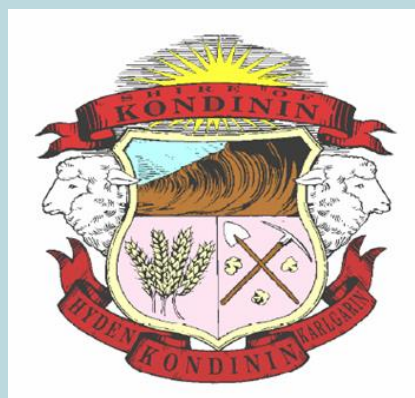




KARLGARIN CENTENARY 2020



Annual Report *2020/2021*





OUR VISION

“To have a thriving sustainable future”

Our Mission

We will achieve our vision by;

Providing leadership in the community,
Having a positive outlook,
Bringing the community together,
Providing and facilitating appropriate facilities and services,
Being forward looking, and
Having pride in our Shire.

Our Values

Respect
Inclusiveness
Fairness and equity
Communication

Our Councillors

Shire President

Sue Meeking

Term Expires 2021

Deputy President

Kent Mouritz

Term Expires 2021

Councillors

Gerard Lynch

Term Expires 2021

Bruce Browning

Term Expires 2021

Steve Jones

Term Expires 2021

Darren Pool

Term Expires 2023

Tom Mulcahy

Term Expires 2023

Murray James

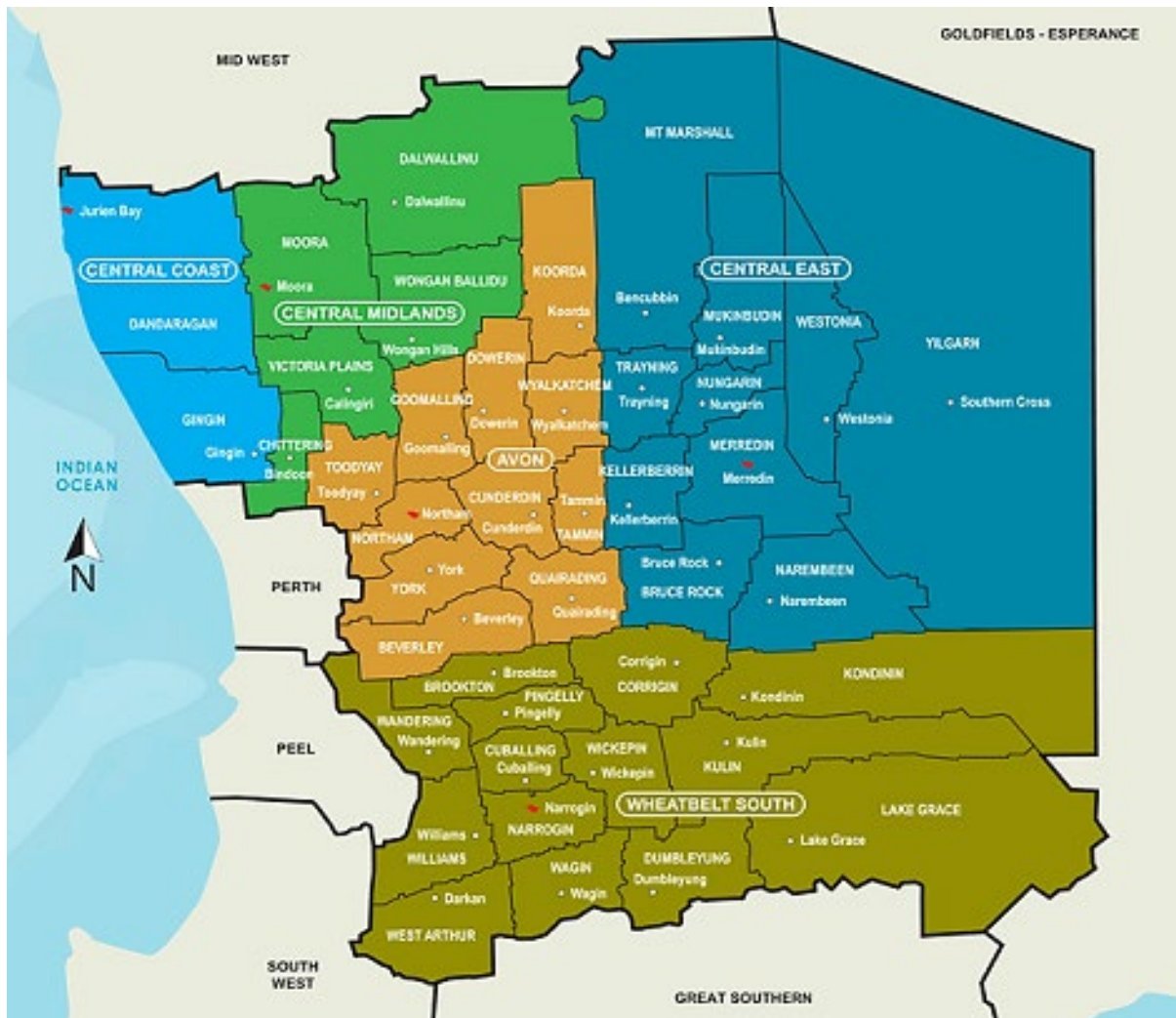
Term Expires 2023

Bev Gangell

Term Expires 2023



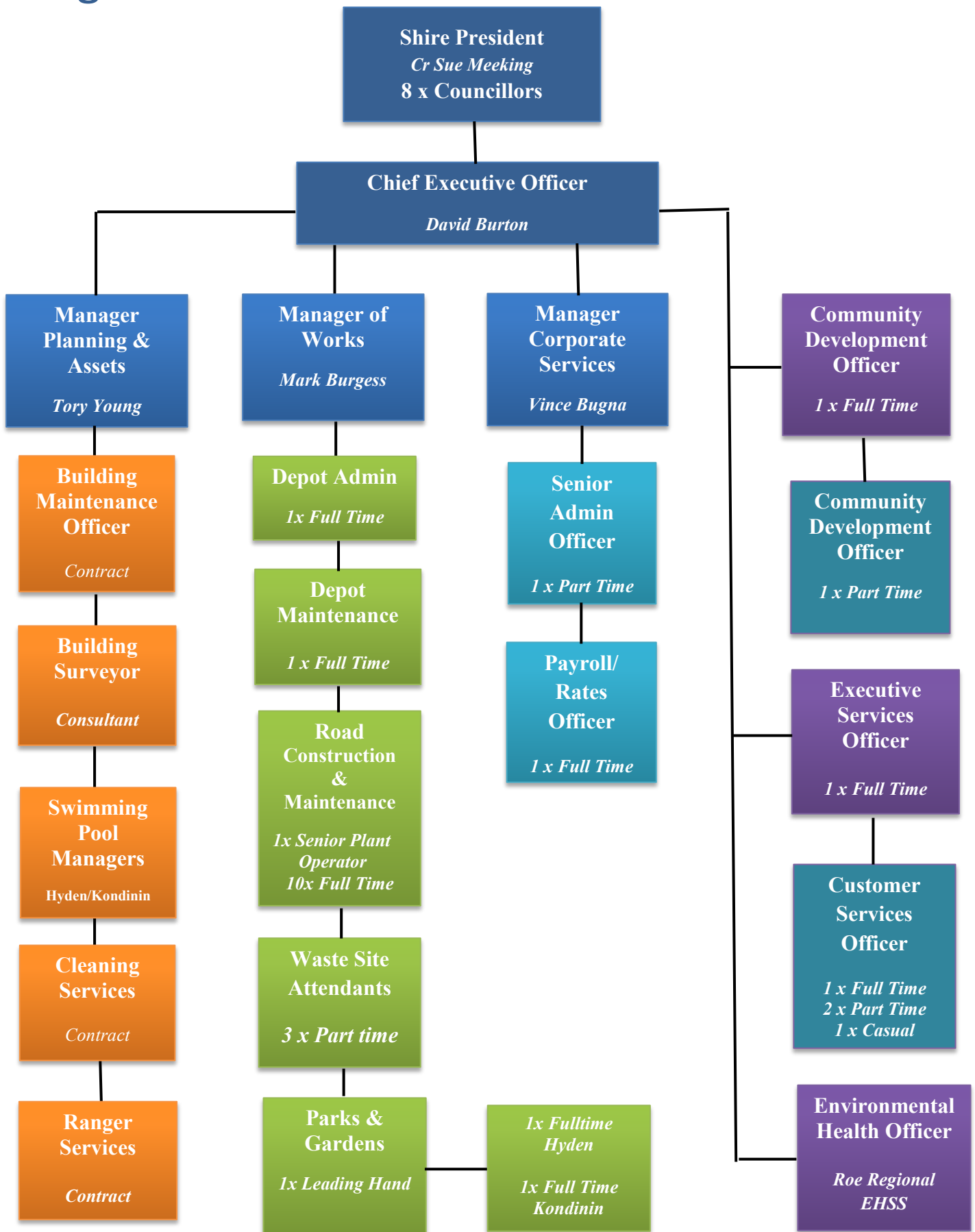
Shire of Kondinin



The Shire of Kondinin covers an area of 7,340km² in the Wheatbelt of Western Australia and has a population of approximately 873 (ABS, 2016). The Shire comprises of three town sites, those being Hyden, Karlgarin and Kondinin.

- The Shire includes 289km of sealed roads and 1193km of unsealed roads
- The total number of households within the Shire is 440 (ABS, 2016)
- Key industries include cereal, sheep, cattle and feed lots, mining, manufacturing and tourism.

Organisational Structure



Shire President's Report

I am pleased to present this year's Annual Report for the year ended 30th June 2021.

This year we again faced difficulties as we tackled the global pandemic of COVID19 and all the extra challenges that were required, but it also allowed for the Shire to take advantage of additional funding designed to stimulate the economy during this crisis.

In this year, the Shire of Kondinin was also awarded two awards. These were:

Planning Healthy Communities Award – from Public Health Advocacy Institute

This award was for events being undertaken at the community garden including the planting of a bush tucker garden through funding from NRM, the Gourmet in the Garden dinner funded by the Department of Communities and the Nourished By Nature Week funded through Healthway WA which comprised a series of workshops facilitated by Chris Ferreira in March 2020.

WA Bicycle Network – Regional Bike Network Project – Department of Transport

For the construction of the 'missing link' connecting the Hyden Town Centre to the existing bike path east of the Hyden Roadhouse resulting in a continuous shared bike path from town to Wave Rock. This new bike path has encouraged people of all ages and cycling skills to realize that cycling is a great form of transport to reach local tourist attractions such as Wave Rock and the local park and a fun and great way to keep fit and exercise.



I commend staff on the efforts of these projects and for promoting healthy living in the Shire.

COUNCIL and CEO

I would like to thank my fellow councillors for their support, professionalism and dedication to the district over the past twelve months. Each and every one of the councillors makes a tremendous contribution to the overall well-being of our communities and district as a whole.

In March 2021 we bid farewell to our former CEO Mia Maxfield who left us to further her career at the Shire of Coorow. We thank Mia for all her efforts for the Shire and the community and wish her well for the future.

I would also like to welcome David Burton who joined the Shire in the role of Acting Chief Executive Officer from March 2021 and took on the role permanently from May 2021. David is joined by his family in town and we welcome them all to our community.

RoeROC

The Shire has been an active participant in the RoeROC Council with the Shires of Corrigin, Kondinin, Kulin and Narembeen. This year we provided administrative support and leadership for RoeROC.

COMMUNITY GRANTS AND SUPPORT

The Shire continues to support many community groups and events in many various ways each year with the Community Grants Program (recipients are listed in the Community Development's report), support for local events and on occasion self-supporting loan assistance to community groups.

I would like to take a moment here to recognise and congratulate the many volunteers across our district, on the tireless and dedicated work they do to continue to provide the multitude of events and services that are offered across the District. The district and local clubs and organisations would struggle without the efforts of our volunteers.

CAPITAL PROGRAM

This year saw additional funds being available to the Shire through the normal grants and also the Local Roads and Community Infrastructure Grants. These funds were allocated to capital works that were essential for our area. While these projects are listed in detail further in this report, some of the highlights we managed to achieve are:

- Footpath works in all our towns,
- Upgrades to Kondinin Caravan Park.
- Upgrades to facilities at Wave Rock
- New BBQ facilities at our pools and Stafford Park
- Sealing of the carparks at our Recreation Centres in Kondinin and Hyden
- And many more projects with the funding.



We also successfully completed our roads capital program of \$1.26m, \$180,000 of footpaths in our town and \$900,000 in buildings, all of which are listed in detail further in the report and I thank the staff for their efforts with the upgrading of our facilities.

This year our outside crew also completed a significant private works job for Main Roads, being the Brookton Highway upgrade of corners between Kondinin and Hyden making the travel on this road a lot safer for our local residents.

I would like to take this opportunity to thank the former CEO Mia Maxfield, our new CEO David Burton, Managers Tory Young, Mark Burgess and Vince Bugna and all administration and works staff for their dedication and hard work throughout the year. I look forward to the coming year and the great achievements the Shire Councillors and Staff will accomplish.

Sue Meeking
Shire President

Chief Executive Officer's Report

I would like to thank the residents, staff and Council Members for the warm welcome that my family and I had coming into the area towards the end of the financial year. It is great to be back in the Wheatbelt where the people are always friendly and welcoming.

This year again has been difficult with the continuing of the COVID19 lockdowns and additional pressures placed on staff and services while we tackled the issues brought on by restrictions and protecting staff and residents.

There is a bright side to the COVID19 crisis, and that was that funding was issued by the Federal and State Governments for initiatives to stimulate the economy during the downturn. This provided funding for the Shire to be able to push forward with several projects that may not have been able to be completed. This included the Local Roads and Community Infrastructure Program funding (LRCIP) which allowed capital works on projects listed later in this report.

The Shire also continued with the construction of aged units which included two units for Kondinin at Westcourt and two units at Hyden for Whispering Gums. These units are expected to be completed towards the end of 2021.

STAFF

The Shire has a good quality team of staff dedicated to the Shire and our towns to try and deliver the best possible outcomes that we can for the communities.

As always, there are changes in staff and this year was like all others. For the staff who left us, we thank you for your service and efforts for the community. For those who have joined us, we welcome you to the Shire and hope you will enjoy working with the Shire and residents.

MEDICAL HEALTH SERVICES

Dr Alain Mackie and the Medical Centre staff have continued to support the communities of Kondinin, Hyden and Kulin by providing excellent medical services. I would like to take this opportunity to thank them for their dedication and providing services of such a high standard.

SWIMMING POOLS

The 2020/2021 year continued showing strong patronage at both the Hyden and Kondinin swimming pool facilities. Appreciation is extended to Wayne Dicker-Lee, Pool Manager at Hyden and Shaun Franich, Pool Manager at Kondinin, for their continued sound management of these facilities.

ROE REGIONAL ORGANISATION OF COUNCILS (RoerOC)

The Shire has continued to be an active participating member of RoerOC with the Shire's of Corrigin, Kulin and Narembeen and the Roe Regional Environmental Health Services Scheme with the Shire's of Corrigin, Kulin, Narembeen and Lake Grace.

