



ANNUAL REPORT

1 July 2020 to 30 June 2021

About this document

The Annual Report is the final component of the Shire's Integrated Planning & Reporting Framework, and is a mechanism of communicating with the community and key stakeholders in a transparent and accountable way.

This plan is available in alternative formats such as large print, electronic, audio or Braille, on request.



“The Shire of Waroona stretches from sea to scarp between the Indian Ocean and the Darling Scarp, featuring pristine beaches, coastal lakes, fertile farmlands and peaceful jarrah forests. Covering a total area of 835km², the Shire includes the localities of Waroona, Hamel, Lake Clifton and Preston Beach”.

Document Control		
Date	Details	Author
22/02/22	Adopted by Council	Brad Vitale

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Waroona – Past, Present & Into The Future

Waroona has provided a home for generations, from the days when Indigenous Australians roamed the coastal areas in spring and summer, and the hills in autumn and winter.

Settlers began to arrive in the area in the late 1830's, although Drakesbrook (later to be known as Waroona) did not come into its own until the Pinjarra to Picton railway line was opened in 1893. The town catered to the needs of the mill workers with a post office, general store, blacksmith, a number of hotels come boarding houses, churches, doctor and dentist.

The farms supplied butter, fruit and vegetables for the men of the mills, and chaff for the horse teams that hauled the logs. As is many of the small towns of the time, dances, picnics and football formed the core of social life within the community and to this day Waroona still proves to be a successful sporting and extremely social community.

Today, agriculture, mining, manufacturing and tourism are important contributors to the local economy.

Waroona is an evolving district that services the diverse, social and economic needs of a growing community. The strong agricultural heritage will continue to guide any future district developments, particularly in Waroona and Hamel, and its enviable location on the Indian Ocean and along with the Yalgorup National Park will, influence future considerations for Preston Beach and Lake Clifton.

The population is expected to grow over the next thirty years. With this growth comes challenges, but smart planning and a focus on broadening the economic base will open up significant opportunities for tourism, commercial investment, employment and education.

The long term vision for Waroona is to create a district distinctive by its creativity, liveliness, activity and vibrancy, attracting new investment, seizing opportunities to develop and expand its business sector, and encourage innovation and collaboration, while providing an enticing array of lifestyle attractions.

The Shire of Waroona is excited about its future.

Shire President's Message

Each year Council delivers a reflection of its management and achievements of the previous year and it is my pleasure to present my part of the Annual Report. One guiding part of a functioning council is a culture that supports its people to work in collaboration with others and always endeavour to make sound decisions in the best interests of its community. As the Shire President, I believe we have established this culture and I am very proud of the people we have and the trusting relationship held between both councillors and staff. This connection is vital to good governance and without it a council cannot function effectively.



Our Councillors spend many hours together dealing with countless matters that come before Local Government. These matters are diverse and can at times be challenging. Our Councillors all bring their own individual skills and experience to the table and guide our Shire in a sound and productive way. They all hold the community in their highest interest and should be commended for the role they perform. They are adaptable and honest and our Shire has strong stewardship with this collection of good community people.

Some of the benefits of having committed Councillors and staff is that it brings members of the community along for the journey. In the past year Council has established working groups that have help guide strategies from town centre revitalisation, trails to coastal management and sporting groups future needs and also the Drakesbrook Weir improvements. From these groups, ideas have taken shape and currently some exciting projects are taking place with the establishment of the community precinct and detailed plans for future use and improvements. Without this initial work and detail it is difficult to attract funding. I thank all the members of the community who helped guide these visions and we look forward to Council delivering them in the coming year.

Our Shire has also been fortunate in emergency response with another facility constructed to house the Waroona West Volunteer Bush Fire Brigade located on Peppermint Grove Road. Since its opening by the Minister for Emergency Services in October it has served as a training hub and occasional office for our community emergency services co-ordinator. We also welcomed the Waroona Agricultural Societies commitment to improving the show grounds with the extension of their administration building which serves other community groups and the addition of a new ablution block for large events. These additions to our Shire are great signs of an engaged community.

Council also investigated taking over the disused Agriculture Department on Mitchell Avenue to become a Landcare base for the region. While discussions still continue, the lease has been secured and we look forward in the future to this facility being open and utilised by our environmental stewards in Landcare.

All these projects were completed during times of disruption and intermittent lockdowns. The Waroona Show was cancelled 2020 as was Anzac Day services for a second time. We still continue to deal with this issue as it has formed a part of our daily lives but largely our community has been resilient and accommodating at the points of disruption and I'm proud to say the functions of the Shire have carried on uninterrupted.

In January we bestowed the highest honour that Local Government can give to a community member and awarded John Twaddle the title of Honorary Freeman of the Shire of Waroona for his many years of dedication and service in all matters fire related. As a display of the respect held for John, the ceremony was attended by both our Federal and State Local Members and the DFES Commissioner and Deputy Commissioner.

Our Community Development department has again facilitated the delivery of engaging events in the Shire with occasional movie nights, volunteer recognition events and have taken over the organisation of Troutfest. These events have served and provided a platform for our community to engage and have been well received across the Shire. What has also been challenging for our community groups is the protocols around hosting events in a Covid environment, so our staff have provided support around these requirements.

While I have only made a few reflections on a busy year, there have been on going issues that council continues to advocate on such as water security and sustainable land use. Competing uses have presented some challenges in the past year but hopefully some of the laws and policies that have been put in place will help guide council in dealing with these disruptions.

Our relationship with our neighbour, Murray Shire, has certainly helped support our council in the delivery of council's duties. The leadership of the CEO, Mr Dean Unsworth over this period has delivered some exciting opportunities to our Shire. From future community asset improvements to building capacity to help increase our rate base, Dean has shown tremendous vision and capacity in what our Council can be and has taken our Council into a phase that will deliver some impressive outcomes. Council sincerely thanks him for his efforts and the support given to Council in governing our community. Showing capable support to the CEO are our Directors, Managers and Officers who all contribute in an effective and efficient manner to our Shire. To the Outside Crew and Recreation Centre and Visitor Centre Management, well done to you all.

It can never be underestimated the importance of the many volunteers that help us all exist in our daily lives. From our emergency services volunteers and volunteer rangers to the visitor centre helpers and community groups that support others, a sincere thank you to you all and Council's genuine appreciation for all you do.

