020

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

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

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

	2020 Actual \$	2020 Budget \$	2019 Actual \$
Fees and charges	488,860	485,136	368,094
Other revenue	36,219	65,915	35,248
Non-operating grants, subsidies and contributions	2,755,744	3,368,563	4,488,897
	3,280,823	3,919,614	4,892,239

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

Contracts with customers included as a contract liability at the start of the period	256,574	256,574	0
Other revenue from contracts with customers recognised during the year	525,079	551,051	0
Other revenue from performance obligations satisfied during the year	2,499,170	3,111,989	0
	3,280,823	3,919,614	0

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

Trade and other receivables from contracts with customers	33,797	0	0
Contract liabilities from contracts with customers	(317,137)	0	0

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

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

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

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

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

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

**(a) Revenue (Continued)**

**Revenue from statutory requirements**

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

General rates

**Other revenue**

Reimbursements and recoveries

Other

**Interest earnings**

Interest on reserve funds

Rates instalment and penalty interest (refer Note 22(b))

Other interest earnings

	2020 Actual	2020 Budget	2019 Actual
	\$	\$	\$
General rates	228,009	212,292	191,338
	228,009	212,292	191,338
Other revenue			
Reimbursements and recoveries	36,219	65,915	35,248
Other	62,811	0	56,479
	99,030	65,915	91,727
Interest earnings			
Interest on reserve funds	32,152	25,000	15,857
Rates instalment and penalty interest (refer Note 22(b))	1,311	0	7,890
Other interest earnings	27,637	25,000	14,240
	61,100	50,000	37,987

**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.

**Interest earnings (continued)**

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



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

2. REVENUE AND EXPENSES (Continued)

(b) Expenses

Auditors remuneration

- Audit of the Annual Financial Report

Note	2020 Actual \$	2020 Budget \$	2019 Actual \$
	24,160	23,000	21,000
	24,160	23,000	21,000

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

### 3. CASH AND CASH EQUIVALENTS

NOTE	2020	2019
	\$	\$
Cash at bank and on hand	3,063,698	1,443,040
Term deposits	3,838,873	3,493,937
<b>Total cash and cash equivalents</b>	<b>6,902,571</b>	<b>4,936,977</b>
<b>Restrictions</b>		
requirements which limit or direct the purpose for which the resources may be used:		
- Cash and cash equivalents	4,156,010	2,300,511
	<b>4,156,010</b>	<b>2,300,511</b>

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

Reserves - cash backed	4	3,838,873	2,043,937
Contract liabilities from contracts with customers	15	317,137	0
Unspent grants, subsidies and contributions		0	256,574
<b>Total restricted assets</b>		<b>4,156,010</b>	<b>2,300,511</b>

#### SIGNIFICANT ACCOUNTING POLICIES

##### Cash and cash equivalents

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

##### Restricted assets

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

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

**4. RESERVES - CASH BACKED**

	2020 Actual Opening Balance	2020 Actual Transfer to	2020 Actual Transfer (from)	2020 Actual Closing Balance	2020 Budget Opening Balance	2020 Budget Transfer to	2020 Budget Transfer (from)	2020 Budget Closing Balance	2019 Actual Opening Balance	2019 Actual Transfer to	2019 Actual Transfer (from)	2019 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Employee Entitlement Reserve	304,650	5,172	0	309,822	304,650	0	0	304,650	0	304,650	0	304,650
(b) Asset Replacement, Acquisition and Development Reserve	1,732,367	1,789,646	0	3,522,013	1,732,367	1,060,341	0	2,792,708	846,604	1,504,879	(619,116)	1,732,367
(c) Cultural Centre Reserve	6,920	118	0	7,038	6,920	0	0	6,920	6,730	190	0	6,920
	2,043,937	1,794,936	0	3,838,873	2,043,937	1,060,341	0	3,104,278	853,334	1,809,719	(619,116)	2,043,937

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

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

Name of Reserve	Anticipated date of use	Purpose of the reserve
(a) Employee Entitlement Reserve	Ongoing	Established to fund a portion of future commitments for employee entitlements incurred as a result of employing staff and workers in relation to leave entitlements.
(b) Asset Replacement, Acquisition and Development Reserve	Ongoing	To provide and replace the necessary equipment, furniture, plant, buildings and infrastructure comprising of roads, drains, footpaths and recreational reserves.
(c) Cultural Centre Reserve	Ongoing	To provide for the successful operation of the Cultural Centre as provided for in clause 8.2 of the management deed between the Shire of Ngaanyatjarraku, Warburton Community Incorporated and the Ngaanyatjarra Council (Aboriginal Corporation), transfers to the reserve represent surplus funds from the day to day operations of the Cultural Centre after deducting costs incurred by the Shire.

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**5. OTHER FINANCIAL ASSETS**

**(a) Non-current assets**

Financial assets at fair value through profit and loss

	2020	2019
	\$	\$
	35,034	35,034
	35,034	35,034
	35,034	35,034
	35,034	35,034

**Financial assets at fair value through profit and loss**

Units in Local Government House Trust

**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 24.

## 6. TRADE AND OTHER RECEIVABLES

### Current

Rates receivable

Trade and other receivables

GST receivable

2020	2019
\$	\$
4,833	0
33,797	269,354
23,462	48,162
62,092	317,516

### 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 24.

### SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Classification and subsequent measurement

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

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

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

SHIRE OF NGAANYATJARRAKU  
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## 7. INVENTORIES

### Current

Fuel and materials

The following movements in inventories occurred during the year:

### Carrying amount at beginning of period

Inventories expensed during the year

Additions to inventory

### Carrying amount at end of period

	2020	2019
	\$	\$
	50,497	71,223
	50,497	71,223
	71,223	72,199
	(35,486)	(976)
	14,760	0
	50,497	71,223

## 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.

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## 8. OTHER ASSETS

### Other assets - current

Accrued income

2020	2019
\$	\$
3,525	27,535
3,525	27,535

### SIGNIFICANT ACCOUNTING POLICIES

#### Other current assets

Other non-financial assets include accrued income which represent expenditure that has been incurred for which the related revenue has not yet been receipted.

## 9. PROPERTY, PLANT AND EQUIPMENT

### (a) Movements in Carrying Amounts

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

	Buildings	Total Buildings	Furniture and equipment	Plant and equipment	Total property, plant and equipment
	\$	\$	\$	\$	\$
<b>Balance at 1 July 2018</b>	7,590,204	7,590,204	58,441	899,311	8,547,956
Additions	63,512	63,512	0	73,618	137,130
(Disposals)	0	0	0	(244,310)	(244,310)
Impairment (losses) / reversals	(215,242)	(215,242)	(14,801)	(30,845)	(260,888)
Depreciation (expense)	(154,822)	(154,822)	(15,642)	(176,472)	(346,936)
<b>Carrying amount at 30 June 2019</b>	7,283,652	7,283,652	27,998	521,302	7,832,952
<b>Comprises:</b>					
Gross carrying amount at 30 June 2019	8,816,589	8,816,589	187,426	2,268,015	11,272,030
Accumulated depreciation at 30 June 2019	(1,532,937)	(1,532,937)	(159,428)	(1,746,713)	(3,439,078)
<b>Carrying amount at 30 June 2019</b>	7,283,652	7,283,652	27,998	521,302	7,832,952
Additions	73,842	73,842	0	45,766	119,608
(Disposals)	0	0	0	(173,908)	(173,908)
Depreciation (expense)	(151,607)	(151,607)	(10,389)	(110,885)	(272,881)
<b>Carrying amount at 30 June 2020</b>	7,205,887	7,205,887	17,609	282,275	7,505,771
<b>Comprises:</b>					
Gross carrying amount at 30 June 2020	8,890,431	8,890,431	187,426	2,024,125	11,101,982
Accumulated depreciation at 30 June 2020	(1,684,544)	(1,684,544)	(169,817)	(1,741,850)	(3,596,211)
<b>Carrying amount at 30 June 2020</b>	7,205,887	7,205,887	17,609	282,275	7,505,771



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9. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Buildings	Level 3	Cost Approach Using Depreciated Replacement Cost	Management Valuation	June 2017	Construction costs based on recent contract prices, current condition, residual values and remaining useful life assessments.
Furniture and equipment	Level 3	Cost Approach Using Depreciated Replacement Cost	Management Valuation	June 2016	Purchase costs of similar assets adjusted for condition and comparability, residual values and remaining useful life assessments.
Plant and equipment	Level 3	Cost Approach Using Depreciated Replacement Cost	Management Valuation	June 2016	Purchase costs of similar assets adjusted for condition and comparability, residual values and remaining useful life assessments.

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

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

Following a change to *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 is effective from 1 July 2019 and represents a change in accounting policy.

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

## 10. INFRASTRUCTURE

### (a) Movements in Carrying Amounts

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

	Infrastructure - roads	Other infrastructure - Recreation Infrastructure	Other infrastructure	Total Infrastructure
	\$	\$	\$	\$
<b>Balance at 1 July 2018</b>	98,226,924	111,026	0	98,337,950
Additions	4,770,837	0	0	4,770,837
Depreciation (expense)	(1,071,402)	(2,221)	0	(1,073,623)
<b>Carrying amount at 30 June 2019</b>	101,926,359	108,805	0	102,035,164
<b>Comprises:</b>				
Gross carrying amount at 30 June 2019	118,787,092	412,993	0	119,200,085
Accumulated depreciation at 30 June 2019	(16,860,733)	(304,188)	0	(17,164,921)
<b>Carrying amount at 30 June 2019</b>	101,926,359	108,805	0	102,035,164
Additions	3,309,785	26,056	204,181	3,540,022
Depreciation (expense)	(1,237,033)	(2,219)	0	(1,239,252)
<b>Carrying amount at 30 June 2020</b>	103,999,111	132,642	204,181	104,335,934
<b>Comprises:</b>				
Gross carrying amount at 30 June 2020	122,096,877	439,049	204,181	122,740,107
Accumulated depreciation at 30 June 2020	(18,097,766)	(306,407)	0	(18,404,173)
<b>Carrying amount at 30 June 2020</b>	103,999,111	132,642	204,181	104,335,934

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10. INFRASTRUCTURE (Continued)

(b) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Infrastructure - roads	Level 3	Cost Approach Using Depreciated Replacement Cost	Management Valuation	June 2018	Construction costs based on recent contract prices, current condition, residual values and remaining useful life assessments.
Other infrastructure - Recreation Infrastructure	Level 3	Cost Approach Using Depreciated Replacement Cost	Management Valuation	June 2018	Construction costs based on recent contract prices, current condition, residual values and remaining useful life assessments.

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

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

**SHIRE OF NGAANYATJARRAKU**  
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**11. FIXED ASSETS**

**SIGNIFICANT ACCOUNTING POLICIES**

**Fixed assets**

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

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

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

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

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

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

**Revaluation**

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

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.

**AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY**

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

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

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

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

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

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

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

Whilst such treatment is inconsistent with the requirements of *AASB 1051, Local Government (Financial Management) Regulation 4(2)* provides, in the event of such an inconsistency, the *Local Government (Financial Management) Regulations* prevail. Consequently, any land under roads acquired on or after 1 July 2008 was not included as an asset of the Shire.

**Land under roads from 1 July 2019**

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

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

**Vested improvements from 1 July 2019**

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

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

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**11. FIXED ASSETS**

**(a) Disposals of Assets**

	2020 Actual Net Book Value	2020 Actual Sale Proceeds	2020 Actual Profit	2020 Actual Loss	2020 Budget Net Book Value	2020 Budget Sale Proceeds	2020 Budget Profit	2020 Budget Loss	2019 Actual Net Book Value	2019 Actual Sale Proceeds	2019 Actual Profit	2019 Actual Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Plant and equipment	173,908	137,256	20,630	(57,282)	118,500	52,100	0	(66,400)	244,310	319,566	87,202	(11,946)
	173,908	137,256	20,630	(57,282)	118,500	52,100	0	(66,400)	244,310	319,566	87,202	(11,946)

The following assets were disposed of during the year.

	2020 Actual Net Book Value	2020 Actual Sale Proceeds	2020 Actual Profit	2020 Actual Loss
	\$	\$	\$	\$
<b>Plant and Equipment</b>				
<b>Governance</b>				
2013 Nissan Navara 1EH1533	7,486	10,000	2,514	0
2014 Toyota Landcruiser 200s	19,667	26,491	6,824	0
2018 Toyota Troopcarrier	43,330	45,939	2,609	0
2014 Toyota Landcruiser 200s	21,909	23,309	1,400	0
2013 Toyota Prado	15,949	22,954	7,005	0
Mitsubishi Canter Rubbish Truck	1,971	2,249	278	0
<b>Transport</b>				
2014 Nissan Navara	8,468	6,314	0	(2,154)
2013 Isuzu NPR300 Rubbish Truck	27,568	0	0	(27,568)
2009 Isuzu NPR300 Rubbish Truck	13,780	0	0	(13,780)
2010 Isuzu NPR300 Rubbish Truck	13,780	0	0	(13,780)
	173,908	137,256	20,629	(57,282)
	173,908	137,256	20,629	(57,282)

**SHIRE OF NGAANYATJARRAKU**  
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## 11. FIXED ASSETS

### (b) Depreciation

	2020 Actual	2020 Budget	2019 Actual
	\$	\$	\$
Buildings	151,607	104,147	154,822
Furniture and equipment	10,389	3,974	15,642
Plant and equipment	110,885	106,628	176,472
Infrastructure - roads	1,237,033	690,301	1,071,402
Other infrastructure - Recreation Infrastructure	2,219	0	2,221
	1,512,133	905,050	1,420,559

### 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	50 years
Furniture and equipment	4 years
Plant and equipment	5 to 7 years
Sealed roads and streets formation	not depreciated
pavement	8 to 31 years
seal	
- bituminous seals	3 to 20 years
- asphalt surfaces	3 to 20 years
Gravel roads formation	not depreciated
pavement	8 to 31 years
kerb	6 to 14 years

#### Depreciation on revaluation

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

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

#### Amortisation

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

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

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

## 12. LEASES

The Shire does not have any leases relating to plant and equipment.

### SIGNIFICANT ACCOUNTING POLICIES

#### Leases

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

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

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

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

#### Right-of-use assets - valuation

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

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

#### Right-of-use assets - depreciation

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

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**13. REVALUATION SURPLUS**

	2020 Opening Balance \$	2020 Revaluation Increment \$	2020 Revaluation (Decrement) \$	Total Movement on Revaluation \$	2020 Closing Balance \$	2019 Opening Balance \$	2019 Revaluation Increment \$	2019 Revaluation (Decrement) \$	Total Movement on Revaluation \$	2019 Closing Balance \$
Revaluation surplus - Buildings	4,052,570	0	0	0	4,052,570	4,052,570	0	0	0	4,052,570
Revaluation surplus - Plant and equipment	190,407	0	0	0	190,407	190,407	0	0	0	190,407
Revaluation surplus - Infrastructure - roads	49,024,610	0	0	0	49,024,610	49,024,610	0	0	0	49,024,610
	53,267,587	0	0	0	53,267,587	53,267,587	0	0	0	53,267,587

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



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## 14. TRADE AND OTHER PAYABLES

### Current

Sundry creditors  
Accrued salaries and wages  
Accrued expenses

2020	2019
\$	\$
13,715	134,788
21,638	59,882
147,322	6,720
182,675	201,390

### SIGNIFICANT ACCOUNTING POLICIES

#### Trade and other payables

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

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

#### Prepaid rates

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

## 15. CONTRACT LIABILITIES

### Current

Contract liabilities from contracts with customers

2020	2019
\$	\$
317,137	0
317,137	0

### SIGNIFICANT ACCOUNTING POLICIES

#### Contract Liabilities

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

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

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

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**16. EMPLOYEE RELATED PROVISIONS**

**(a) Employee Related Provisions**

	Provision for Annual Leave \$	Provision for Long Service Leave \$	Provision for Isolation Leave	Total \$
<b>Opening balance at 1 July 2019</b>				
Current provisions	84,911	75,066	12,885	172,862
Non-current provisions	0	24,262	0	24,262
	<u>84,911</u>	<u>99,328</u>	<u>12,885</u>	<u>197,124</u>
Amounts used	(53,335)	(30,292)	(5,704)	(89,331)
Amounts accrued	42,487	19,701	2,986	65,174
<b>Balance at 30 June 2020</b>	<u>74,063</u>	<u>88,737</u>	<u>10,167</u>	<u>172,967</u>
<b>Comprises</b>				
Current	74,063	69,996	10,167	154,226
Non-current	0	18,741	0	18,741
	<u>74,063</u>	<u>88,737</u>	<u>10,167</u>	<u>172,967</u>

	2020 \$	2019 \$
<b>Amounts are expected to be settled on the following basis:</b>		
Less than 12 months after the reporting date	84,230	106,439
More than 12 months from reporting date	99,980	101,928
Expected reimbursements from other WA local governments	(11,243)	(11,243)
	<u>172,967</u>	<u>197,124</u>

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

**SIGNIFICANT ACCOUNTING POLICIES**

**Employee benefits**

**Short-term employee benefits**

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

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

**Other long-term employee benefits**

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

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

**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.

## 17. NOTES TO THE STATEMENT OF CASH FLOWS

### Reconciliation of Cash

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

	2020 Actual \$	2020 Budget \$	2019 Actual \$
Cash and cash equivalents	6,902,571	3,192,054	4,936,977
<b>Reconciliation of Net Cash Provided By Operating Activities to Net Result</b>			
Net result	3,621,332	1,583,201	4,037,388
Non-cash flows in Net result:			
Depreciation on non-current assets	1,512,133	905,050	1,420,559
(Profit)/loss on sale of asset	36,652	66,400	(75,256)
Loss on asset written-off	0	0	260,888
Changes in assets and liabilities:			
(Increase)/decrease in receivables	255,424	0	864,573
(Increase)/decrease in other assets	24,010	0	255,261
(Increase)/decrease in inventories	20,726	0	976
Increase/(decrease) in payables	(18,715)	(212,686)	(252,549)
Increase/(decrease) in provisions	(24,157)	0	(156,309)
Increase/(decrease) in contract liabilities	60,563	0	0
Non-operating grants, subsidies and contributions	(2,755,744)	(3,368,563)	(4,488,897)
Net cash from operating activities	2,732,224	(1,026,598)	1,866,634

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**18. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY**

	2020	2019
	\$	\$
Governance	397,423	78,455
General purpose funding	4,833	0
Law, order, public safety	4,942	6,763
Health	82,698	121,744
Education and welfare	1,216,664	1,247,508
Housing	4,572,361	4,663,984
Community amenities	106,379	148,702
Recreation and culture	1,617,391	1,514,725
Transport	104,306,689	101,959,578
Economic services	333	0
Other property and services	0	126,656
Unallocated	6,585,711	5,388,286
	<b>118,895,424</b>	<b>115,256,401</b>

## 19. CONTINGENT LIABILITIES

The Council did not have any contingent liabilities as at 30 June 2020.

## 20. RELATED PARTY TRANSACTIONS

### Elected Members Remuneration

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

	2020 Actual	2020 Budget	2019 Actual
	\$	\$	\$
Meeting fees	16,300	20,300	16,900
President's allowance	4,000	4,000	4,000
Deputy President's allowance	927	1,000	1,000
Travelling expenses	550	8,500	3,654
	21,777	33,800	25,554

### Key Management Personnel (KMP) Compensation Disclosure

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

	2020 Actual	2019 Actual
	\$	\$
Short-term employee benefits	219,353	326,864
Post-employment benefits	20,838	32,148
Other long-term benefits	2,622	578
Termination benefits	0	152,743
	242,813	512,333

#### *Short-term employee benefits*

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

#### *Post-employment benefits*

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

#### *Other long-term benefits*

These amounts represent long service benefits accruing during the year.

#### *Termination benefits*

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

## 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.

For the years ended 30 June 2020 and 2019, there were no transactions with related parties noted.

### Related Parties

#### The Shire's main related parties are as follows:

##### *i. Key management personnel*

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

##### *ii. Other Related Parties*

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

##### *iii. Entities subject to significant influence by the Shire*

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



## 21. INVESTMENT IN JOINT ARRANGEMENTS

### (a) Share of joint operations

The Shire together with the Shire of Coolgardie, Dundas, Esperance, Laverton, Leonora, Menzies, Ravensthorpe, Kalgoorlie-Boulder and Wiluna have a joint venture arrangement with regards to the provision of a Regional Records Service. The assets included in the joint venture are recorded as one-tenth share as follows:

#### Non-current Assets

Land and buildings (FV 2017)	72,500	72,500
Less: accumulated depreciation	(5,438)	(3,624)
	67,062	68,876
Furniture & Equipment	4,200	8,204
Less: accumulated depreciation	(2,016)	(2,707)
	2,184	5,497
Plant & Equipment	8,200	4,182
Less: accumulated depreciation	(3,608)	(1,512)
	4,592	2,670
Light Vehicles	3,200	3,200
Less: accumulated depreciation	(1,920)	(1,440)
	1,280	1,760
<b>Total Assets</b>	<b>75,118</b>	<b>78,803</b>

#### SIGNIFICANT ACCOUNTING POLICIES

##### Interests in joint arrangements

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

##### Interests in joint arrangements (Continued)

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

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22. RATING INFORMATION

(a) Rates

RATE TYPE

Differential general rate / general rate

Unimproved valuations

Sub-Total

Minimum payment

Unimproved valuations

Sub-Total

Total amount raised from general rate

Ex-gratia rates

Totals

Rate in \$	Number of Properties	2019/20 Actual Rateable Value	2019/20 Actual Rate Revenue	2019/20 Actual Interim Rates	2019/20 Actual Back Rates	2019/20 Actual Total Revenue	2019/20 Budget Rate Revenue	2019/20 Budget Interim Rate	2019/20 Budget Back Rate	2019/20 Budget Total Revenue	2018/19 Actual Total Revenue
\$		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
0.21	34	1,007,412	211,557	15,715	2	227,274	211,557	0	0	211,557	190,603
	34	1,007,412	211,557	15,715	2	227,274	211,557	0	0	211,557	190,603
Minimum \$											
245	3	2,384	735	0	0	735	735	0	0	735	735
	3	2,384	735	0	0	735	735	0	0	735	735
	37	1,009,796	212,292	15,715	2	228,009	212,292	0	0	212,292	191,338
						228,009				212,292	191,338
						32,263				64,882	64,882
						260,272				277,174	256,220

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.