RoeROC has the benefits of the Shires collaborating where possible for solutions on a regional basis rather than all Shires working individually on similar issues. The joint ventures currently in place are:

EHO Services

Joint waste facility at Bendering

Joint waste and recycling services through Avon Waste

Animal Welfare in Emergencies Planning

For the 2020/2021 Financial year, the Shire of Kondinin will be providing administrative support for RoeROC and CEO Services. This will be transferred to the Shire of Corrigin from 2022.

BUSHFIRE BRIGADES

Many thanks to the members of our Bushfire Brigades who volunteer to assist with fire fighting and protecting our Shire at times of need. These members give of their time freely for training and emergencies.

In closing, I would just like to thank the Council Members, staff and the community for your understanding and assistance for the year.

David Burton

Chief Executive Officer



Financial Highlights for 2020/2021

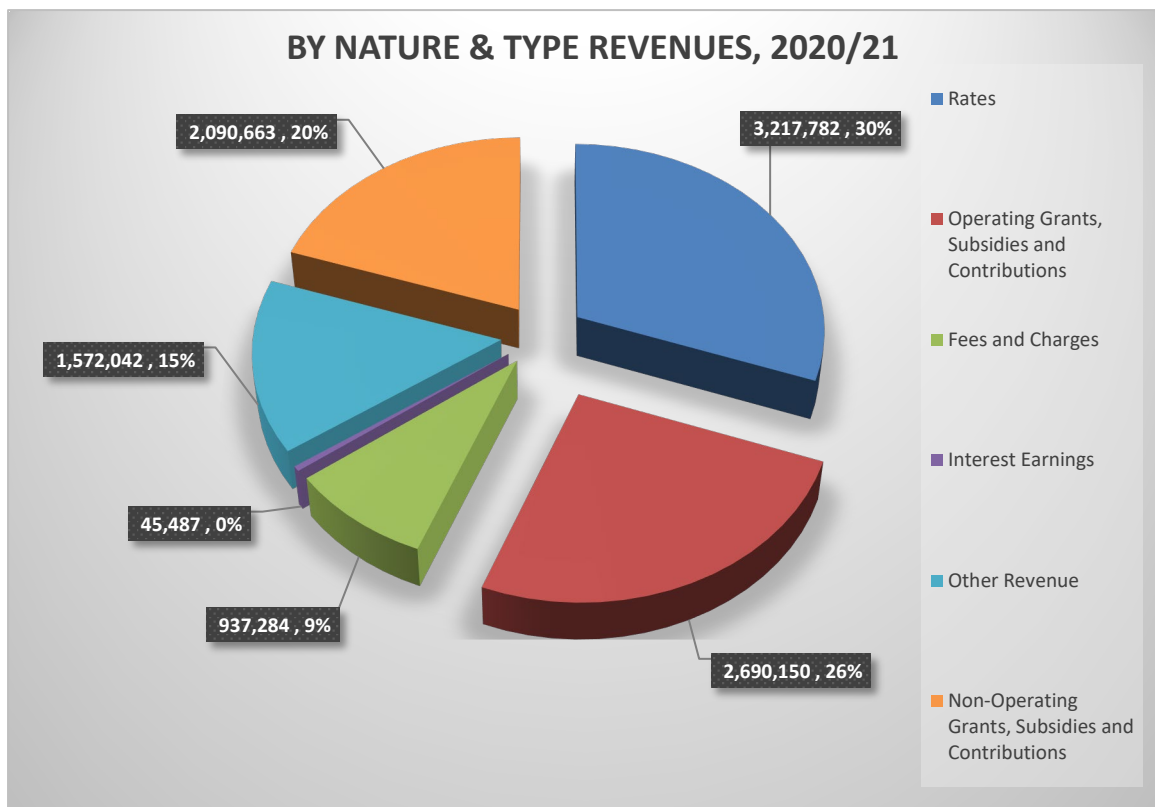
FINANCIAL SUMMARY

The 2020/2021 Financial Year saw the same Rate in the \$ for rates due to the impacts of the COVID Pandemic. This was requested by State Government and the Shire of Kondinin complied with this.

In every financial year, all UV rated properties are revalued, so any properties with a change in rates would have been due to the change in valuations.

Operating revenue for 2020/2021 of \$10,553,407 is made up of General purpose funding being rates of \$3,217,782 and operating grants, subsidies and contributions of \$2,690,150. Other operating revenue consisted of fees and charges \$937,284, interest earnings \$45,487, other revenue \$1,572,042 and Non-Operating Grants/Subsidies \$2,090,663.

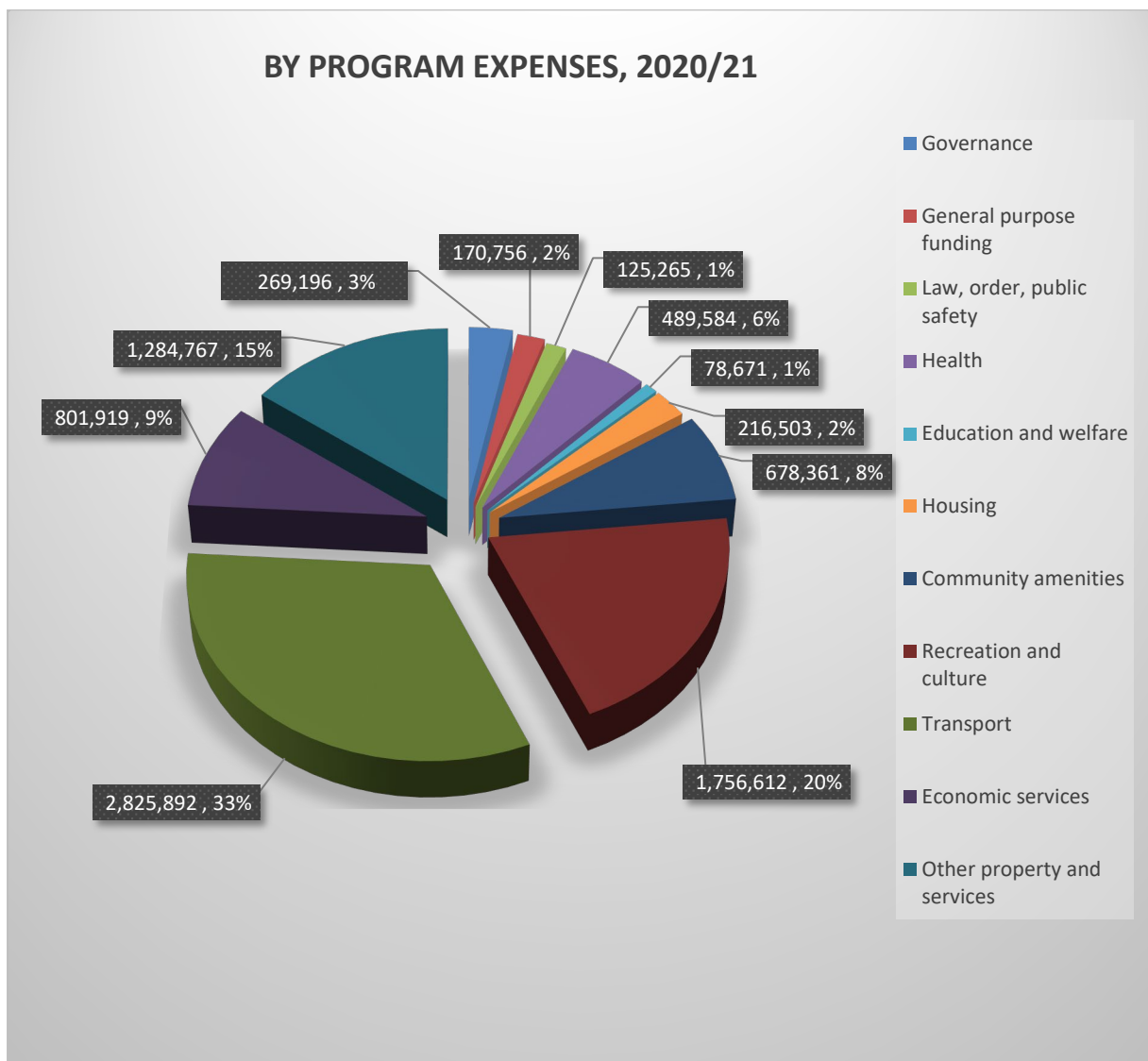
GRAPHICAL OVERVIEW – OPERATING REVENUES



FINANCIAL SUMMARY HIGHLIGHTS (continued)

Operating expenditure consists of Governance, \$269,196, General Purpose Funding \$170,756, Law, Order and Public Safety \$125,265, Health \$489,584, Education and Welfare \$78,671, Housing \$216,503, Recreation and Culture \$1,756,612, Transports and Roads \$2,825,892, Economic Services \$801,919 and Other Property and Services \$1,284,767.

GRAPHICAL OVERVIEW – OPERATING EXPENSES



Roads Program and Plant Replacement

Roads

The Shire continued its road maintenance and capital works upgrades on our road network this year. Major construction and re-sheeting was done as per the listing below.

The Shire also assisted Main Roads WA with the widening of corners on the Kondinin-Hyden Road in a significant private works job for the Shire.

This year was wetter than normal at the end of the financial year causing damage to gravel roads and issues for maintenance grading.

Road Work Program			
Road Work Program	Description of Works	Actual \$ (R2R, RRG)	Funding Program
Hyden - Mt Walker Road	Shoulder widenings	\$186,464	RRG
Aylmore Road	reseals	\$115,974	RRG
East Hyden Bin Road	reseals	\$128,426	RRG
Kondinin - Narembeen Road	shoulder widening	\$96,157	RRG
Bendering East Road	shoulder widening - gravel resheeting	\$49,287	Shire
Hyden - Norseman Road	reseal	\$34,260	Shire
Linto Road	gravel resheeting	\$30,441	Shire
Lake O'Connor Road	gravel resheeting	\$73,103	Shire
Hyden - Norseman Road	gravel resheeting	\$162,914	R2R
Whyte Road	gravel resheeting	\$112,701	R2R
Worland Road	gravel resheeting	\$136,927	R2R
Melba Street	asphalt	\$153,223	R2R
Kondinin - Narembeen Road	preliminaries	\$16,500	SFN
		\$1,296,377	

Plant Replacement

In 2020/21 the Shire continued to lease our prime movers through Daimler Trucks.

Council's plant replacement included light vehicles and 670G John Deere grader.

Plant Replaced		
Plant	Plate	Actual \$
Toyota Prado	OKN	\$57,990
Subaru Outback	KN04	\$34,688
Toyota Rav 4	KN52	\$30,242
John Deere 670G Grader	KN66	\$349,500
Toyota Prado	KN0	\$58,624
		\$531,044

Other Infrastructure and Assets

Other Infrastructure and Assets (not including roads)

The Shire of Kondinin continued to upgrade facilities and assets as required and to ensure that our facilities are not degrading. This year saw additional funding through the Local Roads and Community Infrastructure Program grant funds which allowed additional projects to be completed.

The Shire also participated in the Southern Wheatbelt Aged Housing alliance with neighbouring Shires that saw additional Aged Housing units being constructed in Kondinin and Hyden.

Other Capital Works			
Building / Facility	Description of Works	Actual \$	
Aged Care Housing	Construction of 4 Units (2 Kondinin, 2 Hyden)	\$726,227	Grant Funded
Gordon Street Toilet Block	Construction of new facility	\$114,720	Grant Funded
Recreation Centre Car Park	Reseal	\$37,349	Grant Funded
Public BBQ Facilities	3 x installs at various locations	\$19,435	Grant Funded
Hyden Oval Reticulation	Install new sprinklers and system	\$127,760	
Coronation Park / CRC Carpark	Reseal	\$36,884	
Footpaths	Installation - Various Locations	\$184,921	Grant Funded
Wash Down Bay	Install at Depot	\$30,498	
Wave Rock Tourism Improvements	Improvements to facility	\$15,380	
Karlgarin Centenary	Improvements	\$40,628	Grant Funded
Marshall Street	Landscaping	\$22,727	Grant Funded
Wave Rock Tourism Improvements	Bush Tucker Garden	\$21,083	Grant Funded
Standpipes	Installation of controllers	\$99,633	Grant Funded
		\$1,477,245	



Community Programs

COMMUNITY SHIRE GRANTS PROGRAM

The Shire of Kondinin Community Grants Program provides a source of funding for local community organisations operating within the Shire.

Council approved the following grants from the Shire Community Grants Program 2020/2021 as follows:

	Community Organisation	Project	Amount Awarded
1	Karlgarin Hyden Hockey Club	New playing Shirts	\$4,515.00
2	Kondinin Artists Group Inc	Improve annual art exhibition	\$4,095.00
3	Kondinin Golf Club	New Kitchen	\$4,000.00
4	Kondinin Netball Club	Extension to existing netball shelter	\$3,872.00
5	Kondinin Community Recourse Centre	New Camera	\$1,432.00
6	Hyden Lions Club Inc	Equipment for playing Croquet	\$1,499.00
7	REED	Focus & Concentration – Motor Skills	\$4,560.48
8	Kondinin Men's Shed	Replacing old fence and beautifying the front side of the men's shed.	\$3,870.00
9	Kondinin Kulin Cricket Club	Purchasing and installation of cricket nets at Kondinin Sport Grounds.	\$5,000.00
10	Kondinin Swimming Club	New equipment for squad swimmers	\$1,500.00
11	Kondinin Bowling Club	New Shade at Bowling green	\$7,500.00
12	Hyden Netball Club	Training equipment, history preservation	\$6,480.00
13	Hyden Progress Association	Corten steel panels & infrastructure	\$7,500.00
14	Kondinin/Hyden St John Ambulance	Mobile boosters	\$5,335.44
15	Hyden Tennis Club	Security Cameras	\$7,351.90
16	Kondinin Burnout Challenge	Infrastructure Program 2020-2021	\$7,500.00
17	Kondinin P & C	Nature Playground	\$7,500.00
18	Hyden Community Recourse Centre	Tables and Whiteboard	\$7,102.00
	TOTAL		\$90,612.82

FUNCTIONS AND EVENTS

Karlgarin Centenary

Karlgarin Centenary was a huge success for Karlgarin Progress Association, Karlgarin Country Club and the Shire of Kondinin. The event was spread out between two days, with Saturday as the main event with a cricket game in the morning at the cricket oval, the opening of Stafford Park, a walk down memory lane in the hall and the showcase of the Karlgarin Movie.



Gourmet in the Garden

The Gourmet in the Garden was a huge success this year with 125 guests from in and around the Shire. Chef Sophie Budd came back for her 4th year as part of the event and cooked an amazing 4 course meal, along with musician Laine Wolfe and the Kombi Keg Van. This event is great for the locals to enjoy a night in our beautiful community garden.



ANZAC Day

Kondinin - Anzac Day was a beautiful event starting with the Dawn Service held at Yeerakine Rock in the early morning with a large crowd from in and around the Shire. After the Dawn service patrons moved back to Kondinin for the memorial walk and Gun Fire Breakfast with support from Kondinin Netball Club and Kondinin Primary School.

Hyden – ANZAC Day started with a Dawn Service held at the war memorial to commemorate the day and a Gun Fire Breakfast provided at the Hyden Hotel. This was well attended by the local residents.



Kondinin Triathlon

Kondinin Triathlon is a huge event for the Kondinin community with over 60 entrants from Hyden, Karlgarin, Corrigin, Kondinin, Kulin, Mandurah and more. It was a busy day for the volunteers starting early starting with registration then the 4 categories started with the Open Long for Adults, Junior under 12 then Junior 12 to 16 and Open Short for the Adults. It was a great day with heaps of support from local sporting groups and huge help from the volunteers.