I hope you enjoy reading this annual report and I hope you can sense when you look through these pages that our Shire is in capable hands and our community can achieve tremendous achievements when they all work in the same direction.

Cr Mike Walmsley
Shire President

Chief Executive Officer's Message

The past year has seen the Shire move from a heavy planning phase in the previous year to one of the development of high quality master plans, business plans and feasibility and economic analysis of major projects to get them seriously considered by government and other key funding agencies. The key to being competitive and win grant funding depends on quality planning and clarity in illustrating the need and benefit of those projects to state and federal governments and other funding agencies.



Funding for all governments, and in particular, local government is becoming more and more stretched. For example, in 1980 local government received 2% of the overall commonwealth taxation. However today that has been reduced to 0.6%. Also, local government holds \$457 billion in community assets which is 33% of all community assets. However, the funding gap required to maintain these assets and build much needed new facilities continues to climb. More than ever, every dollar needs to be spent wisely and with focus.

More and more focus is needed in developing quality plans that show positive economic and social returns to the community. This takes time and effort to get it right, but the rewards and persistence can be great.

The Shire of Waroona has adopted that philosophy and has bared fruit from this approach. Following the adoption of the Waroona 2030 Strategic Community Plan in mid-2020, planning for key projects from that plan – the Waroona Town Centre Revitalisation Strategy, Waroona Community Precinct and Drakesbrook Weir have progressed significantly. Within a year the Shire has been able to secure \$3 million towards the Town Centre Community Precinct and \$750,000 for the Drakesbrook Weir redevelopment which will revitalise the largest town in the Shire and add to our economic and social vibrancy.

Our energy won't be focused just on Waroona however as there are some excellent projects planned for Preston Beach and Lake Clifton.

It has been an excellent year of progressing our vision. This could not be done without great support from Council and staff. The collective effort will ensure a very exciting future.

Finally, a huge thank you must go to all of our hard working volunteers who make our towns tick and keep us safe. In particular, congratulations to John Twaddle who became only the fourth ever Freeman of the Shire of Waroona. Your tireless efforts are appreciated by everyone.

Dean Unsworth
Chief Executive Officer



About the Annual Report

The Annual Report is the final component of the Shire's Integrated Planning & Reporting Framework and is a mechanism of communicating with the community and key stakeholders in a transparent and accountable way.

Integrated Planning & Reporting Framework	
Strategic Community Plan	Community vision, strategic direction, long and medium term priorities and resourcing implications with a horizon of 10 years.
Corporate Business Plan	Four year delivery program, aligned to the Strategic Community Plan and accompanied by four year financial projections.
Annual Budget	Financial plan for the current year.

Informing Strategies	
Long Term Financial Plan	10 year financial plan.
Asset Management Plan	Approach to managing assets to deliver chosen service levels.
Workforce Plan	Shaping the workforce to deliver organisational objectives now and in the future.
Place & Area Specific Plans	Any other informing strategies.

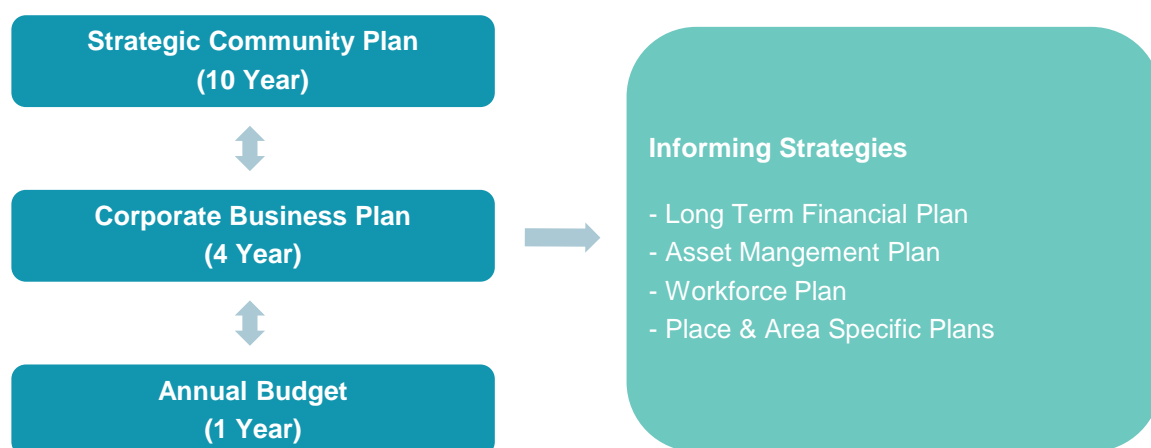


Figure 1: Elements of the Integrated Planning & Reporting Framework. Source: Department of Local Government, Sport & Cultural Industries.