## 22. RATING INFORMATION (Continued)

### (b) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
<b>Option One</b>				
Single full payment	1/11/2019	0.00	0.00%	11.00%
<b>Option Two</b>				
First instalment	1/11/2019	0.00	0.00%	11.00%
Second instalment	2/01/2020	0.00	0.00%	11.00%
<b>Option Three</b>				
First instalment	1/11/2019	0.00	0.00%	11.00%
Second instalment	2/01/2020	0.00	0.00%	11.00%
Third instalment	3/03/2020	0.00	0.00%	11.00%
Fourth instalment	4/05/2020	0.00	0.00%	11.00%

	2020 Actual \$	2020 Budget \$	2019 Actual \$
Interest on unpaid rates	1,311	0	7,890
	1,311	0	7,890

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**23. RATE SETTING STATEMENT INFORMATION**

		2019/20 Budget (30 June 2020 Carried Forward)	2019/20 (1 July 2019 Brought Forward)	2018/19 (30 June 2019 Carried Forward)
Note		\$	\$	\$
<b>(a) Non-cash amounts excluded from operating activities</b>				
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .				
<b>Adjustments to operating activities</b>				
	Less: Profit on asset disposals	11(a) (20,630)	0	(87,202)
	Movement in employee benefit provisions (non-current)	(5,521)	0	6,562
	Add: Loss on disposal of assets	11(a) 57,282	66,400	272,834
	Add: Depreciation on non-current assets	11(b) 1,512,133	905,050	1,420,559
	<b>Non cash amounts excluded from operating activities</b>	<b>1,543,264</b>	<b>971,450</b>	<b>1,612,753</b>
<b>(b) Surplus/(deficit) after imposition of general rates</b>				
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.				
<b>Adjustments to net current assets</b>				
	Less: Reserves - cash backed	4 (3,838,873)	(3,104,278)	(2,043,937)
	<b>Total adjustments to net current assets</b>	<b>(3,838,873)</b>	<b>(3,104,278)</b>	<b>(2,043,937)</b>
<b>Net current assets used in the Rate Setting Statement</b>				
	Total current assets	7,018,685	3,608,334	5,353,251
	Less: Total current liabilities	(654,038)	(504,056)	(374,252)
	Less: Total adjustments to net current assets	(3,838,873)	(3,104,278)	(2,043,937)
	<b>Net current assets used in the Rate Setting Statement</b>	<b>2,525,774</b>	<b>0</b>	<b>2,935,062</b>
<b>(c) Adjustments to current assets and liabilities at 1 July 2019 on application of new accounting standards</b>				
<b>Total current assets at 30 June 2019</b>				
	- Contract assets	25(a)		5,353,251
	<b>Total current assets at 1 July 2019</b>			<b>5,353,251</b>
<b>Total current liabilities at 30 June 2019</b>				
	- Contract liabilities from contracts with customers	25(b)		(374,252)
	<b>Total current liabilities at 1 July 2019</b>			<b>(256,574)</b>
				<b>(630,826)</b>

## 24. 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 \$
<b>2020</b>					
Cash and cash equivalents	0.81%	6,902,571	3,838,873	3,061,198	2,500
<b>2019</b>					
Cash and cash equivalents	1.43%	4,936,977	3,493,937	1,440,540	2,500

#### Sensitivity

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

	2020 \$	2019 \$
Impact of a 1% movement in interest rates on profit and loss and equity*	69,026	49,370

\* Holding all other variables constant

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24. 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. The Shire is also able to charge interest on overdue rates and annual charges at higher than market rates, which further encourages 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 2019 or 1 July 2020 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as the ability of ratepayers and residents to settle the receivables. Housing prices and unemployment rates have been identified as the most relevant factor in repayment rates, and accordingly adjustments are made to the expected credit loss rate based on these factors. There are no material receivables that have been subject to a re-negotiation of repayment terms.

	Current	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total
<b>30 June 2020</b>					
Rates receivable					
Expected credit loss					
Gross carrying amount	0.00%	0.00%	0.00%	0.00%	
Loss allowance	4,833	0	0	0	4,833
	0	0	0	0	0
<b>30 June 2019</b>					
Rates receivable					
Expected credit loss					
Gross carrying amount	0.00%	0.00%	0.00%	0.00%	
Loss allowance	0	0	0	0	0
	0	0	0	0	0

The loss allowance as at 30 June 2020 and 30 June 2019 was determined as follows for trade receivables.

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
<b>30 June 2020</b>					
Trade and other receivables					
Expected credit loss					
Gross carrying amount	0.00%	0.00%	0.00%	0.00%	
Loss allowance	33,180	617	0	0	33,797
	0	0	0	0	0
<b>30 June 2019</b>					
Trade and other receivables					
Expected credit loss					
Gross carrying amount	0.00%	0.00%	0.00%	0.00%	
Loss allowance	244,103	10,016	0	15,235	269,354
	0	0	0	0	0

## 24. 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.

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
	\$	\$	\$	\$	\$
<b>2020</b>					
Payables	182,675	0	0	182,675	182,675
Contract liabilities	317,137	0	0	317,137	317,137
	499,812	0	0	499,812	499,812
<b>2019</b>					
Payables	201,390	0	0	201,390	201,390
	201,390	0	0	201,390	201,390

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**25. INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS**

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

**(a) AASB 15: Revenue from Contracts with Customers**

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

	Note	AASB 118 carrying amount 30 June 2019 \$	Reclassification \$	AASB 15 carrying amount 01 July 2019 \$
<b>Contract liabilities - current</b>				
Contract liabilities from contracts with customers	15	0	0	0
Adjustment to retained surplus from adoption of AASB 15	25(d)		0	

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

The Shire adopted AASB 1058 Income for Not-for-Profit Entities (issued December 2016) on 1 July 2019 which will result in changes in accounting policies. In accordance with the transition provisions AASB 1058, the Shire adopted the new rules retrospectively with the cumulative effect of initially applying AASB 1058 recognised at 1 July 2019. Comparative information for prior reporting periods was not restated in accordance with AASB 1058 transition requirements.

In applying AASB 1058 retrospectively with the cumulative effect of initially applying the Standard on 1 July 2019 changes occurred to the following financial statement line items by application of AASB 1058 as compared to AASB 118: Revenue and AASB 1004: Contributions before the change:

	Note	AASB 118 and AASB 1004 carrying amount 30 June 2019 \$	Reclassification \$	AASB 1058 carrying amount 01 July 2019 \$
<b>Trade and other payables</b>				
Trade and other payables	14	201,390	0	201,390
Contract liabilities from transfers for recognisable non financial assets	15	0	(256,574)	(256,574)
Adjustment to retained surplus from adoption of AASB 1058	25(d)		(256,574)	

Prepaid rates are, until the taxable event for the rates has occurred, refundable at the request of the ratepayer. Therefore the rates received in advance gave rise to a financial liability that is within the scope of AASB 9. On 1 July 2019 the prepaid rates were recognised as a financial asset and a related amount recognised as a financial liability and no income recognised by the Shire. When the taxable event occurred, the financial liability was extinguished and the Shire recognised income for the prepaid rates that have not been refunded.

Assets that were acquired for consideration, that were significantly less than fair value principally to enable the Shire to further its objectives, may have been measured on initial recognition under other Australian Accounting Standards at a cost that was significantly less than fair value. Such assets are not required to be remeasured at fair value.



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

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

		2020 \$		2020 \$
	Note	As reported under AASB 15 and AASB 1058	Adjustment due to application of AASB 15 and AASB 1058	Compared to AASB 118 and AASB 1004
<b>Statement of Comprehensive Income</b>				
<b>Revenue</b>				
Rates	22(a)	260,272	0	260,272
Operating grants, subsidies and contributions	2(a)	5,604,524	317,137	5,921,661
Fees and charges	2(a)	488,860	0	488,860
Non-operating grants, subsidies and contributions	2(a)	2,755,744	0	2,755,744
Net result		3,621,332	317,137	3,938,469
<b>Statement of Financial Position</b>				
Trade and other payables	14	182,675	0	182,675
Contract liabilities	15	317,137	(317,137)	0
Net assets		118,222,645	317,137	118,539,782
<b>Statement of Changes in Equity</b>				
Net result		3,621,332	317,137	3,938,469
Retained surplus		61,116,185	317,137	61,433,322

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

**(c) AASB 16: Leases**

The Shire adopted AASB 16 retrospectively from 1 July 2019 which resulted in changes in accounting policies. In accordance with the transition provisions of AASB 16, the Shire has applied this Standard to its leases retrospectively, with the cumulative effect of initially applying AASB 16 recognised on 1 July 2019. In applying AASB 16, under the specific transition provisions chosen, the Shire will not restate comparatives for prior reporting periods.

On adoption of AASB 16 the Shire did not have any leases which had previously been classified as an operating lease applying AASB 117. Therefore the net impact on retained earnings on 1 July 2019 was \$ nil.

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

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

	Note	Adjustments	2019 \$
Retained surplus - 30 June 2019			59,546,363
Adjustment to retained surplus from adoption of AASB 15	25(a)	0	
Adjustment to retained surplus from adoption of AASB 16	25(c)	0	
Adjustment to retained surplus from adoption of AASB 1058	25(b)	(256,574)	(256,574)
Retained surplus - 1 July 2019			59,289,789

There was no impact on the Shire's opening revaluation surplus resulting from *Local Government (Financial Management) Regulation 16* being deleted and the amendments to *Local Government (Financial Management) Regulation 17A* as at 1 July 2019.

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## NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

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## 26. OTHER SIGNIFICANT ACCOUNTING POLICIES

### a) Goods and services tax (GST)

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

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

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

### b) Current and non-current classification

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

### c) Rounding off figures

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

### d) Comparative figures

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

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

### e) Budget comparative figures

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

### f) Superannuation

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

### g) Fair value of assets and liabilities

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

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

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

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

### h) Fair value hierarchy

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

#### Level 1

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

#### Level 2

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

#### Level 3

Measurements based on unobservable inputs for the asset or liability.

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

### Valuation techniques

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

#### Market approach

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

#### Income approach

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

#### Cost approach

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

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

### i) Impairment of assets

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

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

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

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

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

**27. ACTIVITIES/PROGRAMS**

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

<b>PROGRAM NAME AND OBJECTIVES</b>	<b>ACTIVITIES</b>
<b>GOVERNANCE</b> To provide a decision-making process for the efficient allocation of scarce resources.	Includes the activities of members of council and the administrative support available to the council for the provision of governance of the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific council services.
<b>GENERAL PURPOSE FUNDING</b> To collect revenue to allow for the provision of services.	Rates, general purpose government grants and interest revenue.
<b>LAW, ORDER, PUBLIC SAFETY</b> To provide services to help ensure a safer and environmentally conscious community.	Supervision and enforcement of various local laws relating to fire prevention and other aspects of public safety including emergency services.
<b>HEALTH</b> To provide an operational framework for environmental and community health.	Inspection of food outlets and their control, provision of meat inspection services, noise control and a waste pick-up service.
<b>EDUCATION AND WELFARE</b> To provide services to children and youth.	Maintenance of playgroup centre (early years learning) and operation of youth services.
<b>HOUSING</b> To provide and maintain staff housing.	Provision and maintenance of staff housing.
<b>COMMUNITY AMENITIES</b> To provide services required by the community.	Rubbish collection services, litter control, storm water maintenance and protection of the environment.
<b>RECREATION AND CULTURE</b> To establish and effectively manage infrastructure and resources which will help the social well being of the community.	Maintenance of public halls, civic centre, aquatic centre, recreation centres and various sporting facilities. Provision and maintenance of parks and playgrounds. Operation of other cultural facilities.
<b>TRANSPORT</b> To provide safe, effective and efficient transport services to the community.	Construction and maintenance of roads, streets, footpaths, depots and traffic control. Cleaning of streets and maintenance of street trees.
<b>ECONOMIC SERVICES</b> To help promote the Shire and it's economic wellbeing.	Tourism and area promotion, provision of rural services including weed and vermin control.
<b>OTHER PROPERTY AND SERVICES</b> To monitor and control council's overheads operating accounts.	Private works operation, plant repair and operation costs and administrative costs.

## 28. FINANCIAL RATIOS

	2020 Actual	2019 Actual	2018 Actual
Current ratio	14.85	15.16	4.89
Asset consumption ratio	0.84	0.84	0.73
Asset renewal funding ratio	1.41	1.57	N/A
Asset sustainability ratio	1.72	2.39	1.60
Debt service cover ratio (Note 1)	N/A	N/A	N/A
Operating surplus ratio	1.00	(0.58)	(3.53)
Own source revenue coverage ratio	0.15	0.12	0.11

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

Note 1 The Shire does not have any borrowings, therefore this ratio is not calculated.

19 November 2020

Mr Kevin Hannagan  
Chief Executive Officer  
Shire of Ngaanyatjaraku  
PMB 87  
KALGOORLIE WA 6431

Dear Kevin

## **Audit of Shire of Ngaanyatjaraku**

We advise that we have completed the audit of your Shire for the year ended 30 June 2020 and enclose our Audit Report and Management Report.

A copy of the Audit Report and Management Report has also been sent directly to the President, Cr Damian McLean as is required by the Act.

We would like to take this opportunity to thank you and your staff for the assistance provided during the audit.

Please contact us if you have any queries.

Yours faithfully



David Tomasi  
Partner  
[Moore Australia Audit \(WA\)](#)

Encl.

## **INDEPENDENT AUDITOR'S REPORT TO THE COUNCILLORS OF THE SHIRE OF NGAANYATJARRAKU**

### **Report on the Audit of the Financial Report**

#### **Opinion**

We have audited the accompanying financial report of the Shire of Ngaanyatjaraku (the Shire), which comprises the Statement of Financial Position as at 30 June 2020, Statement of Comprehensive Income by Nature or Type, Statement of Comprehensive Income by Program, Statement of Changes in Equity, Statement of Cash Flows and the Rate Setting Statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the Statement by Chief Executive Officer.

In our opinion, the financial report of the Shire of Ngaanyatjaraku:

- a) is based on proper accounts and reports; and
- b) fairly represents, in all material respects, the results of the operations of the Shire for the year ended 30 June 2020 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**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Shire in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the "Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Emphasis of Matter – Basis of Preparation**

We draw attention to Note 1 to the financial report, which describes the basis of preparation. The financial report has been prepared for the purpose of fulfilling the Shire's financial reporting responsibilities under the Act. In respect of the comparatives for the previous year ended 30 June 2019, Regulation 16 of the Local Government (Financial Management) Regulations 1996, did not allow a local government to recognise some categories of land, including land under roads, as assets in the annual financial report. Our opinion is not modified in respect of this matter.

#### **Responsibilities of the Chief Executive Officer and Council for the Financial Report**

The Chief Executive Officer (CEO) of the Shire is responsible for the preparation and fair presentation of the annual financial report in accordance with the requirements of the Act, the Regulations and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards. The CEO is also responsible for such internal control as the CEO determines is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

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

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

## **INDEPENDENT AUDITOR'S REPORT TO THE COUNCILLORS OF THE SHIRE OF NGAANYATJARRAKU (CONTINUED)**

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

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to include the economic decisions of the users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standard Board website at [http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This description forms part of our audit report.

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

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

- a) In our opinion, there is a significant adverse trend in the financial position of the Shire as the Own Source Revenue Coverage Ratio has been below the DLGSCI standard for the past 3 years.
- a) All required information and explanations were obtained by us.
- b) All audit procedures were satisfactorily completed in conducting our audit.
- c) In our opinion, the asset consumption ratio and the asset renewal ratio included in the annual financial report were supported by verifiable information and reasonable assumptions.

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

This auditor's report relates to the annual financial report of the Shire of Ngaanyatjarraku for the year ended 30 June 2020 included on the Shire's website. The Shire's management is responsible for the integrity of the Shire's website. This audit does not provide assurance on the integrity of the Shire's website. The auditor's report refers only to the financial report described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this financial report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.

MOORE AUSTRALIA AUDIT (WA)  
CHARTERED ACCOUNTANTS



DAVID TOMASI  
PARTNER

Signed at Perth this 19<sup>th</sup> day of November 2020.



19 November 2020

Cr Damian McLean  
Shire President  
Shire of Ngaanyatjaraku  
PMB 87  
KALGOORLIE WA 6431

Dear Cr McLean

## Management Report for the Year Ended 30 June 2020

We advise that we have completed our audit procedures for the year ended 30 June 2020.

We are required under the Local Government Audit Regulations to report certain compliance matters in our audit report. Other matters which arise during the course of our audit that we wish to bring to Council's attention are raised in this management report.

It should be appreciated that our audit procedures are designed primarily to enable us to form an opinion on the financial statements and therefore may not bring to light all weaknesses in systems and procedures which may exist. However, we aim to use our knowledge of the Shire's organisation gained during our work to make comments and suggestions which, we hope, will be useful to you.

We noted no matters we wish to draw to your attention.

We take this opportunity to thank the Shire for their assistance provided during the audit.

Should you wish to discuss any matter relating to the audit or any other matter, please do not hesitate to contact us.

Yours faithfully



David Tomasi  
Partner  
[Moore Australia Audit \(WA\)](#)

Encl.



# Annual Report for the year ended 30 June 2020



Shire of **Ngaanyatjarra**  
ON A JOURNEY



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## Our Vision

### The Shire of Ngaanyatjaraku – on a journey

The Shire's Integrated Strategic Plan (ISP) was adopted in November 2018 and will help shape the services that the Shire of Ngaanyatjaraku will deliver over the next ten years and has been developed with our community's aspirations and needs at its heart. These have been gathered through an in-depth process of consultation and engagement.

It is apparent from the results of the community engagement process that there is an expectation the Shire provides a wide range of social services when in fact the Shire doesn't and doesn't have the resources to do this. The majority of social services are provided by either the Ngaanyatjarra Council Aboriginal Corporation and / or State or Federal agencies.

Nonetheless, the Shire has a significant role to play in providing infrastructure and buildings to support delivery by other social services providers and the Shire does in fact provide limited social services to the community by way of Early Years Learning, Recreation, Environmental Health and Waste Collection services.

With no freehold land, the Shire has limited capacity to raise income and is therefore dependent upon State and Federal Grants to continue service delivery. Many of these grants are tied to specific purposes which limits the range of services the Shire can provide.

The ISP provides a valuable management tool to allow the Shire to maintain focus on its primary role as a provider and manager of infrastructure and where capacity allows, to provide a limited range of social services to compliment services provided by others.

Community engagement has led to the development of two key themes which communicate the role of the Shire and underpin the development of goals and strategies. The goals and strategies under each theme create the framework for the delivery of sustainable outcomes to achieve our vision. The two key themes formed from the community engagement process include:

**(1) Our Land – Looking after Our Land**

**(2) Our People -Looking after Our People**

Added to this, to ensure we can deliver services in line with these themes and address any concerns the State Government may have in relation to achieving satisfactory outcomes associated with statutory compliance, we have added a third theme.

**(3) Our Leadership – Show the way for our community**

In response to feedback received during the highly successful engagement process, the plan formalises our current approach to service delivery and helps us to build upon this in a sustainable way, providing future opportunities. An example is the sealing of the Great Central Road to provide more reliable and safer access to our communities and open up economic development opportunities around tourism and resources development. The provision of a safe and reliable road network interconnecting our communities is paramount. Through the consultation process the Shire is now aware of a number of social issues affecting some townships. The Shire will work with all stakeholders to try and facilitate resolution of these issues.



## President's Foreword

The Shire of Ngaanyatjarraku has been working toward achieving the goals of the community as identified within our Integrated Strategic Plan. Provision of financially sustainable services and infrastructure and the creation of opportunities to realise these goals, continue to be the prime focus of our Council. It is very positive for the Ngaanyatjarra Lands communities and residents to note our continued progress in these areas. As such, it gives me great pleasure to present the Annual Report for the Shire of Ngaanyatjarraku for the 2019-2020 financial year.

The Shire has made considerable achievements in line with its strategic goals and our key IPRF actions. As such I am pleased to report that the shire's financial position is improving with the Shire achieving a surplus in 2019-2020 and a balanced budget has been adopted for 2020-2021. This has only been achieved by reducing services to the community and hopefully is short term until the Shires Long Term Financial Sustainability and service provision can be resolved.

The Shire has written to the Minister for Local Government; Culture and the Arts advising that the Shire of Ngaanyatjarraku for some years now has been experiencing disadvantage from structural change when the Federal Government handed responsibility for aboriginal communities to the State Government. It is the Shires view that the states response in handling the changes in service delivery appear to be inconsistent across the regions of WA. The Shire is seeking the Minister's advocacy to try and resolve some major issues that the Shire has been unsuccessful in negotiation with other state Ministers. The Minister has now set up a cross department advisory body to work through the Stage 1 'urgent' and Stage 2 'longer term' issues. Particular focus has been on Early Childhood, Waste Services, Youth Services and support for the operation of Community swimming pools.

The year has been most remarkable for the Covid 19 pandemic. Whilst we had no cases in the Shire of Ngaanyatjarraku the pandemic has re-shaped life as it was before February 2020. Travel restrictions, quarantining, social distancing, using hand sanitiser, wearing masks, self-isolating and testing became a way of life very quickly.

The Shire was isolated by State borders restrictions and the WA State Emergency Act provision to protect remote Indigenous Communities. Because of the isolating, there came a second wave of language. The new language included working from home, working remotely, essential purpose, video conferencing and Covid19 permits.



The application by named complainants to the Australian Human Rights Commission to address discrimination for access to Income Support has been referred to the Federal Court for orders to be made. The Commonwealth has offered a further round of mediation under the supervision of the Court in order to resolve the Complaint.

The offer has been taken up and a report is to be made to the Court in early February 2021. The terms of the mediation stipulate confidentiality in order to provide the best environment to come to a resolution of the complaint.

If the second round of mediation is unsuccessful, the matter will be set down for trial in the Federal Court. At this time, the action will be entering its fifth year.

The level of compliance with the Local Government Act and Financial Regulations as we enter a new period of audit and monitoring under the supervision of the WA Auditor General is a credit to the CEO and the administration team and secures the settings for the Shire of Ngaanyatjaraku in to the future.

It has been a difficult year for many Councilors and has introduced the unfamiliar regime of compulsory online learning for Local Government members. As a group we are working our way through the requirements and finding satisfaction in the process.

I would like to thank our Deputy Shire President Cr. Preston Thomas who departed from the shire in September 2019 for his support and commitment during his time as a Councilor. Cr Andrew Jones has now assumed the Deputy President role. The support of my fellow Councilors over the last twelve months has been great, and also thank all of the Shire staff members for their efforts and dedication to the Shire of Ngaanyatjaraku.

**Cr. John Damian McLean  
PRESIDENT**



## Message from Chief Executive Officer

The Shire has been working through the Actions contained in the Integrated Strategic Plan and updates on some topical highlights are:

Facilitate Upgrade and Seal Great Central Road – 50kms has been sealed prior to the border with Laverton. Work has commenced on sealing 40kms from Laverton and sections around entries to Warburton and Warakurna will be done in 2021.

Provide a user pays waste collection service – a user pays service is not feasible as the community do not have the capacity to pay. This issue will be discussed more as part of the Lands Service Review below.

Provide environmental health services – the Shires new EHBO commenced on 23 June 2020. Unfortunately, the State's Department of Health have not yet let a new contract for Aboriginal Environmental Health services for the western half of the Shire. This matter has been reviewed to the Lands Service Review for resolution.

Provide early years learning service – The Federal Government's National Indigenous Australians Agency (NIAA) has contracted Play Group WA to provide a service at Warburton and hopefully commence service at Blackstone in 2021. The Shire is still awaiting the NIAA review of Early Years Learning for the wider lands communities.

Review all Shire Services – has been completed with various reports to Council. The Shire has advocated to the State Government to work with the Shire on a broader review of service provision across the Shire. The Lands service Review will be discussed further below.

As previously mention by the Shire President, the Minister for Local Government; Culture and the Arts has now set up a cross department advisory body to work through the Stage 1 'urgent' and Stage 2 'longer term' issues as part of the Lands Service Review.

Stage 1 'urgent' services to be addressed are:

Waste management – The Shire has engaged specialist advice to develop a Waste Management Plan for consideration of funding by the State.

Recreation – The Shire has engaged specialist advice to develop a Sport & Recreation Plan for consideration of funding by the State.