Hyden Bike Fun Ride

Hyden Bike Fun Ride is a very successful event that is done during bike week each year. Hyden Fun Ride had over 30 kids that rode their bikes from Coronation Park to Wave Rock and back again. Each year there are more and more kids that come along for a ride and learn a thing or two about safely of riding and fixing their bikes.



Remuneration

Regulation 19B, 2(b) of the Local Government (Administration) Regulations states the Annual Report is to include the number of Employees with an annual salary of \$130,000 or more going up in \$10,000 increments.

Salary Range	Number of Employees
\$130,000 to \$140,000	0
\$140,001 to \$150,000	0
\$150,001 to \$160,000	1
\$160,001 to \$170,000	0
\$170,001 to \$180,000	0

Regulation 19B 2(e) of the Local Government (Administration) Regulations states the Annual Report is to include the remuneration paid or provided to the CEO during the financial year. The remuneration provided for the CEO for the 2020/2021 financial year is as follows:

Remuneration as per Band 4 Salaries and Allowances	\$200,138
Allowances outside of Remuneration (inc. Housing, vehicle, etc.)	\$ 45,019

Register of Complaints and Minor Breach

In accordance with section 5.53(2) and 5.121 of the Local Government Act 1995, the Annual Report is required to disclose the number of Complaints of Minor Breach received each year.

For the year 2020/2021 the Shire of Kondinin received no formal complaints lodged against Elected Members.



Council Meetings Attended

Council Members for the Shire of Kondinin attended to following number of Council and Committee Meetings.

Council Members	Ordinary Council Meetings	Audit Meeting	Special Meeting	Annual Electors Meeting	Sum
Cr Sue Meeking	10	1	1	-	12
Cr Murray James	10	1	2	1	14
Cr Kent Mouritz	8	-	2	1	11
Cr Thomas Mulcahy	11	1	2	1	15
Cr Gerard Lynch	9	1	2	1	13
Cr Beverley Gangel	10	1	2	1	14
Cr Steve Jones	10	1	1	1	13
Cr Darren Pool	10	1	2	1	14
Cr Bruce Browning	10	1	2	1	14

Disability Access and Inclusion Plan

The Shire of Kondinin is committed to ensuring that the community is accessible and inclusive for people with disabilities, their families and carers. The Shires Disability Access and Inclusion Plan addressed our commitments and can be found on the Shires website. Whilst no capital upgrades were undertaken, the Shire staff continued to ensure all residents and visitors to the Shire had access to facilities and events.

National Competition Policy

This Policy was introduced by the Commonwealth Government in 1995 to promote competition for the benefit of business, consumers and the economy by removing what was considered to be an unnecessary protection of monopolies of markets where competition can be enhanced. It effects local governments as factors such as exemption from company and income tax or possible local regulation and laws may give local government a potential advantage over private contractors.

During the 2020/2021 financial year the Shire met its obligations concerning National Competition Policy. The Shire has no local laws or policies that contain anti-competitive provision. No complaints were received during the period.

Record Keeping Plan

In compliance with the State Records Act 2000, as required by Standard 2, Principle 6, Council maintains a Record Keeping Plan which is reviewed annually by the Chief Executive Officer.

Public Interest Disclosure

In compliance with the Public Interest Disclosure Act 2003, as required by Section 23, part 1, Council has appointed a PID Officer in the agency, being the Chief Executive Officer, and Council has published internal procedures relating to the agency's obligations.

During the 2020/2021 period, no public interest disclosures were lodged.

Freedom of Information

The Shire has been subject to the provisions of the Freedom of Information Act 1992 since the Act was first introduced. The Act gives a general right of access to information held by the Shire, subject to limitations as set out in Clauses 1 to 15 of Schedule 1 to the Freedom of Information Act. The Act is intended to make Government, its agencies and officers more accountable. It is not intended to open the private and professional lives of its citizens to public scrutiny without the consent of the individuals concerned, where there is no demonstrable benefit to the public interest in doing so.

The Shire received no Freedom of Information Applications in the 2020/2021 reporting year.

Structural Reform

Integrated Planning was introduced in the Shire of Kondinin in 2012/13, and comprises:

- Strategic Community Plan
- Corporate Business Plan
- Asset Management Plan
- Long Term Financial Plan, and
- Workforce Plan

Due to the Strategic Community Plan being fully reviewed in the 2021/2022 financial year, no amendments or modifications were made to the Strategic Community Plan or Corporate Business Plan.

Strategic Community Plan

The Shire of Kondinin Strategic Community Plan is due to be reviewed in the 2021/2022 year.

The current document belongs to the community and is designed to give everyone the opportunity to participate in achieving the goals and actions set out in the Plan. The goals and actions in each of the identified focus areas reflect the words and ideas presented by members of the Shire.

The Shire of Kondinin Strategic Community Plan contains four goals;

1. Social and community wellbeing and capacity
2. Economic diversity and prosperity
3. Infrastructure that meets the needs now and allows for growth
4. Leadership and financial sustainability

The actions in each focus area are;

Social

1.1 A vibrant and attractive place to live that offers choice and a liveable environment

- 1.1.1** Promote the Shire of Kondinin as a great place to live, work, visit and invest
- 1.1.2** Encourage greater housing diversity and standards that meets the needs of a broader demographic profile
- 1.1.3** Develop infrastructure and support services to create the Shire as an ideal place to retire

1.2 A growing, diverse and dynamic community

- 1.2.1** Facilitate equitable access for residents to services and facilities across the Shire
- 1.2.3** Increase land supply for residential, commercial and industrial opportunities that can be released quickly to the market
- 1.2.3** Create aesthetically attractive and vibrant towns within the Shire

1.3 A safe, healthy and active Shire

- 1.3.1** Facilitate a consistent presence and high standard of medical services and allied health in the Shire
- 1.3.2** Embrace lifelong learning, social interaction and creativity
- 1.3.3** Provide a variety of quality sport, recreation and leisure services and facilities for all life stages across the three communities
- 1.3.4** Attract regular cultural events and activities to the Shire

Economic

2.1 Promote the Shire of Kondinin within the local community and beyond the Wheatbelt and state boundaries as a preferred location for business, tourism and lifestyle

- 2.1.1** Identify and attract industry to the Shire to contribute to a balanced and diverse economy
- 2.1.2** Stimulate economic prosperity through various economic development strategies including buy local campaigns
- 2.1.3** The Shire of Kondinin will have strong business networks and an innovative, creative and entrepreneurial culture

2.2 Provide sustainable infrastructure and services that support current and future needs of the community

- 2.2.1** Support and maintain safe, connected, critical transport infrastructure including rail and roads, public transport
- 2.2.2** Advocate for equitable telecommunication services across the Shire for improved mobile phone coverage
- 2.2.3** With stakeholders develop and maintain suitable utility services including water, power, sewerage and waste

2.3 Encourage and promote a culture of education, career development, job creation and employment

- 2.3.1** Work with the local Community Resource Centres and government, industry, education, employment and community groups to develop sub regional partnerships and investment in education and training
- 2.3.2** Promote labour availability, career opportunities, whole of lifespan employment options and flexible and affordable lifestyle options in the Shire through various channels

2.3.3 Ensure there are learning options for all members of the community

2.4 Encourage, promote and support tourism experiences and businesses in the Shire of Kondinin

2.4.1 Collaborate with key stakeholders and local networks to develop and promote our tourism experiences across the entire Shire

2.4.2 Add value to current tourism experiences and facilities as well as creating additional tourism experiences and facilities

Environmental

3.1 A sustainable built and natural environment

3.1.1 Functional mix of open space

3.1.2 Encourage development that is best practice and protects biodiversity

3.1.3 Encourage alternative energy sources and activities amongst residents and in the Shire's practices and facilities

3.2 Integrated approach to resource management and sustainability

3.2.1 Plan for water conservation, reuse and efficiency, water catchment and storage

3.2.2 Sustainable waste management focusing on waste minimisation, infill sewerage in all three communities and resource recovery

3.2.3 Encourage the community to participate in programs that enhance the environment

3.2.4 Minimise waste, maximise recycling and educate the community on sustainable environments

Civic Leadership

4. Provide good strategic decision making, governance, leadership and professional management

4.1 Develop leadership skills and behaviours that enhance the knowledge, skills and experience of the Shire staff and Council

4.2 Manage the organisation in a responsible and accountable manner

4.3 Deliver services that meet the current and future needs and expectations of the community, whilst maintaining statutory compliance



Recipient of the Kondinin Art Show Acquisition Prize 2020 Steph Baldwin with judge Len Zuks

2020/2021

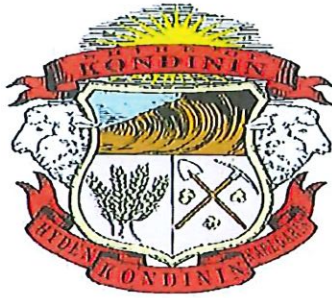
Annual Financial

Report

&

Independent

Auditors Report



SHIRE OF KONDININ

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2021

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COMMUNITY VISION

The Shire of Kondinin is dedicated to providing facilities and services that meet the needs of the community and enable them to enjoy a pleasant, healthy country lifestyle.

Principal Place of Business:
Gordon Street
KONDININ WA 6367

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

LOCAL GOVERNMENT ACT 1995
LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996

STATEMENT BY CHIEF EXECUTIVE OFFICER

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

Signed on the 20th day of December, 2021



Chief Executive Officer

David Burrow
Name of Chief Executive Officer

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

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
Revenue				
Rates	26(a)	3,217,782	3,202,696	3,189,086
Operating grants, subsidies and contributions	2(a)	2,690,150	1,535,003	2,727,538
Fees and charges	2(a)	937,284	731,200	762,423
Interest earnings	2(a)	45,487	31,218	73,887
Other revenue	2(a)	1,564,170	384,323	450,583
		<u>8,454,873</u>	<u>5,884,440</u>	<u>7,203,517</u>
Expenses				
Employee costs		(2,191,544)	(2,181,208)	(2,105,116)
Materials and contracts		(2,284,744)	(2,071,191)	(2,145,906)
Utility charges		(314,445)	(331,350)	(343,267)
Depreciation on non-current assets	11(c)	(3,220,207)	(3,240,043)	(3,208,412)
Interest expenses	2(b)	(144,005)	(142,048)	(155,632)
Insurance expenses		(226,974)	(228,428)	(216,972)
Other expenditure		(272,658)	(285,913)	(246,627)
		<u>(8,654,577)</u>	<u>(8,480,182)</u>	<u>(8,421,932)</u>
		(199,705)	(2,595,743)	(1,218,415)
Non-operating grants, subsidies and contributions	2(a)	2,090,663	1,766,565	1,113,029
Profit on asset disposals	11(a)	12,831	7,202	0
(Loss) on asset disposal	11(a)	(47,478)	(67,183)	(102,659)
Share of result in associate	24	(2,368)	0	0
Fair value adjustments to financial assets at fair value through profit or loss	8(b)	1,939	0	864
		<u>2,055,586</u>	<u>1,706,584</u>	<u>1,011,234</u>
Net Result for the period		1,855,881	(889,159)	(207,181)
Other comprehensive Income				
<i>Items that will not be reclassified subsequent to profit or loss</i>				
Share of changes in asset revaluation surplus in associate	13	(132,656)	0	4,798,521
Total other comprehensive income for the period		(132,656)	0	4,798,521
Total comprehensive income for the period		1,723,225	(889,159)	4,591,340

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



BUTLER SETTINERI (AUDIT) PTY LTD

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

	NOTE	2021 Actual \$	2021 Budget \$	2019 Actual \$
Revenue				
	2(a)			
Governance		11,330	20,000	64,198
General purpose funding		5,516,957	4,257,402	5,452,191
Law, order, public safety		36,045	20,850	29,095
Health		351,114	345,428	358,055
Education and welfare		0	0	(0)
Housing		53,048	55,000	55,213
Community amenities		144,736	114,000	116,690
Recreation and culture		43,339	41,044	44,930
Transport		200,072	206,455	197,677
Economic services		456,295	487,260	577,472
Other property and services		1,641,938	337,000	307,996
		<u>8,454,873</u>	<u>5,884,440</u>	<u>7,203,517</u>
Expenses				
	2(b)			
Governance		(253,030)	(322,132)	(340,432)
General purpose funding		(170,756)	(207,599)	(171,959)
Law, order, public safety		(125,265)	(135,162)	(140,833)
Health		(493,446)	(529,693)	(507,713)
Education and welfare		(78,671)	(88,988)	(88,373)
Housing		(213,338)	(290,782)	(264,123)
Community amenities		(578,930)	(631,238)	(681,400)
Recreation and culture		(1,726,228)	(1,929,774)	(1,948,624)
Transport		(2,777,326)	(2,841,079)	(2,830,598)
Economic services		(801,919)	(1,030,203)	(1,057,051)
Other property and services		(1,291,664)	(331,483)	(235,194)
		<u>(8,510,573)</u>	<u>(8,338,135)</u>	<u>(8,266,300)</u>
Finance Costs				
	2(b)			
Governance		0	0	0
Health		(8,852)	(7,805)	(9,425)
Education and welfare		0	(5,471)	0
Housing		(3,165)	(2,412)	(3,722)
Community amenities		(99,431)	(98,444)	(103,628)
Recreation and culture		(30,384)	(25,743)	(34,056)
Transport		(2,173)	(2,173)	(4,801)
		<u>(144,005)</u>	<u>(142,048)</u>	<u>(155,632)</u>
		<u>(199,705)</u>	<u>(2,595,743)</u>	<u>(1,218,415)</u>
Non-operating grants, subsidies and contributions	2(a)	2,090,663	1,766,565	1,113,029
Profit on asset disposals	11(a)	12,831	7,202	0
(Loss) on asset disposal	11(a)	(47,478)	(67,183)	(102,659)
Share of result in associate	24	(2,368)	0	0
Fair value adjustments to financial assets at fair value through profit or loss	8(b)	1,939	0	864
		<u>2,055,586</u>	<u>1,706,584</u>	<u>1,011,234</u>
Net Result for the period		<u>1,855,881</u>	<u>(889,159)</u>	<u>(207,181)</u>
Other Comprehensive Income				
<i>Items that will not be reclassified subsequent to profit or loss</i>				
Share of changes in asset revaluation surplus in associate	13	(132,656)	0	4,798,521
Total other comprehensive income for the period		<u>(132,656)</u>	<u>0</u>	<u>4,798,521</u>
Total comprehensive income for the period		<u>1,723,225</u>	<u>(889,159)</u>	<u>4,591,340</u>