Our Shire

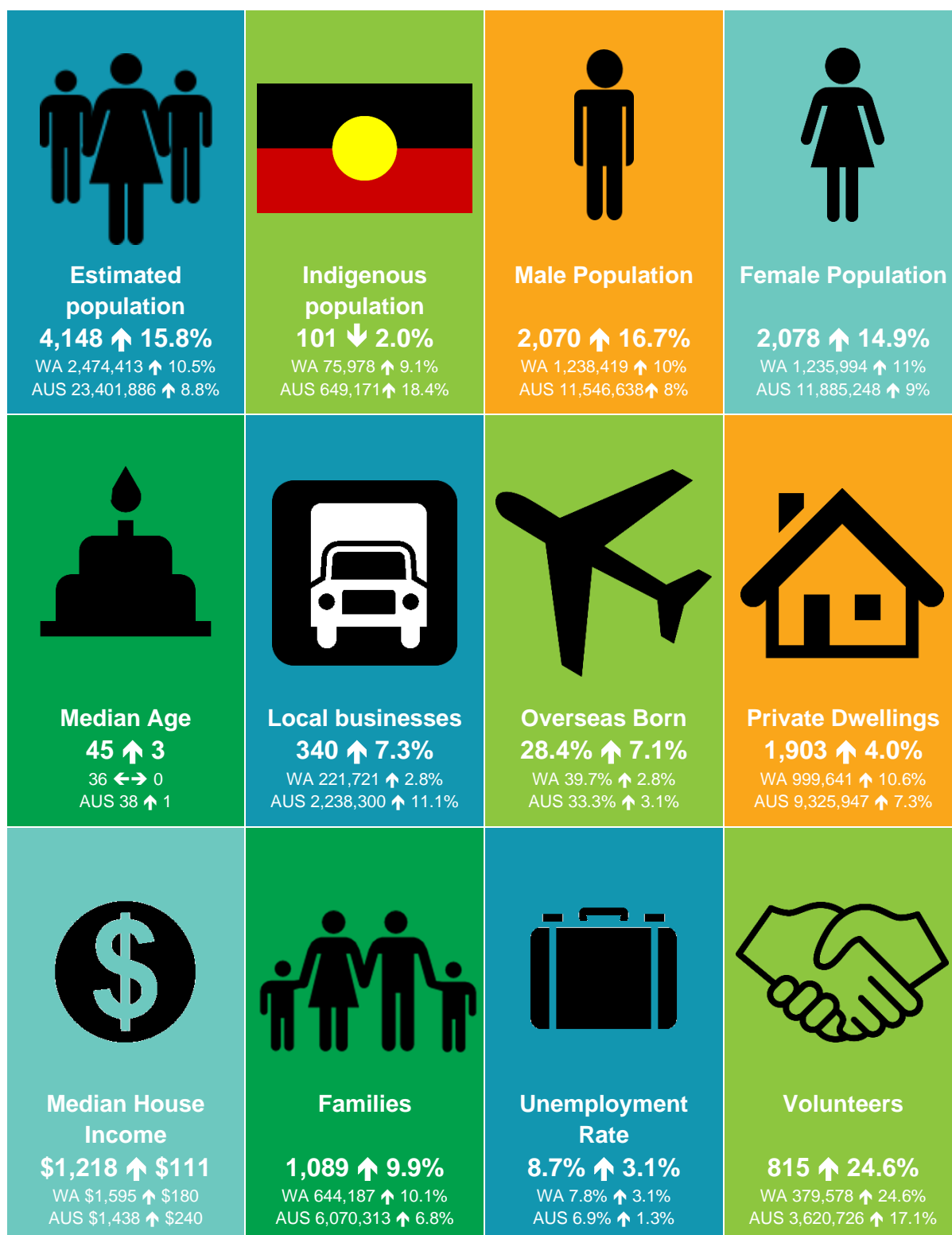


Figure 2: Shire of Waroona Statistics. Source: Australian Bureau of Statistics 2016 Census.

Our Council



Cr Mike Walmsley
Shire President

Male | Speaks English | Born in Australia |
Aged 55-64 years



Cr Naomi Purcell
Deputy Shire President

Female | Speaks English | Born in Australia |
Aged 45-54 years



Cr Noel Dew

Male | Speaks English | Born in
Australia | Aged over 64 years



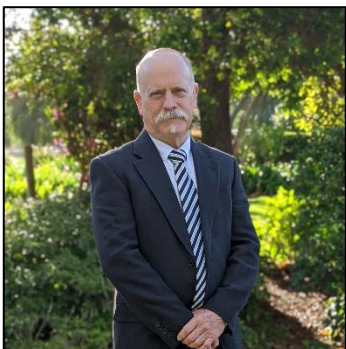
Cr John Mason

Male | Speaks English | Born in
Australia | Aged 55-64 years



Cr Karen Odorisio

Female | Speaks English & Italian |
Born in Australia | Aged 55-64 years



Cr Larry Scott

Male | Speaks English | Born in
Australia | Aged over 64 years



Cr Laurie Snell

Female | Speaks English | Born in USA
| Aged over 64 years



Cr Vince Vitale

Male | Speaks English & Italian | Born
in Australia | Aged 55-64 years

Roles and Responsibilities

Council

The role of the Council is prescribed in Section 2.7 of the Act and includes:

- **Governing the Shire's affairs** – This role encompasses strategic planning mechanisms to ensure the continued sustainability of the Shire.
- **Performance of the Shire's functions** – Council has ultimate responsibility for the performance of the Shire's functions and can exercise this responsibility through the development of appropriate delegations, making a determination on the provision of services and facilities, and regular reporting against objectives.
- **Overseeing the allocation of the Shire's finances and resources** - Council exercises this role by overseeing and adopting the Shire's Long-Term Financial Plan, Annual Budget, Workforce Plan and Asset Management Plan.
- **Determining the Shire's policies** – Council adopts and reviews policies that act as guiding principles for the Shire's administration to achieve the objectives of the Strategic Community Plan, and guide officers in their decision-making processes.

The Waroona Shire Council meets on the fourth Tuesday of each month in the Council Chambers, with all meetings open to the public. All meetings of Council and its committees are conducted in accordance with the *Local Government Act 1995*.

President

Section 2.8 of the *Local Government Act 1995* states that the role of the President is to:

- Preside at meetings in accordance with the Act;
- Provide leadership and guidance to the community in the district;
- Carry out civic / ceremonial duties on behalf of the local government;
- Speak on behalf of the local government;
- Perform such other functions as are given to the President by the Act or any other written law; and
- Liaise with the CEO on the local government's affairs and the performance of its functions.

Councillors

Section 2.10 of the *Local Government Act 1995* states that the role of a Councillor is to:

- Represent the interest of electors, ratepayers and residents of the district;
- Provide leadership and guidance to the community in the district;
- Facilitate communication between the community and the Council;
- Participate in the local government's decision making processes at Council and Committee meetings; and
- Perform such other functions as are given to a Councillor by the Local Government Act or any other written law.

Committees

Under Section 5.8 of the Act, Council may establish committees of three or more people to assist Council and to exercise the powers and discharge the duties of the Shire that can be delegated to committees.

To assist Council in performing its role, the Shire has a number of statutory and advisory committees. Because Council is responsible for such a large number and broad range of activities and functions, committees play an important role in focusing attention and expertise in specific areas.

There are a number of different types of committees, each of which serves a particular purpose. There are also committees that make recommendations to Council on specific matters or projects. Councillors are also members of a number of external committees (statutory or otherwise) that assist other authorities and groups in performing their functions. To clarify the role and scope of each committee, there are usually a Terms of Reference in place to determine the committee's membership, responsibilities, extent of decision making and reporting requirements.