Swimming pools – operation funding to keep the 3 pools open is a priority. The NIAA has funded Royal Life Saving WA to undertake a Swimming Pool Plan for consideration of funding by the State. The State currently funds 8 remote communities pools across the state.

Early Years Learning – The NIAA federal involvement has been mentioned, the state Department of Communities are exploring if there are any early years learning programs or plans that they have.

Environmental health services – covered above.

Fire and emergency management – the Shire has written to the FES Commissioner seeking their support in working with the Shire to address Fire & Emergency management issues across the Shire.

Stage 2 Long term outcomes (health, social, economic, cultural, etc.) are to be included in a wider Lands Service Review to be driven by the State in 2021. This will incorporate a service-mapping exercise including:

1. Map current service provision arrangements across State, local, Commonwealth, and non-government sectors:
  - a. What services are provided, and by whom?
  - b. What are the funding arrangements and costs?
2. Identify service gaps, overlaps and inefficiencies, including by reference to comparator Shires.

The Shire has recorded a financial surplus for the 2019/20 Financial Year End, mainly been due to the Financial Assistance Grants for 2020/21 being paid in advance. Other factors included savings from staff vacancies, and project funding being carried forward to the next financial year. The shire has adopted a balanced budget for FYE 2020/21, which includes funding for several Strategic Service Plan projects as mentioned above,.

The Shire also acknowledges the Federal & State Agencies who provide road funding grant programs such as Roads to Recovery, Aboriginal Access Roads, Main Roads WA Regional Road Group and Direct Grants that contribute towards the Shire maintaining its road network connecting remote communities and support locations.

The 2019/20 FYE has been an especially challenging year for the Local Government industry and none

more so than our Shire. The global Covid19 pandemic has kept the Shire isolated during much of the pandemic and as such has been successful in it not gaining a hold in our community. Whilst this has impacted the morale of staff, the shire has been generally able to provide services business as usual.

I would like to thank staff at the Shire for their hard work and support during a year of major change during a pandemic, and the Elected Members for their dedication to ensuring the Shire maintains financial sustainability whilst trying to address service provision for the future.

**Kevin Hannagan**  
**Chief Executive Officer**

## **Council member information**

Councillors have a specific role in relation to developing the local government's vision and long-term goal setting with appropriate key performance indicators (KPIs). These are responsibilities that require specific skills and experience.

The Shire's eight Councillors facilitate the development and implementation of our community's aspirations and goals. The Councillors meet monthly to discuss issues and imperative areas arising in the community along with general council matters.

**Mr (John) Damian McLean**  
PRESIDENT  
**Mr Andrew Jones**  
DEPUTY PRESIDENT  
**Ms Lalla West**  
COUNCILLOR  
**Ms Debra Frazer**  
COUNCILLOR

**Mrs Julie Porter**  
COUNCILLOR  
**Ms Joylene Frazer**  
COUNCILLOR  
**Mr Alwyn Bates**  
COUNCILLOR  
**Vacant**  
COUNCILLOR

## **Shire snapshot**

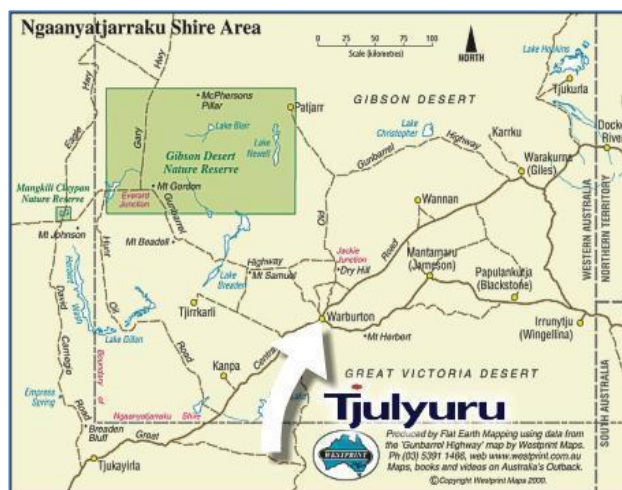
The Shire of Ngaanyatjaraku is responsible for the provision of "mainstream" local government and delivery of services to the ten communities and visitors within its boundaries.

The Shire encompasses an area of 159,948 square kilometres and is located approximately 1,542km from Perth. The region itself is diverse in natural beauty from the magnificent Rawlinson ranges to the red sandy plains of the Gibson Desert.

The Shire is a unique local government in that its community of interest is contained within the traditional lands of the Ngaanyatjarra people of the Central Desert of Western Australia. The 99 year leases held by the Ngaanyatjarra Land Council on behalf of the traditional owners also form the boundaries of the Shire of Ngaanyatjaraku.

The Shire's main township is Warburton, which is also the largest of the 10 Indigenous communities within the Shire. Warburton is positioned 1,542kms north-east of Perth, 560kms of gravel road north-east of Laverton, 750kms north-east of Kalgoorlie and 1,050kms south-west of Alice Springs. Neighbouring shires include the Shire of Wiluna, Laverton, and East Pilbara. The Shire offices are located in the Tjulyuru Cultural and Civic Centre in Warburton.

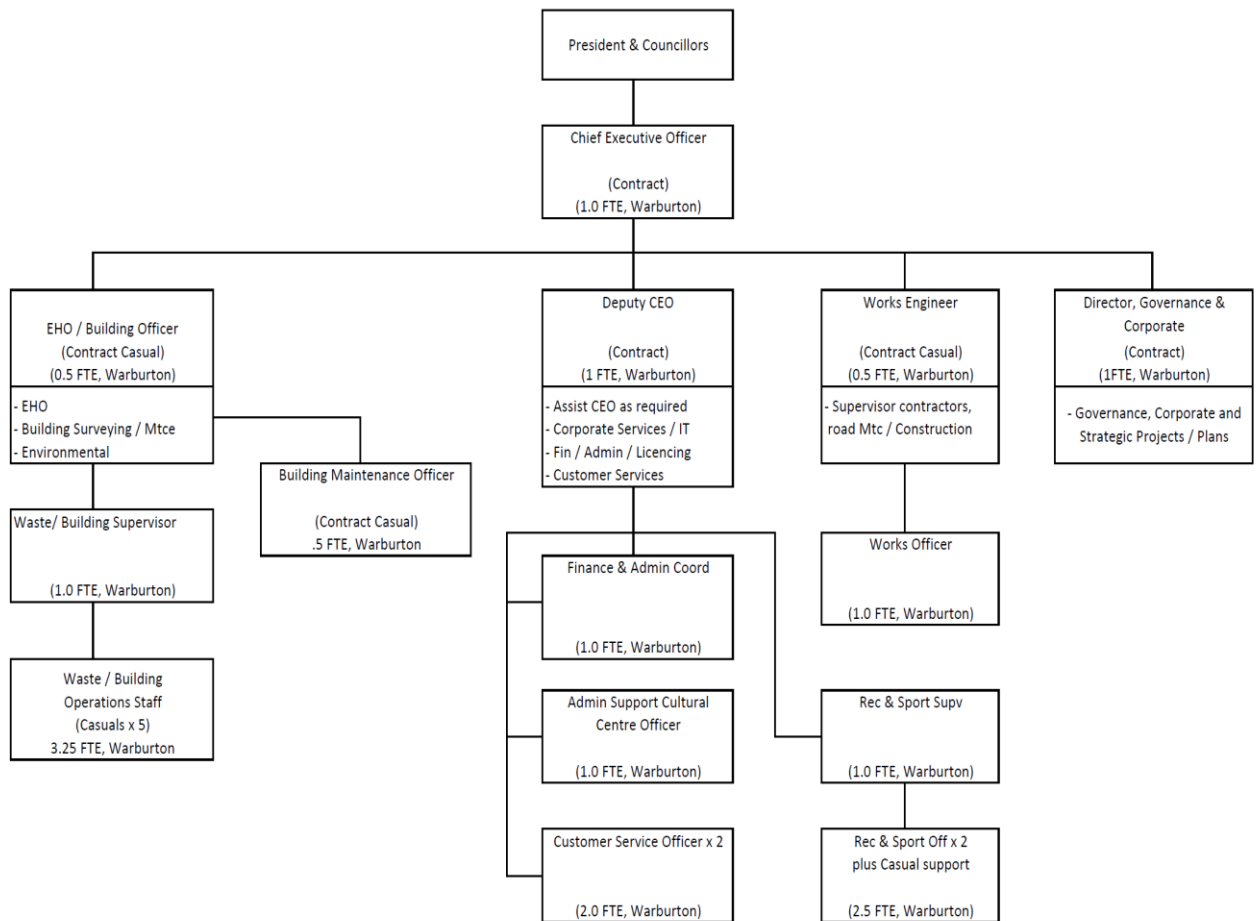
In the 2011 local Census the Shire had an estimated residential population of 1,437 people, comprised of 49% male and 51% female residents and there are approximately 509 residential dwellings within the Shire. The Shire has a higher percentage of residents aged between 0-29 years and a lower proportion of residents aged 65+ years compared with the wider Australian population.





## Organisation Structure 2019/20

Approved Organisational Structure, 1 July 2020



## Planning & Reporting

In 2011, the Department of Local Government introduced the Integrated Planning and Reporting Framework to encourage a movement towards best practice strategic planning and reporting standards across the Western Australian local government industry.

The Shire of Ngaanyatjaraku is building on a successful history of community engagement to ensure that the community can grow and thrive as a vibrant and attractive place to live, work and visit.

Developing our aspirations and plans for the future will shape the delivery of services to the community and the direction of economic development. This integration of community aspiration and service delivery is called the Integrated Planning and Reporting Framework (IPR). This will ensure that the Shire of Ngaanyatjaraku's policies and services are aligned to the community's aspirations.

The process, driven by the 10-year Strategic Community Plan will create a 4-year Corporate Business Plan to ensure that we deliver the community's aspirations. This will:

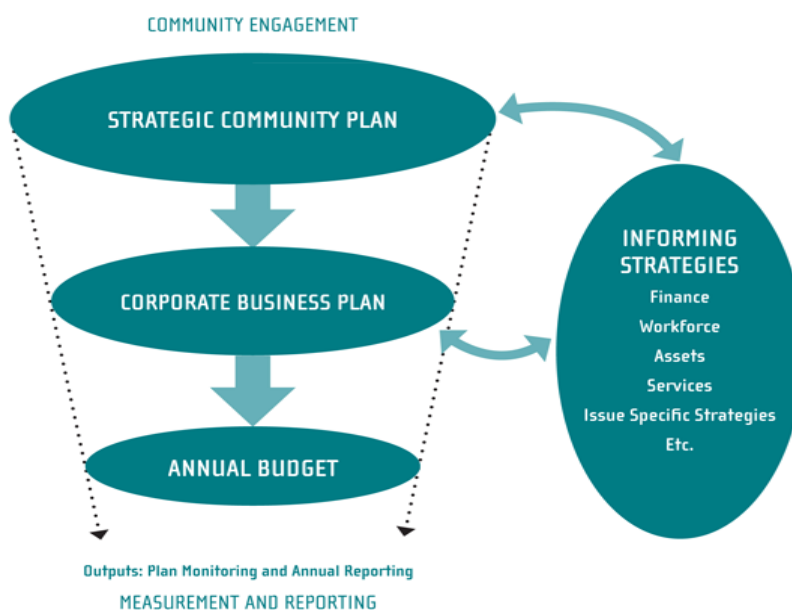
- Strengthen our council's strategic focus; and
- Streamline our reporting processes.

This Strategic Community Plan, which represents the needs and aspirations of the community, has been developed by the Shire's Councillors and sets out the vision for the next 10 years.

The task of turning this vision into a reality rests with Shire's Administration function. They will set out how this will be achieved in a 4-year Corporate Business Plan ("CBP").

The Shire has combined both these plans into one Integrated Strategic Plan.

Alongside the CBP, the Shire has created a 10-year Long-Term Financial Plan and a 20-year Asset Management Plan and a Workforce Plan which will set out the resources needed to deliver the CBP. Copies of all plans are available on the Shires website.



## IPR, Measuring and Reporting Framework

### Statutory Reports

As a local government authority, the Shire is required to comply with a number of statutory regulations.

#### PAYMENT TO EMPLOYEES

In accordance with section 5.53 (2)(g) of the *Local Government Act 1995* and the *Local Government (Administration) Regulations 1996 reg. 19B*, the following information is provided in relation to annual salaries over \$100,000 paid to employees during the 2019-20 financial year:

Salary Range (\$)	No. of Employees
100,000 – 109,999	1
110,000 – 119,999	1
120,000 – 129,999	0
130,000 – 139,999	0
140,000 – 149,999	0
150,000 – 159,999	0
160,000 – 169,999	1
170,000 – 179,999	1

#### DISABILITY ACCESS AND INCLUSION PLAN

In accordance with Section 29 of the *Disability Service Act 1993*, Local Governments are required to report annually with regard to their Disability Access and Inclusion Plan and provide details addressing the plan's key outcomes within the Annual Report. For 2018-19 the Shire of Ngaanyatjaraku reports as follows:

#### Key Outcomes:

1. People with disability have the same opportunities as other people to access the services of, and any

events organised by, the relevant public authority.

2. People with disability have the same opportunities as other people to access the buildings and other facilities of the relevant public authority.
3. People with disability receive information from the relevant public authority in a format that will enable them to access the information as readily as other people are able to access it.
4. People with disability receive the same level and quality of service from the staff of the relevant public authority.
5. People with disability have the same opportunities as other people to make complaints to the relevant public authority.
6. People with disability have the same opportunities as other people to participate in any public consultation by the relevant public authority.
7. People with disability have the same opportunities as other people to obtain and maintain employment with a public authority.

The Shire of Ngaanyatjaraku continues to ensure that the above key outcomes are addressed in order to meet the needs of people with disabilities.

The Shire of Ngaanyatjaraku Disability Access and Inclusion Plan 2019-2022 (DAIP) was reviewed by Council in 2019 and subsequently accepted by the Department of Communities.

#### COMPETITIVE NEUTRALITY

The Shire of Ngaanyatjaraku is classified as a Category 1 Local Government under the National Competition Policy. This principle deals with ensuring that government business operations have no advantage or disadvantage in comparison with the private sector.

The policy dictates that competitive neutrality should apply to all business activities which generate a user pays income of over \$200,000 unless it can be shown that it is not in the public interest. In this regard, no significant new business activities for the purposes of competitive neutrality were initiated or considered during the year and no noncompliance allegations were made.

#### FREEDOM OF INFORMATION

The Shire of Ngaanyatjaraku has a Freedom of Information (FOI) Statement prepared in accordance with the Freedom of Information Act 1992 which is available on the Shire website. It outlines the Shire's functions, the kind of documents held and how the documents can be accessed.

There were no Freedom of Information applications or requests received during the 2019-20 reporting year.

#### RECORD KEEPING PLAN

The Shire of Ngaanyatjaraku has prepared a record keeping plan as required by the State Records Act 2000, and the Shire is committed to ensuring its record keeping practices comply with legislation. This plan was submitted to the SRO in December 2015 and approved by the State Records Commission at its meeting held in March 2016 for a five-year period to 2020.

Under section 60 of the State Records Act, the State Records Commission monitors the operation of and compliance with the Act and it is a requirement for every local government to comply with the Commission's Standard 2, Principle 6 in an appropriate section within its Annual Report. Accordingly, the Shire reports as follows:

1. The Shire accesses an on-line record keeping training program that allows staff to familiarize themselves with and be aware of their record keeping responsibilities, and to ensure that the record keeping system is being operated in accordance with the revised Shire of Ngaanyatjaraku Record Keeping Plan. Given the very remote and isolated location of this Shire, online record keeping training provides on-site training and advice as well as utilizing the assistance and expertise of the staff at Goldfields Records Storage (a GVROC enterprise of which the Shire of Ngaanyatjaraku is a partner).
2. The efficiency and effectiveness of the record keeping training program will be reviewed on an ongoing basis and subsequently actioned to ensure its currency and relevance.
3. The Shire's record keeping induction program is continually improving to ensure employee roles and responsibilities are promoted in accordance and compliance with the Shire of Ngaanyatjaraku Record Keeping Plan.

OFFICIAL CONDUCT – COMPLAINTS REGISTER

Pursuant to section 5.121 of the *Local Government Act* 1995, a complaints register has been maintained.

As at the 30<sup>th</sup> June 2020 no complaint had been received, and therefore accordingly there has been no action required to deal with complaints.



*Jackie Kurltjinyinta Giles (Dec.) 2008 'Tjamu Tjamu'*

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

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**COMMUNITY VISION**

**The Shire of Ngaanyatjarraku - On a journey**

Our Land - Looking after our Land

Our People - Looking after our People

Leadership - Showing the way for our Community

Principal place of business:

Great Central Road

Warburton Aboriginal Community

Western Australia

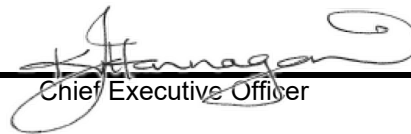
**SHIRE OF NGAANYATJARRAKU  
FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2020**

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

**STATEMENT BY CHIEF EXECUTIVE OFFICER**

The attached financial report of the Shire of Ngaanyatjarraku for the financial year ended 30 June 2020 is based on proper accounts and records to present fairly the financial position of the Shire of Ngaanyatjarraku at 30 June 2020 and the results of the operations for the financial year then ended in accordance with the Local Government Act 1995 and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.

Signed on the            19            day of            November            2020

  
\_\_\_\_\_  
Chief Executive Officer

Kevin Hannagan

\_\_\_\_\_  
Name of Chief Executive Officer



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

	NOTE	2020 Actual \$	2020 Budget \$	2019 Actual \$
<b>Revenue</b>				
Rates	22(a)	260,272	277,174	256,220
Operating grants, subsidies and contributions	2(a)	5,604,524	3,373,461	5,459,889
Fees and charges	2(a)	488,860	485,136	368,094
Interest earnings	2(a)	61,100	50,000	37,987
Other revenue	2(a)	99,030	65,915	91,727
		<b>6,513,786</b>	<b>4,251,686</b>	<b>6,213,917</b>
<b>Expenses</b>				
Employee costs		(1,653,127)	(1,999,022)	(2,297,876)
Materials and contracts		(2,178,796)	(2,723,545)	(2,428,878)
Utility charges		(47,146)	(103,560)	(111,528)
Depreciation on non-current assets	11(b)	(1,512,133)	(905,050)	(1,420,559)
Insurance expenses		(153,038)	(148,993)	(150,951)
Other expenditure		(67,306)	(90,478)	(70,002)
		<b>(5,611,546)</b>	<b>(5,970,648)</b>	<b>(6,479,794)</b>
		<b>902,240</b>	<b>(1,718,962)</b>	<b>(265,877)</b>
Non-operating grants, subsidies and contributions	2(a)	2,755,744	3,368,563	4,488,897
Profit on asset disposals	11(a)	20,630	0	87,202
(Loss) on asset disposals	11(a)	(57,282)	(66,400)	(272,834)
		<b>2,719,092</b>	<b>3,302,163</b>	<b>4,303,265</b>
<b>Net result for the period</b>		<b>3,621,332</b>	<b>1,583,201</b>	<b>4,037,388</b>
<b>Other comprehensive income</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>Total other comprehensive income for the period</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>Total comprehensive income for the period</b>		<b>3,621,332</b>	<b>1,583,201</b>	<b>4,037,388</b>

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

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

	NOTE	2020 Actual \$	2020 Budget \$	2019 Actual \$
<b>Revenue</b>				
Governance	2(a)	45,178	27,500	5,639
General purpose funding		3,450,613	1,955,233	3,511,267
Law, order, public safety		416	416	408
Health		1,426	400	110,108
Education and welfare		204,195	155,000	283,710
Housing		147,854	135,000	22,209
Community amenities		95,734	105,736	110,973
Recreation and culture		241,158	280,000	276,279
Transport		2,326,062	1,558,401	1,750,807
Economic services		1,150	34,000	14,275
Other property and services		0	0	128,242
		6,513,786	4,251,686	6,213,917
<b>Expenses</b>				
Governance	2(b)	(158,923)	(204,255)	(75,028)
General purpose funding		(250)	0	(34,533)
Law, order, public safety		(6,219)	(7,547)	(60,426)
Health		(270,545)	(365,805)	(464,038)
Education and welfare		(346,056)	(439,302)	(733,404)
Housing		(339,255)	(420,585)	(305,636)
Community amenities		(603,952)	(879,116)	(443,769)
Recreation and culture		(623,525)	(839,685)	(834,993)
Transport		(3,243,085)	(2,651,255)	(3,234,955)
Economic services		(19,635)	(163,098)	(130,491)
Other property and services		(101)	0	(162,521)
		(5,611,546)	(5,970,648)	(6,479,794)
		902,240	(1,718,962)	(265,877)
Non-operating grants, subsidies and contributions	2(a)	2,755,744	3,368,563	4,488,897
Profit on disposal of assets	11(a)	20,630	0	87,202
(Loss) on disposal of assets	11(a)	(57,282)	(66,400)	(272,834)
		2,719,092	3,302,163	4,303,265
<b>Net result for the period</b>		<b>3,621,332</b>	<b>1,583,201</b>	<b>4,037,388</b>
<b>Other comprehensive income</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>Total other comprehensive income for the period</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>Total comprehensive income for the period</b>		<b>3,621,332</b>	<b>1,583,201</b>	<b>4,037,388</b>

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



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

	NOTE	2020 \$	2019 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	6,902,571	4,936,977
Trade and other receivables	6	62,092	317,516
Inventories	7	50,497	71,223
Other assets	8	3,525	27,535
<b>TOTAL CURRENT ASSETS</b>		<b>7,018,685</b>	<b>5,353,251</b>
<b>NON-CURRENT ASSETS</b>			
Other financial assets	5(a)	35,034	35,034
Property, plant and equipment	9	7,505,771	7,832,952
Infrastructure	10	104,335,934	102,035,164
<b>TOTAL NON-CURRENT ASSETS</b>		<b>111,876,739</b>	<b>109,903,150</b>
<b>TOTAL ASSETS</b>		<b>118,895,424</b>	<b>115,256,401</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	14	182,675	201,390
Contract liabilities	15	317,137	0
Employee related provisions	16	154,226	172,862
<b>TOTAL CURRENT LIABILITIES</b>		<b>654,038</b>	<b>374,252</b>
<b>NON-CURRENT LIABILITIES</b>			
Employee related provisions	16	18,741	24,262
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>18,741</b>	<b>24,262</b>
<b>TOTAL LIABILITIES</b>		<b>672,779</b>	<b>398,514</b>
<b>NET ASSETS</b>		<b>118,222,645</b>	<b>114,857,887</b>
<b>EQUITY</b>			
Retained surplus		61,116,185	59,546,363
Reserves - cash backed	4	3,838,873	2,043,937
Revaluation surplus	13	53,267,587	53,267,587
<b>TOTAL EQUITY</b>		<b>118,222,645</b>	<b>114,857,887</b>