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



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

	NOTE	2021	2020
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	3	5,445,996	4,100,108
Trade and other receivables	5	850,125	334,310
Other financial assets	8(a)	131,733	54,173
Inventories	6	21,510	20,990
Other current assets	7	7,636	11,535
TOTAL CURRENT ASSETS		6,457,000	4,521,116
NON-CURRENT ASSETS			
Trade and other receivables	5	13,629	0
Other financial assets	8(b)	270,546	324,746
Investment in associate	24	41,850	0
Property, plant and equipment	9(a)	26,805,842	26,850,846
Right of use assets	12(a)	34,774	169,015
Infrastructure	10(a)	131,693,442	131,845,773
TOTAL NON-CURRENT ASSETS		158,860,083	159,190,380
TOTAL ASSETS		165,317,083	163,711,496
CURRENT LIABILITIES			
Trade and other payables	14	639,669	470,141
Borrowings	17(a)	196,328	188,780
Other liabilities	15	451,924	428,494
Lease liabilities	16(a)	36,513	134,080
Employee related provisions	18	363,068	363,076
TOTAL CURRENT LIABILITIES		1,687,502	1,584,571
NON-CURRENT LIABILITIES			
Borrowings	17(a)	2,717,562	2,913,890
Lease liabilities	16(a)	0	36,513
Employee related provisions	18	44,871	32,600
TOTAL NON-CURRENT LIABILITIES		2,762,434	2,983,003
TOTAL LIABILITIES		4,449,937	4,567,574
NET ASSETS		160,867,145	159,143,921
EQUITY			
Retained surplus		26,905,217	25,238,566
Reserves - cash/financial asset backed	4	1,747,380	1,558,151
Revaluation surplus	13	132,214,548	132,347,204
TOTAL EQUITY		160,867,145	159,143,921

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



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

	NOTE	RETAINED SURPLUS \$	RESERVES CASH/ INVESTMENT BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2019		25,762,087	1,241,811	127,548,683	154,552,581
Comprehensive Income					
Net Result for the period		(207,181)	0	0	(207,181)
Other comprehensive income	13	0	0	4,798,521	4,798,521
Total comprehensive income		(207,181)	0	4,798,521	4,591,340
Transfer from reserves	4	0	0	0	0
Transfer to reserves	4	(316,340)	316,340	0	0
Balance as at 30 June 2020		25,238,566	1,558,151	132,347,204	159,143,921
Comprehensive Income					
Net Result for the period		1,855,881	0	0	1,855,881
Other Comprehensive Income					
Changes in asset revaluation surplus	13	0	0	(132,656)	(132,656)
Total comprehensive income		1,855,881	0	(132,656)	1,723,225
Transfer from reserves	4	309,942	(309,942)	0	0
Transfer to reserves	4	(499,172)	499,172	0	0
Balance as at 30 June 2021		26,905,217	1,747,380	132,214,548	160,867,145

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

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

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		3,240,693	3,202,696	3,177,425
Operating grants, subsidies and contributions		2,690,150	1,535,003	2,727,538
Fees and charges		407,571	731,200	742,719
Interest earnings		45,487	31,218	73,887
Goods and services tax received		545,481	617,105	492,117
Other revenue		1,572,847	384,323	451,447
		<u>8,502,228</u>	<u>6,501,545</u>	<u>7,665,134</u>
Payments				
Employee costs		(2,154,746)	(2,181,208)	(2,150,177)
Materials and contracts		(2,377,804)	(2,071,191)	(2,036,238)
Utility charges		(314,445)	(331,350)	(343,267)
Insurance expenses		(226,974)	(228,428)	(216,972)
Interest expenses		(146,157)	(142,048)	(157,310)
Goods and services tax paid		(327,404)	(820,051)	(204,461)
Other expenditure		(255,044)	(285,913)	(224,497)
		<u>(5,802,574)</u>	<u>(6,060,192)</u>	<u>(5,332,924)</u>
Net cash provided by (used in) operating activities	19	<u>2,699,656</u>	<u>441,353</u>	<u>2,332,212</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	9(a)	(1,458,858)	(2,504,256)	(701,978)
Payments for construction of infrastructure	10(a)	(1,899,156)	(2,200,180)	(1,883,002)
Non-operating grants, subsidies and contributions	2(a)	2,090,663	1,766,565	1,113,029
Proceeds (payments) for financial assets at amortised cost - term deposits	8	(75,593)	0	1,175,035
Proceeds for financial assets at amortised cost - self supporting loans	17(b)	54,173	54,173	52,277
Proceeds from sale of plant & equipment	11(a)	257,864	313,000	309,453
Net cash provided by (used in) investment activities		<u>(1,030,908)</u>	<u>(2,570,698)</u>	<u>64,815</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	17(b)	(188,780)	(199,570)	(181,531)
Payments for principal portion of lease liabilities	16(a)	(134,080)	(134,080)	(131,451)
Proceeds from new borrowings	17(b)	0	250,000	0
Net cash provided by (used in) financing activities		<u>(322,860)</u>	<u>(83,650)</u>	<u>(312,982)</u>
Net increase (decrease) in cash held		<u>1,345,889</u>	<u>(2,212,995)</u>	<u>2,084,044</u>
Cash at Beginning of Year		<u>4,100,108</u>	<u>4,078,255</u>	<u>2,016,064</u>
Cash and cash equivalents at the end of the year	19	<u>5,445,996</u>	<u>1,865,260</u>	<u>4,100,108</u>

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

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

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)	27(b)	1,647,080	2,022,156	1,404,349
Revenue from operating activities (excluding rates)				
Governance		37,783	26,711	65,062
General purpose funding		2,299,175	1,054,706	2,263,105
Law, order, public safety		36,045	20,850	29,095
Health		351,114	345,428	358,055
Education and welfare		0	0	0
Housing		53,048	55,000	55,213
Community amenities		144,736	114,000	116,690
Recreation and culture		43,339	41,044	44,930
Transport		202,254	206,455	197,677
Economic services		437,815	487,260	577,472
Other property and services		1,639,655	337,491	307,996
		5,244,964	2,688,946	4,015,293
Expenditure from operating activities				
Governance		(269,196)	(322,132)	(340,432)
General purpose funding		(170,756)	(207,599)	(171,959)
Law, order, public safety		(125,265)	(135,162)	(140,833)
Health		(489,584)	(537,825)	(517,138)
Education and welfare		(78,671)	(94,459)	(88,373)
Housing		(216,503)	(293,195)	(267,845)
Community amenities		(678,361)	(729,682)	(785,027)
Recreation and culture		(1,756,612)	(1,955,518)	(1,982,680)
Transport		(2,825,892)	(2,910,108)	(2,938,058)
Economic services		(801,919)	(1,030,203)	(1,057,051)
Other property and services		(1,284,767)	(331,483)	(235,197)
		(8,697,526)	(8,547,366)	(8,524,592)
Non-cash amounts excluded from operating activities	27(a)	3,253,925	3,300,025	3,302,482
Amount attributable to operating activities		1,448,443	(536,240)	197,533
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	2(a)	2,090,663	1,766,565	1,113,029
Proceeds from disposal of assets	11(a)	257,864	313,000	309,453
Proceeds for financial assets at amortised cost - self supporting loans	17(b)	54,173	54,173	52,277
Purchase of property, plant and equipment	9(a)	(1,458,858)	(2,504,256)	(701,978)
Purchase and construction of infrastructure	10(a)	(1,899,156)	(2,200,180)	(1,883,002)
Amount attributable to investing activities		(955,314)	(2,570,698)	(1,110,221)
FINANCING ACTIVITIES				
Repayment of borrowings	17(b)	(188,780)	(199,570)	(181,531)
Proceeds from borrowings	17(c)	0	250,000	0
Payments for principal portion of lease liabilities	16(a)	(134,080)	(134,080)	(131,451)
Transfers to reserves (restricted assets)	4	(499,172)	(502,108)	(316,340)
Transfers from reserves (restricted assets)	4	309,942	490,000	0
Amount attributable to financing activities		(512,089)	(95,758)	(629,322)
Surplus/(deficit) before imposition of general rates		(18,961)	(3,202,696)	(1,542,011)
Total amount raised from general rates	26(a)	3,217,782	3,202,696	3,189,086
Net current assets at 30 June c/fwd - surplus/(deficit)	27(b)	3,198,819	(0)	1,647,080

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

SHIRE OF KONDININ
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FOR THE YEAR ENDED 30 JUNE 2021

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1. BASIS OF PREPARATION

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

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

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

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

THE LOCAL GOVERNMENT REPORTING ENTITY

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

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 29 to these financial statements.

INITIAL APPLICATION OF ACCOUNTING STANDARDS

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

These were:

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

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

NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE YEARS

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

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

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

CRITICAL ACCOUNTING ESTIMATES

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

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

2. REVENUE AND EXPENSES

REVENUE RECOGNITION POLICY

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Timing of revenue recognition
Rates - general rates	General Rates	Over time	Payment dates adopted by Council during the year	None	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Specified area rates	Rates charge for specific defined purpose	Over time	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Service charges	Charge for specific service	Over time	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
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	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants, subsidies or contributions for the construction of non-financial assets	Construction or acquisition of recognisable non-financial assets to be controlled by the local government	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the funding body	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms	Output method based on project milestones and/or completion date matched to performance obligations
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
Fees and charges - licences, registrations, approvals	Building, planning, development and animal management, having the same nature as a licence regardless of naming.	Single point in time	Full payment prior to issue	None	Set by State legislation or limited by legislation to the cost of provision	Based on timing of issue of the associated rights	No refunds	On payment and issue of the licence, registration or approval
Fees and charges - pool inspections	Compliance safety check	Single point in time	Equal proportion based on an equal annual fee	None	Set by State legislation	Apportioned equally across the inspection cycle	No refunds	After inspection complete based on a 4 year cycle
Fees and charges - other inspections	Regulatory food, health and safety	Single point in time	Full payment prior to inspection	None	Set by State legislation or limited by legislation to the cost of provision	Applied fully on timing of inspection	Not applicable	Revenue recognised after inspection event occurs
Fees and charges - waste management collections	Kerbside collection service	Over time	Payment on an annual basis in advance	None	Adopted by council annually	Apportioned equally across the collection period	Not applicable	Output method based on regular weekly and fortnightly period as proportionate to collection service
Fees and charges - waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	Adopted by council annually	Based on timing of entry to facility	Not applicable	On entry to facility
Fees and charges - property hire and entry	Use of halls and facilities	Single point in time	In full in advance	Refund if event cancelled within 7 days	Adopted by council annually	Based on timing of entry to facility	Returns limited to repayment of transaction	On entry or at conclusion of hire
Fees and charges - memberships	Pool membership	Over time	Payment in full in advance	Refund for unused portion on application	Adopted by council annually	Apportioned equally across the access period	Returns limited to repayment of transaction	Output method Over 12 months matched to access right
Fees and charges for other goods and services	Cemetery services, library fees, reinstatements and private works	Single point in time	Payment in full in advance	None	Adopted by council annually	Applied fully based on timing of provision	Not applicable	Output method based on provision of service or completion of works
Fees and charges - sale of stock	Fuel, sand and gravel	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	Adopted by council annually, set by mutual agreement	Applied fully based on timing of provision	Returns limited to repayment of transaction	Output method based on goods
Fees and charges - fines	Fines issued for breaches of local laws	Single point in time	Payment in full with defined time	None	Adopted by council through local law	When taxable event occurs	Not applicable	When the notice is issued
Other revenue - commissions	Commissions on licencing	Over time	Payment in full on sale	None	Set by mutual agreement with the customer	On receipt of funds	Not applicable	When assets are controlled
Other revenue - reimbursements	Insurance claims	Single point in time	Payment in arrears for claimable event	None	Set by mutual agreement with the customer	When claim is agreed	Not applicable	When claim is agreed

2. REVENUE AND EXPENSES

(a) Revenue

Grant Revenue

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

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Operating grants, subsidies and contributions			
General purpose funding	2,240,844	1,019,738	2,179,793
Law, order, public safety	32,219	15,250	14,330
Recreation and culture	4,560	0	1,000
Transport	200,072	206,455	197,677
Economic services	143,584	243,560	267,497
Other property and services	68,872	50,000	67,242
	<u>2,690,150</u>	<u>1,535,003</u>	<u>2,727,538</u>
Non-operating grants, subsidies and contributions			
Law, order, public safety	4,517	0	0
Education and welfare	726,227	371,223	283
Recreation and culture	53,109	80,000	50,055
Transport	1,037,610	1,192,108	1,001,380
Economic services	269,200	123,234	61,311
	<u>2,090,663</u>	<u>1,766,565</u>	<u>1,113,029</u>
Total grants, subsidies and contributions	<u><u>4,780,813</u></u>	<u><u>3,301,568</u></u>	<u><u>3,840,567</u></u>
Fees and charges			
Governance	1,279	2,000	1,738
General purpose funding	11,315	1,750	7,895
Law, order, public safety	3,827	5,600	7,203
Health	30,052	34,800	41,616
Housing	52,356	53,500	53,714
Community amenities	143,940	114,000	116,690
Recreation and culture	20,456	23,850	24,168
Economic services	237,975	208,700	278,667
Other property and services	436,086	287,000	230,731
	<u>937,284</u>	<u>731,200</u>	<u>762,423</u>

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

SIGNIFICANT ACCOUNTING POLICIES

Grants, donations and other 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, licenses, sale of goods or information, fines, penalties and administration fees.

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Contracts with customers and transfers for recognisable non-financial assets			
Revenue from contracts with customers and transfers to enable the acquisition or construction of recognisable non-financial assets to be controlled by the Shire was recognised during the year for the following nature and types of good and services.			
Fees and charges	937,284	731,200	762,423
Other revenue	1,564,170	384,323	450,583
Operating grants, subsidies and contributions	2,690,150	1,535,003	2,727,538
Non-operating grants, subsidies and contributions	2,090,663	1,766,565	1,113,029
	<u>7,282,267</u>	<u>4,417,091</u>	<u>5,053,573</u>

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

Revenue from contracts with customers included as a contract liability at the start of the period	0	0	0
Revenue from contracts with customers recognised during the year	2,501,454	1,115,523	1,213,006
Revenue from transfers intended for acquiring or constructing recognisable non financial assets held as a liability at the start of the period	428,494	428,494	0
Revenue from transfers intended for acquiring or constructing recognisable non financial assets during the year	4,352,319	2,873,074	3,840,567
	<u>7,282,267</u>	<u>4,417,091</u>	<u>5,053,573</u>

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

Financial assets held from transfers for recognisable financial assets	451,924	0	428,494
Liabilities from transfers for recognisable non financial assets	(451,924)	0	(428,494)
		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 KONDININ
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30 JUNE 2021

2 REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)	2021 Actual \$	2021 Budget \$	2020 Actual \$
Revenue from statutory requirements			
Revenue from statutory requirements was recognised during the year for the following nature or types of goods or services:			
General rates	3,217,782	3,202,696	3,189,086
Statutory permits and licences	937,084	727,700	758,126
Fines	200	3,500	4,297
	<u>4,155,066</u>	<u>3,933,896</u>	<u>3,951,509</u>
Other revenue			
Reimbursements and recoveries	356,712	356,713	386,380
Subcontracted revenue	1,114,058	0	0
Other	93,400	27,609	64,203
	<u>1,564,170</u>	<u>384,322</u>	<u>450,583</u>
Interest earnings			
Interest on reserve funds	10,782	13,718	28,814
Rates instalment and penalty interest (refer note 26(e))	26,519	7,500	31,213
Other interest earnings	8,185	10,000	13,860
	<u>45,487</u>	<u>31,218</u>	<u>73,887</u>