CEO Resource Sharing Committee

Cr Walmsley, Cr Purcell, Cr Snell + 3 Shire of Murray Councillors

Finance and Audit Committee

All Councillors

Recreation Advisory Committee

Cr Purcell, Cr Odorisio, Cr Scott, Cr Vitale + Chris Germain, Trish Morris, Steve Platell

Small Grants and Awards Committee

Cr Purcell, Cr Snell, Cr Vitale

Waroona Visitor Centre Working Group

Cr Purcell, Cr Odorisio, Cr Snell

Representatives

Alcoa Wagerup Environmental Improvement Plan Stakeholder Reference Group – DPS

Alcoa Waroona Sustainability Fund – Cr Walmsley, Cr Purcell

Bush Fire Advisory Committee – Cr Dew

Coastswap – Cr Dew + Town Planner

Coolup Land Conservation District Committee – Cr Snell

Harvey River Taskforce – Cr Snell

Lake Clifton Heron Residents Association – Cr Snell

Local Emergency Management Committee – Cr Walmsley

Long Term Residue Management Committee – Cr Walmsley

Midwest / Wheatbelt Joint Development Assessment Panel – Cr Walmsley, Cr Purcell (Cr Dew, Cr Scott as alternative delegates)

Peel Biosecurity Group – Cr Snell

Peel Mosquito Management Group – Cr Snell

Peel Trails Group – Cr Odorisio

Peron Naturaliste Partnership – Cr Walmsley (Cr Dew proxy)

Preston Beach Progress Association – Cr Dew

South West Regional Road Group – Cr Mason (Cr Walmsley proxy)

Wagerup Community Consultative Network – Cr Odorisio, Cr Vitale

Waroona Historical Society – Cr Odorisio

Waroona Interagency Group – Cr Purcell

WALGA Peel Zone – Cr Walmsley, Cr Purcell

Willowdale Mine Environmental Improvement Plan Stakeholder Reference Group – DPS

Meeting Attendance

Council meetings were held on the fourth Tuesday of each month with the exception of there being no meeting in January, and special council meetings.

	Jul 20	Aug 20	Sep 20	Oct 20	Nov 20	Dec 20	Dec 20*	Feb 21^	Feb 21	Mar 21	Apr 21	May 21	Jun 21	Committee Meetings
Cr Mike Walmsley	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	5/5
Cr Naomi Purcell	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	6/6
Cr Noel Dew	✓	✗	✓	✓	✓	✓	✓	✗	✗	✓	✓	✓	✓	1/2
Cr John Mason	✓	✓	✓	✓	✓	✗	✓	✓	✓	✓	✓	✓	✓	0/2
Cr Karen Odorisio	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	2/2
Cr Larry Scott	✓	✓	✓	✓	✓	✓	✓	✓	✗	✓	✓	✓	✓	1/2
Cr Laurie Snell	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	5/6
Cr Vince Vitale	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	3/3

* Special Council Meeting
^ Annual Electors Meeting

✓ = Attended
A = Leave of Absence Previously Approved
✗ = Apologies



Our Staff



DEAN UNSWORTH
Chief Executive Officer

- Leadership & organisational strategy
- Elected member liaison
- Employee management
- Communications & marketing
- Partnerships management
- Investment attraction
- Emergency management



ASHLEIGH NUTTALL

Director Services

- Finance
- Governance
- Human resources
- Record keeping
- IT
- Customer service
- Library services
- Ranger services
- Licensing services



PATRICK STEINBACHER

Director Infrastructure Services

- Infrastructure services
- Technical services
- Operations
- Parks & gardens
- Waste services
- Environmental services



ROD PEAKE

Director Planning & Sustainability

- Strategic town planning
- Statutory town planning
- Building
- Health



LIZ STORR

Director Place, Community & Economic Development

- Place & community
- Economic development
- Recreation services
- Tourism

Employee Annual Salary

The number of Shire employees entitled to an annual salary of \$130,000 or more is set out in bands of \$10,000. The publishing of this information is in accordance with r.19B(2)(a) of the *Local Government (Administration) Regulations 1996*.

* Please note that this information includes the annual contract amount paid for 0.4FTE of a CEO within the resource sharing agreement with the Shire of Murray. Total contract \$146,619.

Salary Range	2020/21
130,000 – 139,999	2
140,000 – 149,999	1
150,000 – 159,999	0
160,000 – 169,999	0
170,000 – 179,999	0
180,000 – 189,999	0
190,000 – 199,999	0

Service Areas

The Shire of Waroona is responsible for a range of functions, facilities and services including:

- Services to properties and the community;
- Regulatory services;
- General administration; and
- Process of government

Office of the Chief Executive Officer		
Department	Services	
Chief Executive Office	<ul style="list-style-type: none"> • Elected member liaison • Strategic planning 	<ul style="list-style-type: none"> • Stakeholder partnerships • Employee management
Organisational Strategy	<ul style="list-style-type: none"> • Strategic Leadership Group management 	<ul style="list-style-type: none"> • Resource sharing management
Communications & Marketing	<ul style="list-style-type: none"> • Media and public relations • Corporate website and social media 	<ul style="list-style-type: none"> • Advertising and promotion • Internal and stakeholder communication
Emergency Services	<ul style="list-style-type: none"> • Emergency management and services 	<ul style="list-style-type: none"> • Bush fire prevention and preparedness
Corporate Services		
Department	Services	
Finance	<ul style="list-style-type: none"> • Accounting • Regulatory compliance 	<ul style="list-style-type: none"> • Rates • Payroll
Governance	<ul style="list-style-type: none"> • Property management and leases • Policy management • Compliance 	<ul style="list-style-type: none"> • Local laws and legislation • Delegations and authorisations • Elections
Human Resources	<ul style="list-style-type: none"> • Human resource management • Occupational safety and health 	<ul style="list-style-type: none"> • Employee training and development • Employee health and wellbeing
Information Services	<ul style="list-style-type: none"> • Hardware and software management • Customer service 	<ul style="list-style-type: none"> • Regulatory compliance of records • Freedom of Information
Integrated Planning & Reporting	<ul style="list-style-type: none"> • Corporate and strategic planning and reporting 	<ul style="list-style-type: none"> • Asset management • Risk management
Library Services	<ul style="list-style-type: none"> • Library service delivery • Information provision 	<ul style="list-style-type: none"> • Community learning • Online services
Licensing Services	<ul style="list-style-type: none"> • Agent for Department of Transport 	<ul style="list-style-type: none"> • Vehicle licensing • Boat licensing
Ranger Services	<ul style="list-style-type: none"> • Regulatory compliance • Animal control • Littering / illegal dumping 	<ul style="list-style-type: none"> • Abandoned vehicles • Off-road vehicles • Enforcement of legislation