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

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

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
<b>Balance as at 1 July 2018</b>		<b>56,699,578</b>	<b>853,334</b>	<b>53,267,587</b>	<b>110,820,499</b>
Comprehensive income					
Net result for the period		4,037,388	0	0	4,037,388
Other comprehensive income	13	0	0	0	0
Total comprehensive income		4,037,388	0	0	4,037,388
Transfers from reserves	4	619,116	(619,116)	0	0
Transfers to reserves	4	(1,809,719)	1,809,719	0	0
<b>Balance as at 30 June 2019</b>		<b>59,546,363</b>	<b>2,043,937</b>	<b>53,267,587</b>	<b>114,857,887</b>
Change in accounting policy	25(d)	(256,574)	0	0	(256,574)
<b>Restated total equity at 1 July 2019</b>		<b>59,289,789</b>	<b>2,043,937</b>	<b>53,267,587</b>	<b>114,601,313</b>
Comprehensive income					
Net result for the period		3,621,332	0	0	3,621,332
Other comprehensive income	13	0	0	0	0
Total comprehensive income		3,621,332	0	0	3,621,332
Transfers to reserves	4	(1,794,936)	1,794,936	0	0
<b>Balance as at 30 June 2020</b>		<b>61,116,185</b>	<b>3,838,873</b>	<b>53,267,587</b>	<b>118,222,645</b>

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

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

	NOTE	2020 Actual \$	2020 Budget \$	2019 Actual \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Rates		255,439	277,174	293,545
Operating grants, subsidies and contributions		5,900,644	3,373,461	6,233,103
Fees and charges		488,860	485,136	623,355
Interest received		61,100	50,000	37,987
Goods and services tax received		124,908	281,252	323,390
Other revenue		99,030	65,915	91,727
		6,929,981	4,532,938	7,603,107
<b>Payments</b>				
Employee costs		(1,715,528)	(1,999,022)	(2,481,269)
Materials and contracts		(2,114,531)	(2,936,231)	(2,653,367)
Utility charges		(47,146)	(103,560)	(111,528)
Insurance paid		(153,038)	(148,993)	(150,951)
Goods and services tax paid		(100,208)	(281,252)	(269,356)
Other expenditure		(67,306)	(90,478)	(70,002)
		(4,197,757)	(5,559,536)	(5,736,473)
<b>Net cash provided by (used in) operating activities</b>	17	2,732,224	(1,026,598)	1,866,634
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for purchase of property, plant & equipment	9(a)	(119,608)	(174,000)	(137,130)
Payments for construction of infrastructure	10(a)	(3,540,022)	(3,965,943)	(4,770,837)
Non-operating grants, subsidies and contributions	2(a)	2,755,744	3,368,563	4,488,897
Proceeds from sale of property, plant & equipment	11(a)	137,256	52,100	319,566
<b>Net cash provided by (used in) investment activities</b>		(766,630)	(719,280)	(99,504)
<b>Net increase (decrease) in cash held</b>		1,965,594	(1,745,878)	1,767,130
Cash at beginning of year		4,936,977	4,937,932	3,169,847
<b>Cash and cash equivalents at the end of the year</b>	17	6,902,571	3,192,054	4,936,977

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

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

	NOTE	2020 Actual \$	2020 Budget \$	2019 Actual \$
<b>OPERATING ACTIVITIES</b>				
<b>Net current assets at start of financial year - surplus/(deficit)</b>	23 (b)	2,678,488	2,593,533	3,063,925
		2,678,488	2,593,533	3,063,925
<b>Revenue from operating activities (excluding rates)</b>				
Governance		65,808	27,500	5,639
General purpose funding		3,222,604	1,742,941	3,319,929
Law, order, public safety		416	416	408
Health		1,426	400	110,108
Education and welfare		204,195	155,000	300,195
Housing		147,854	135,000	22,209
Community amenities		95,734	105,736	121,446
Recreation and culture		241,158	280,000	276,279
Transport		2,326,062	1,558,401	1,800,336
Economic services		1,150	34,000	24,990
Other property and services		0	0	128,242
		6,306,407	4,039,394	6,109,781
<b>Expenditure from operating activities</b>				
Governance		(158,923)	(204,255)	(335,916)
General purpose funding		(250)	0	(34,533)
Law, order, public safety		(6,219)	(7,547)	(60,426)
Health		(270,545)	(365,805)	(464,038)
Education and welfare		(346,056)	(439,302)	(733,404)
Housing		(339,255)	(420,585)	(305,636)
Community amenities		(603,952)	(879,116)	(443,769)
Recreation and culture		(623,525)	(839,685)	(834,993)
Transport		(3,300,367)	(2,717,655)	(3,234,955)
Economic services		(19,635)	(163,098)	(130,491)
Other property and services		(101)	0	(174,467)
		(5,668,828)	(6,037,048)	(6,752,628)
Non-cash amounts excluded from operating activities	23(a)	1,543,264	971,450	1,612,753
<b>Amount attributable to operating activities</b>		4,859,331	1,567,329	4,033,831
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions	2(a)	2,755,744	3,368,563	4,488,897
Proceeds from disposal of assets	11(a)	137,256	52,100	319,566
Purchase of property, plant and equipment	9(a)	(119,608)	(174,000)	(137,130)
Purchase and construction of infrastructure	10(a)	(3,540,022)	(3,965,943)	(4,770,837)
<b>Amount attributable to investing activities</b>		(766,630)	(719,280)	(99,504)
<b>FINANCING ACTIVITIES</b>				
Transfers to reserves (restricted assets)	4	(1,794,936)	(1,060,341)	(1,809,719)
Transfers from reserves (restricted assets)	4	0	0	619,116
<b>Amount attributable to financing activities</b>		(1,794,936)	(1,060,341)	(1,190,603)
<b>Surplus/(deficit) before imposition of general rates</b>		2,297,765	(212,292)	2,743,724
<b>Total amount raised from general rates</b>	22(a)	228,009	212,292	191,338
<b>Surplus/(deficit) after imposition of general rates</b>	23(b)	<b>2,525,774</b>	<b>0</b>	<b>2,935,062</b>

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

**SHIRE OF NGAANYATJARRAKU**  
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**FOR THE YEAR ENDED 30 JUNE 2020**

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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.

### **AMENDMENTS TO LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996**

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

From 1 July 2019, the Shire has applied AASB 16 *Leases* which requires leases to be included by lessees in the statement of financial position. Also, the *Local Government (Financial Management) Regulations 1996* have been amended to specify that vested land is a right-of-use asset to be measured at cost. All right-of-use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost (i.e. not included in the statement of financial position) rather than at fair value. The exception is vested improvements on concessionary land leases such as roads, buildings or other infrastructure which continue to be reported at fair value, as opposed to the vested land which is measured at zero cost. The measurement of vested improvements at fair value is a departure from AASB 16 which would have required the Shire to measure any vested improvements at zero cost.

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

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

### **NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE YEARS**

On 1 July 2020 the following new accounting standards are to be adopted:

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

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

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

### **CRITICAL ACCOUNTING ESTIMATES**

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

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

### **THE LOCAL GOVERNMENT REPORTING ENTITY**

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

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

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

**2. REVENUE AND EXPENSES**

**REVENUE RECOGNITION POLICY**

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

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

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

## 2. REVENUE AND EXPENSES

### (a) Grant revenue

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

	2020 Actual	2020 Budget	2019 Actual
	\$	\$	\$
<b>Operating grants, subsidies and contributions</b>			
Governance	2,094	2,500	2,474
General purpose funding	3,129,242	1,628,059	3,216,647
Health	0	0	108,107
Education and welfare	154,686	154,500	281,339
Community amenities	10,000	0	7,500
Recreation and culture	371	0	550
Transport	2,308,131	1,558,402	1,747,174
Economic services	0	30,000	0
Other property and services	0	0	96,098
	5,604,524	3,373,461	5,459,889
<b>Non-operating grants, subsidies and contributions</b>			
Transport	2,755,744	3,368,563	4,488,897
	2,755,744	3,368,563	4,488,897
<b>Total grants, subsidies and contributions</b>	8,360,268	6,742,024	9,948,786
<b>Fees and charges</b>			
Governance	562	0	60
General purpose funding	0	0	413
Health	260	400	0
Education and welfare	48,000	0	500
Housing	147,854	135,000	22,209
Community amenities	85,734	105,736	103,473
Recreation and culture	205,300	240,000	227,164
Economic services	1,150	4,000	14,275
	488,860	485,136	368,094

### 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 NGAANYATJARRAKU  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

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

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

	2020 Actual \$	2020 Budget \$	2019 Actual \$
Fees and charges	488,860	485,136	368,094
Other revenue	36,219	65,915	35,248
Non-operating grants, subsidies and contributions	2,755,744	3,368,563	4,488,897
	3,280,823	3,919,614	4,892,239

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

Contracts with customers included as a contract liability at the start of the period	256,574	256,574	0
Other revenue from contracts with customers recognised during the year	525,079	551,051	0
Other revenue from performance obligations satisfied during the year	2,499,170	3,111,989	0
	3,280,823	3,919,614	0

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

Trade and other receivables from contracts with customers	33,797	0	0
Contract liabilities from contracts with customers	(317,137)	0	0

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

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

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

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

**SHIRE OF NGAANYATJARRAKU**  
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**2. REVENUE AND EXPENSES (Continued)**

**(a) Revenue (Continued)**

**Revenue from statutory requirements**

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

**General rates**

**Other revenue**

Reimbursements and recoveries

Other

**Interest earnings**

Interest on reserve funds

Rates instalment and penalty interest (refer Note 22(b))

Other interest earnings

	2020 Actual	2020 Budget	2019 Actual
	\$	\$	\$
General rates	228,009	212,292	191,338
	228,009	212,292	191,338
Other revenue			
Reimbursements and recoveries	36,219	65,915	35,248
Other	62,811	0	56,479
	99,030	65,915	91,727
Interest earnings			
Interest on reserve funds	32,152	25,000	15,857
Rates instalment and penalty interest (refer Note 22(b))	1,311	0	7,890
Other interest earnings	27,637	25,000	14,240
	61,100	50,000	37,987

**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.

**Interest earnings (continued)**

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

SHIRE OF NGAANYATJARRAKU  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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2. REVENUE AND EXPENSES (Continued)

(b) Expenses

Auditors remuneration

- Audit of the Annual Financial Report

Note	2020 Actual \$	2020 Budget \$	2019 Actual \$
	24,160	23,000	21,000
	24,160	23,000	21,000

SHIRE OF NGAANYATJARRAKU  
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### 3. CASH AND CASH EQUIVALENTS

NOTE	2020	2019
	\$	\$
Cash at bank and on hand	3,063,698	1,443,040
Term deposits	3,838,873	3,493,937
<b>Total cash and cash equivalents</b>	<b>6,902,571</b>	<b>4,936,977</b>
<b>Restrictions</b>		
requirements which limit or direct the purpose for which the resources may be used:		
- Cash and cash equivalents	4,156,010	2,300,511
	<b>4,156,010</b>	<b>2,300,511</b>

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

Reserves - cash backed	4	3,838,873	2,043,937
Contract liabilities from contracts with customers	15	317,137	0
Unspent grants, subsidies and contributions		0	256,574
<b>Total restricted assets</b>		<b>4,156,010</b>	<b>2,300,511</b>

#### SIGNIFICANT ACCOUNTING POLICIES

##### Cash and cash equivalents

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

##### Restricted assets

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

**SHIRE OF NGAANYATJARRAKU**  
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**4. RESERVES - CASH BACKED**

	2020 Actual Opening Balance	2020 Actual Transfer to	2020 Actual Transfer (from)	2020 Actual Closing Balance	2020 Budget Opening Balance	2020 Budget Transfer to	2020 Budget Transfer (from)	2020 Budget Closing Balance	2019 Actual Opening Balance	2019 Actual Transfer to	2019 Actual Transfer (from)	2019 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Employee Entitlement Reserve	304,650	5,172	0	309,822	304,650	0	0	304,650	0	304,650	0	304,650
(b) Asset Replacement, Acquisition and Development Reserve	1,732,367	1,789,646	0	3,522,013	1,732,367	1,060,341	0	2,792,708	846,604	1,504,879	(619,116)	1,732,367
(c) Cultural Centre Reserve	6,920	118	0	7,038	6,920	0	0	6,920	6,730	190	0	6,920
	2,043,937	1,794,936	0	3,838,873	2,043,937	1,060,341	0	3,104,278	853,334	1,809,719	(619,116)	2,043,937

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

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

Name of Reserve	Anticipated date of use	Purpose of the reserve
(a) Employee Entitlement Reserve	Ongoing	Established to fund a portion of future commitments for employee entitlements incurred as a result of employing staff and workers in relation to leave entitlements.
(b) Asset Replacement, Acquisition and Development Reserve	Ongoing	To provide and replace the necessary equipment, furniture, plant, buildings and infrastructure comprising of roads, drains, footpaths and recreational reserves.
(c) Cultural Centre Reserve	Ongoing	To provide for the successful operation of the Cultural Centre as provided for in clause 8.2 of the management deed between the Shire of Ngaanyatjarraku, Warburton Community Incorporated and the Ngaanyatjarra Council (Aboriginal Corporation), transfers to the reserve represent surplus funds from the day to day operations of the Cultural Centre after deducting costs incurred by the Shire.

**SHIRE OF NGAANYATJARRAKU**  
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**5. OTHER FINANCIAL ASSETS**

**(a) Non-current assets**

Financial assets at fair value through profit and loss

	2020	2019
	\$	\$
	35,034	35,034
	35,034	35,034
	35,034	35,034
	35,034	35,034

**Financial assets at fair value through profit and loss**

Units in Local Government House Trust

**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 24.

## 6. TRADE AND OTHER RECEIVABLES

### Current

Rates receivable

Trade and other receivables

GST receivable

2020	2019
\$	\$
4,833	0
33,797	269,354
23,462	48,162
62,092	317,516

### 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 24.

### SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Classification and subsequent measurement

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

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

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

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

## 7. INVENTORIES

### Current

Fuel and materials

The following movements in inventories occurred during the year:

### Carrying amount at beginning of period

Inventories expensed during the year

Additions to inventory

### Carrying amount at end of period

	2020	2019
	\$	\$
	50,497	71,223
	50,497	71,223
	71,223	72,199
	(35,486)	(976)
	14,760	0
	50,497	71,223

## SIGNIFICANT ACCOUNTING POLICIES

### General

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

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



SHIRE OF NGAANYATJARRAKU  
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## 8. OTHER ASSETS

### Other assets - current

Accrued income

2020	2019
\$	\$
3,525	27,535
3,525	27,535

### SIGNIFICANT ACCOUNTING POLICIES

#### Other current assets

Other non-financial assets include accrued income which represent expenditure that has been incurred for which the related revenue has not yet been receipted.

## 9. PROPERTY, PLANT AND EQUIPMENT

### (a) Movements in Carrying Amounts

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

	Buildings	Total Buildings	Furniture and equipment	Plant and equipment	Total property, plant and equipment
	\$	\$	\$	\$	\$
<b>Balance at 1 July 2018</b>	7,590,204	7,590,204	58,441	899,311	8,547,956
Additions	63,512	63,512	0	73,618	137,130
(Disposals)	0	0	0	(244,310)	(244,310)
Impairment (losses) / reversals	(215,242)	(215,242)	(14,801)	(30,845)	(260,888)
Depreciation (expense)	(154,822)	(154,822)	(15,642)	(176,472)	(346,936)
<b>Carrying amount at 30 June 2019</b>	7,283,652	7,283,652	27,998	521,302	7,832,952
<b>Comprises:</b>					
Gross carrying amount at 30 June 2019	8,816,589	8,816,589	187,426	2,268,015	11,272,030
Accumulated depreciation at 30 June 2019	(1,532,937)	(1,532,937)	(159,428)	(1,746,713)	(3,439,078)
<b>Carrying amount at 30 June 2019</b>	7,283,652	7,283,652	27,998	521,302	7,832,952
Additions	73,842	73,842	0	45,766	119,608
(Disposals)	0	0	0	(173,908)	(173,908)
Depreciation (expense)	(151,607)	(151,607)	(10,389)	(110,885)	(272,881)
<b>Carrying amount at 30 June 2020</b>	7,205,887	7,205,887	17,609	282,275	7,505,771
<b>Comprises:</b>					
Gross carrying amount at 30 June 2020	8,890,431	8,890,431	187,426	2,024,125	11,101,982
Accumulated depreciation at 30 June 2020	(1,684,544)	(1,684,544)	(169,817)	(1,741,850)	(3,596,211)
<b>Carrying amount at 30 June 2020</b>	7,205,887	7,205,887	17,609	282,275	7,505,771

SHIRE OF NGAANYATJARRAKU  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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9. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Buildings	Level 3	Cost Approach Using Depreciated Replacement Cost	Management Valuation	June 2017	Construction costs based on recent contract prices, current condition, residual values and remaining useful life assessments.
Furniture and equipment	Level 3	Cost Approach Using Depreciated Replacement Cost	Management Valuation	June 2016	Purchase costs of similar assets adjusted for condition and comparability, residual values and remaining useful life assessments.
Plant and equipment	Level 3	Cost Approach Using Depreciated Replacement Cost	Management Valuation	June 2016	Purchase costs of similar assets adjusted for condition and comparability, residual values and remaining useful life assessments.

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

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

Following a change to *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 is effective from 1 July 2019 and represents a change in accounting policy.

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

## 10. INFRASTRUCTURE

### (a) Movements in Carrying Amounts

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

	Infrastructure - roads	Other infrastructure - Recreation Infrastructure	Other infrastructure	Total Infrastructure
	\$	\$	\$	\$
<b>Balance at 1 July 2018</b>	98,226,924	111,026	0	98,337,950
Additions	4,770,837	0	0	4,770,837
Depreciation (expense)	(1,071,402)	(2,221)	0	(1,073,623)
<b>Carrying amount at 30 June 2019</b>	101,926,359	108,805	0	102,035,164
<b>Comprises:</b>				
Gross carrying amount at 30 June 2019	118,787,092	412,993	0	119,200,085
Accumulated depreciation at 30 June 2019	(16,860,733)	(304,188)	0	(17,164,921)
<b>Carrying amount at 30 June 2019</b>	101,926,359	108,805	0	102,035,164
Additions	3,309,785	26,056	204,181	3,540,022
Depreciation (expense)	(1,237,033)	(2,219)	0	(1,239,252)
<b>Carrying amount at 30 June 2020</b>	103,999,111	132,642	204,181	104,335,934
<b>Comprises:</b>				
Gross carrying amount at 30 June 2020	122,096,877	439,049	204,181	122,740,107
Accumulated depreciation at 30 June 2020	(18,097,766)	(306,407)	0	(18,404,173)
<b>Carrying amount at 30 June 2020</b>	103,999,111	132,642	204,181	104,335,934

SHIRE OF NGAANYATJARRAKU  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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10. INFRASTRUCTURE (Continued)

(b) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Infrastructure - roads	Level 3	Cost Approach Using Depreciated Replacement Cost	Management Valuation	June 2018	Construction costs based on recent contract prices, current condition, residual values and remaining useful life assessments.
Other infrastructure - Recreation Infrastructure	Level 3	Cost Approach Using Depreciated Replacement Cost	Management Valuation	June 2018	Construction costs based on recent contract prices, current condition, residual values and remaining useful life assessments.

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

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

**SHIRE OF NGAANYATJARRAKU**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**11. FIXED ASSETS**

**SIGNIFICANT ACCOUNTING POLICIES**

**Fixed assets**

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

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

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

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

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

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

**Revaluation**

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

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.

**AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY**

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

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

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

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

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

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

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

Whilst such treatment is inconsistent with the requirements of *AASB 1051, Local Government (Financial Management) Regulation 4(2)* provides, in the event of such an inconsistency, the *Local Government (Financial Management) Regulations* prevail. Consequently, any land under roads acquired on or after 1 July 2008 was not included as an asset of the Shire.

**Land under roads from 1 July 2019**

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

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

**Vested improvements from 1 July 2019**

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

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

**SHIRE OF NGAANYATJARRAKU**  
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**11. FIXED ASSETS**

**(a) Disposals of Assets**

	2020 Actual Net Book Value	2020 Actual Sale Proceeds	2020 Actual Profit	2020 Actual Loss	2020 Budget Net Book Value	2020 Budget Sale Proceeds	2020 Budget Profit	2020 Budget Loss	2019 Actual Net Book Value	2019 Actual Sale Proceeds	2019 Actual Profit	2019 Actual Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Plant and equipment	173,908	137,256	20,630	(57,282)	118,500	52,100	0	(66,400)	244,310	319,566	87,202	(11,946)
	173,908	137,256	20,630	(57,282)	118,500	52,100	0	(66,400)	244,310	319,566	87,202	(11,946)

The following assets were disposed of during the year.

	2020 Actual Net Book Value	2020 Actual Sale Proceeds	2020 Actual Profit	2020 Actual Loss
	\$	\$	\$	\$
<b>Plant and Equipment</b>				
<b>Governance</b>				
2013 Nissan Navara 1EH1533	7,486	10,000	2,514	0
2014 Toyota Landcruiser 200s	19,667	26,491	6,824	0
2018 Toyota Troopcarrier	43,330	45,939	2,609	0
2014 Toyota Landcruiser 200s	21,909	23,309	1,400	0
2013 Toyota Prado	15,949	22,954	7,005	0
Mitsubishi Canter Rubbish Truck	1,971	2,249	278	0
<b>Transport</b>				
2014 Nissan Navara	8,468	6,314	0	(2,154)
2013 Isuzu NPR300 Rubbish Truck	27,568	0	0	(27,568)
2009 Isuzu NPR300 Rubbish Truck	13,780	0	0	(13,780)
2010 Isuzu NPR300 Rubbish Truck	13,780	0	0	(13,780)
	173,908	137,256	20,629	(57,282)
	173,908	137,256	20,629	(57,282)

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## 11. FIXED ASSETS

### (b) Depreciation

	2020 Actual	2020 Budget	2019 Actual
	\$	\$	\$
Buildings	151,607	104,147	154,822
Furniture and equipment	10,389	3,974	15,642
Plant and equipment	110,885	106,628	176,472
Infrastructure - roads	1,237,033	690,301	1,071,402
Other infrastructure - Recreation Infrastructure	2,219	0	2,221
	1,512,133	905,050	1,420,559

### 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	50 years
Furniture and equipment	4 years
Plant and equipment	5 to 7 years
Sealed roads and streets formation	not depreciated
pavement	8 to 31 years
seal	
- bituminous seals	3 to 20 years
- asphalt surfaces	3 to 20 years
Gravel roads formation	not depreciated
pavement	8 to 31 years
kerb	6 to 14 years

#### Depreciation on revaluation

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

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

#### Amortisation

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

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

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



## 12. LEASES

The Shire does not have any leases relating to plant and equipment.