SIGNIFICANT ACCOUNTING POLICIES

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

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

2. REVENUE AND EXPENSES (Continued)

(b) Expenses	Note	2021 Actual	2021 Budget	2020 Actual
Auditors remuneration				
- Audit of the Annual Financial Report		29,800	29,000	29,250
- Other services (Acquittals)		900	1,000	900
		30,700	30,000	30,150
Interest expenses (finance costs)				
Borrowings	17(b)	141,832	139,875	150,831
Lease liabilities	16	2,173	2,173	4,801
		144,005	142,048	155,632

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

3. CASH AND CASH EQUIVALENTS

	NOTE	2021	2020
		\$	\$
Cash at bank and on hand		2,725,665	2,498,295
Term deposits		2,720,331	1,601,813
Total cash and cash equivalents		5,445,996	4,100,108

Restrictions

The following classes of assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:

- Cash and cash equivalents		2,141,325	2,008,495
- Other Financial assets at amortised cost	8(a)	75,593	0
		2,216,918	2,008,495

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

Reserves - cash/financial asset backed	4	1,747,380	1,558,151
Liabilities from transfers for recognisable non financial assets	15	451,924	428,494
Bonds and deposits (restricted)	14	17,614	21,850
Total restricted assets		2,216,918	2,008,495

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

4. RESERVES - CASH BACKED

	2021 Actual		2021 Budget		2021 Actual		2021 Budget		2020 Actual		2020 Actual	
	Opening Balance	Transfer to	Opening Balance	Transfer to	Closing Balance	Transfer (from)	Closing Balance	Transfer (from)	Opening Balance	Transfer to	Closing Balance	Transfer (from)
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Plant Reserve	577,277	102,926	577,277	104,849	445,703	(234,500)	442,126	112,405	464,872	112,405	577,277	0
(b) Housing Reserve	137,148	50,882	137,148	51,152	188,030	0	188,300	52,610	84,538	52,610	137,148	0
(c) Leave Reserve	212,398	152,164	212,398	151,784	364,562	0	364,183	4,319	208,079	4,319	212,398	0
(d) Tourism Development Reserve	148,539	34,255	148,539	34,638	132,795	(50,000)	133,177	34,790	113,750	34,790	148,539	0
(e) Water Infrastructure Reserve	0	100,314	0	100,420	100,313	0	100,420	0	0	0	0	0
(f) Community Bus Reserve	50,364	348	50,364	423	50,713	0	50,787	1,010	49,354	1,010	50,364	0
(g) Radio & TV Reserve	24,710	171	24,710	208	24,881	0	24,918	496	24,214	496	24,710	0
(h) Landfill Reserve	21,008	5,127	21,008	5,176	26,135	0	26,184	5,435	15,573	5,435	21,008	0
(i) SJA Capital Upgrade Reserve	0	50,157	0	50,210	50,157	0	50,210	0	0	0	0	0
(j) Medical Services Reserve	77,415	424	77,415	650	77,839	0	78,065	1,394	76,021	1,394	77,415	0
(k) Hyden Recreation Centre Reserve	309,291	2,404	309,291	2,598	286,253	(25,442)	111,889	103,882	205,409	103,882	309,291	0
	1,558,151	499,172	1,558,151	502,108	1,747,380	(309,942)	1,570,260	316,340	1,241,811	316,340	1,558,151	0

All of the reserve accounts are supported by money held in financial institutions and match the amount shown as restricted cash in Note 3 to this financial report.

In accordance with council resolutions 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) Plant Reserve	Ongoing	Future expenditure for replacement of plant.
(b) Housing Reserve	Ongoing	To be used for the construction of new housing.
(c) Leave Reserve	Ongoing	To be used to pay annual and long service leave liabilities.
(d) Tourism Development Reserve	Ongoing	To be used to ensure that the Wave Rock area is kept at a good standard.
(e) Water Infrastructure Reserve	Ongoing	For the installation of standpipe controllers and storage tanks
(f) Community Bus Reserve	Ongoing	To be used for the replacement of the community bus.
(g) Radio & TV Reserve	Ongoing	To account for services charges raised.
(h) Landfill Reserve	Ongoing	To be used for the operational costs of Bendering landfill site.
(i) SJA Capital Upgrade Reserve	2024	Contribution for Sub Centre Capital upgrades in Kondinin and Hyden
(j) Medical Services Reserve	Ongoing	To be used for the operational costs of Kondinin Medical Centre.
(k) Hyden Recreation Centre Reserve	Ongoing	To be used for the construction of Hyden Recreation Building Extension.

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

5. TRADE AND OTHER RECEIVABLES

	2021 \$	2020 \$
(a) Current		
Rates receivable	201,468	238,008
Sundry receivable	707,197	130,754
Allowance for impairment of receivables	(116,397)	(69,667)
GST receivable	57,857	35,215
	<u>850,125</u>	<u>334,310</u>
Movement of the allowance for impairment of receivables		
Reconciliation of changes in the allowance for		
Impairment of receivables:		
Balance at start of period	69,667	50,186
Doubtful debts expense	46,730	19,481
Amounts written off during the period	0	0
Balance at end of period	<u>116,397</u>	<u>69,667</u>
(b) Non-current		
Pensioner's rates and ESL deferred	<u>13,629</u>	<u>0</u>
	<u>13,629</u>	<u>0</u>

SIGNIFICANT ACCOUNTING POLICIES

Trade and other receivables

Trade and other receivables include amounts due from ratepayers for unpaid rates and service charges and other amounts due from third parties for goods sold and services performed in the ordinary course of business.

Trade receivables are recognised at original invoice amount less any allowances for uncollectible amounts (i.e. impairment). The carrying amount of net trade receivables is equivalent to fair value as it is due for settlement within 30 days.

Impairment and risk exposure

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found on Note 28.

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 differences between the face value and fair value is considered immaterial.

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

6. INVENTORIES

Current

Fuel and materials

	2021	2020
	\$	\$
	21,510	20,990
	<u>21,510</u>	<u>20,990</u>

SIGNIFICANT ACCOUNTING POLICIES

General

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

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

Land held for resale

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

Land held for resale (Continued)

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

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

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

7. OTHER ASSETS

Other current assets

Prepayments

Accrued income

	2021	2020
	\$	\$
	707	4,258
	6,928	7,277
	<u>7,636</u>	<u>11,535</u>

SIGNIFICANT ACCOUNTING POLICIES

Other current assets

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

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

8. OTHER FINANCIAL ASSETS

	2021 \$	2020 \$
(a) Current assets		
Other financial assets at amortised cost	131,733	54,173
	<u>131,733</u>	<u>54,173</u>
Other financial assets at amortised cost		
Term deposits	75,593	0
Self supporting loans	56,140	54,173
	<u>131,733</u>	<u>54,173</u>
(b) Non-current assets		
Other financial assets at amortised cost	215,191	271,331
Financial assets at fair value through profit and loss	55,355	53,416
	<u>270,546</u>	<u>324,746</u>
Other financial assets at amortised cost		
Self supporting loans	215,191	271,331
	<u>215,191</u>	<u>271,331</u>
Financial assets at fair value through profit and loss		
Units in Local Government House Trust	55,355	53,416
	<u>55,355</u>	<u>53,416</u>
During the year, the following gains/(losses) were recognised in profit and loss:		
Fair value gains/(losses) on equity investments at fair value through profit and loss are recognised in other gains/(losses) and classified as other property and services.	1,939	864

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

SIGNIFICANT ACCOUNTING POLICIES

Other financial assets at amortised cost

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

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

Financial assets at fair value through profit and loss

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

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

Impairment and risk

Information regarding impairment and exposure to risk can be found at Note 28.

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

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 current financial year.

	Land - freehold land	Land - vested in and under the control of Council	Total land	Buildings - specialised	Buildings - non-specialised	Buildings - specialised	Total buildings	Total land and buildings	Furniture and equipment	Plant and equipment	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2019	1,030,459	0	1,030,459	5,883,169	13,024,564	18,907,733	19,938,192	228,840	2,755,600	22,922,632	
Additions	0	0	0	283	1,952	2,235	2,235	43,278	690,115	735,628	
Adjustment for expenditure incorrectly capitalised in prior year	0	0	0	0	(33,650)	(33,650)	(33,650)	0	0	(33,650)	
(Disposals)	0	0	0	0	0	0	0	0	(412,112)	(412,112)	
Revaluation increments/ (decrements) transferred to revaluation surplus	(132,350)	0	(132,350)	996,244	3,934,627	4,930,871	4,798,521	0	0	4,798,521	
Depreciation (expense)	0	0	0	(204,034)	(561,778)	(765,812)	(765,812)	(25,471)	(368,889)	(1,160,172)	
Carrying amount at 30 June 2020	898,109	0	898,109	6,675,662	16,365,715	23,041,376	23,939,485	246,647	2,664,714	26,850,846	
Comprises:											
Gross carrying amount at 30 June 2020	898,109	0	898,109	6,675,662	16,365,715	23,041,377	23,939,486	274,156	3,033,998	27,247,639	
Accumulated depreciation at 30 June 2020	0	0	0	0	0	0	0	(27,509)	(369,284)	(396,793)	
Carrying amount at 30 June 2020	898,109	0	898,109	6,675,662	16,365,715	23,041,377	23,939,485	246,647	2,664,714	26,850,846	
Carrying amount at 1 July 2020	898,109	0	898,109	6,675,662	16,365,715	23,041,377	23,939,485	246,647	2,664,714	26,850,846	
Additions	7,400	0	7,400	0	893,258	893,258	900,658	27,156	531,044	1,458,858	
(Disposals)	0	0	0	0	0	0	0	0	(292,510)	(292,510)	
Adjustment for share of assets transferred to investment in associate	(60,000)	0	(60,000)	0	0	0	(60,000)	0	0	(60,000)	
Depreciation (expense)	0	0	0	(209,925)	(524,118)	(734,043)	(734,043)	(34,135)	(383,174)	(1,151,352)	
Carrying amount at 30 June 2021	845,509	0	845,509	6,465,737	16,734,856	23,200,592	24,046,100	239,667	2,520,074	26,805,842	
Comprises:											
Gross carrying amount at 30 June 2021	845,509	0	845,509	6,675,662	17,258,973	23,934,635	24,780,143	301,312	3,272,532	28,353,987	
Accumulated depreciation at 30 June 2021	0	0	0	(209,925)	(524,118)	(734,043)	(734,043)	(61,644)	(752,458)	(1,548,145)	
Accumulated impairment loss at 30 June 2021	0	0	0	0	0	0	0	0	0	0	
Carrying amount at 30 June 2021	845,509	0	845,509	6,465,737	16,734,856	23,200,592	24,046,100	239,667	2,520,074	26,805,842	

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

9. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique with restrictions	Basis of Valuation	Date of last Valuation	Inputs used
(i) Fair Value					
Land and buildings					
Freehold land	2	Market approach using recent observable market data for similar properties / income approach using discounted cashflow methodology	Independent registered valuer	June 2020	Price per hectare / market borrowing rate
Buildings - non-specialised	3	Cost approach using depreciated replacement cost	Independent registered valuer	June 2020	Construction costs and current condition, residual values and remaining useful life assessments inputs
Buildings - specialised	3	Cost approach using depreciated replacement cost	Independent registered valuer	June 2020	Construction costs and current condition, residual values and remaining useful life assessments inputs
Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement.					
During the period there were no changes in the valuation techniques used by the local government to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs.					
(ii) Cost					
Furniture and equipment					
		Cost	Cost		Purchase cost
Plant and equipment					
		Cost	Cost		Purchase cost
Following a change to <i>Local Government (Financial Management) Regulation 17A</i> , plant and equipment type assets (being plant and equipment and furniture and equipment) are to be measured under the cost model, rather than at fair value. This change was effective 1 July 2019 and represented a change in accounting policy. Revaluations carried out previously were not reversed as it was deemed fair value approximated cost at the date of change.					

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

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	Infrastructure - footpaths	Infrastructure - drainage	Infrastructure - parks & ovals	Infrastructure - other	Total Infrastructure
Balance at 1 July 2019	\$ 123,735,267	\$ 527,978	\$ 1,447,707	\$ 357,734	\$ 5,809,296	\$ 131,877,982
Additions	1,576,602	130,420	0	58,074	117,906	1,883,002
Depreciation (expense)	(1,481,245)	(18,552)	(26,976)	(21,852)	(366,587)	(1,915,212)
Transfers	0	0	0	0	0	0
Carrying amount at 30 June 2020	123,830,624	639,847	1,420,731	393,956	5,560,615	131,845,773
Comprises:						
Gross carrying amount at 30 June 2020	126,767,590	671,115	1,459,548	441,660	6,273,896	135,613,808
Accumulated depreciation at 30 June 2020	(2,936,967)	(31,268)	(38,816)	(47,704)	(713,281)	(3,768,035)
Carrying amount at 30 June 2020	123,830,624	639,847	1,420,731	393,956	5,560,615	131,845,773
Additions	1,262,116	244,112	0	172,588	220,340	1,899,156
Adjustment for share of assets transferred to investment in associate	0	0	0	0	(116,874)	(116,874)
Depreciation (expense)	(1,497,618)	(22,274)	(26,976)	(27,828)	(359,917)	(1,934,613)
Carrying amount at 30 June 2021	123,595,121	861,684	1,393,755	538,716	5,304,164	131,693,442
Comprises:						
Gross carrying amount at 30 June 2021	128,029,706	915,226	1,459,548	614,248	6,377,361	137,396,090
Accumulated depreciation at 30 June 2021	(4,434,585)	(53,542)	(65,792)	(75,532)	(1,073,197)	(5,702,648)
Carrying amount at 30 June 2021	123,595,121	861,684	1,393,755	538,716	5,304,164	131,693,442

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

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	3	Cost approach using depreciated replacement cost	Independent valuers & Management valuation	June 2018	Construction costs and current condition, residual values and remaining useful life assessments inputs
Infrastructure - footpaths	3	Cost approach using depreciated replacement cost	Independent valuers	June 2018	Construction costs and current condition, residual values and remaining useful life assessments inputs
Infrastructure - drainage	3	Cost approach using depreciated replacement cost	Independent valuers & Management valuation	June 2018	Construction costs and current condition, residual values and remaining useful life assessments inputs
Infrastructure - parks and ovals	3	Cost approach using depreciated replacement cost	Independent valuers	June 2018	Construction costs and current condition, residual values and remaining useful life assessments inputs
Infrastructure - other	3	Cost approach using depreciated replacement cost	Independent valuers & Management valuation	June 2018	Construction costs and current condition, residual values and remaining useful life assessments inputs

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

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

11. PROPERTY, PLANT AND EQUIPMENT (INCLUDING INFRASTRUCTURE)

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.

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.

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.

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.

Vested improvements from 1 July 2019

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

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

11. PROPERTY, PLANT AND EQUIPMENT (INCLUDING INFRASTRUCTURE) (Continued)

(a) Disposals of Assets

	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss	2021 Budget Net Book Value	2021 Budget Sale Proceeds	2021 Budget Profit	2021 Budget Loss	2020 Actual Net Book Value	2020 Actual Sale Proceeds	2020 Actual Profit	2020 Actual Loss
Plant and Equipment	\$ 292,510	\$ 257,864	\$ 12,831	\$ (47,478)	\$ 372,981	\$ 313,000	\$ 7,202	\$ (67,183)	\$ 412,112	\$ 309,453	\$ 0	\$ (102,659)
	292,510	257,864	12,831	(47,478)	372,981	313,000	7,202	(67,183)	412,112	309,453	0	(102,659)

The following assets were disposed of during the year.