Infrastructure Services		
Department	Services	
Infrastructure Services	<ul style="list-style-type: none"> • Management of contract and capital works projects • Road design 	<ul style="list-style-type: none"> • Traffic management • Strategic planning for infrastructure
Operations	<ul style="list-style-type: none"> • Road construction and maintenance • Drainage construction and maintenance • Operations centre and stores management • Major equipment maintenance 	<ul style="list-style-type: none"> • Workshop management • Parks and gardens maintenance • Graffiti and illegal dumping • Reticulation management • Signage • Works requests management
Technical Services	<ul style="list-style-type: none"> • Kerbside and bulk waste collection • Waste transfer station 	<ul style="list-style-type: none"> • Fleet management • Cemetery management
Place, Community & Economic Development		
Department	Services	
Place & Community	<ul style="list-style-type: none"> • Place making and activation 	<ul style="list-style-type: none"> • Events management • Trails
Economic Development	<ul style="list-style-type: none"> • Economic development and planning 	<ul style="list-style-type: none"> • Investment engagement and facilitation
Recreation Services	<ul style="list-style-type: none"> • Sporting club development • Recreation and fitness • Aquatic 	<ul style="list-style-type: none"> • Waroona Recreation & Aquatic Centre and crèche management
Tourism	<ul style="list-style-type: none"> • Strategic tourism planning and marketing 	<ul style="list-style-type: none"> • Waroona Visitor Centre management
Planning & Sustainability		
Department	Services	
Town Planning	<ul style="list-style-type: none"> • Development approvals • Subdivision referrals 	<ul style="list-style-type: none"> • Local structure planning • Town Planning Scheme
Building	<ul style="list-style-type: none"> • Building and demolition approvals 	<ul style="list-style-type: none"> • Council building maintenance
Health	<ul style="list-style-type: none"> • Environmental health approvals 	<ul style="list-style-type: none"> • Environmental health programs

Vision, Mission & Values

Vision

The Shire of Waroona will create a sense of place and identity, embracing creativity, our natural environment and a strong and diverse economy.

Mission

We will be an organisation, with a can-do attitude that strives for service excellence, continued improvement and a commitment to outcomes.

Values

Our values are A REALITY:

A – Accountable

R – Respect

E – Excellence

A – Accessible

L – Leadership

I – Innovative

T – Transparent

Y – Yours

Focus Areas & Aspirations to 2030



Our Community

To have a connected and involved community that improves our quality of life through developing quality places and implementing quality town planning.

1.1 Create a connected, safe and cohesive community with a strong sense of community pride

1.1.1 Develop an identity for the Shire and the communities it comprises

Place Plans

The development of area specific Place Plans were put lower on the priority list as the Shire progressed major projects and engaged multiple consultants, to develop high level plans. With the Shire having a limited photo library, a professional photographer was commissioned to attend local events and gatherings to capture photographs for inclusion in the Place Plans.

Town Entry Statements

Lake Clifton's Tuart Grove entry point on Old Coast Road was refreshed in response to community feedback. The sign design was developed by the Lake Clifton Action Group who engaged a local graphic designer to create draft images for consultation, with the community choosing their preferred option. Reflective signage and solar powered lighting were installed to highlight the approaching turn off at nighttime, addressing safety concerns raised by residents.



1.1.2 Pursue a social environment that is accessible and inclusive for all ages and abilities

Fishability Trial

The Shire in partnership with Fishability delivered a trial freshwater fishing workshop at Drakesbrook Weir. The program was very successful, which has led to a more permanent program to be established moving forward.

ACROD Signage

New signage has been ordered to mark ACROD Parking and ACROD Drop Off zone at community events.

1.1.3 Grow and develop and age-friendly community

Seniors EngAGE

The Shire in partnership with Department of Communities and Alcoa delivered the Seniors EngAGE Program. The program aims to connect older residents with similar interests through a range of workshops, outings and learning opportunities. The program was well received and created positive relationships by partnering with local aged care facilities and seniors' groups.

1.1.4 Become a youth engaged and supportive community

Fusion Program & Youth Week

The Shire partnered with Local Drug Action Partners to delivered monthly youth activities in Waroona and Lake Clifton to engage youth and connect them to local support services. In addition, the Shire celebrated Youth Week with the Fusion on the Green initiative.



1.1.5 Develop and facilitate events of a local and regional scale

Exciting Events

The Shire continues to deliver its long-standing events but this year added a range of new activations and initiatives to connect the community. The inaugural Live@theWeir event held in January 2021 received rave reviews, along with Council's outdoor cinema events, pop-up initiatives, creative workshops and outdoor exercise programs. Diversity in events and activities delivered will keep the community engaged and encourage visitation to the Shire.

1.1.6 Ensure the safety of our community

A number of community safety initiatives were rolled out this year. Speed warning signs were rotated on problematic roads. And Roadwise Driver Reviver cups were placed at local coffee shops. Lighting has been installed at the Tuart Grove entry point and a mobile CCTV trailer has been deployed to areas with high crime density.

1.2 Maximise and connect our natural assets to the community

1.2.1 Connect the natural assets, waterways, parks and reserves to the community

Projects to be completed in future years.

1.2.2 Upgrade the amenity of Drakesbrook Weir

Drakesbrook Weir Masterplan

A Drakesbrook Weir Masterplan was developed through a collaborative approach

of the community and the Shire. The \$2.3 million project aims to enhance and further develop the Weir's assets, such as canoe launching, larger swimming area, walk trails, improved parking and ablutions, and an increased play space.