### SIGNIFICANT ACCOUNTING POLICIES

#### Leases

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

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

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

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

#### Right-of-use assets - valuation

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

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

#### Right-of-use assets - depreciation

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

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**13. REVALUATION SURPLUS**

	2020 Opening Balance \$	2020 Revaluation Increment \$	2020 Revaluation (Decrement) \$	Total Movement on Revaluation \$	2020 Closing Balance \$	2019 Opening Balance \$	2019 Revaluation Increment \$	2019 Revaluation (Decrement) \$	Total Movement on Revaluation \$	2019 Closing Balance \$
Revaluation surplus - Buildings	4,052,570	0	0	0	4,052,570	4,052,570	0	0	0	4,052,570
Revaluation surplus - Plant and equipment	190,407	0	0	0	190,407	190,407	0	0	0	190,407
Revaluation surplus - Infrastructure - roads	49,024,610	0	0	0	49,024,610	49,024,610	0	0	0	49,024,610
	53,267,587	0	0	0	53,267,587	53,267,587	0	0	0	53,267,587

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

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## 14. TRADE AND OTHER PAYABLES

### Current

Sundry creditors  
Accrued salaries and wages  
Accrued expenses

2020	2019
\$	\$
13,715	134,788
21,638	59,882
147,322	6,720
182,675	201,390

### SIGNIFICANT ACCOUNTING POLICIES

#### Trade and other payables

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

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

#### Prepaid rates

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

## 15. CONTRACT LIABILITIES

### Current

Contract liabilities from contracts with customers

2020	2019
\$	\$
317,137	0
317,137	0

### SIGNIFICANT ACCOUNTING POLICIES

#### Contract Liabilities

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

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

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

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**16. EMPLOYEE RELATED PROVISIONS**

**(a) Employee Related Provisions**

	Provision for Annual Leave \$	Provision for Long Service Leave \$	Provision for Isolation Leave	Total \$
<b>Opening balance at 1 July 2019</b>				
Current provisions	84,911	75,066	12,885	172,862
Non-current provisions	0	24,262	0	24,262
	<b>84,911</b>	<b>99,328</b>	<b>12,885</b>	<b>197,124</b>
<b>Amounts used</b>	<b>(53,335)</b>	<b>(30,292)</b>	<b>(5,704)</b>	<b>(89,331)</b>
<b>Amounts accrued</b>	<b>42,487</b>	<b>19,701</b>	<b>2,986</b>	<b>65,174</b>
<b>Balance at 30 June 2020</b>	<b>74,063</b>	<b>88,737</b>	<b>10,167</b>	<b>172,967</b>
<b>Comprises</b>				
Current	74,063	69,996	10,167	154,226
Non-current	0	18,741	0	18,741
	<b>74,063</b>	<b>88,737</b>	<b>10,167</b>	<b>172,967</b>

	2020 \$	2019 \$
<b>Amounts are expected to be settled on the following basis:</b>		
Less than 12 months after the reporting date	84,230	106,439
More than 12 months from reporting date	99,980	101,928
Expected reimbursements from other WA local governments	(11,243)	(11,243)
	<b>172,967</b>	<b>197,124</b>

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

**SIGNIFICANT ACCOUNTING POLICIES**

**Employee benefits**

**Short-term employee benefits**

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

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

**Other long-term employee benefits**

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

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

**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.

## 17. NOTES TO THE STATEMENT OF CASH FLOWS

### Reconciliation of Cash

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

	2020 Actual \$	2020 Budget \$	2019 Actual \$
Cash and cash equivalents	6,902,571	3,192,054	4,936,977
<b>Reconciliation of Net Cash Provided By Operating Activities to Net Result</b>			
Net result	3,621,332	1,583,201	4,037,388
Non-cash flows in Net result:			
Depreciation on non-current assets	1,512,133	905,050	1,420,559
(Profit)/loss on sale of asset	36,652	66,400	(75,256)
Loss on asset written-off	0	0	260,888
Changes in assets and liabilities:			
(Increase)/decrease in receivables	255,424	0	864,573
(Increase)/decrease in other assets	24,010	0	255,261
(Increase)/decrease in inventories	20,726	0	976
Increase/(decrease) in payables	(18,715)	(212,686)	(252,549)
Increase/(decrease) in provisions	(24,157)	0	(156,309)
Increase/(decrease) in contract liabilities	60,563	0	0
Non-operating grants, subsidies and contributions	(2,755,744)	(3,368,563)	(4,488,897)
Net cash from operating activities	2,732,224	(1,026,598)	1,866,634

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**18. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY**

	2020	2019
	\$	\$
Governance	397,423	78,455
General purpose funding	4,833	0
Law, order, public safety	4,942	6,763
Health	82,698	121,744
Education and welfare	1,216,664	1,247,508
Housing	4,572,361	4,663,984
Community amenities	106,379	148,702
Recreation and culture	1,617,391	1,514,725
Transport	104,306,689	101,959,578
Economic services	333	0
Other property and services	0	126,656
Unallocated	6,585,711	5,388,286
	118,895,424	115,256,401

## 19. CONTINGENT LIABILITIES

The Council did not have any contingent liabilities as at 30 June 2020.



## 20. RELATED PARTY TRANSACTIONS

### Elected Members Remuneration

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

	2020 Actual	2020 Budget	2019 Actual
	\$	\$	\$
Meeting fees	16,300	20,300	16,900
President's allowance	4,000	4,000	4,000
Deputy President's allowance	927	1,000	1,000
Travelling expenses	550	8,500	3,654
	21,777	33,800	25,554

### Key Management Personnel (KMP) Compensation Disclosure

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

	2020 Actual	2019 Actual
	\$	\$
Short-term employee benefits	219,353	326,864
Post-employment benefits	20,838	32,148
Other long-term benefits	2,622	578
Termination benefits	0	152,743
	242,813	512,333

#### *Short-term employee benefits*

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

#### *Post-employment benefits*

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

#### *Other long-term benefits*

These amounts represent long service benefits accruing during the year.

#### *Termination benefits*

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

## 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.

For the years ended 30 June 2020 and 2019, there were no transactions with related parties noted.

### Related Parties

#### The Shire's main related parties are as follows:

##### *i. Key management personnel*

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

##### *ii. Other Related Parties*

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

##### *iii. Entities subject to significant influence by the Shire*

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

## 21. INVESTMENT IN JOINT ARRANGEMENTS

### (a) Share of joint operations

The Shire together with the Shire of Coolgardie, Dundas, Esperance, Laverton, Leonora, Menzies, Ravensthorpe, Kalgoorlie-Boulder and Wiluna have a joint venture arrangement with regards to the provision of a Regional Records Service. The assets included in the joint venture are recorded as one-tenth share as follows:

#### Non-current Assets

Land and buildings (FV 2017)	72,500	72,500
Less: accumulated depreciation	(5,438)	(3,624)
	67,062	68,876
Furniture & Equipment	4,200	8,204
Less: accumulated depreciation	(2,016)	(2,707)
	2,184	5,497
Plant & Equipment	8,200	4,182
Less: accumulated depreciation	(3,608)	(1,512)
	4,592	2,670
Light Vehicles	3,200	3,200
Less: accumulated depreciation	(1,920)	(1,440)
	1,280	1,760
<b>Total Assets</b>	<b>75,118</b>	<b>78,803</b>

#### SIGNIFICANT ACCOUNTING POLICIES

##### Interests in joint arrangements

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

##### Interests in joint arrangements (Continued)

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

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**22. RATING INFORMATION**

**(a) Rates**

**RATE TYPE**

Differential general rate / general rate

**Unimproved valuations**

**Sub-Total**

**Minimum payment**

**Unimproved valuations**

**Sub-Total**

**Total amount raised from general rate**

Ex-gratia rates

**Totals**

Rate in \$	Number of Properties	2019/20 Actual Rateable Value \$	2019/20 Actual Rate Revenue \$	2019/20 Actual Interim Rates \$	2019/20 Actual Back Rates \$	2019/20 Actual Total Revenue \$	2019/20 Budget Rate Revenue \$	2019/20 Budget Interim Rate \$	2019/20 Budget Back Rate \$	2019/20 Budget Total Revenue \$	2018/19 Actual Total Revenue \$
0.21	34	1,007,412	211,557	15,715	2	227,274	211,557	0	0	211,557	190,603
	34	1,007,412	211,557	15,715	2	227,274	211,557	0	0	211,557	190,603
Minimum \$											
245	3	2,384	735	0	0	735	735	0	0	735	735
	3	2,384	735	0	0	735	735	0	0	735	735
	37	1,009,796	212,292	15,715	2	228,009	212,292	0	0	212,292	191,338
						228,009				212,292	191,338
						32,263				64,882	64,882
						260,272				277,174	256,220

**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.

## 22. RATING INFORMATION (Continued)

### (b) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
<b>Option One</b>				
Single full payment	1/11/2019	0.00	0.00%	11.00%
<b>Option Two</b>				
First instalment	1/11/2019	0.00	0.00%	11.00%
Second instalment	2/01/2020	0.00	0.00%	11.00%
<b>Option Three</b>				
First instalment	1/11/2019	0.00	0.00%	11.00%
Second instalment	2/01/2020	0.00	0.00%	11.00%
Third instalment	3/03/2020	0.00	0.00%	11.00%
Fourth instalment	4/05/2020	0.00	0.00%	11.00%

	2020 Actual \$	2020 Budget \$	2019 Actual \$
Interest on unpaid rates	1,311	0	7,890
	1,311	0	7,890

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**23. RATE SETTING STATEMENT INFORMATION**

		2019/20 Budget (30 June 2020 Carried Forward)	2019/20 (1 July 2019 Brought Forward)	2018/19 (30 June 2019 Carried Forward)
Note		\$	\$	\$
<b>(a) Non-cash amounts excluded from operating activities</b>				
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .				
<b>Adjustments to operating activities</b>				
	Less: Profit on asset disposals	11(a)	(20,630)	0
	Movement in employee benefit provisions (non-current)		(5,521)	(87,202)
	Add: Loss on disposal of assets	11(a)	57,282	6,562
	Add: Depreciation on non-current assets	11(b)	1,512,133	272,834
	<b>Non cash amounts excluded from operating activities</b>		<b>1,543,264</b>	<b>1,420,559</b>
			971,450	1,612,753
<b>(b) Surplus/(deficit) after imposition of general rates</b>				
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.				
<b>Adjustments to net current assets</b>				
	Less: Reserves - cash backed	4	(3,838,873)	(3,104,278)
	<b>Total adjustments to net current assets</b>		<b>(3,838,873)</b>	<b>(2,043,937)</b>
			(3,104,278)	(2,043,937)
<b>Net current assets used in the Rate Setting Statement</b>				
	Total current assets		7,018,685	3,608,334
	Less: Total current liabilities		(654,038)	(504,056)
	Less: Total adjustments to net current assets		(3,838,873)	(630,826)
	<b>Net current assets used in the Rate Setting Statement</b>		<b>2,525,774</b>	<b>2,935,062</b>
			0	2,678,488
<b>(c) Adjustments to current assets and liabilities at 1 July 2019 on application of new accounting standards</b>				
<b>Total current assets at 30 June 2019</b>				
	- Contract assets	25(a)		5,353,251
	<b>Total current assets at 1 July 2019</b>			<b>0</b>
				5,353,251
<b>Total current liabilities at 30 June 2019</b>				
	- Contract liabilities from contracts with customers	25(b)		(374,252)
	<b>Total current liabilities at 1 July 2019</b>			<b>(256,574)</b>
				(630,826)

## 24. 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 \$
<b>2020</b>					
Cash and cash equivalents	0.81%	6,902,571	3,838,873	3,061,198	2,500
<b>2019</b>					
Cash and cash equivalents	1.43%	4,936,977	3,493,937	1,440,540	2,500

#### Sensitivity

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

Impact of a 1% movement in interest rates on profit and loss and equity\*

2020	2019
\$	\$
69,026	49,370

\* Holding all other variables constant

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24. 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. The Shire is also able to charge interest on overdue rates and annual charges at higher than market rates, which further encourages 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 2019 or 1 July 2020 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as the ability of ratepayers and residents to settle the receivables. Housing prices and unemployment rates have been identified as the most relevant factor in repayment rates, and accordingly adjustments are made to the expected credit loss rate based on these factors. There are no material receivables that have been subject to a re-negotiation of repayment terms.

	Current	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total
<b>30 June 2020</b>					
Rates receivable					
Expected credit loss					
Gross carrying amount	0.00%	0.00%	0.00%	0.00%	
Loss allowance	4,833	0	0	0	4,833
	0	0	0	0	0
<b>30 June 2019</b>					
Rates receivable					
Expected credit loss					
Gross carrying amount	0.00%	0.00%	0.00%	0.00%	
Loss allowance	0	0	0	0	0
	0	0	0	0	0

The loss allowance as at 30 June 2020 and 30 June 2019 was determined as follows for trade receivables.

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
<b>30 June 2020</b>					
Trade and other receivables					
Expected credit loss					
Gross carrying amount	0.00%	0.00%	0.00%	0.00%	
Loss allowance	33,180	617	0	0	33,797
	0	0	0	0	0
<b>30 June 2019</b>					
Trade and other receivables					
Expected credit loss					
Gross carrying amount	0.00%	0.00%	0.00%	0.00%	
Loss allowance	244,103	10,016	0	15,235	269,354
	0	0	0	0	0



## 24. 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.

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
	\$	\$	\$	\$	\$
<b>2020</b>					
Payables	182,675	0	0	182,675	182,675
Contract liabilities	317,137	0	0	317,137	317,137
	499,812	0	0	499,812	499,812
<b>2019</b>					
Payables	201,390	0	0	201,390	201,390
	201,390	0	0	201,390	201,390

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

**25. INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS**

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

**(a) AASB 15: Revenue from Contracts with Customers**

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

	Note	AASB 118 carrying amount 30 June 2019 \$	Reclassification \$	AASB 15 carrying amount 01 July 2019 \$
<b>Contract liabilities - current</b>				
Contract liabilities from contracts with customers	15	0	0	0
Adjustment to retained surplus from adoption of AASB 15	25(d)		0	

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

The Shire adopted AASB 1058 Income for Not-for-Profit Entities (issued December 2016) on 1 July 2019 which will result in changes in accounting policies. In accordance with the transition provisions AASB 1058, the Shire adopted the new rules retrospectively with the cumulative effect of initially applying AASB 1058 recognised at 1 July 2019. Comparative information for prior reporting periods was not restated in accordance with AASB 1058 transition requirements.

In applying AASB 1058 retrospectively with the cumulative effect of initially applying the Standard on 1 July 2019 changes occurred to the following financial statement line items by application of AASB 1058 as compared to AASB 118: Revenue and AASB 1004: Contributions before the change:

	Note	AASB 118 and AASB 1004 carrying amount 30 June 2019 \$	Reclassification \$	AASB 1058 carrying amount 01 July 2019 \$
<b>Trade and other payables</b>				
Trade and other payables	14	201,390	0	201,390
Contract liabilities from transfers for recognisable non financial assets	15	0	(256,574)	(256,574)
Adjustment to retained surplus from adoption of AASB 1058	25(d)		(256,574)	

Prepaid rates are, until the taxable event for the rates has occurred, refundable at the request of the ratepayer. Therefore the rates received in advance gave rise to a financial liability that is within the scope of AASB 9. On 1 July 2019 the prepaid rates were recognised as a financial asset and a related amount recognised as a financial liability and no income recognised by the Shire. When the taxable event occurred, the financial liability was extinguished and the Shire recognised income for the prepaid rates that have not been refunded.

Assets that were acquired for consideration, that were significantly less than fair value principally to enable the Shire to further its objectives, may have been measured on initial recognition under other Australian Accounting Standards at a cost that was significantly less than fair value. Such assets are not required to be remeasured at fair value.

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

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

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

		2020 \$		2020 \$
	Note	As reported under AASB 15 and AASB 1058	Adjustment due to application of AASB 15 and AASB 1058	Compared to AASB 118 and AASB 1004
<b>Statement of Comprehensive Income</b>				
<b>Revenue</b>				
Rates	22(a)	260,272	0	260,272
Operating grants, subsidies and contributions	2(a)	5,604,524	317,137	5,921,661
Fees and charges	2(a)	488,860	0	488,860
Non-operating grants, subsidies and contributions	2(a)	2,755,744	0	2,755,744
Net result		3,621,332	317,137	3,938,469
<b>Statement of Financial Position</b>				
Trade and other payables	14	182,675	0	182,675
Contract liabilities	15	317,137	(317,137)	0
Net assets		118,222,645	317,137	118,539,782
<b>Statement of Changes in Equity</b>				
Net result		3,621,332	317,137	3,938,469
Retained surplus		61,116,185	317,137	61,433,322

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

**(c) AASB 16: Leases**

The Shire adopted AASB 16 retrospectively from 1 July 2019 which resulted in changes in accounting policies. In accordance with the transition provisions of AASB 16, the Shire has applied this Standard to its leases retrospectively, with the cumulative effect of initially applying AASB16 recognised on 1 July 2019. In applying AASB 16, under the specific transition provisions chosen, the Shire will not restate comparatives for prior reporting periods.

On adoption of AASB 16 the Shire did not have any leases which had previously been classified as an operating lease applying AASB 117. Therefore the net impact on retained earnings on 1 July 2019 was \$ nil.

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

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

	Note	Adjustments	2019 \$
Retained surplus - 30 June 2019			59,546,363
Adjustment to retained surplus from adoption of AASB 15	25(a)	0	
Adjustment to retained surplus from adoption of AASB 16	25(c)	0	
Adjustment to retained surplus from adoption of AASB 1058	25(b)	(256,574)	(256,574)
Retained surplus - 1 July 2019			59,289,789

There was no impact on the Shire's opening revaluation surplus resulting from *Local Government (Financial Management) Regulation 16* being deleted and the amendments to *Local Government (Financial Management) Regulation 17A* as at 1 July 2019.

# SHIRE OF NGAANYATJARRAKU

## NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

### FOR THE YEAR ENDED 30 JUNE 2020

## 26. OTHER SIGNIFICANT ACCOUNTING POLICIES

### a) Goods and services tax (GST)

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

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

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

### b) Current and non-current classification

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

### c) Rounding off figures

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

### d) Comparative figures

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

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

### e) Budget comparative figures

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

### f) Superannuation

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

### g) Fair value of assets and liabilities

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

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

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

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

### h) Fair value hierarchy

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

#### Level 1

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

#### Level 2

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

#### Level 3

Measurements based on unobservable inputs for the asset or liability.

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

### Valuation techniques

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

#### Market approach

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

#### Income approach

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

#### Cost approach

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

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

### i) Impairment of assets

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

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

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

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

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

**27. ACTIVITIES/PROGRAMS**

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

<b>PROGRAM NAME AND OBJECTIVES</b>	<b>ACTIVITIES</b>
<b>GOVERNANCE</b> To provide a decision-making process for the efficient allocation of scarce resources.	Includes the activities of members of council and the administrative support available to the council for the provision of governance of the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific council services.
<b>GENERAL PURPOSE FUNDING</b> To collect revenue to allow for the provision of services.	Rates, general purpose government grants and interest revenue.
<b>LAW, ORDER, PUBLIC SAFETY</b> To provide services to help ensure a safer and environmentally conscious community.	Supervision and enforcement of various local laws relating to fire prevention and other aspects of public safety including emergency services.
<b>HEALTH</b> To provide an operational framework for environmental and community health.	Inspection of food outlets and their control, provision of meat inspection services, noise control and a waste pick-up service.
<b>EDUCATION AND WELFARE</b> To provide services to children and youth.	Maintenance of playgroup centre (early years learning) and operation of youth services.
<b>HOUSING</b> To provide and maintain staff housing.	Provision and maintenance of staff housing.
<b>COMMUNITY AMENITIES</b> To provide services required by the community.	Rubbish collection services, litter control, storm water maintenance and protection of the environment.
<b>RECREATION AND CULTURE</b> To establish and effectively manage infrastructure and resources which will help the social well being of the community.	Maintenance of public halls, civic centre, aquatic centre, recreation centres and various sporting facilities. Provision and maintenance of parks and playgrounds. Operation of other cultural facilities.
<b>TRANSPORT</b> To provide safe, effective and efficient transport services to the community.	Construction and maintenance of roads, streets, footpaths, depots and traffic control. Cleaning of streets and maintenance of street trees.
<b>ECONOMIC SERVICES</b> To help promote the Shire and it's economic wellbeing.	Tourism and area promotion, provision of rural services including weed and vermin control.
<b>OTHER PROPERTY AND SERVICES</b> To monitor and control council's overheads operating accounts.	Private works operation, plant repair and operation costs and administrative costs.

## 28. FINANCIAL RATIOS

	2020 Actual	2019 Actual	2018 Actual
Current ratio	14.85	15.16	4.89
Asset consumption ratio	0.84	0.84	0.73
Asset renewal funding ratio	1.41	1.57	N/A
Asset sustainability ratio	1.72	2.39	1.60
Debt service cover ratio (Note 1)	N/A	N/A	N/A
Operating surplus ratio	1.00	(0.58)	(3.53)
Own source revenue coverage ratio	0.15	0.12	0.11

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

Note 1 The Shire does not have any borrowings, therefore this ratio is not calculated.

19 November 2020

Mr Kevin Hannagan  
Chief Executive Officer  
Shire of Ngaanyatjaraku  
PMB 87  
KALGOORLIE WA 6431

Dear Kevin

## **Audit of Shire of Ngaanyatjaraku**

We advise that we have completed the audit of your Shire for the year ended 30 June 2020 and enclose our Audit Report and Management Report.

A copy of the Audit Report and Management Report has also been sent directly to the President, Cr Damian McLean as is required by the Act.

We would like to take this opportunity to thank you and your staff for the assistance provided during the audit.

Please contact us if you have any queries.

Yours faithfully



David Tomasi  
Partner  
[Moore Australia Audit \(WA\)](#)

Encl.

## **INDEPENDENT AUDITOR'S REPORT TO THE COUNCILLORS OF THE SHIRE OF NGAANYATJARRAKU**

### **Report on the Audit of the Financial Report**

#### **Opinion**

We have audited the accompanying financial report of the Shire of Ngaanyatjaraku (the Shire), which comprises the Statement of Financial Position as at 30 June 2020, Statement of Comprehensive Income by Nature or Type, Statement of Comprehensive Income by Program, Statement of Changes in Equity, Statement of Cash Flows and the Rate Setting Statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the Statement by Chief Executive Officer.

In our opinion, the financial report of the Shire of Ngaanyatjaraku:

- a) is based on proper accounts and reports; and
- b) fairly represents, in all material respects, the results of the operations of the Shire for the year ended 30 June 2020 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**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Shire in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the "Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Emphasis of Matter – Basis of Preparation**

We draw attention to Note 1 to the financial report, which describes the basis of preparation. The financial report has been prepared for the purpose of fulfilling the Shire's financial reporting responsibilities under the Act. In respect of the comparatives for the previous year ended 30 June 2019, Regulation 16 of the Local Government (Financial Management) Regulations 1996, did not allow a local government to recognise some categories of land, including land under roads, as assets in the annual financial report. Our opinion is not modified in respect of this matter.

#### **Responsibilities of the Chief Executive Officer and Council for the Financial Report**

The Chief Executive Officer (CEO) of the Shire is responsible for the preparation and fair presentation of the annual financial report in accordance with the requirements of the Act, the Regulations and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards. The CEO is also responsible for such internal control as the CEO determines is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

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

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



## **INDEPENDENT AUDITOR'S REPORT TO THE COUNCILLORS OF THE SHIRE OF NGAANYATJARRAKU (CONTINUED)**

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

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to include the economic decisions of the users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standard Board website at [http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This description forms part of our audit report.

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

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

- a) In our opinion, there is a significant adverse trend in the financial position of the Shire as the Own Source Revenue Coverage Ratio has been below the DLGSCI standard for the past 3 years.
- a) All required information and explanations were obtained by us.
- b) All audit procedures were satisfactorily completed in conducting our audit.
- c) In our opinion, the asset consumption ratio and the asset renewal ratio included in the annual financial report were supported by verifiable information and reasonable assumptions.