Plant and Equipment	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss
Governance	\$	\$	\$	\$
Toyota Prado - OKN	42,923	47,500	4,577	0
Subaru Outback - KN04	21,726	23,182	1,456	0
Other Health				
Toyota Rav4 - KN52	22,903	21,818	0	(1,084)
Transport				
Toyota Hilux - KN51	0	0		
Toyota Hilux - KN56	0	0		
John Deere 670G - KN86	161,394	115,000	0	(46,394)
Side Tipper - KN2418	0	0		
Car Trailer - KN2104	0	2,182	2,182	0
Other property and services				
Toyota Prado - KN49	43,564	48,182	4,618	0
	292,510	257,864	12,831	(47,478)

(b) Fully depreciated assets in Use

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

	2021	2020
	\$	\$
Furniture and equipment	26,041	26,041
Plant and equipment	0	0
	26,041	26,041

11. PROPERTY, PLANT AND EQUIPMENT (INCLUDING INFRASTRUCTURE) (Continued)

(c) Depreciation	2021	2021	2020
	Actual	Budget	Actual
	\$	\$	\$
Buildings-non-specialised	209,925	196,529	204,034
Buildings-specialised	524,118	562,000	561,778
Furniture and equipment	34,135	67,600	25,471
Plant and equipment	383,174	281,558	368,889
Infrastructure - Roads	1,497,618	1,571,568	1,481,245
Infrastructure - Footpaths	22,274	13,174	18,552
Infrastructure - Drainage	26,976	12,287	26,976
Infrastructure - Parks and ovals	27,828	28,137	21,852
Infrastructure - Other	359,918	372,948	366,587
Right of use assets (refer Note 12(a))	134,241	134,241	133,028
	<u>3,220,207</u>	<u>3,240,043</u>	<u>3,208,412</u>

SIGNIFICANT ACCOUNTING POLICIES

Depreciation

The depreciable amount of all fixed assets including buildings but excluding freehold land and vested land, are depreciated on a straight-line basis over the individual asset's useful life from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated period of the lease or the estimated useful life 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	30 to 50 years
Furniture and Equipment	4 to 10 years
Plant and Equipment	5 to 15 years
Sealed roads and streets	
formalton	not depreciated
pavement	50 years
seal	
- bituminous seal	20 years
- asphalt surfaces	25 years
Gravel roads	
formalton pavement	not depreciated
gravel sheet	12 years
Formed roads (unsealed)	
formalton	not depreciated
pavement	50 years
Footpaths - slab	20 years
Sewerage - piping	100 years
Water supply piping and drainage systems	75 years
Parks and ovals	10 to 40 years
Right of use (plant and equipment)	Based on the remaining lease

Depreciation on revaluation

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

- (a) The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset. For example, the gross carrying amount may be restated 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 carrying amount of the asset 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.

12. LEASES

(a) Right of Use Assets

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

	Right of use assets - plant and equipment \$	Right of use assets Total \$
Balance at 1 July 2019	302,044	302,044
Additions	0	0
Depreciation (expense)	(133,028)	(133,028)
Balance at 30 June 2020	169,015	169,015
Additions	0	0
Depreciation (expense)	(134,241)	(134,241)
Balance at 30 June 2021	34,774	34,774

The following amounts were recognised in the statement of comprehensive income during the period in respect of the leases where the entity is the lessee:

	2021 Actual \$	2020 Actual \$
Depreciation expense on right of use assets	(134,241)	(133,028)
Interest expense on lease liabilities	(2,173)	(4,802)
Total amount recognised in the statement of comprehensive income	(136,414)	(137,830)
Total cash outflow from leases	(136,253)	(136,253)

The Shire has 5 leases relating to plant and equipment. The lease term for all leases is 5 years. The measurement of lease liabilities does not include any future cash outflows associated with leases not yet commenced to which the Shire is committed.

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 the rate cannot be readily determined, the Shire uses the 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 vested right-of-use assets (other than vested improvements) under 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 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.

SHIRE OF KONDININ
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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13. REVALUATION SURPLUS

	2021		2021		Total	2021		2020		Total	2020		2020 Closing Balance
	Opening Balance	Revaluation Increment	Revaluation (Decrement)	Revaluation Movement on		Change in Accounting Policy	Revaluation Increment	Revaluation (Decrement)	Revaluation Movement on		Revaluation (Decrement)	Revaluation Movement on	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land - freehold land	(61,875)	0	(44,250)	(106,125)	70,475	0	232,250	(364,600)	0	(132,350)	0	0	(61,875)
Revaluation surplus - Land - vested in and under the control of Council	0	0	0	0	450,000	(450,000)	0	0	0	0	0	0	0
Revaluation surplus - Buildings - non-specialised	45,257,072	0	0	45,257,072	44,260,828	0	1,386,664	(390,420)	0	996,244	0	0	45,257,072
Revaluation surplus - Buildings - specialised	4,511,367	0	0	4,511,367	576,739	0	4,336,609	(401,982)	0	3,934,628	0	0	4,511,367
Revaluation surplus - Furniture and equipment	40,444	0	0	40,444	40,444	0	0	0	0	0	0	0	40,444
Revaluation surplus - Plant and equipment	1,897,724	0	0	1,897,724	1,897,724	0	0	0	0	0	0	0	1,897,724
Revaluation surplus - Infrastructure - Roads	77,728,239	0	0	77,728,239	77,728,239	0	0	0	0	0	0	0	77,728,239
Revaluation surplus - Infrastructure - Footpaths	(2,476)	0	0	(2,476)	(2,476)	0	0	0	0	0	0	0	(2,476)
Revaluation surplus - Infrastructure - Drainage	(2,851)	0	0	(2,851)	(2,851)	0	0	0	0	0	0	0	(2,851)
Revaluation surplus - Infrastructure - Parks and Gardens	114,768	0	0	114,768	114,768	0	0	0	0	0	0	0	114,768
Revaluation surplus - Infrastructure - Other	2,864,793	0	(88,405)	2,776,388	2,864,793	(88,405)	0	0	0	0	0	0	2,864,793
	132,347,204	0	(132,655)	132,214,548	127,998,683	(450,000)	5,955,523	(1,157,002)	0	4,798,522	0	0	132,347,204

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.

Revaluation decrements for 2021 relate to share of changes in asset revaluation surplus in associate at 30 June 2021.

SHIRE OF KONDININ
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14. TRADE AND OTHER PAYABLES

Current

Sundry creditors	421,497	229,225
Accrued interest on long term borrowings	33,096	35,248
Accrued salaries and wages	88,432	62,244
ATO liabilities (PAYG Tax)	36,615	38,268
Accrued Expenses	42,415	83,307
Bonds and deposits	17,614	21,850
	639,669	470,141

	2021	2020
	\$	\$
Sundry creditors	421,497	229,225
Accrued interest on long term borrowings	33,096	35,248
Accrued salaries and wages	88,432	62,244
ATO liabilities (PAYG Tax)	36,615	38,268
Accrued Expenses	42,415	83,307
Bonds and deposits	17,614	21,850
	639,669	470,141

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

Trade and other payables (Continued)

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.

15. OTHER LIABILITIES

Current

Contract liabilities	0	0
Liabilities under transfers to acquire or construct non-financial assets to be controlled by the entity	451,924	428,494
	451,924	428,494

	2021	2020
	\$	\$
Contract liabilities	0	0
Liabilities under transfers to acquire or construct non-financial assets to be controlled by the entity	451,924	428,494
	451,924	428,494

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

Less than 1 year	0	451,924
1 to 2 years	0	0
2 to 3 years	0	0
3 to 4 years	0	0
4 to 5 years	0	0
> 5 years	0	0
	0	451,924

	Contract liabilities	Liabilities under transfers to acquire or construct non-financial assets to be controlled by the entity
	\$	\$
Less than 1 year	0	451,924
1 to 2 years	0	0
2 to 3 years	0	0
3 to 4 years	0	0
4 to 5 years	0	0
> 5 years	0	0
	0	451,924

SIGNIFICANT ACCOUNTING POLICIES

Contract liabilities

Contract liabilities represent 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.

Grant Liabilities

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

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

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16. LEASE LIABILITIES

	2021	2020
(a) Lease liabilities		
Current	\$ 36,513	\$ 134,080
Non-current	0	36,513
	\$ 36,513	\$ 170,593

Movements in carrying amounts

Purpose	Lease No.	Institution	Lease Interest Rate	30 June 2021		30 June 2021		30 June 2021		30 June 2021		30 June 2020		30 June 2020		30 June 2020	
				Actual Lease Principal 1 July 2020	Actual New Lease	Budget Lease Principal 1 July 2020	Budget New Lease	Actual Lease Principal 1 July 2021	Budget Lease Principal 1 July 2021	Actual Lease Principal 1 July 2021	Budget Lease Principal 1 July 2021	Actual Lease Principal 1 July 2020	Actual New Lease	Actual Lease Principal 1 July 2020	Actual New Lease	Actual Lease Interest Repayments	Actual Lease Interest Repayments
Transport																	
KNS2	400172MB	Mercedes Benz Leasing	2.0%	38,923	0	38,923	0	31,061	0	31,061	0	69,376	0	(30,453)	0	38,923	1,100
KN7	400171MB	Mercedes Benz Leasing	2.0%	38,296	0	38,296	0	30,553	0	30,553	0	60,241	0	(29,955)	0	38,296	1,082
KNS3	401041MB	Mercedes Benz Leasing	2.0%	38,290	0	38,290	0	30,553	0	30,553	0	60,241	0	(29,951)	0	38,290	1,085
KNS5	400172MB	Mercedes Benz Leasing	2.0%	14,442	0	14,442	0	11,525	0	11,525	0	25,741	0	(11,209)	0	14,442	409
KNS5	400172MB	Mercedes Benz Leasing	2.0%	40,652	0	40,652	0	30,388	0	30,388	0	70,445	0	(29,793)	0	40,652	1,127
Total				170,592	0	170,592	0	134,080	0	134,080	0	302,044	0	(131,451)	0	170,593	4,832

SHIRE OF KONDININ
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17. INFORMATION ON BORROWINGS

	(a) Borrowings	2021		2020		30 June 2021		30 June 2021		30 June 2021		30 June 2021		30 June 2021		30 June 2021		30 June 2021		30 June 2021		30 June 2020		30 June 2020						
		Loan Number	Institution	Interest Rate	Actual Principal 1 July 2020	Actual Interest	Actual Principal repayments	Actual New Loans	Budget Principal	Budget Interest	Budget Principal repayments	Budget New Loans	Budget Principal	Budget Interest	Budget Principal	Budget Interest	Actual Principal 1 July 2020	Actual Interest	Actual Principal repayments	Actual New Loans	Actual Principal	Actual Interest	Actual Principal	Actual Interest	Actual Principal	Actual Interest				
Current			\$																											
Non-current			\$																											
			\$																											
			\$																											
			\$																											
(b) Repayments - Borrowings																														
Particulars																														
Health																														
Director's Housing	137A	WATC*	4.40%	182,133	8,852	171,484	0	10,649	0	10,649	0	182,133	0	7,805	171,484	192,328	0	10,195	0	10,195	0	9,425	182,133	0	0	0	0	0	0	
Welfare	143	WATC*	3.00%	0	0	0	0	10,790	0	10,790	0	0	0	5,471	239,210	0	0	0	0	0	0	0	0	0	0	0	0			
Aged Care Units	140	WATC*	3.13%	92,338	3,165	78,118	0	14,220	0	14,220	0	92,338	0	2,412	78,118	106,123	0	13,785	0	13,785	0	3,722	92,338	0	0	0	0	0	0	
Staff Housing	139	WATC*	5.28%	520,017	30,163	494,121	0	25,896	0	25,896	0	520,017	0	26,765	494,121	544,598	0	24,581	0	24,581	0	31,659	520,017	0	0	0	0	0	0	
Community amenities	142	WATC*	3.68%	1,610,979	69,269	1,548,869	0	62,111	0	62,111	0	1,610,979	0	71,678	1,548,869	1,670,866	0	59,867	0	59,867	0	71,969	1,610,979	0	0	0	0	0	0	
Hyden Sewerage	136	WATC*	4.40%	371,659	18,063	349,968	0	21,732	0	21,732	0	371,659	0	15,649	349,968	392,506	0	20,806	0	20,806	0	19,233	371,659	0	0	0	0	0	0	
Townsite Drainage				2,777,166	129,511	2,642,560	0	134,607	0	134,607	0	2,777,166	0	129,532	2,681,769	2,906,420	0	129,254	0	129,254	0	136,008	2,777,166	0	0	0	0	0	0	
Recreation and culture																														
Recreation and culture	131A	WATC*	4.20%	40,536	1,832	31,024	0	9,511	0	9,511	0	40,536	0	1,566	31,024	49,659	0	9,124	0	9,124	0	2,277	40,536	0	0	0	0	0	0	
Kondinin Community Rec Committee	134A	WATC*	3.04%	233,261	8,325	205,123	0	28,137	0	28,137	0	233,261	0	6,657	205,123	260,562	0	27,301	0	27,301	0	9,363	233,261	0	0	0	0	0	0	0
Hyden Progress Association	138	WATC*	4.20%	51,707	2,164	35,183	0	16,525	0	16,525	0	51,707	0	1,971	35,183	67,559	0	15,852	0	15,852	0	3,184	51,707	0	0	0	0	0	0	0
Kalgoorlie Progress Association				325,504	12,321	271,331	0	54,173	0	54,173	0	325,504	0	10,194	271,331	377,781	0	52,277	0	52,277	0	14,823	325,504	0	0	0	0	0	0	
				3,102,670	141,832	2,913,830	0	188,780	0	188,780	0	3,102,670	0	133,676	3,153,000	3,284,201	0	181,551	0	181,551	0	150,831	3,102,670	0	0	0	0	0	0	0

*WA Treasury Corporation
 Self supporting loans are financed by payments from third parties. These are shown in Note 8 as other financial assets at amortised cost.
 All other loan repayments were financed by general purpose revenue.

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17. INFORMATION ON BORROWINGS (Continued)

(c) New Borrowings - 2020/21 - NIL

(d) Unspent Borrowings

NIL

NIL

(e) Undrawn Borrowing Facilities

Credit Standby Arrangements

	<u>2021</u>	<u>2020</u>
	\$	\$
Bank overdraft limit	250,000	250,000
Bank overdraft at balance date	0	0
Credit card limit	20,000	20,000
Credit card balance at balance date	(523)	(611)
Total amount of credit unused	<u>269,477</u>	<u>269,389</u>

Loan facilities

Loan facilities - current	196,328	188,780
Loan facilities - non-current	2,717,562	2,913,890
Total facilities in use at balance date	<u>2,913,890</u>	<u>3,102,670</u>

Unused loan facilities at balance date

NIL

NIL

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

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

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

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

Borrowing costs

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

Risk

Information regarding exposure to risk can be found at Note 28.

18. EMPLOYEE RELATED PROVISIONS

	2021 Actual \$	2020 Actual \$
Current		
<u>Employee benefits provisions</u>		
Annual leave	200,090	201,725
Long service leave	162,978	161,352
	<u>363,068</u>	<u>363,076</u>
Non-current		
<u>Employee benefits provisions</u>		
Long service leave	44,871	32,600
Total employee related provisions	<u>407,940</u>	<u>395,676</u>

(a) Annual leave liabilities: Classified as current as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

	2021 \$	2020 \$
Within 12 months of the end of the reporting period	120,054	121,033
More than 12 months after the end of the reporting period	80,036	80,692
	<u>200,090</u>	<u>201,725</u>

The provision for annual leave is calculated at the present value of expected payments to be made in relation to services provided by employees up to the reporting date.