1.3 A planning framework that is visionary, supports connectivity and enables participation that ensure quality, diverse and innovative planning outcomes that meet community aspirations

1.3.1 Ensure the Town Planning Scheme and Local Planning Strategy facilitate quality and diverse planning outcomes

A total of 64 Development Applications were received by the Shire this year. As part of the standard assessment of these applications, the impact on the environment and the community is considered prior to any determinations being made.

1.3.2 Consider new growth areas and prepare District Structure Plans

Projects to be completed in future years.

1.4 Encourage an active and healthy community with an improved quality of life

1.4.1 Promote a mentally and physically healthy lifestyle

Group Fitness Success

The Shire had its highest attendance of all time to group fitness (GF) classes in the 2020/21 financial year. A very comprehensive GF schedule that caters for all levels of fitness was offered with two new local GF instructors who were well received by our patrons.

High demand for the spin classes resulted in the upgrading and increase of the spin bikes to meet the increased demand. The reintroduction of boxing, abs, booty, and gym circuit classes to the schedule further

increased service level to the community.

During lockdowns the Shire was still able to provide GF service to members via video streams on the GF Facebook page.

Senior Netball Competition Thriving

After Covid interrupted the 2020 season, the Ladies Netball Competition had huge success in 2021. This season had 9 teams that eventually resulted in the formation of an A and B grade. This is the first time we have had this number of teams in over 8 years. It was great to see many new and returning faces enjoying this Centre-run competition.

1.4.2 Support local community, sporting and recreational groups and initiatives

Strategic Focus on Local Clubs

Two strategic planning workshops were completed in the 2020/21 financial year focusing on 4 key clubs, Bowling, Junior Football, Senior Football and Netball and Senior Cricket. The clubs began shifting focus on to their current operations and problems. From here they identified potential improvements and began to develop a 2-year strategic plan.

The Senior Football and Cricket Clubs will be targeted in 2021/22 to further work on these strategic plans and identify achievable improvements within the club's operation.

Harvey Water Network Upgrade

The Waroona football and cricket ovals are irrigated with water sourced from the Harvey Water network through a line that connects to their main line on McNeill Road. Over the past few years, a staged project has seen a new pipeline installed to replace the old one that had reached the end of its serviceable life. The project was completed this year with the final section of new pipeline installed.

This removes a significant risk inherent with the old pipe which, were it to fail in the hot summer months, may have caused significant turf damage to the football and cricket ovals. With the new pipeline installed, supply can be relied upon when it is needed most.

Micro Grants Program

The Shire partnered with Alcoa to develop and launch a new Micro Grant Program, with applications from the first successful round assessed in March. Application forms, grant agreements, acquittal forms and tracking sheets for the new Micro Grant are all in place to implement two rounds per financial year

Creative Collaboration for Local Causes

Commencing with the Hanging on the Highway quilt & textiles exhibition in 2014, local creatives sought support from the Visitor Centre as an outlet to sell handcrafted items on behalf of local non-profit services. The amount distributed to date is \$16,866.80 with \$907.25 to Waroona West Volunteer Fire Brigade in June 2021. Previous recipients have been Waroona Community Car Inc. and St. John Ambulance Waroona Sub-Branch.

1.4.3 Actively take opportunities to enhance public health

Waroona Public Library

The Library provides residents with the most up to date popular fiction and items of interest. Memberships increased by 103 this year. We continually provide a fantastic service to our readers young and old. The Holds Inter-Library Loan system is very popular and allows the library to offer books and other items that are not in the library.

The Charity Knitting group continue to use the library and produce quality goods for local groups and hospitals. Book Club is still very popular with new members joining in, and tutoring is also a weekly event.

We purchased the last 3 bay ends to complete the set and parking signs were installed in the carpark in October. This has helped our readers to be able to have a car bay when they visit. We also purchased a “Wheely Walker” for readers.

COVID 19 lockdowns closed our library three times, however our readers were still able to get books as we continued to work. Readers would either ring up or come down and take books that we chose for them. We also did home deliveries and care phone calls to our elderly and at risk readers.

1.4.4 Fosters and value our volunteers

The Shire recognised the value of volunteers throughout the year, hosting the Emergency Services Dinner at the Bowling Club, Volunteer Breakfasts at both Waroona and Preston Beach and the Australia Day Awards. Exemplary volunteers are nominated at a higher level, through regional and state awards programs.

1.4.5 Support and enhance health services in Waroona

The Shire continues to host a very successful interagency meeting each quarter at Memorial Hall, attracting up to 30 agencies at each meeting. The interagency meeting is a means to connect local services and collaborate for better health outcomes.

1.5 Value, protect and celebrate our rich history and culture

1.5.1 Pursue actions to preserve areas and materials of historical significance throughout the Shire of Waroona

Council continues to provide support to the Waroona Historical Society by way of annual donation and maintenance on the Old Road Board building of which is currently utilised by the group. The Historical Society was also a successful recipient of a micro grant supported by Alcoa and the Shire of Waroona for their

project display “Service to Country and Community”.

To promote the historical significance of our region the Historical Society joined forces with the Waroona Library to further educate and promote the regions past business and buildings with a wonderful display exhibited within the Library.

1.5.2 Foster arts and culture throughout the Shire

Arts and culture have progressed over the last 12 months, with street art and mural scattered across the Shire, the establishment and support of art groups and the incorporation of the arts into local events. Examples include the Plein Air Art Award, the Preston Beach Community Hall mural, Y-culture youth art initiatives and collaboration with Waroona Artists and Makers on community led initiatives.



Peel Open Studios

Waroona Visitor Centre participated in Peel Open Studios 2021, a regional initiative to promote creatives. Ten local artists and makers participated in Artists in Residence Days at the Visitor Centre demonstrating their craft to visitors while promoting local businesses and attractions.

1.5.3 Acknowledge and celebrate the diversity in our community and support activities in recognition of national campaigns and initiatives.

The Shire continues to celebrate diversity in the community by recognising national campaigns and initiatives such as Youth Week, Seniors Week, Australia Day and NAIDOC Week.

Our Economy

To create a diverse economy that supports opportunity, education and employment.

2.1 Develop an economy that is focused on growth, knowledge and innovation, and infrastructure and protects prime agricultural land

2.1.1 Maximise the inherent economic opportunities in the Murray Waroona functional economic region

Projects to be completed in future years.

2.1.2 Enhance the agricultural industry in Waroona as a dominant economic sector

Projects to be completed in future years.