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

This auditor's report relates to the annual financial report of the Shire of Ngaanyatjarraku for the year ended 30 June 2020 included on the Shire's website. The Shire's management is responsible for the integrity of the Shire's website. This audit does not provide assurance on the integrity of the Shire's website. The auditor's report refers only to the financial report described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this financial report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.

MOORE AUSTRALIA AUDIT (WA)  
CHARTERED ACCOUNTANTS



DAVID TOMASI  
PARTNER

Signed at Perth this 19<sup>th</sup> day of November 2020.

19 November 2020

Cr Damian McLean  
Shire President  
Shire of Ngaanyatjaraku  
PMB 87  
KALGOORLIE WA 6431

Dear Cr McLean

## Management Report for the Year Ended 30 June 2020

We advise that we have completed our audit procedures for the year ended 30 June 2020.

We are required under the Local Government Audit Regulations to report certain compliance matters in our audit report. Other matters which arise during the course of our audit that we wish to bring to Council's attention are raised in this management report.

It should be appreciated that our audit procedures are designed primarily to enable us to form an opinion on the financial statements and therefore may not bring to light all weaknesses in systems and procedures which may exist. However, we aim to use our knowledge of the Shire's organisation gained during our work to make comments and suggestions which, we hope, will be useful to you.

We noted no matters we wish to draw to your attention.

We take this opportunity to thank the Shire for their assistance provided during the audit.

Should you wish to discuss any matter relating to the audit or any other matter, please do not hesitate to contact us.

Yours faithfully



David Tomasi  
Partner  
[Moore Australia Audit \(WA\)](#)

Encl.

## Council Resolutions – Status

Note: Only resolutions not actioned are reported on.

Meeting Date	Meeting Type	Report Number	Report Title	
29 July 2020	OCM	13.4	JAMESON WANARN ROADS RENAMING	
<b>Resolution</b> d)New Jameson Western Bypass Road from Wanarn Jameson Road to Blackstone Warburton Road highlighted yellow Attachment 13.4(b) requires further consultation with local Jameson community and NCAC on an appropriate new road name.			<b>Status Update</b> Awaiting advice from consultation	<b>% Complete</b> 40%

Payment listing October (20/21)				
Chq/EFT	Date	Name	Description	Amount
1659	28/10/2020	DGC Westpac Mastercard	DGC Westpac Mastercard payment September 2020	10.00
1660	28/10/2020	FAC Westpac Credit Card	FAC Westpac Mastercard payment September 2020	501.72
EFT3229	07/10/2020	NATS	Freight on PPE for Municipal Officers	38.50
EFT3230	07/10/2020	SUCCESS PRINT	Business cards for DGC Cary Green	145.00
EFT3231	07/10/2020	MILLY (WARBURTON) STORE	Milly Store account for September 2020	2,768.55
EFT3232	07/10/2020	Site Fleet Services	50k service on Works Supervisor Landcruiser 1EYW816	3,548.01
EFT3233	07/10/2020	Maurice Walsh	Reimbursement for EHO Maurice Walsh	185.27
EFT3234	07/10/2020	MCLEODS	Advice regarding the application of the Bush Fires Act	3,958.63
EFT3235	07/10/2020	AUSTRALIA POST	Postage for September 2020	33.25
EFT3236	07/10/2020	KEY FACTORS PTY LTD (BREAKAWAY)	Hire of plant and equipment for construction work on the Warburton to Blackstone Road	111,553.20
EFT3237	07/10/2020	LGIS	LGIS Property 2nd of 2 instalments	66,024.85
EFT3238	07/10/2020	DEPT FOR PLANNING & INFRASTRUCTURE (DPI)	DoT agency payments 135889 - 135891	288.05
EFT3239	07/10/2020	PERFECT COMPUTER SOLUTIONS PTY LTD	Monthly fee for daily monitoring and disaster management and resolution of Shire IT	85.00
EFT3240	07/10/2020	ITVISION AUSTRALIA PTY LTD	Monthly rates processing and technical managed service for September 2020	2,313.83
EFT3241	07/10/2020	NGAANYATJARRA COUNCIL REGIONAL HOUSING PROGRAM - Repairs & Maintenance	Repair broken tap at Lot 104 (LHS) Warburton	466.41
EFT3242	07/10/2020	EMPEROR REFRIGERATION PTY LTD	Replace lights associated electrical work - unit 13 CRC	2,395.10
EFT3243	07/10/2020	METEX NICKEL PTY LTD	Accommodation and Meal EHO Maurice Walsh	120.00
EFT3244	07/10/2020	NATIONAL SAFETY SOLUTIONS P/L	PPE Municipal staff	432.30
EFT3245	07/10/2020	MOORE AUSTRALIA (WA) Pty Ltd	Workshop attendance fees DCEO	2,191.20
EFT3246	16/10/2020	NATS	Rental of Kleenheat gas bottle for CEO residence	333.08
EFT3247	16/10/2020	TJUKAYIRLA ROADHOUSE	Diesel for Admin Prado 1DXW195	257.00
EFT3248	16/10/2020	WARAKURNA ROADHOUSE	Diesel for Works Supervisor Landcruiser 1EYW816	169.20
EFT3249	16/10/2020	WARBURTON ROADHOUSE	Warburton Roadhouse account for September 2020	3,834.33
EFT3250	16/10/2020	Site Fleet Services	Supply and install drivers side front window 1GJT224	1,132.85
EFT3251	16/10/2020	Life Apparel Co Pty Ltd	Polo shirts for Shire Councillors	342.67
EFT3252	16/10/2020	KEY FACTORS PTY LTD (BREAKAWAY)	Hire of plant and equipment for construction work on the Warburton to Blackstone Road	212,213.10
EFT3253	16/10/2020	GLOBETROTTER CORPORATE TRAVEL	Flights Perth to Laverton return for EHO Maurice Walsh	1,183.07
EFT3254	16/10/2020	MICROCOM PTY LTD T/A MetroCount	RoadPod Traffic counter and accessories	5,009.40
EFT3255	16/10/2020	DEPARTMENT OF FIRE & EMERGENCY SERVICES	ESL income Local Government 2020/21	1,176.00
EFT3256	16/10/2020	PERFECT COMPUTER SOLUTIONS PTY LTD	IT support for October 2020	552.50
EFT3257	16/10/2020	CITY OF LIGHTS VIDEO & MULTIMEDIA PRODUCTIONS	Changes on Shire Website	726.00
EFT3258	16/10/2020	ITVISION AUSTRALIA PTY LTD	SynergySoft Purchase ordering and email of same	4,284.50
EFT3259	16/10/2020	BUNNINGS GROUP LTD	Supplies for office painting project	593.06
EFT3260	16/10/2020	GEOFFREY RAYMOND HANDY	FAC reimbursement	220.00
EFT3261	16/10/2020	EAGLE PETROLEUM (WA) PTY LTD	Fuel for DGC Landcruiser KBC591L	125.63
EFT3262	16/10/2020	NGAANYATJARRA COUNCIL REGIONAL HOUSING PROGRAM - Repairs & Maintenance	Keys cut for staff accommodation	45.00
EFT3263	16/10/2020	EMPEROR REFRIGERATION PTY LTD	New sensor and installation - Warta Shop	1,179.75

EFT3264	16/10/2020	MOORE AUSTRALIA (WA) Pty Ltd	Progressive billing for ICT plan, selected registers and Risk Management review services	22,783.20
EFT3265	23/10/2020	KEY FACTORS PTY LTD (BREAKAWAY)	Hire of plant and equipment for construction work on the Warburton to Blackstone Road	100,444.30
EFT3266	23/10/2020	GLOBETROTTER CORPORATE TRAVEL	Ticket re-issue fee EHO Maurice Walsh Perth to Laverton return	308.06
EFT3267	23/10/2020	PERFECT COMPUTER SOLUTIONS PTY LTD	IT support for Works Engineer	255.00
EFT3268	28/10/2020	A BATES	OCM fees for 28 October 2020	220.00
EFT3269	28/10/2020	DAMIAN MCLEAN	OCM fees for 28 October 2020	440.00
EFT3270	28/10/2020	Julie Porter	OCM fees for 28 October 2020	220.00
EFT3271	28/10/2020	LALLA WEST	OCM fees for 28 October 2020	220.00
EFT3272	28/10/2020	JOYLENE FRAZER	OCM fees for 28 October 2020	220.00
EFT3273	28/10/2020	ANDREW JONES	OCM fees for 28 October 2020	220.00
EFT3274	28/10/2020	DEBRA FRAZER	OCM fees for 28 October 2020	220.00
EFT3275	30/10/2020	Andre Peter Frederick Kerp	Taxi fare to and from Beeliar for WE Peter Kerp	167.57
EFT3276	30/10/2020	NATS	Zincalume mini orb for CRC internal wall repairs	2,644.92
EFT3277	30/10/2020	Site Fleet Services	Fit tyre to rim for new rubbish truck	325.60
EFT3278	30/10/2020	KEY FACTORS PTY LTD (BREAKAWAY)	Hire of plant and equipment for construction work on the Warburton to Blackstone Road	86,588.70
EFT3279	30/10/2020	STAPLES AUSTRALIA (WINC)	Stationery supplies for Shire office	15.79
EFT3280	30/10/2020	PERFECT COMPUTER SOLUTIONS PTY LTD	IT support and disaster management	467.50
EFT3281	30/10/2020	NGAANYATJARRA COUNCIL REGIONAL HOUSING PROGRAM - Repairs & Maintenance	Gap filler and cornice cement for office painting project	66.12
EFT3282	30/10/2020	MOORE AUSTRALIA (WA) Pty Ltd	Professional services to assist in budget preparation	2,492.60
EFT3283	30/10/2020	LAVERTON SUPPLIES MOTORS	Diesel and parking fee KBC591L	158.71
EFT3284	30/10/2020	KEVIN HANNAGAN	CEO reimbursement	185.00
PAY	30/09/2020	Payroll Direct Debit Of Net Pays	Payroll Direct Debit Of Net Pays	41,949.08
DD1671.1	01/10/2020	WESTNET PTY LTD	DNS Mail relay	60.50
DD1682.1	01/10/2020	WESTPAC BANK	Bank fees for September 2020	42.75
DD1688.1	05/10/2020	COMMONWEALTH BANK OF AUSTRALIA	Merchant fee for CBA Eftpos facility September 2020	40.64
DD1689.1	12/10/2020	TELSTRA CORPORATION LTD	Telstra account for September 2020	804.98
PAY	14/10/2020	Payroll Direct Debit Of Net Pays	Payroll Direct Debit Of Net Pays	41,718.67
DD1691.1	14/10/2020	WA SUPER	Superannuation contributions	3,453.61
DD1691.2	14/10/2020	VISION SUPER	Superannuation contributions	801.48
DD1691.3	14/10/2020	SUNSUPER SOLUTIONS	Superannuation contributions	277.88
DD1691.4	14/10/2020	The Trustee For Care Super	Superannuation contributions	210.69
DD1691.5	14/10/2020	REST	Superannuation contributions	185.98
DD1699.1	13/10/2020	CEO Westpac Credit Card	CEO Westpac Mastercard payment September 2020	10.00
DD1699.2	13/10/2020	DCEO Westpac credit card	DCEO Westpac Mastercard payment September 2020	10.00
PAY	28/10/2020	Payroll Direct Debit Of Net Pays	Payroll Direct Debit Of Net Pays	42,297.78
DD1703.1	28/10/2020	WA SUPER	Superannuation contributions	3,770.64
DD1703.2	28/10/2020	VISION SUPER	Superannuation contributions	801.48
DD1703.3	28/10/2020	HOST PLUS	Superannuation contributions	63.96
DD1703.4	28/10/2020	SUNSUPER SOLUTIONS	Superannuation contributions	55.58
DD1703.5	28/10/2020	The Trustee For Care Super	Superannuation contributions	210.69
DD1703.6	28/10/2020	REST	Superannuation contributions	185.98
			Total	786,051.45



SHIRE OF NGAANYATJARRAKU - Business banking ▾

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\$223,628.92

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\$0.00

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036-125 520231



\$3,342,800.64

Available \$0.00

Westpac 90 Day  
Notice Account ▾

036-125 521074



\$3,848,638.29

Available \$0.00

**SHIRE OF NGAANYATJARRAKU**

**MONTHLY FINANCIAL REPORT**  
**(Containing the Statement of Financial Activity)**  
**For the period ending 31 October 2020**

**LOCAL GOVERNMENT ACT 1995**  
**LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996**

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Funding surplus / (deficit) Components

Funding surplus / (deficit)

	Adopted Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)
Opening	\$3.00 M	\$3.00 M	\$2.68 M	(\$0.32 M)
Closing	\$0.00 M	\$3.16 M	\$3.06 M	(\$0.09 M)

Refer to Statement of Financial Activity

Cash and cash equivalents

	\$6.89 M	% of total
Unrestricted Cash	\$3.04 M	44.1%
Restricted Cash	\$3.85 M	55.9%

Refer to Note 2 - Cash and Financial Assets

Payables

	\$0.06 M	% Outstanding
Trade Payables	\$0.00 M	
30 to 90 Days		0.0%
Over 90 Days		0.0%

Refer to Note 5 - Payables

Receivables

	\$0.29 M	% Outstanding
Rates Receivable	\$0.03 M	85.0%
Trade Receivable	\$0.29 M	% Outstanding
30 to 90 Days		22.0%
Over 90 Days		0.0%

Refer to Note 3 - Receivables

Key Operating Activities

Amount attributable to operating activities

Adopted Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)
(\$1.81 M)	(\$0.22 M)	\$0.28 M	\$0.49 M

Refer to Statement of Financial Activity

Rates Revenue

YTD Actual	\$0.17 M	% Variance
YTD Budget	\$0.20 M	(13.2%)

Refer to Note 6 - Rate Revenue

Operating Grants and Contributions

YTD Actual	\$1.11 M	% Variance
YTD Budget	\$1.24 M	(10.5%)

Refer to Note 11 - Operating Grants and Contributions

Fees and Charges

YTD Actual	\$0.30 M	% Variance
YTD Budget	\$0.19 M	58.5%

Refer to Statement of Financial Activity

Key Investing Activities

Amount attributable to investing activities

Adopted Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)
(\$1.03 M)	\$0.38 M	\$0.12 M	(\$0.27 M)

Refer to Statement of Financial Activity

Proceeds on sale

YTD Actual	\$0.00 M	%
Adopted Budget	\$0.06 M	0.0%

Refer to Note 7 - Disposal of Assets

Asset Acquisition

YTD Actual	\$1.23 M	% Spent
Adopted Budget	\$4.50 M	27.3%

Refer to Note 8 - Capital Acquisition

Capital Grants

YTD Actual	\$1.35 M	% Received
Adopted Budget	\$3.41 M	39.5%

Refer to Note 8 - Capital Acquisition

Key Financing Activities

Amount attributable to financing activities

Adopted Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)
(\$0.16 M)	(\$0.01 M)	(\$0.01 M)	\$0.00 M

Refer to Statement of Financial Activity

Borrowings

Principal repayments	\$0.00 M
Interest expense	\$0.00 M
Principal due	\$0.00 M

Reserves

Reserves balance	\$3.85 M
Interest earned	\$0.01 M

Refer to Note 9 - Cash Reserves

This information is to be read in conjunction with the accompanying Financial Statements and notes.

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

**PROGRAM NAME AND OBJECTIVES**  
**GOVERNANCE**

To provide a decision making process for the efficient allocation of scarce resources.

**ACTIVITIES**

Includes the activities of members of council and the administrative support available to the council for the provision of governance of the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific council services.

**GENERAL PURPOSE FUNDING**

To collect revenue to allow for the provision of services.

Rates, general purpose government grants and interest revenue.

**LAW, ORDER, PUBLIC SAFETY**

To provide services to help ensure safer and environmentally conscious community.

Supervision and enforcement of various laws relating to aspects of public safety including emergency services.

**HEALTH**

To provide an operational framework for environmental and community health.

Inspection of food outlets and their control, provision of meat inspection services, noise control and a waste pick-up service Warburton, Warakurna and Wanarn.

**EDUCATION AND WELFARE**

To provide services to children and youth.

Maintenance of playgroup centres (early years learning) Warburton, Blackstone, Jameson.

**HOUSING**

To provide and maintain staff housing.

Provision and maintenance of staff housing.

**COMMUNITY AMENITIES**

To provide services required by the community.

Rubbish collection services, litter control, Warburton, Warakurna and Wanarn.

**RECREATION AND CULTURE**

To establish and effectively manage infrastructure and resources which will help the social well-being of the community.

Maintenance of public halls, civic centres, Warburton recreation centre and operation of recreation services in Warburton. Provision and maintenance of parks and playgrounds. Operation of other cultural facilities.

**TRANSPORT**

To provide safe, effective and efficient transport services to the community.

Construction and maintenance of roads, streets, footpaths, depot and traffic control. Cleaning of streets and maintenance of street trees.

**ECONOMIC SERVICES**

To help promote the shire and its economic well-being.

Tourism and area promotion and building control.

**OTHER PROPERTY AND SERVICES**

To monitor and control council's overheads operating accounts.

Private works operation, plant repairs, operation costs and administrative costs.

**STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 31 OCTOBER 2020**

**STATUTORY REPORTING PROGRAMS**

	Ref Note	Adopted Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)	Var. % (b)-(a)/(a)	Var.
		\$	\$	\$	\$	%	
<b>Opening funding surplus / (deficit)</b>	1(c)	2,997,140	2,997,140	<b>2,680,004</b>	(317,136)	(10.58%)	▼
<b>Revenue from operating activities</b>							
Governance		2,000	664	<b>3,109</b>	2,445	368.22%	
General purpose funding - general rates	6	197,656	197,556	<b>171,430</b>	(26,126)	(13.22%)	▼
General purpose funding - other		1,607,177	406,137	<b>411,233</b>	5,096	1.25%	
Law, order and public safety		416	416	<b>420</b>	4	0.96%	
Health		1,400	650	<b>330</b>	(320)	(49.23%)	
Education and welfare		48,000	24,000	<b>48,000</b>	24,000	100.00%	▲
Housing		95,590	23,898	<b>83,850</b>	59,952	250.87%	▲
Community amenities		71,265	71,265	<b>71,520</b>	255	0.36%	
Recreation and culture		230,000	76,664	<b>99,841</b>	23,177	30.23%	▲
Transport		2,072,257	846,296	<b>710,966</b>	(135,330)	(15.99%)	▼
Economic services		800	300	<b>0</b>	(300)	(100.00%)	
		<b>4,326,561</b>	<b>1,647,846</b>	<b>1,600,699</b>	(47,147)		
<b>Expenditure from operating activities</b>							
Governance		(137,031)	(85,833)	<b>(34,053)</b>	51,780	60.33%	▲
General purpose funding		0	0	<b>(2,852)</b>	(2,852)	0.00%	
Law, order and public safety		(11,970)	(4,794)	<b>(3,720)</b>	1,074	22.40%	
Health		(253,488)	(74,977)	<b>(81,017)</b>	(6,040)	(8.06%)	
Education and welfare		(43,230)	(14,408)	<b>(10,842)</b>	3,566	24.75%	
Housing		(266,875)	(108,130)	<b>(85,089)</b>	23,041	21.31%	▲
Community amenities		(622,213)	(220,048)	<b>(76,518)</b>	143,530	65.23%	▲
Recreation and culture		(774,516)	(276,886)	<b>(166,215)</b>	110,671	39.97%	▲
Transport		(4,968,525)	(1,574,753)	<b>(1,398,687)</b>	176,066	11.18%	▲
Economic services		(261,176)	(28,452)	<b>(18,824)</b>	9,628	33.84%	
		<b>(7,339,024)</b>	<b>(2,388,281)</b>	<b>(1,877,817)</b>	510,464		
Non-cash amounts excluded from operating activities	1(a)	1,207,023	522,516	<b>552,479</b>	29,963	5.73%	
<b>Amount attributable to operating activities</b>		<b>(1,805,440)</b>	<b>(217,919)</b>	<b>275,361</b>	493,280		
<b>Investing Activities</b>							
Proceeds from non-operating grants, subsidies and contributions	12	3,408,055	1,489,187	<b>1,345,643</b>	(143,544)	(9.64%)	
Proceeds from disposal of assets	7	60,000	0	<b>0</b>	0	0.00%	
Payments for property, plant and equipment and infrastructure	8	(4,499,755)	(1,105,388)	<b>(1,228,855)</b>	(123,467)	(11.17%)	▼
<b>Amount attributable to investing activities</b>		<b>(1,031,700)</b>	<b>383,799</b>	<b>116,788</b>	(267,011)		
<b>Financing Activities</b>							
Transfer to reserves	9	(160,000)	(7,394)	<b>(7,394)</b>	0	0.00%	
<b>Amount attributable to financing activities</b>		<b>(160,000)</b>	<b>(7,394)</b>	<b>(7,394)</b>	0		
<b>Closing funding surplus / (deficit)</b>	1(c)	<b>0</b>	<b>3,155,626</b>	<b>3,064,759</b>			

**KEY INFORMATION**

▲▼ Indicates a variance between Year to Date (YTD) Actual and YTD Actual data as per the adopted materiality threshold. Refer to threshold. Refer to Note 13 for an explanation of the reasons for the variance.

The material variance adopted by Council for the 2020-21 year is \$20,000 or 10.00% whichever is the greater.

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

## KEY TERMS AND DESCRIPTIONS

### FOR THE PERIOD ENDED 31 OCTOBER 2020

#### REVENUE

##### RATES

All rates levied under the *Local Government Act 1995*. Includes general, differential, specified area rates, minimum rates, interim rates, back rates, ex-gratia rates, less discounts and concessions offered. Exclude administration fees, interest on instalments, interest on arrears, service charges and sewerage rates.

##### OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

Refers to all amounts received as grants, subsidies and contributions that are not non-operating grants.

##### NON-OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

Amounts received specifically for the acquisition, construction of new or the upgrading of identifiable non financial assets paid to a local government, irrespective of whether these amounts are received as capital grants, subsidies, contributions or donations.

##### REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue from contracts with customers is recognised when the local government satisfies its performance obligations under the contract.

##### FEES AND CHARGES

Revenues (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. Local governments may wish to disclose more detail such as rubbish collection fees, rental of property, fines and penalties, other fees and charges.

##### SERVICE CHARGES

Service charges imposed under *Division 6 of Part 6 of the Local Government Act 1995*. *Regulation 54 of the Local Government (Financial Management) Regulations 1996* identifies these as television and radio broadcasting, underground electricity and neighbourhood surveillance services. Exclude rubbish removal charges. Interest and other items of a similar nature received from bank and investment accounts, interest on rate instalments, interest on rate arrears and interest on debtors.

##### INTEREST EARNINGS

Interest and other items of a similar nature received from bank and investment accounts, interest on rate instalments, interest on rate arrears and interest on debtors.

##### OTHER REVENUE / INCOME

Other revenue, which can not be classified under the above headings, includes dividends, discounts, rebates etc.

##### PROFIT ON ASSET DISPOSAL

Excess of assets received over the net book value for assets on their disposal.

## NATURE OR TYPE DESCRIPTIONS

#### EXPENSES

##### EMPLOYEE COSTS

All costs associate with the employment of person such as salaries, wages, allowances, benefits such as vehicle and housing, superannuation, employment expenses, removal expenses, relocation expenses, worker's compensation insurance, training costs, conferences, safety expenses, medical examinations, fringe benefit tax, etc.