(b) Long service leave liabilities: Unconditional long service leave provisions are classified as current liabilities as the Shire does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Pre-conditional and conditional long service leave provisions are classified as non-current liabilities because the Shire has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.

Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

	2021 \$	2020 \$
Within 12 months of the end of the reporting period	58,069	66,628
More than 12 months after the end of the reporting period	149,780	127,323
	<u>207,849</u>	<u>193,951</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 event will occur to impact on these historical events.

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

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

Short-term employee benefits

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

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

Other long-term employee benefits

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

Other long-term employee benefits (Continued)

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

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

Provisions

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

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

19. NOTES TO THE STATEMENT OF CASH FLOWS

Reconciliation of Cash

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

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Cash and cash equivalents	5,445,996	1,865,260	4,100,108

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

Net result	1,855,881	(889,159)	(207,181)
Non-cash flows in Net result:			
Adjustments to fair value of financial assets	(1,939)	0	(864)
Depreciation	3,220,207	3,240,043	3,208,412
(Profit)/loss on sale of asset	34,647	59,981	102,659
Share of result in associate	2,368	0	0
Changes in assets and liabilities:			
(Increase)/decrease in receivables	(529,443)	(107,126)	(16,204)
(Increase)/decrease in other assets	3,899	0	(7,370)
(Increase)/decrease in inventories	(520)	990	(4,285)
Increase/(decrease) in payables	169,525	(103,735)	(4,496)
Increase/(decrease) in other liabilities	23,430	0	428,494
Increase/(decrease) in provisions	12,264	6,924	(53,924)
Non-operating Grants and contributions for the development of assets	(2,090,663)	(1,766,565)	(1,113,029)
Net cash from operating activities	<u>2,699,656</u>	<u>441,353</u>	<u>2,332,212</u>

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

20. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	<u>2021</u>	<u>2020</u>
	\$	\$
Governance	1,022,701	1,021,846
Law, order, public safety	507,104	523,800
Health	933,641	949,255
Education and welfare	2,923,764	2,255,858
Housing	3,368,917	3,473,995
Community amenities	615,960	828,162
Recreation and culture	16,816,965	17,277,640
Transport	126,138,820	126,249,426
Economic services	2,062,121	1,817,270
Other property and services	3,354,664	3,678,979
Unallocated	7,572,425	5,635,262
	<u>165,317,083</u>	<u>163,711,496</u>

21. CONTINGENT LIABILITIES

The Shire has no contingent liability as at reporting date.

22. CAPITAL COMMITMENTS

(a) Capital Expenditure Commitments

	<u>2021</u>	<u>2020</u>
	\$	\$
Contracted for:		
- capital expenditure projects	527,842	0
- plant & equipment purchases	300,455	0
Payable:		
- not later than one year	828,297	0

The capital expenditure projects outstanding at the end of the current reporting period represent the construction balances of four(4) aged care units, Local Road and Community Infrastructure Programs (LRCI) and five (5) lease trucks Council has been committed to purchase on October 2021 - the expiry of 5-year lease contract with Daimler.

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

23. RELATED PARTY TRANSACTIONS

(a) Elected Members Remuneration

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Councillor S Meeking			
President's annual allowance	12,000	12,000	12,000
Meeting attendance fees	3,850	4,200	4,360
Annual ICT expenses	292	167	36
Travel and accommodation expenses	459	800	848
	<u>16,601</u>	<u>17,167</u>	<u>17,245</u>
Councillor K Mouritz			
Meeting attendance fees	2,310	3,225	3,000
Annual ICT expenses	292	167	36
Travel and accommodation expenses	1,156	1,000	1,300
	<u>3,758</u>	<u>4,392</u>	<u>4,336</u>
Councillor B Browning			
Meeting attendance fees	2,840	3,225	690
Meeting attendance fees (Cr A Smoker - Jul to Dec '19)	0	0	920
Annual ICT expenses	292	167	113
Travel and accommodation expenses	1,055	1,000	84
Travel and accommodation expenses (Cr A Smoker)	0	0	61
	<u>4,187</u>	<u>4,392</u>	<u>1,869</u>
Councillor S Jones			
Meeting attendance fees	2,530	3,225	2,150
Annual ICT expenses	292	167	113
Travel and accommodation expenses	344	500	115
	<u>3,166</u>	<u>3,892</u>	<u>2,378</u>
Councillor G Lynch			
Meeting attendance fees	2,300	3,225	2,530
ICT expenses	292	167	36
Travel and accommodation expenses	401	500	401
	<u>2,993</u>	<u>3,892</u>	<u>2,967</u>
Councillor M James			
Meeting attendance fees	2,300	3,225	2,760
ICT expenses	292	167	36
Travel and accommodation expenses	715	700	766
	<u>3,307</u>	<u>4,092</u>	<u>3,562</u>
Councillor B Gangell			
Meeting attendance fees	2,610	3,225	1,690
Meeting attendance fees (Cr B Browning - Jul to Oct '19)	0	0	920
ICT expenses	292	167	36
Travel and accommodation expenses	346	500	115
Travel and accommodation expenses (Cr B Browning)	0	0	126
	<u>3,248</u>	<u>3,892</u>	<u>2,887</u>
Councillor D Pool			
Meeting attendance fees	2,760	3,225	1,380
Meeting attendance fees (Cr R Buller - July to Oct '19)	0	0	642
ICT expenses	292	167	36
Travel and accommodation expenses	466	500	484
Travel and accommodation expenses (Cr R Buller)	0	0	283
	<u>3,518</u>	<u>3,892</u>	<u>2,825</u>

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

23. RELATED PARTY TRANSACTIONS (continued)

(a) Elected Members Remuneration (continued)

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Councillor T Mulcahy			
Meeting attendance fees	3,070	3,225	1,610
Meeting attendance fees (Cr R Growden - July to Oct'19)	0	0	920
ICT expenses	292	166	36
Travel and accommodation expenses	672	1,000	391
Travel and accommodation expenses (Cr Growden)	0	0	115
	<u>4,034</u>	<u>4,391</u>	<u>3,072</u>
	44,812	50,000	41,142

Fees, expenses and allowances to be paid or reimbursed to elected council members

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
President's Allowance	12,000	12,000	12,000
Meeting attendance fees	24,570	30,000	23,572
ICT expenses	2,628	1,500	480
Travel and accommodation expenses	5,614	6,500	5,090
	<u>44,812</u>	<u>50,000</u>	<u>41,142</u>

(b) Key Management Personnel (KMP) Compensation Disclosure

	2021 Actual	2020 Actual
	\$	\$
The total remuneration paid/payable to KMP of the Shire during the year are as follows:		
Short-term employee benefits	532,332	467,427
Post-employment benefits	55,237	55,021
Other long-term benefits	50,144	53,859
	<u>637,713</u>	<u>576,307</u>

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 annual and long service benefits accruing during the year.

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

23. RELATED PARTY TRANSACTIONS (continued)

(c) The following transactions occurred with related parties:	2021 Actual	2020 Actual
	\$	\$
Sale of goods and services	0	0
Purchase of goods and services	11,760	0
Purchase of goods and services from close family member of kmp	0	0
Contribution expense to RoeROC	46,905	56,205
Amounts outstanding from related parties:		
Trade and other receivables	0	0
Amounts payable to related parties:		
Trade and other payables	0	0
Outstanding payables with RoeROC	0	154

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.

 Any entity that is controlled by or over which KMP, or close family members of KMP, have authority and responsibility for planning, directing and controlling the activity of the entity, directly or indirectly, are considered related parties in relation to the Shire.
- iii. *Entities subject to significant influence by the Shire*
 An entity that has the power to participate in the financial and operating policy decisions of an entity, but does not have control over those policies, is an entity which holds significant influence. Significant influence may be gained by share ownership, statute or agreement.

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

24. INVESTMENT IN ASSOCIATE AND JOINT ARRANGEMENTS

	2021	2020
	\$	\$
(a) Balance of investment in associate		
<p>The Shire has a 1/4th interest in RoeROC assets at the Bendering landfill site and 23.08% interest in environmental health service.</p> <p>The Shire's share in the assets based on the audited results of the Roe Regional Organisation of Council is as follows:</p>		
Current assets	0	0
Non-current assets	167,400	0
Total assets	167,400	0
Liabilities	0	0
Net assets	167,400	0
Shire's 1/4th interest in associate	41,850	
Balance as at 1 July	0	0
- Movement in land previously recorded as joint operation	60,000	
- Movement in other infrastructure previously recorded as joint operation	116,873	
- Movement in asset revaluation surplus previously recorded as joint operation	(132,655)	
- Movement in share of result in associate	(2,368)	0
Balance as at 30 June	41,850	0
		0

(b) Share of joint operations

The Shire has a 23.08% interest in Roe Environmental Health Services (Roe EHS)

The Shire's interest in the revenue and expenses have been included in the respective line items of the financial statements.

Statement of Comprehensive Income

Other expenditure	(49,392)	0
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SIGNIFICANT ACCOUNTING POLICIES

Interests in Joint arrangements

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

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

Interests in Joint arrangements (Continued)

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

25. MAJOR LAND TRANSACTIONS

Council did not participate in any major land transactions during the 2020/21 financial year.

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

26. RATING INFORMATION

(a) Rates

RATE TYPE	Rate in \$	Number of Properties	2020/21 Actual		2020/21 Actual Interim		2020/21 Actual Back Rates		2020/21 Budget Interim		2020/21 Budget Back Rate		2020/21 Budget Total Revenue		2019/20 Actual Total Revenue		
			Rateable Value \$	Rate \$	Rateable Value \$	Rate \$	Rateable Value \$	Rate \$	Rateable Value \$	Rate \$	Rateable Value \$	Rate \$	Rateable Value \$	Rate \$	Rateable Value \$	Rate \$	Rateable Value \$
Differential general rate / general rate																	
Gross rental value valuations																	
GRV - Residential	0.122465	305	2,537,400	310,743	523	0	0	0	311,266	310,743	0	0	0	310,743	0	310,743	310,742
GRV - Mining	0.244391	4	1,046,750	255,816	0	0	0	0	255,816	255,816	0	0	0	255,816	0	255,816	255,816
Unimproved value valuations																	
UV - Mining	0.291498	119	2,828,468	824,493	0	(1,473)	0	823,020	809,919	809,919	0	0	0	809,919	0	809,919	802,215
UV - Rural	0.016010	371	117,386,508	1,879,358	1,302	0	0	1,880,660	1,879,206	1,879,206	0	0	0	1,879,206	0	1,879,206	1,883,797
Sub-Total		799	123,799,126	3,270,410	1,825	(1,473)	0	3,270,763	3,255,684	3,255,684	0	0	0	3,255,684	0	3,255,684	3,252,571
Minimum payment	\$																
Gross rental value valuations																	
GRV - Residential	440	44	43,750	19,360	0	0	0	19,360	19,360	19,360	0	0	0	19,360	0	19,360	19,360
Unimproved value valuations																	
UV - Mining	440	31	79,945	13,640	0	0	0	13,640	10,560	10,560	0	0	0	10,560	0	10,560	13,640
UV - Rural	440	21	474,300	9,240	0	0	0	9,240	14,080	14,080	0	0	0	14,080	0	14,080	9,680
Sub-Total		96	597,995	42,240	0	0	0	42,240	44,000	44,000	0	0	0	44,000	0	44,000	42,680
Discounts/concessions (refer note 26(d))																	
Total amount raised from general rate									3,313,003	3,299,684				3,299,684		3,295,251	
Specified Area Rate (refer note 26(b))									(138,233)	(140,000)				(140,000)		(139,304)	
Ex Gratia Rate									3,174,770	3,159,684				3,159,684		3,155,947	
Totals									43,012	43,012				43,012		33,139	
									3,217,782	3,202,696				3,202,696		3,189,086	

SIGNIFICANT ACCOUNTING POLICIES

Rates

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

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

26. RATING INFORMATION (Continued)

(b) Specified Area Rate

The Shire has not imposed any specified area rate for 2020/2021.

(c) Service Charges

The Shire has not imposed any service charges for 2020/2021.

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

Rates Discounts

Rate or Fee Discount Granted	Discount	2021 Actual	2021 Budget	2020 Actual	Circumstances in which Discount is Granted
	%	\$	\$	\$	
General rates	5	138,103	139,870	139,174	Full payment made within 35 days of the date service appearing on the rate notice. Being a community sporting club and as declared by council
Rubbish charges - Kondinin Golf Club	50	130	130	130	
		138,233	140,000	139,304	

Waivers or Concessions

Rate or Fee and Charge to which the Waiver or Concession is Granted	Type	Discount	Budget	Actual
		%		\$
Kondinin Community Resource Centre	Concession	100	0	0
Kondinin Golf Club Inc	Concession	100	0	0
Kondinin Arts Centre	Concession	100	0	0
Hyden Pre-School Committee	Concession	100	0	0
Hyden Golf Club	Concession	100	0	0
Kondinin Country Club	Concession	100	0	0
Kondinin Tennis Club	Concession	100	0	0
Hyden Tennis Club	Concession	100	0	0
Hyden Resource and Telecentre	Concession	100	0	0
Kondinin Lions Club & Seniors Centre	Concession	100	0	0
Karlgarin Country Club	Concession	100	0	0
Kondinin Mens Shed	Concession	100	0	0
			0	0

(e) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge	Unpaid Rates Interest Rate	Instalment Plan Interest Rate
		\$	%	%
Option One				
Single full payment	30/09/2020	0	10	5
Option Two				
First Instalment	30/09/2020	0	10	5
Second Instalment	30/11/2020	10	10	5
Third Instalment	1/02/2021	10	10	5
Fourth Instalment	2/04/2021	10	10	5
Option Three				
First Instalment	30/09/2021	0	10	5
Second Instalment	1/02/2021	10	10	5
		2021 Actual	2021 Budget	2020 Actual
		\$	\$	\$
Interest on unpaid rates		22,982	6,000	27,582
Interest on instalment plan		3,537	1,500	3,631
Charges on instalment plan		1,530	2,000	1,530
		28,049	9,500	32,743

27. RATE SETTING STATEMENT INFORMATION

Note	2020/21 (30 June 2021 Carried Forward) \$	2020/21 Budget (30 June 2021 Carried Forward) \$	2020/21 (1 July 2020 Brought Forward) \$	
(a) Non-cash amounts excluded from operating activities				
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .				
Adjustments to operating activities				
Less: Profit on asset disposals	11(a)	(12,831)	(7,202)	0
Less: Fair value adjustments to financial assets at fair value	8(b)	(1,939)	0	(864)
Movement in share of result in associate	24	2,368	0	0
Movement in employee benefit provisions (non-current)		12,272	0	(7,724)
Movement in trade and other receivables	5(b)	(13,629)	0	0
Add: Loss on disposal of assets	11(a)	47,478	67,183	102,659
Add: Depreciation of assets	11(c)	3,220,207	3,240,043	3,208,412
Non cash amounts excluded from operating activities		3,253,925	3,300,025	3,302,482
(b) Surplus/(deficit) after imposition of general rates				
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.				
Surplus/(deficit) after imposition of general rates				
Less: Reserves - restricted cash	3	(1,747,380)	(1,570,260)	(1,558,151)
Less: Financial assets at amortised cost - self supporting loans	8(a)	(56,140)	(52,277)	(54,173)
Add: Current portion of long-term borrowings	17(a)	196,328	199,570	188,780
Add: Current portion of lease liabilities	16(a)	36,513	36,513	134,080
Total adjustments to net current assets		(1,570,679)	(1,386,454)	(1,289,465)
Net current assets used in the Rate Setting Statement				
Total current assets		6,457,000	2,393,305	4,521,116
Less: Total current liabilities		(1,687,502)	(1,006,852)	(1,584,571)
Less: Total adjustments to net current assets		(1,570,679)	(1,386,454)	(1,289,465)
Net current assets used in the Rate Setting Statement		3,198,819	0	1,647,080

SHIRE OF KONDININ
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28. FINANCIAL RISK MANAGEMENT

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

Risk	Exposure arising from	Measurement	Management
Market risk - interest rate	Cash and cash equivalents, and long term borrowings at variable rates	Sensitivity analysis	Utilise fixed interest rate borrowings and term deposits
Credit risk	Cash and cash equivalents, trade receivables, other financial assets	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 risk arises from cash and cash equivalents with variable interest rates, which exposes the Shire to cash flow interest rate risk. Short term overdraft facilities also have variable interest rates however these are repaid within 12 months, reducing the risk level to minimal.