2.2 Develop a locally supported resilient, stable and innovative business community that embraces creativity, resourcefulness and originality

2.2.1 Support local businesses, Waroona Business Support Group and initiatives

Small Business Friendly Council

The Shire has maintained its small business friendly status, supporting local business through a buy local policy, the annual business after hours event and through its plans to activate the Town Centre through revitalisation and the development of a central community precinct.



Visitor Centre & Destination Marketing

Open 7 days, the Waroona Visitor Centre has numerous roles including:

- showcasing and selling local produce (art, craft, preserves, etc.) – this year the ratio of manufactured stock to local produce was 49% to 51% with \$23,540 of sales for local creatives.
- overseeing street art projects by local creatives within the vicinity of the Centre and the tourist bay adjacent.
- welcoming visitors and promoting the Shire and tourism to encourage visitors to stay longer during the day, or overnight – over 7,000 visitors were greeted during the year made up of 51.5% from the metropolitan area, 16.5% Peel Region and 13% local.

Destination marketing and area promotion initiatives have included articles and photos in newspapers, collaborative advertising features in print, advertising collateral, digital & social media platforms, local features, etc. Examples include Have a Go News, Hello Perth, Guide to WA, joint event flyers, Facebook & Instagram (Visit Waroona and promotions on other pages), Australian Tourism Data Warehouse, Destination Perth, Examiner Newspapers, Drakesbrook Despatch, Harvey Waroona Reporter, various apps, Mandurah Visitor Guide, etc.

Forrest Highway Billboard

In March 2021 the Waroona/Harvey directional and promotional billboard was reskinned with artwork aimed at tourists and encouraging them to “Swing by the Scarp”. Additionally, solar lighting was installed for 24/7 area promotion.

2.3 Create a vibrant, inviting and thriving town centre and maximise Waroona’s natural assets, culture and heritage as drivers for tourism

2.3.1 Encourage community and business initiatives to refresh the appearance of the town centre

Waroona Town Centre Revitalisation Strategy

The Waroona Town Centre Task Force was established to develop and inform the Waroona Revitalisation Strategy. This Strategy is still in development stage and will be completed later in 2021. The aim is to ensure a strategic and sensible approach to improving the livability of the Waroona town and improve the amenity and facilities in the central business district. The Strategy will be used to seek up to \$10 million of government investment to revitalise the town of Waroona.

Waroona Community Precinct

The Shire engaged closely with the community to develop plans for a major recreation community precinct in the heart of the Waroona town. This Precinct will bring a vitality to the town and much needed recreation and community assets. The Precinct will include a skate park, pump track, playground, walkways, barbeques and seating and a quality Recreation Vehicle (RV) overnight stay which will encourage investment into the retail sector from visitors. The funds for Stage 1 (\$3 million) have been secured and works will commence in the first half of 2022. Planning for the \$2 million Stage 2 will continue through the 2021/2022 year.

Yarn Bomb Waroona

Overseen by the Visitor Centre, Yarn Bomb Waroona is an ongoing initiative in place since 2015 with yarn bombing and street art by community members installed around the Visitor Centre and northern tourist bay. This creative approach to encouraging travellers to stop has increased visitation and sales of local craft and produce in the Centre's gallery. Implementing the "embracing our weird" marketing tool has been another

successful strategy to develop the perception of Waroona as a creative hub and fun tourist experience.

Mooriel #waroonacow

Mooriel has become a much-loved fixture on the verge of the Visitor Centre. Appreciated by locals and visitors for her changing costumes and outfits, her presence has encouraged travellers to stop thus providing an opportunity for staff and volunteers to "sell" Waroona. The demographic of Mooriel's fans is as wide and varied as her "cowture". Mooriel has a solid social media presence with her posts receiving excellent engagement and reach.



2.3.2 Develop key sectors of the tourism economy where Waroona has a competitive advantage

Projects to be completed in future years.

2.3.3 Develop new trails and enhance and promote existing trails

Preston Beach Walk Trail

The Shire worked closely with FRAGYLE to progress the Preston Beach Walk Trail. A collaborative approach has seen grant funds being sourced through the Peel Trails Group, and applications have been made to obtain formal approval for the trail to be developed.

Our Environment

To continually care for, protect and enhance our environment for the generations to come

3.1 Protect and enhance our existing natural assets, waterways, bushland and biodiversity

3.1.1 Collaborate with local environmental community organisations and volunteers

The Shire actively supports and collaborates with several local and regional organisations to conserve the environment including, Peel Biosecurity Group, Peel – Southwest Management Group, Peel Harvey Catchment Council, Waroona Landcare and Peron Naturaliste Partnership.

Dune Brushing

The Shire was successful in obtaining funding to conduct the Preston Beach Foreshore Restoration program. This program is based around the dune brushing to help stabilise the foredunes and mitigate the access to the foredunes by four wheel drive vehicles.

Environmental Hub

The former Department of Agriculture site located on South West Highway in Waroona has been vacant for many years. The Shire of Waroona successfully tendered for lease of the property in partnership with local land care groups to establish a Regional Environment Hub.

Peel Harvey Biosecurity Group, Harvey River Restoration Taskforce, Waroona Landcare and local officers from the Peel Harvey Catchment Council will relocate to this site, enabling expansion of their operations, better facilities for community workshops and meetings, improved storage for equipment and vehicles, and opportunities to attract other environmentally-focused organisations to Waroona.

The Shire will be working with these groups in 21/22 to secure funding for refurbishment of the office building to meet contemporary standards. Increased activity and improved appearance of this property will add to the town centre revitalisation plans and enable future refurbishment of Irrigation House as part of the Waroona Community Precinct development.

3.1.2 Develop future plans and strategies to protect and enhance Preston Beach and Yalgorup National Park

Preston Beach Foreshore Management Plan

The vulnerability of coastal assets to hazards such as erosion and inundation is expected to increase in the future. The risk arising from vulnerability of assets is influenced by the level of preparedness and response of the community and its recovery capacity. *State Planning Policy 2.6 - Coastal Planning* requires a risk management approach and provides the framework for undertaking risk management planning for risks arising from coastal hazards in WA. As such, the Shire has prepared a Foreshore Management Plan for Preston Beach that will provide hazard reportage, risk information and a series of actions for the management of the Preston Beach coastline for the next ten years.