##### MATERIALS AND CONTRACTS

All expenditures on materials, supplies and contracts not classified under other headings. These include supply of goods and materials, legal expenses, consultancy, maintenance agreements, communication expenses, advertising expenses, membership, periodicals, publications, hire expenses, rental, leases, postage and freight etc. Local governments may wish to disclose more detail such as contract services, consultancy, information technology, rental or lease expenditures.

##### UTILITIES (GAS, ELECTRICITY, WATER, ETC.)

Expenditures made to the respective agencies for the provision of power, gas or water. Exclude expenditures incurred for the reinstatement of roadwork on behalf of these agencies.

##### INSURANCE

All insurance other than worker's compensation and health benefit insurance included as a cost of employment.

##### LOSS ON ASSET DISPOSAL

Shortfall between the value of assets received over the net book value for assets on their disposal.

##### DEPRECIATION ON NON-CURRENT ASSETS

Depreciation expense raised on all classes of assets.

##### INTEREST EXPENSES

Interest and other costs of finance paid, including costs of finance for loan debentures, overdraft accommodation and refinancing expenses.

##### OTHER EXPENDITURE

Statutory fees, taxes, allowance for impairment of assets, member's fees or State taxes. Donations and subsidies made to community groups.

**STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 31 OCTOBER 2020**

**BY NATURE OR TYPE**

	Ref Note	Adopted Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)	Var. % (b)-(a)/(a)	Var.
		\$	\$	\$	\$	%	
<b>Opening funding surplus / (deficit)</b>	1(c)	2,997,140	2,997,140	<b>2,680,004</b>	(317,136)	(10.58%)	▼
<b>Revenue from operating activities</b>							
Rates	6	197,656	197,556	<b>171,430</b>	(26,126)	(13.22%)	▼
Operating grants, subsidies and contributions	11	3,567,284	1,235,717	<b>1,105,806</b>	(129,911)	(10.51%)	▼
Fees and charges		416,055	186,527	<b>295,616</b>	109,089	58.48%	▲
Interest earnings		52,150	17,380	<b>17,079</b>	(301)	(1.73%)	
Other revenue		92,416	10,666	<b>10,768</b>	102	0.96%	
Profit on disposal of assets	7	1,000	0	<b>0</b>	0	0.00%	
		<b>4,326,561</b>	<b>1,647,846</b>	<b>1,600,699</b>	(47,147)		
<b>Expenditure from operating activities</b>							
Employee costs		(2,172,956)	(727,847)	<b>(486,541)</b>	241,306	33.15%	▲
Materials and contracts		(3,304,215)	(929,544)	<b>(658,796)</b>	270,748	29.13%	▲
Utility charges		(71,993)	(23,984)	<b>(9,932)</b>	14,052	58.59%	
Depreciation on non-current assets		(1,501,660)	(500,516)	<b>(552,479)</b>	(51,963)	(10.38%)	▼
Interest expenses		(500)	(164)	<b>(359)</b>	(195)	(118.90%)	
Insurance expenses		(168,121)	(153,220)	<b>(155,877)</b>	(2,657)	(1.73%)	
Other expenditure		(96,079)	(31,006)	<b>(13,833)</b>	17,173	55.39%	
Loss on disposal of assets	7	(23,500)	(22,000)	<b>0</b>	22,000	100.00%	▲
		<b>(7,339,024)</b>	<b>(2,388,281)</b>	<b>(1,877,817)</b>	510,464		
Non-cash amounts excluded from operating activities	1(a)	1,207,023	522,516	<b>552,479</b>	29,963	5.73%	
<b>Amount attributable to operating activities</b>		<b>(1,805,440)</b>	<b>(217,919)</b>	<b>275,361</b>	493,280		
<b>Investing activities</b>							
Proceeds from non-operating grants, subsidies and contributions	12	3,408,055	1,489,187	<b>1,345,643</b>	(143,544)	(9.64%)	
Proceeds from disposal of assets	7	60,000	0	<b>0</b>	0	0.00%	
Payments for property, plant and equipment and infrastructure	8	(4,499,755)	(1,105,388)	<b>(1,228,855)</b>	(123,467)	(11.17%)	▼
<b>Amount attributable to investing activities</b>		<b>(1,031,700)</b>	<b>383,799</b>	<b>116,788</b>	(267,011)		
<b>Financing Activities</b>							
Transfer to reserves	9	(160,000)	(7,394)	<b>(7,394)</b>	0	0.00%	
<b>Amount attributable to financing activities</b>		<b>(160,000)</b>	<b>(7,394)</b>	<b>(7,394)</b>	0		
<b>Closing funding surplus / (deficit)</b>	1(c)	<b>0</b>	<b>3,155,626</b>	<b>3,064,759</b>	(90,867)		

**KEY INFORMATION**

▲▼ Indicates a variance between Year to Date (YTD) Actual and YTD Actual data as per the adopted materiality threshold.

Refer to Note 13 for an explanation of the reasons for the variance.

This statement is to be read in conjunction with the accompanying Financial Statements and Notes.

# MONTHLY FINANCIAL REPORT

## FOR THE PERIOD ENDED 31 OCTOBER 2020

## BASIS OF PREPARATION

### BASIS OF PREPARATION

#### REPORT PURPOSE

This report is prepared to meet the requirements of *Local Government (Financial Management) Regulations 1996*, Regulation 34. Note: The statements and accompanying notes are prepared based on all transactions recorded at the time of preparation and may vary due to transactions being processed for the reporting period after the date of preparation.

#### BASIS OF ACCOUNTING

This statement comprises a special purpose financial report which has 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 (Financial Management) Regulations 1996* take precedence over Australian Accounting Standards. Regulation 16 prohibits a local government from recognising as assets Crown land that is a public thoroughfare, such as land under roads, and land not owned by but under the control or management of the local government, unless it is a golf course, showground, racecourse or recreational facility of State or regional significance. Consequently, some assets, including land under roads acquired on or after 1 July 2008, have not been recognised in this financial report. This is not in accordance with the requirements of AASB 1051 *Land Under Roads* paragraph 15 and AASB 116 *Property, Plant and Equipment* paragraph 7.

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

### PREPARATION TIMING AND REVIEW

Date prepared: All known transactions up to 09 November 2020

### SIGNIFICANT ACCOUNTING POLICIES

#### CRITICAL ACCOUNTING ESTIMATES

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances; the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

#### THE LOCAL GOVERNMENT REPORTING ENTITY

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

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies

#### GOODS AND SERVICES TAX

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.

#### ROUNDING OFF FIGURES

All figures shown in this statement are rounded to the nearest dollar.

(a) Non-cash items excluded from operating activities

The following non-cash revenue and expenditure has been excluded from operating activities within the Statement of Financial Activity in accordance with Financial Management Regulation 32.

	Notes	Adopted Budget	YTD Budget (a)	YTD Actual (b)
<b>Non-cash items excluded from operating activities</b>				
		\$	\$	\$
<b>Adjustments to operating activities</b>				
Less: Profit on asset disposals	7	(1,000)	0	0
Less: Movement in liabilities associated with restricted cash		(317,137)	0	0
Add: Loss on asset disposals	7	23,500	22,000	0
Add: Depreciation on assets		1,501,660	500,516	552,479
<b>Total non-cash items excluded from operating activities</b>		<b>1,207,023</b>	<b>522,516</b>	<b>552,479</b>

(b) Adjustments to net current assets in the Statement of Financial Activity

The following current assets and liabilities have been excluded from the net current assets used in the Statement of Financial Activity in accordance with *Financial Management Regulation* 32 to agree to the surplus/(deficit) after imposition of general rates.

		Last Year Closing 30 June 2020	This Time Last Year 31 October 2019	Year to Date 31 October 2020
<b>Adjustments to net current assets</b>				
Less: Reserves - restricted cash	9	(3,838,873)	(2,055,391)	(3,846,267)
Add: Provisions - employee		154,226	257,823	154,226
<b>Total adjustments to net current assets</b>		<b>(3,684,647)</b>	<b>(1,797,568)</b>	<b>(3,692,041)</b>

(c) Net current assets used in the Statement of Financial Activity

<b>Current assets</b>				
Cash and cash equivalents	2	6,903,501	4,166,209	6,888,233
Rates receivables	3	4,833	157,769	26,452
Receivables	3	57,259	304,137	287,546
Other current assets	4	54,022	71,223	50,497
<b>Less: Current liabilities</b>				
Payables	5	(183,601)	(3,998)	(55,404)
Contract liabilities	10	(317,137)	(103,000)	(286,298)
Provisions	10	(154,226)	(257,823)	(154,226)
<b>Less: Total adjustments to net current assets</b>	1(b)	<b>(3,684,647)</b>	<b>(1,797,568)</b>	<b>(3,692,041)</b>
<b>Closing funding surplus / (deficit)</b>		<b>2,680,004</b>	<b>2,536,949</b>	<b>3,064,759</b>

CURRENT AND NON-CURRENT CLASSIFICATION

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. Unless otherwise stated assets or liabilities are classified as current if expected to be settled within the next 12 months, being the Council's operational cycle.

Description	Classification	Unrestricted \$	Restricted \$	Total Cash \$	Trust \$	Institution	Interest Rate	Maturity Date
<b>Cash on hand</b>								
Cash Advance	Cash and cash equivalents	2,500	0	2,500	0	Cash on hand	Nil	Nil
Cash at Bank - Municipal	Cash and cash equivalents	3,037,095	0	3,037,095	0	Westpac	Variable	Nil
Cash at Bank - Reserve	Cash and cash equivalents	0	3,848,638	3,848,638	0	Westpac	Variable	Nil
<b>Total</b>		<b>3,039,595</b>	<b>3,848,638</b>	<b>6,888,233</b>	<b>0</b>			
<b>Comprising</b>								
Cash and cash equivalents		3,039,595	3,848,638	6,888,233	0			
		<b>3,039,595</b>	<b>3,848,638</b>	<b>6,888,233</b>	<b>0</b>			

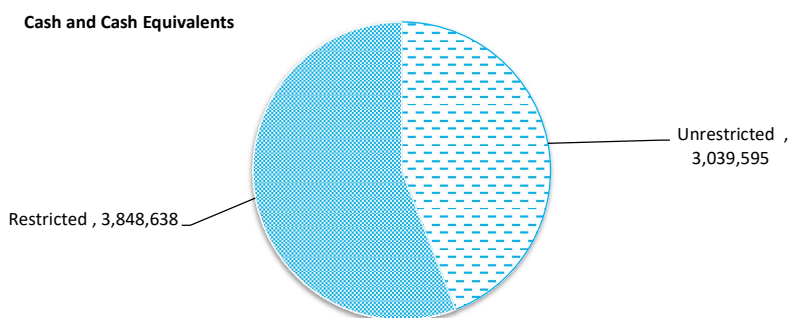
#### KEY INFORMATION

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks and other short term highly liquid investments 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 net current assets.

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

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

Financial assets at amortised cost held with registered financial institutions are listed in this note other financial assets at amortised cost are provided in Note 4 - Other assets.





NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 31 OCTOBER 2020

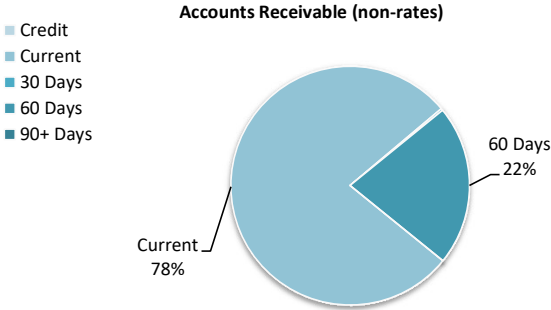
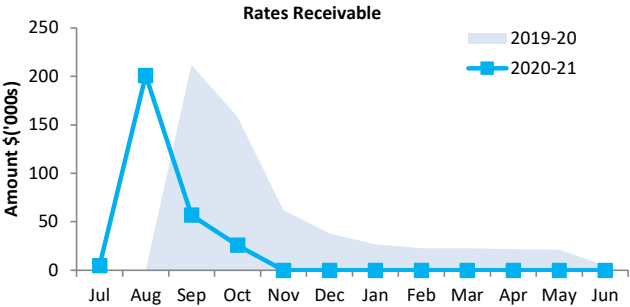
OPERATING ACTIVITIES  
NOTE 3  
RECEIVABLES

Rates receivable	30 Jun 2020	31 Oct 2020
	\$	\$
Opening arrears previous years	2	4,833
Rates, instalment charges and interest levied	261,582	171,430
Less - collections to date	(256,751)	(149,811)
Equals current outstanding	4,833	26,452
<b>Net rates collectable</b>	<b>4,833</b>	<b>26,452</b>
% Collected	98.2%	85.0%

Receivables - general	Credit	Current	30 Days	60 Days	90+ Days	Total
	\$	\$	\$	\$	\$	\$
Receivables - general	0	198,269	696	55,248	0	254,213
Percentage	0.0%	78.0%	0.3%	21.7%	0.0%	
<b>Balance per trial balance</b>						
Sundry receivable						254,213
GST receivable						33,333
<b>Total receivables general outstanding</b>						<b>287,546</b>
Amounts shown above include GST (where applicable)						

**KEY INFORMATION**

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. 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. Collectability of trade and other receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for impairment of receivables is raised when there is objective evidence that they will not be collectible.



	Opening Balance 1 July 2020	Asset Increase	Asset Reduction	Closing Balance 31 October 2020
<b>Other current assets</b>	\$	\$	\$	\$
<b>Inventory</b>				
Fuel, oil and materials on hand	50,497	0	0	50,497
<b>Other current assets</b>				
Accrued income	3,525	0	(3,525)	0
<b>Total other current assets</b>	<b>54,022</b>	<b>0</b>	<b>(3,525)</b>	<b>50,497</b>

#### KEY INFORMATION

##### Inventory

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

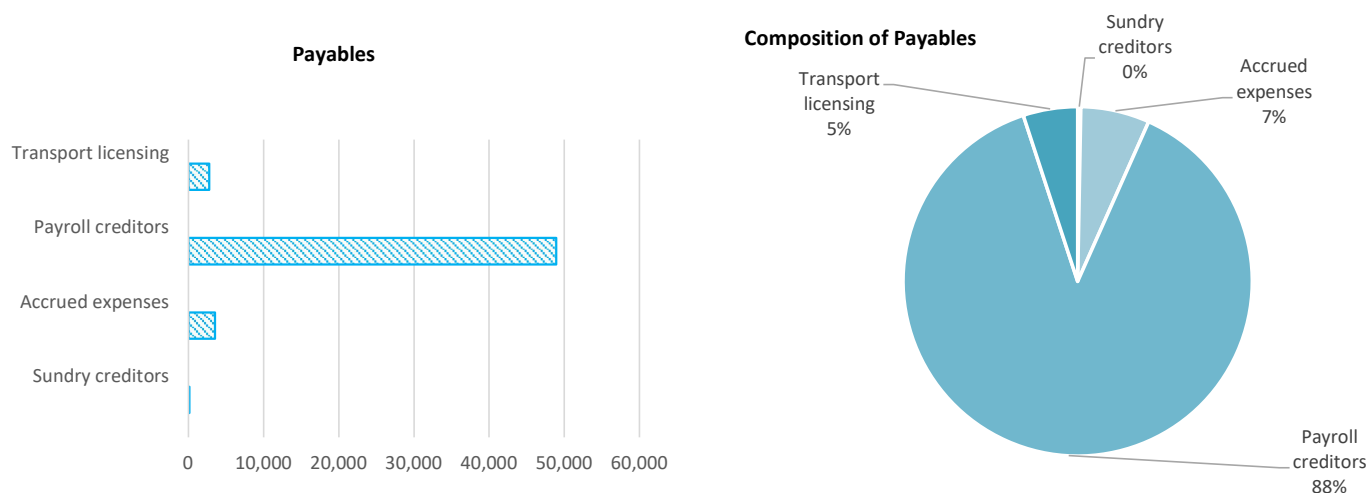
Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Payables - general	Credit	Current	30 Days	60 Days	90+ Days	Total
	\$	\$	\$	\$	\$	\$
Payables - general	0	0	0	0	0	0
Percentage	0.0%	0.0%	0.0%	0.0%	0.0%	
<b>Balance per trial balance</b>						
Sundry creditors						164
Accrued expenses						3,534
Payroll creditors						48,916
Transport licensing						2,790
<b>Total payables general outstanding</b>						<b>55,404</b>

Amounts shown above include GST (where applicable)

#### KEY INFORMATION

Trade and other payables represent liabilities for goods and services provided to the Shire 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.



**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 31 OCTOBER 2020**

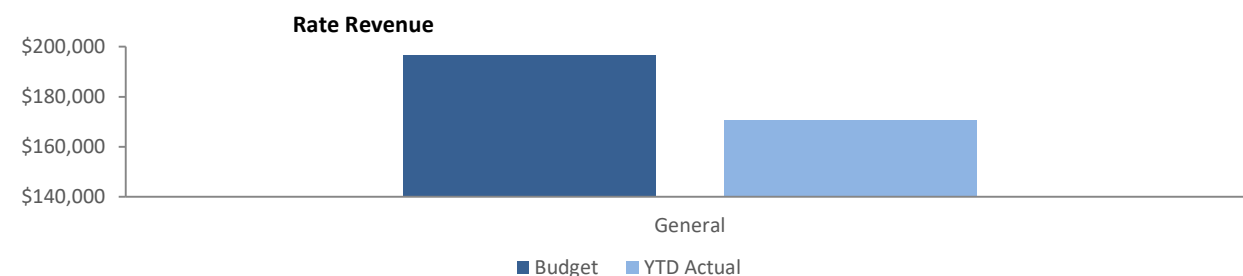
**OPERATING ACTIVITIES  
NOTE 6  
RATE REVENUE**

**General rate revenue**

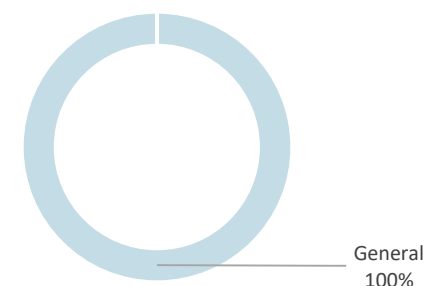
General rate revenue	Budget							YTD Actual			
	Rate in \$ (cents)	Number of Properties	Rateable Value	Rate Revenue	Interim Rate	Back Rate	Total Revenue	Rate Revenue	Interim Rates	Back Rates	Total Revenue
RATE TYPE				\$	\$	\$	\$	\$	\$	\$	\$
Unimproved value											
General	0.210000	30	936,076	196,576	0	100	196,676	196,647	(20,243)	(5,954)	170,450
Sub-Total		30	936,076	196,576	0	100	196,676	196,647	(20,243)	(5,954)	170,450
Minimum payment	Minimum \$										
Unimproved value											
General	245	4	3,396	980	0	0	980	980	0	0	980
Sub-total		4	3,396	980	0	0	980	980	0	0	980
Total general rates							197,656				171,430

**KEY INFORMATION**

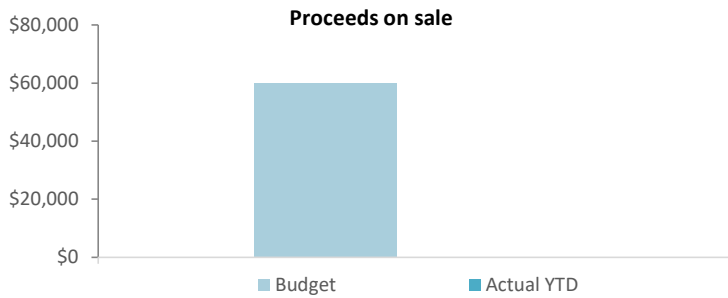
Prepaid rates are, until the taxable event for the rates has occurred, refundable at the request of the ratepayer. Rates received in advance give rise to a financial liability. On 1 July 2020 the prepaid rates were recognised as a financial asset and a related amount was recognised as a financial liability and no income was recognised. When the taxable event occurs the financial liability is extinguished and income recognised for the prepaid rates that have not been refunded.



**Rates Ratio**



Asset Ref.	Asset description	Budget				YTD Actual			
		Net Book Value	Proceeds	Profit	(Loss)	Net Book Value	Proceeds	Profit	(Loss)
		\$	\$	\$	\$	\$	\$	\$	\$
	<b>Plant and equipment</b>								
	<b>Governance</b>								
	PE018 1EPU755 FAC vehicle	13,000	14,000	1,000	0	0	0	0	0
	<b>Health</b>								
	PE072 KBC591L EHO vehicle	26,000	24,500	0	(1,500)	0	0	0	0
	<b>Community amenities</b>								
	PE066 Wanarn rubbish truck	22,000	0	0	(22,000)	0	0	0	0
	<b>Transport</b>								
	PE073 1EYW816 works vehicle	21,500	21,500	0	0	0	0	0	0
		<b>82,500</b>	<b>60,000</b>	<b>1,000</b>	<b>(23,500)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



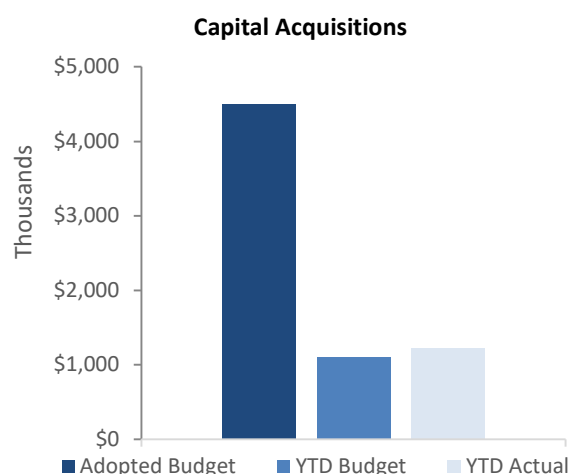
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 31 OCTOBER 2020**

**INVESTING ACTIVITIES  
NOTE 8  
CAPITAL ACQUISITIONS**

Capital acquisitions	Adopted		YTD Actual	YTD Actual Variance
	Budget	YTD Budget		
	\$	\$	\$	\$
Land & Buildings	53,150	30,000	13,403	(16,597)
Plant & Equipment	284,000	0	0	0
Infrastructure - Roads	4,157,605	1,070,388	1,215,452	145,064
Infrastructure - Recreation	5,000	5,000	0	(5,000)
<b>Payments for Capital Acquisitions</b>	<b>4,499,755</b>	<b>1,105,388</b>	<b>1,228,855</b>	<b>123,467</b>
<b>Total Capital Acquisitions</b>	<b>4,499,755</b>	<b>1,105,388</b>	<b>1,228,855</b>	<b>123,467</b>
<b>Capital Acquisitions Funded By:</b>				
	\$	\$	\$	\$
Capital grants and contributions	3,408,055	1,489,187	1,345,643	(143,544)
Other (disposals & C/Fwd)	60,000	0	0	0
Contribution - operations	1,031,700	(383,799)	(116,788)	267,011
<b>Capital funding total</b>	<b>4,499,755</b>	<b>1,105,388</b>	<b>1,228,855</b>	<b>123,467</b>

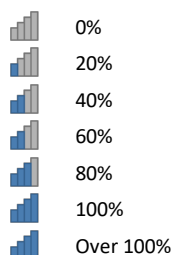
**SIGNIFICANT ACCOUNTING POLICIES**

All assets are initially recognised at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the local government includes the cost of all materials used in the construction, direct labour on the project and an appropriate proportion of variable and fixed overhead. Certain asset classes may be revalued on a regular basis such that the carrying values are not materially different from fair value. Assets carried at fair value are to be revalued with sufficient regularity to ensure the carrying amount does not differ materially from that determined using fair value at reporting date.