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

	Weighted Average Interest Rate	Carrying Amounts	Fixed Interest Rate	Variable Interest Rate	Non Interest Bearing
	%	\$	\$	\$	\$
2021					
Cash and cash equivalents	0.15%	5,445,996	2,746,114	2,699,182	700
Financial assets at amortised cost - term deposits	0.40%	75,593	75,593	0	0
2020					
Cash and cash equivalents	0.40%	4,100,108	4,096,257	0	3,851

Sensitivity

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

	2021	2020
	\$	\$
Impact of 1% movement in interest rates on profit and loss and equity	26,992	0

Borrowings

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

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

28. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Trade Receivables

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

Credit risk on rates and annual charges is minimised by the ability of the Shire to recover these debts as a secured charge over the land, that is, the land can be sold to recover the debt. Whilst the Shire was historically able to charge interest on overdue rates and annual charges at higher than market rates, which further 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 2020 or 1 July 2021 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as the ability of ratepayers and residents to settle the receivables. Housing prices and unemployment rates have been identified as the most relevant factor in repayment rates, and accordingly adjustments are made to the expected credit loss rate based on these factors. There are no material receivables that have been subject to a re-negotiation of repayment terms.

The loss allowance as at 30 June 2021 for rates receivable was determined as follows:

	Current	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total
30 June 2021					
Rates receivable					
Expected credit loss	62.01%	12.50%	25.81%	9.24%	
Gross carrying amount	164,769	19,877	7,735	22,716	215,097
Loss allowance	102,166	2,486	1,996	2,099	108,747
30 June 2020					
Rates receivable					
Expected credit loss	32.98%	7.80%	10.16%	30.50%	
Gross carrying amount	158,650	27,980	13,966	37,411	238,008
Loss allowance	52,330	2,182	1,420	11,412	67,344

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

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
30 June 2021					
Sundry Receivables					
Expected credit loss	0.00%	0.00%	0.00%	9.95%	
Gross carrying amount*	181,390	446,898	2,054	76,855	707,197
Loss allowance	0	0	0	7,650	7,650
30 June 2020					
Sundry Receivables					
Expected credit loss	0.00%	0.00%	0.00%	5.31%	
Gross carrying amount*	84,975	545	1,491	43,742	130,753
Loss allowance	0	0	0	2,323	2,323

*Excludes GST receivable from the ATO.

SHIRE OF KONDININ
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 FOR THE YEAR ENDED 30 JUNE 2021

28. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

Payables and borrowings

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

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

	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$
2021					
Payables*	639,669	0	0	639,669	639,669
Lease liabilities	36,513	0	0	36,513	36,513
Borrowings	312,848	1,173,238	2,387,890	3,873,976	2,913,890
	<u>989,030</u>	<u>1,173,238</u>	<u>2,387,890</u>	<u>4,550,158</u>	<u>3,590,072</u>
2020					
Payables*	440,638	0	0	440,638	440,638
Lease liabilities	134,080	36,513	0	170,592	170,592
Borrowings	312,848	1,203,011	2,670,965	4,186,824	3,102,670
	<u>887,566</u>	<u>1,239,524</u>	<u>2,670,965</u>	<u>4,798,054</u>	<u>3,713,900</u>

*Excludes GST payable to the ATO.

29. TRUST FUNDS

From 30 June 2019, all bonds and deposits not required by legislation to be held in trust are included in restricted cash at Note 3 and shown as a current liability at Note 14.

30. EVENTS OCCURRING AFTER THE END OF REPORTING PERIOD

There was no event occurring after the end of the reporting period.

31. 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 1059 Service Concession Arrangements: Grantors

Service concessions assets are those assets where a third-party operator constructs assets for the Shire, upgrades existing assets of the Shire or uses existing assets of the Shire to operate and maintain the assets to provide a public service, for a specified period of time. Where, in these circumstances, the third-party operator provides a public service on behalf of the Shire and is deemed to manage at least some of the services under its own discretion, the assets are classified as service concession assets. Newly constructed or upgraded assets are measured at current replacement cost in accordance with the cost approach to fair value in AASB 13 *Fair Value Measurement*. In the case of existing assets, these are reclassified and treated in the same manner with any difference at the date of reclassification between the carrying amount of the assets and their fair value (current replacement cost) being treated as if it is a revaluation of the asset.

Subsequent to initial recognition or reclassification, service concession assets are accounted for by depreciating or amortising in accordance with AASB 116 *Property, Plant and Equipment* or AASB 138 *Intangible Assets*. Where appropriate, any impairment is recognised in accordance with AASB 136 *Impairment of Assets*.

At the end of the term of any service concession arrangement, the Shire will reclassify the service concession asset based on its nature of function, and account for it in accordance with the accounting standards and policies applicable to the relevant classification.

Where the Shire recognises a service concession asset in relation to a newly constructed or upgraded asset, it also recognises a liability. This liability is initially measured at the same amount as the service concession asset, adjusted by the amount of any other consideration provided by the Shire to the third-party operator or from the third-party operator to the Shire.

The Shire does not recognise a liability in circumstances where an existing asset of the Shire is reclassified as a service concession asset except in circumstances where additional consideration is provided by the third-party operator.

Subsequent to initial recognition, the Shire accounts for the liability as the unearned portion of the revenue arising from the exchange of assets with the third-party operator and reduces the liability according to the economic substance of the service concession arrangement.

The Shire adopted AASB 1059 *Service Concession Arrangements: Grantors* (issued December 2014) on 1 July 2020 resulting in changes in accounting policies, if applicable in its circumstance.

In summary, the Shire has no service concession asset recognised in the statement of financial position at the date of initial application (1 July 2020).

32. 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.

33. ACTIVITIES/PROGRAMS

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

PROGRAM NAME AND OBJECTIVES	ACTIVITIES
<p>GOVERNANCE To provide decision making process for the efficient allocation of scarce resources.</p>	<p>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 local government services.</p>
<p>GENERAL PURPOSE FUNDING To collect revenue to allow the provision of services.</p>	<p>Rates, general purpose government grants and interest revenue.</p>
<p>LAW, ORDER, PUBLIC SAFETY To provide services to help ensure a safer and environmentally conscious community.</p>	<p>Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services.</p>
<p>HEALTH To provide operational framework for environmental and community health.</p>	<p>Inspection of food outlets and their control, provision of meat inspection services, noise control and waste disposal compliance.</p>
<p>EDUCATION AND WELFARE To provide services to disadvantage persons, the elderly, children and youth.</p>	<p>Maintenance of child minding centre, playgroup centre, senior citizen centre and aged aged care centre. Provision and maintenance of home care programs and youth services.</p>
<p>HOUSING To provide and maintain staff housing.</p>	<p>Provision and maintenance of staff accommodation.</p>
<p>COMMUNITY AMENITIES To provide services required by the community.</p>	<p>Rubbish collection services, operation of rubbish disposal sites, litter control, construction and maintenance of urban storm water drains, protection of the environment and administration of town planning schemes, cemetery and public conveniences.</p>
<p>RECREATION AND CULTURE To establish and effectively manage infrastructure and resources which will help the social being of the community.</p>	<p>Maintenance of public halls, civic centres, aquatic centres, recreation centres and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of libraries and other cultural facilities.</p>
<p>TRANSPORT To provide safe, effective and efficient transport services to the community.</p>	<p>Construction and maintenance of roads, streets, footpaths, depots, cycle ways, parking facilities and traffic control. Cleaning of streets and maintenance of street trees, airstrips, lighting of streets, etc.</p>
<p>ECONOMIC SERVICES To help promote the local government and its economic well being.</p>	<p>Tourism and area promotion, building control, maintenance and operation of caravan park. Provision of rural services including weed control, vermin control and standpipes. Licensing transactions under contract with the Department of Transport.</p>
<p>OTHER PROPERTY AND SERVICES To monitor and control operating accounts.</p>	<p>Private works operation, plant repair and costs.</p>

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

34. FINANCIAL RATIOS

	2021 Actual	2020 Actual	2019 Actual
Current ratio	3.22	1.83	2.69
Asset consumption ratio	0.96	0.98	0.98
Asset renewal funding ratio	0.98	0.98	0.99
Asset sustainability ratio	0.96	0.82	1.93
Debt service cover ratio	6.70	4.32	8.79
Operating surplus ratio	(0.04)	(0.30)	(0.13)
Own source revenue coverage ratio	0.66	0.53	0.56

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	$\frac{\text{capital renewal and replacement expenditure}}{\text{depreciation expenses}}$
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	$\frac{\text{own source operating revenue}}{\text{operating expenses}}$



Auditor General

INDEPENDENT AUDITOR'S REPORT 2021 Shire of Kondinin

To the Councillors of the Shire of Kondinin

Report on the audit of the annual financial report

Opinion

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

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

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

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

Basis for opinion

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

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

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

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

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

Auditor's responsibility for the audit of the financial report

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

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

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

Report on other legal and regulatory requirements

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

- (i) In my opinion, the following material matter indicates a significant adverse trend in the financial position of the Shire:
 - a) The Operating Surplus Ratio as reported in Note 34 of the annual financial report has been below the Department of Local Government, Sport and Cultural Industries' standard for the last three financial years.
- (ii) All required information and explanations were obtained by me.
- (iii) All audit procedures were satisfactorily completed.
- (iv) In my opinion, the Asset Consumption Ratio and the Asset Renewal Funding Ratio included in the financial report were supported by verifiable information and reasonable assumptions.

Other information

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

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

Matters relating to the electronic publication of the audited financial report

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



Patrick Arulsingham
Acting Assistant Auditor General Technical And Audit Support
Delegate of the Auditor General for Western Australia
Perth, Western Australia
21 December 2021

SHIRE OF KONDININ

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2021

FINDINGS IDENTIFIED DURING THE FINAL AUDIT

INDEX OF FINDINGS	RATING		
	Significant	Moderate	Minor
Current year issue:			
1. Excessive annual leave balance			✓
Prior year issue:			
2. Quotations		✓	

KEY TO RATINGS

The Ratings in this management letter are based on the audit team's assessment of risks and concerns with respect to the probability and/or consequence of adverse outcomes if action is not taken. We give consideration to these potential adverse outcomes in the context of both quantitative impact (for example financial loss) and qualitative impact (for example inefficiency, non-compliance, poor service to the public or loss of public confidence).

- Significant** - Those findings where there is potentially a significant risk to the entity should the finding not be addressed by the entity promptly. A significant rating may be reported as a matter of non-compliance in the audit report in the current year, or in a subsequent reporting period if not addressed. However, even if the issue is not likely to impact the audit report, it should be addressed promptly.
- Moderate** - Those findings which are of sufficient concern to warrant action being taken by the entity as soon as practicable.
- Minor** - Those findings that are not of primary concern but still warrant action being taken.

SHIRE OF KONDININ
PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2021
FINDINGS IDENTIFIED DURING THE FINAL AUDIT

Current Year Issue

1. Excessive Annual Leave Balance

Finding

During our testing on employee leave provisions, we noted that 1 of the 33 employees had annual leave balances in excess of 8 weeks (40 days) at year end.

The Local Government Industry Award 2010 deems an employee's leave accrual to be excessive if the employee has accrued more than 8 weeks.

We note that the management have processes in place to identify and monitor staff that have accrued excessive annual leave balances and have taken appropriate action.

Rating: Minor

Implication

Excessive annual leave balances may have adverse effects on the Shire including:

- key staff not being rotated, a preventive control against fraud.
- health and safety concerns with staff members not taking their annual leave entitlements.
- increase the Council's costs given salary rises and increments over time

Recommendation

The Shire should ensure that employees take leave in a timely manner and excessive leave balances are cleared in accordance with the Shire's policy.

Management's Comments

Shire staff usually use their accumulated leaves to go interstate or overseas. Due to covid restrictions staff preferred to work and use their leaves (annual or long service) when the pandemic will be over.

The Shire has set aside an employee Leave Reserve fund which currently a little over than all the employees entitlement.

Responsible Person:	David Burton, CEO
Completion Date:	30 June 2022

SHIRE OF KONDININ

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2021

FINDINGS IDENTIFIED DURING THE FINAL AUDIT

Prior Year Issue

2. Quotations

Finding 2021

During our procurement testing, we noted that for approximately 4% of purchase transactions we sampled, there was inadequate or no evidence that a sufficient number of quotations were obtained, to test the market, and no documentation to explain why other quotes were not sought.

Finding 2020

During our procurement testing, we noted that for approximately 58% of purchase transactions we sampled, there was inadequate or no evidence that a sufficient number of quotations were obtained, to test the market, and no documentation to explain why other quotes were not sought.

Finding 2019

During our procurement testing, we noted that for approximately 52% of purchase transactions we sampled, there was inadequate or no evidence that a sufficient number of quotations was obtained, to test the market, and no documentation to explain why other quotes were not sought.

Rating: Moderate Implication

If purchases are made without obtaining sufficient quotes, there is a risk of fraud or favouritism of suppliers and not obtaining value for money.

Recommendation

For purchases below the tender threshold, quotes should be obtained, in accordance with the Shire's purchasing policy. If instances arise where it is impractical to obtain the requisite number of quotations, the reasons should be recorded and attached to the purchase order at the time of the purchase being made.

Management Comment

The Shire of Kondinin noted the audit comments above. While the staff strive to comply with the number of quotes required, there are instances where the number of quotes required are not possible. Example of this is gravel – which is usually taken from the closest farm where road works took place. Another instance are supplies for minor maintenance works used at parks & gardens, buildings, etc. Purchases are usually taken from local suppliers to help the businesses in this rural area survive.

This issue of obtaining the number quotes required has been brought to the attention of purchasing staff responsible and finance staff kept reminding them to write an explanation why the number of quotes required were not obtained. So far there has been an improvement to this effect.

Responsible Person: David Burton, CEO
Completion Date: 30 June 2022