Capital expenditure total

Level of completion indicators



Percentage Year to Date Actual to Annual Budget expenditure where the expenditure over budget highlighted in red.

Level of completion indicator, please see table at the end of this note for further detail.

Level of completion indicator, please see table at the end of this note for further detail.

		Adopted			
Account Description		Current Budget	Year to Date Budget	Year to Date Actual	Variance (Under)/Over
Capital Expenditure					
Infrastructure - Roads					
121400	Great Central Road - MRWA Capex	1,300,000	0	0	0
147602	Jameson - Southern Bypass	354,269	354,269	334,165	(20,104)
147611	Jameson Wanarn	416,119	416,119	436,223	20,104
147612	Warburton Blackstone (RRG)	995,000	300,000	444,798	144,798
147623	Great Central Road - R2R AAR	0	0	266	266
147625	Giles Mulga Park (RRG)	486,000	0	0	0
147634	Wingellina Access Road	606,217	0	0	0
Infrastructure - Roads Total		4,157,605	1,070,388	1,215,452	145,064
Land & Buildings					
111100	Buildings (Upgrade)	20,000	20,000	8,130	(11,870)
121200	Storage Compound (Land & Buildings - new)	33,150	10,000	5,272	(4,728)
Land & Buildings Total		53,150	30,000	13,403	(16,597)
Plant & Equipment					
042565	Plant & Equipment	132,000	0	0	0
074511	Plant & Equipment	76,000	0	0	0
123007	Plant & Equipment Purchases	76,000	0	0	0
Plant & Equipment Total		284,000	0	0	0
Infrastructure - Recreation					
147564	Warbon Oval Shade Structure	5,000	5,000	0	(5,000)
Infrastructure - Recreation Total		5,000	5,000	0	(5,000)
Grand Total		4,499,755	1,105,388	1,228,855	123,467

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 31 OCTOBER 2020

OPERATING ACTIVITIES  
NOTE 9  
CASH RESERVES

Cash backed reserve

Reserve name	Opening Balance	Budget Interest Earned	Actual Interest Earned	Budget Transfers In (+)	Actual Transfers In (+)	Budget Transfers Out (-)	Actual Transfers Out (-)	Budget Closing Balance	Actual YTD Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Employee entitlement reserve	309,822	0	597	0	0	0	0	309,822	310,419
Asset replacement, acquisition and develop	3,522,013	0	6,784	0	0	0	0	3,522,013	3,528,797
Cultural centre reserve	7,038	0	13	80,000	0	0	0	87,038	7,051
Strategic reserve	0	0	0	80,000	0	0	0	80,000	0
	<b>3,838,873</b>	<b>0</b>	<b>7,394</b>	<b>160,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,998,873</b>	<b>3,846,267</b>



Other current liabilities	Note	Opening Balance 1 July 2020	Liability Increase	Liability Reduction	Closing Balance 31 October 2020
		\$	\$	\$	\$
<b>Contract liabilities</b>					
Unspent grants, contributions and reimbursements					
- operating	11	317,137	150,000	(456,383)	10,754
- non-operating	12	0	620,068	(344,524)	275,544
<b>Total unspent grants, contributions and reimbursements</b>		<b>317,137</b>	<b>770,068</b>	<b>(800,907)</b>	<b>286,298</b>
<b>Provisions</b>					
Annual leave		84,230	0	0	84,230
Long service leave		69,996	0	0	69,996
<b>Total Provisions</b>		<b>154,226</b>	<b>0</b>	<b>0</b>	<b>154,226</b>
<b>Total other current assets</b>		<b>471,363</b>	<b>770,068</b>	<b>(800,907)</b>	<b>440,524</b>
<b>Amounts shown above include GST (where applicable)</b>					

A breakdown of contract liabilities and associated movements is provided on the following pages at Note 11 and 12

#### KEY INFORMATION

##### 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.

##### Employee benefits

##### Short-term employee benefits

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

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

##### Other long-term employee benefits

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

Long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. 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.

##### Contract liabilities

An entity's obligation to transfer goods or services to a customer for which the entity has received consideration (or the amount is due) from the customer. Grants to acquire or construct recognisable non-financial assets to identified specifications be constructed to be controlled by the Shire are recognised as a liability until such time as the Shire satisfies its obligations under the agreement.

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 31 OCTOBER 2020

NOTE 11

OPERATING GRANTS AND CONTRIBUTIONS

Provider	Unspent operating grant, subsidies and contributions liability					Operating grants, subsidies and contributions revenue		
	Liability 1 July 2020	Increase in Liability	Liability Reduction (As revenue)	Liability 31 Oct 2020	Current Liability 31 Oct 2020	Adopted Budget Revenue	YTD Budget	YTD Revenue Actual
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Operating grants and subsidies</b>								
<b>Governance</b>								
General Grants (Untied)	0	0	0	0	0	1,555,027	388,757	394,154
<b>Transport</b>								
Govt Grant - RA, Ab Access (Operating)	133,117	150,000	(272,363)	10,754	10,754	949,000	217,000	272,363
MRWA Grant - GCR Maintenance	184,020	0	(184,020)	0	0	584,020	384,020	184,020
Fed, Roads Grant (untied)	0	0	0	0	0	309,282	77,321	86,629
Grants - Direct	0	0	0	0	0	167,955	167,955	167,955
	<b>317,137</b>	<b>150,000</b>	<b>(456,383)</b>	<b>10,754</b>	<b>10,754</b>	<b>3,565,284</b>	<b>1,235,053</b>	<b>1,105,121</b>
<b>Operating contributions</b>								
<b>Governance</b>								
Licensing Commission	0	0	0	0	0	2,000	664	685
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,000</b>	<b>664</b>	<b>685</b>
<b>TOTALS</b>	<b>317,137</b>	<b>150,000</b>	<b>(456,383)</b>	<b>10,754</b>	<b>10,754</b>	<b>3,567,284</b>	<b>1,235,717</b>	<b>1,105,806</b>

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 31 OCTOBER 2020**

**NOTE 12**

**NON-OPERATING GRANTS AND CONTRIBUTIONS**

Provider	Unspent non operating grants, subsidies and contributions liability				
	Liability 1 July 2020	Increase in Liability	Liability Reduction (As revenue)	Liability 31 Oct 2020	Current Liability 31 Oct 2020
	\$	\$	\$	\$	\$
<b>Non-operating grants and subsidies</b>					
<b>Transport</b>					
Grants - MRWA GCR income for CapEx	0	0	0	0	0
Grants - Stimulus Funding	0	226,468	0	226,468	226,468
Grant - Special Projects	0	393,600	(344,524)	49,076	49,076
Grant-Roads to Recovery	0	0	0	0	0
Govt Grant - RA, Ab Access (Capital)	0	0	0	0	0
	<b>0</b>	<b>620,068</b>	<b>(344,524)</b>	<b>275,544</b>	<b>275,544</b>

Non operating grants, subsidies and contributions revenue		
Adopted Budget Revenue	YTD Budget	YTD Revenue Actual (b)
\$	\$	\$
1,300,000	0	0
452,936	226,468	0
654,000	261,600	344,524
416,119	416,119	416,119
585,000	585,000	585,000
<b>3,408,055</b>	<b>1,489,187</b>	<b>1,345,643</b>

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 31 OCTOBER 2020**

**NOTE 13  
EXPLANATION OF MATERIAL VARIANCES**

The material variance thresholds are adopted annually by Council as an indicator of whether the actual expenditure or revenue varies from the year to date Actual materially.

The material variance adopted by Council for the 2020-21 year is \$20,000 or 10.00% whichever is the greater.

Reporting Program	Var. \$	Var. %	Timing/ Permanent	Explanation of Variance
	\$	%		
<b>Revenue from operating activities</b>				
General purpose funding - rates	(26,126)	(13.22%)	▼ Permanent	Surrendered mining tenements and writeoffs.
Education and welfare	24,000	100.00%	▲ Timing	
Housing	59,952	250.87%	▲ Timing	
Recreation and culture	23,177	30.23%	▲ Timing	
Transport	(135,330)	(15.99%)	▼ Timing	
<b>Expenditure from operating activities</b>				
				under budget with Insurance, Salaries, Accounting/Compliance Fees, Consultancy and Travelling and Accommodation being the big items. This is partly offset by lower than anticipated allocations and earlier than budgeted payment of audit fees.
Governance	51,780	60.33%	▲ Timing	Depreciation accounts for a large part of the variance, to be updated after audit. Operations, including Insurance and wages make up the remainder.
Housing	23,041	21.31%	▲ Timing	Wages and consultancy expenses are most of this variance. The yet to be realised loss on rubbish truck transfer to Wanarn Community and depreciation will be completed after audit.
Community amenities	143,530	65.23%	▲ Timing	Salaries and wages form a large part of this variance, including some administration expenses and insurance. Maintenance on the Cultural Centre is also a contributor. Depreciation will be run after audit.
Recreation and culture	110,671	39.97%	▲ Timing	Depreciation and administrative expenses are the biggest factors for this variance.
Transport	176,066	11.18%	▲ Timing	
<b>Investing activities</b>				
Payments for property, plant and equipment and infrastructure	(123,467)	(11.17%)	▼ Timing	

## ACTION SHEET

Environmental Health & Building Officer – Maurice Walsh

**Dates on Site:**

**29<sup>th</sup> October – 31<sup>st</sup> October 2020**

**Next site visit: 1<sup>st</sup> October – 6<sup>th</sup> November 2020**

Date	Subject	Action Taken
October 2020	Covid19 Pandemic	<p>The WHO has declared the Novel Coronavirus outbreak a global pandemic. The State Government has continued to release pandemic control measures for Western Australia and various travel restrictions have been put in place. Specific concerns are held for remote communities due to the vulnerable populations in places like Ngaanyatjarra.</p> <p><b>Action: EHO to continue monitoring Covid-19 Public Health matters for the Shire of Ngaanyatjarrahku.</b></p>
16 <sup>th</sup> October 2020	Oz Minerals West Mulgrave Mine Site	<p>Meeting with Zoran Seat (in Perth) Manager Oz Minerals West Mulgrave Mine Site (formally Cassini Mine Site) Jameson regarding re-opening of Mine Site.</p> <p>Meeting covered new accommodation units/building compliance issues, provision of potable drinking water via Reverse Osmosis treatment/disposal of waste and Department of Water and Environmental Regulation licensing requirements.</p> <p><b>Action: EHO to continue monitoring Mine Site activities.</b></p>
27 October 2020	Warburton Community	<p>Meeting with Glennie Chambers (in Perth) regarding inspection of mobile food business.</p> <p>Mobile food vehicle approved and Food Business Registration issued.</p> <p><b>Action: EHO to monitor food business operations.</b></p>
23 October 2020	Blackstone Community	<p>Blackstone Community Swimming Pool inspection – premises found to be operating satisfactorily.</p> <p>Infrastructure to heat swimming pool water has been installed and waiting commissioning.</p> <p>Swimming Pool water sampling report results satisfactory – the swimming pool has been opened for the summer season.</p>
26 October 2020	Warrakurna Community	<p>Warrakurna Community Swimming Pool inspection – premises found to be operating satisfactorily.</p> <p>Infrastructure to heat swimming pool water has been installed and waiting commissioning.</p> <p>Swimming Pool water sampling report results satisfactory – the swimming pool has been opened for the summer season.</p>
Ongoing	Container Deposit Scheme – for WA	<p>The scheme is set to commence operations at the Warburton Roadhouse in November 2020.</p> <p><b>Action: EHO to monitor scheme in the Shire.</b></p>
Ongoing	New Canine Disease in Warburton	<p>A new canine disease has been detected in dogs in Warburton. Following detection of ehrlichiosis in dogs in the Kimberley in May 2020, surveillance by the Department of Primary Industries and Regional Development has shown the disease was first found in the Kimberley. More recent advice from the Department of Health has advised that the disease has been found in the Pilbara. However, NG Health has recently advised the Shire that the disease has been found in dogs in Warburton and most likely in other communities. The disease known as Ehrlichiosis is an exotic tick-borne disease, never seen before in Australian canines. <i>This canine disease is a risk and health hazard to our communities because it can be transmitted to humans.</i></p>

		<b>Action: EHO to continue to liaise with NG Health regarding proposed actions to be undertaken to protect the community.</b>
Pending	Department of Communities Request to utilise Battery Powered Smoke Detectors in all Community Housing	<p>The Department of Communities had written to the Shire requesting a blanket approval to utilise battery powered smoke detectors in all Community Housing within the Shire. The Shire wrote to the Building Commission earlier this year regarding this matter and is yet to receive a response.</p> <p>This matter has recently been followed up with Building Management Services at Ngaanyatjarra Council.</p> <p><b>Action: CEO &amp; BO still awaiting further response from the Department of Communities.</b></p>
Pending	Community Layout Plan Amendment - Shire Depot Storage Facility Warburton	<p>It was previously determined that the safest location for Shire storage area is the area behind the Shire dwellings adjacent to the Roadhouse. This area has been rezoned in the Community Layout Plan for Warburton.</p> <p>Shire waiting for quotation from Certified Building Surveyor's to provide the Shire with working building construction plans.</p> <p><b>Action: BO to arrange for a building application to be submitted to the Shire for the construction of the storage facility and shade structure at the Shire Depot Storage Facility.</b></p> <p><b>BO to liaise with NCAMS for quote to construct fencing, earthworks and placement of storage containers on the site.</b></p>
Pending	Wanarn Aged Care – Food Safety Audit	<p>An audit of the Wanarn Aged Care Facility has been arranged to be undertaken in February 2021.</p> <p><b>Action: EHO has liaised with the NG Health and Auditor regarding the pending audit in February 2021.</b></p>
Pending	HACC – Facilities Jameson, Blackstone, Warakurna and Warburton	<p>A Food Safety Plan has been verified and submitted for the four HACC Facilities in the Shire. The Infringement Notices relating to this outstanding matter are to be withdrawn. The issue relating to the structural works at Mantamaru (Jameson) HACC are yet to be ascertained but believed to be nearing completion.</p> <p><b>Action: EHO has liaised with the NG Health and Auditor regarding the pending audits of the HACC Facilities in February 2021.</b></p>
Pending	Community Shade Structure - Warburton	<b>Action: BO to liaise with NCAMS to have the project completed.</b>
Pending	Community Service Summary – Public Health Plan	<p>The Shire's Public Health Plan is being prepared by the Shire's Environmental Health Officer.</p> <p><b>Action: The Public Health Plan development to be included in the Corporate Business Plan and baseline report to be finalised for submission to Council.</b></p>
Pending	Waste Management Strategy	<p>The Shire is in the process of preparing a Waste Management Strategy for the Shire's communities.</p> <p><b>Action: EHO to assist with the preparation of the Waste Management Plan.</b></p> <p><b>Inspections of landfill sites in the Shire have been scheduled in November 2020.</b></p>
Pending	Building Permit Issued Shade Structure – Lot 93 Thirteenth St Wanarn - Respite Centre	<p>I have received and arranged for the issue of a Building Permit for a shade structure to be installed free standing but adjacent to the new respite centre in Wanarn. The application has been lodged on the online database. The works have now been completed and I am awaiting completion notification.</p> <p><b>Action: BO still awaiting completion notification.</b></p>

# ACTION SHEET

Works Engineer – Peter Kerp

**Dates on Site: 15<sup>th</sup> October –22<sup>nd</sup> October 2020**

**Next site visit: 3<sup>rd</sup> December – 11<sup>th</sup> December 2020**

Date	Subject	Action Taken
October 2020	Breakaway Road Construction Contractor	<p>Site visit to Blackstone Warburton Road SLK 138.40 – SLK 143.15 This section of road completed 1 November 2020 Road crew commenced new gravel sheeting project Blackstone Warburton Road SLK 165.96 – SLK 170.00 2 November 2020 Anticipated completion 15<sup>th</sup> December 2020 Breakaway Earthmoving will break up for Xmas 19<sup>th</sup> December 2020 returning 7<sup>th</sup> January 2021 New construction camp will mobilise to new site in Giles Mulga Park Road prior to Xmas breakup for start of new gravel sheeting along Giles Mulga Park Road SLK 119.00 – SLK 123.00 on return to work. A Breakaway employee will remain onsite at the camp over the holiday period.</p> <p><b>Construction To-Date</b> Jameson Southern Bypass – completed 31<sup>st</sup> July 2020 Jameson Wanarn Rd SLK 2.70 – SLK 4.20 – Completed 11<sup>th</sup> August 2020 Jameson Wanarn Rd SLK 22.28 – SLK 25.90 - Completed 13<sup>th</sup> September 2020 Blackstone Warburton Rd SLK138.40 – SLK 143.15 – completed 1<sup>st</sup> November 2020</p> <p><b>ACTION</b> <b>Complete unit rate analysis of construction costs Blackstone Warburton Road</b> <b>Works Officer will undertake regular site visits to Blackstone Warburton Road construction site</b></p>
October 2020	Jameson Southern Bypass Road	<p>Vegetation Clearing Permit granted by Department of Water and Environment Regulation (DWER) for construction of Jameson Bypass Road.</p> <p>The proposed bypass works include construction of 3 new sections of road close to the Jameson (Mantamaru) community:</p> <ul style="list-style-type: none"> <li>● the proposed Southern Bypass road connecting Warburton through to Blackstone.</li> <li>● access from the bypass to the western end of the community.</li> <li>● access from the bypass to the community power generator site and airstrip.</li> </ul> <p>The Clearing Permit contained a condition that restricts the clearing width to 20 metres in the area supporting conservation of significant flora species.</p> <p><b>ACTION</b> <b>1. Prepared a Record Keeping Report in relation to the clearing of native vegetation authorized under the Clearing Permit as follows:</b></p>

		<p>a) the location where clearing occurred, using a Global Positioning System (GPS) unit set to Geocentric Datum Australi1994 (GDA94) expressing the geographical coordinates in Eastings and Northings or decimal degrees: (see attachment)</p> <p>b) the date that the area was cleared:</p> <p>c) the size of the area cleared (in hectares) – not more than 22 hectares of native vegetation within the area hatched yellow on attached Plan 8571/a (area cleared 13.5 hectares)</p> <p>d) actions taken to avoid, minimize and reduce the impacts and extent of clearing in accordance with condition 7 of the Permit; and</p> <p>e) actions taken to minimize the risk of the introduction and spread of weeds in accordance with condition 8 of the Permit.</p> <p><b>2. Road signage installed at various locations along project as labour resources become available</b></p>
October 2020	Fulton Hogan SLK Reader app	<p>SLK meter is an app developed by Fulton Hogan that provides linear location on Western Australia's Local and State Government road network using the common reference system SLK (Straight Line Kilometres)</p> <p>One of the issues that has come to light since the Works Engineer commenced employment with the Shire is that the SLK app drops in and out where the road has been realigned over the last 20 years or so</p> <p>Getting accurate SLK along the centrelines of all the Shire's arterial roads, viz; Great Central Road, Blackstone Warburton Road, Giles Mulga Park Road and Jameson Wanarn Road, that takes into consideration all of the alignment changes and road data is a task that currently is critical for road condition inspections being performed and uploaded into the Road Assessment and Maintenance Management (RAMM) - a software developed and supported by RAMM Software Ltd.</p> <p>Shire engineering officers will need to drive each of the four roads to collect Centreline readings using both the SLK app and the Garmin GPS Map64st handheld map reader to collect data using built-in (GIS) mapping tools.</p> <p>Once the centrelines have been updated on all four roads, RAMM Software Ltd will create an "IRIS file" which can be sent to MRWA who then will be able to update their system with this new data.</p> <p>MRWA hold information in their IRIS (Integrated Road Information System) about every road in WA.</p> <p>Local Road information is maintained by each Local Government in their RAMM database</p> <p>Fulton Hogan will get their data straight from MRWA and IRIS which will enable changes in road alignment to be imported on to the Fulton Hogan SLK Meter app.</p> <p>On completion of this exercise by Fulton Hogan with updating data on to the SLK app, road condition inspections by shire engineering officers can be undertaken and the data uploaded into RAMM</p> <p><b>ACTION</b></p> <p><b>Completed recording of SLK readings on all four roads (Great Central Rd, Giles Mulga Park Rd, Jameson Wanarn</b></p>



		<p>Rd and Blackstone Warburton Rd) with string files forwarded to RAMM Software Ltd.</p> <p>RAMM Support has completed importing the string line data of all the above roads showing the current alignments and new lengths.</p> <p>Ramm Support has also updated all new road name changes (approved Ordinary Council Meeting 25<sup>th</sup> March 2020) and will export the file into IRIS at MRWA.</p> <p>It is anticipated Fulton Hogan will implement the changes of alignments and road name changes in the SLK reader app by early 2021.</p>
October 2020	MetroCount Traffic Reports RAMM Import	<p>The Shire operates 4 pneumatic tube counters and one wire loop counter to collect multitude of traffic data, such as daily traffic volumes, vehicle classifications, max speed etc.</p> <p>The 4 tube counters are moved around to different locations for varying periods on the four main shire roads such as Great Central Road, Blackstone Warburton Road, Jameson Wanarn Road and Giles Mulga Park Road. The wire loop sensor counter remains permanently installed on Great Central Road on the sealed bitumen section 11km south of Warburton, adjacent to the Telstra communications tower.</p> <p>The data from each counter is downloaded on to a shire computer and sent off to MetroCount to produce traffic summary reports for each road location.</p> <p>These traffic summary reports in turn are transferred/imported into the Shire's RAMM database to store and manage the road asset.</p> <p>The traffic counts stored in RAMM are provided to MRWA on a regular basis as the impact of heavy vehicle traffic on roads is taken into account in allocation of financial assistance grants by the WA Local Government Grants Commission. If this information is not provided to MRWA via an "IRIS file", it will damage the Shire's ability of obtaining grant funds to roads that are damaged by heavy vehicle traffic.</p> <p>LG Road information is then uploaded into IRIS on a regular basis.</p> <p><b>ACTION - ongoing</b></p> <p><b>Works Engineer to progressively transfer/import MetroCount traffic summary reports into RAMM to ensure correct traffic data is provided to MRWA at regular intervals</b></p>
October 2020	MRWA RAV3-4 Network	<p>MRWA has completed assessment of Blackstone Warburton Road as an approved RAV3-4 network route</p> <p>Giles Mulga Park Road between Blackstone Warburton Road intersection and the SA border, Jameson Wanarn Rd and Wingellina Rd to be assessed by MRWA with site visit 7<sup>th</sup> to 11<sup>th</sup> December 2020.</p> <p>Works Engineer has been requested by MRWA Heavy Vehicle Services to assist with the site assessment of these three roads</p> <p><b>ACTION</b></p> <p><b>Works Engineer to undertake site visit with MRWA Heavy Vehicle Services of portion of Giles Mulga Park Rd, Jameson Wanarn Rd and Wingellina Rd as an approved RAV3-4 network route</b></p>