Work commenced on the Foreshore Management Plan in late 2020 with a hazard assessment and modelling. The results of which were presented to the community and Council in workshops in November. From the feedback derived from these sessions, a draft Management Plan was developed and presented to the public in June. Further community consultation will take place in 2021/22.

Preston Beach Volunteer Rangers

The Preston Beach Volunteer Rangers initiative has once again been a successful and vital service provided by the Shire of Waroona. The group consists of volunteers from the Preston Beach area with the purpose of welcoming visitors, providing local information, offering guidance on 4WDing, encouraging the preservation of the beach and natural bushland as well as offering advice and support to residents and visitors.

The Volunteer Rangers educate visitors of the legal requirements of the area and monitor unwanted and inappropriate behaviour such as, speeding, reckless driving, littering, lighting of campfires, illegal camping and the use of vehicles in prohibited areas.

3.2 Proactively manage resources and practice sustainability through responsible management of water, energy, fire control and waste

3.2.1 Secure water resources to ensure water sustainability for agricultural, economic and recreational needs

Projects to be completed in future years.

3.2.2 Secure energy resources to ensure energy sustainability for community needs

Projects to be completed in future years.

3.2.3 Responsibly manage Council and community water and energy use

Projects to be completed in future years.

3.2.4 Improve waste management practices through diversion, reuse and recycling

Waste Management Plan

In January 2021 the Shire received official notification from the Department of Water and Environmental Regulation that the

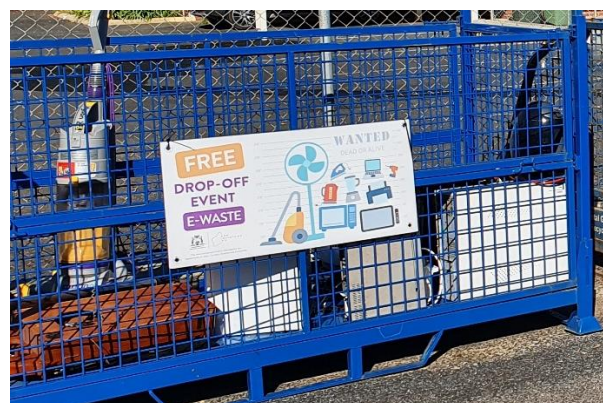
Shire's Waste Plan was endorsed. The Waste Plan was prepared in compliance with section 40(2) of the *Waste Avoidance and Resource Recovery Act 2007* which is aimed at reducing waste, increasing resource recovery and protecting the environment. The Plan will help guide waste management activities into the future.

Waste Management Facility Upgrades

The Shire continues to work towards various improvements to the Buller Road Waste Facility. This year the focus was on the development of the transfer station hardstand area which will allow for material recovery options to be within the one area. This will improve access for users of the facility which will encourage greater diversion away from landfill.

Improved Material Recovery

The Western Australian Local Government Association funded a free e-waste drop off event which was a great success with two steel bins being filled to the brim and focus material removed from landfill.



Ground Water Monitoring

The Shire has been steadily increasing groundwater monitoring regime with the installation of additional testing bores around the Buller Road Waste Facility landfill site. This increased testing has allowed a better understanding of the impact of the landfill on groundwater and initial results have been positive.

Our Built Assets

To build and effectively manage our assets to continually improve our standard of living.

4.1 Public spaces and infrastructure are accessible and appropriate for our community, and meet the purpose and needs of multiple users

4.1.1 Plan public open spaces and community facilities for current and future generations

Projects to be completed in future years.

4.2 Manage assets in a consistent and sustainable manner

4.2.1 Plan and effect appropriate maintenance, renewal, replacement and disposal of assets

Waroona Recreation and Aquatic Centre

The pool concourse was resurfaced with a non-slip coating reapplied to make it less slippery to patrons. Due to outstanding works, this project will continue in the 2021/22 financial year. Another coating will be applied to ensure the surface is as safe as possible. Future works will be needed in cutting the concrete out and relaying within the next 5 – 8 years.

Lake Clifton Improvements

Lake Clifton has seen a large influx of young families moving to the semi-rural area and an influx in community activity, largely due to the recently incorporated Lake Clifton Action Group working in collaboration with the Shire to create positive change in the community. Plans are in place to resurface the multi-purpose courts at the community reserve with Council committing seed funding and the Action Group preparing grant documents to secure further funding to progress the refurbishment.



Waroona Visitor Centre

With the assistance of an ALCOA Sustainability Fund Grant, this renovation project was undertaken to:

- Decommission mezzanine storage; remove circular staircase; add safety railing & ladder point for maintenance staff.
- Gut ground floor (slate flooring; aging kitchen, brochure shelves, laundry, toilet).
- Draw plans, develop budget, engage and induct contractors, oversee works (repairs to walls; cabinetry; tiling & painting; electrical and plumbing etc.).
- Purchase and installation of whitegoods, etc.

The project has resulted in modern facilities with a focus on both occupational safety and health, and function for staff and volunteers.

4.3 Suitable housing and transport infrastructure to meet the needs of our diverse community

4.3.1 Develop and promote diverse and affordable housing and accommodation

Projects to be completed in future years.

4.3.2 Develop and promote an efficient, safe and connected local and regional transport network

Black Spot Projects

Black Spot projects target road sections or intersections that have an elevated crash history and funds can be sought to treat and alleviate the issues that the road has that contribute to those crashes.

In the case of Nanga Brook Road, it was found that the section treated this year had an overrepresentation of 'run off road' crashes, therefore the works concentrated on creating a more forgiving road verge environment by the removal of roadside obstacles, smoothing of surfaces and extending drainage structures further away from the edge of seal.



Regional Road Group Projects

This year's Regional Road Group (RRG) projects were Johnston and Coronation Roads. Johnston Road saw another section completely reconstructed with pavement, seal width and drainage improvements while previously reconstructed sections of Coronation Road received a second coat bitumen seal. The RRG program is a two-thirds State and one-third Shire funded program that is

aimed at local government controlled roads of regional and state significance, i.e. those roads that, for a number of reasons carry traffic above and beyond local traffic only.



Roads to Recovery Projects

The Roads to Recovery program is a fully funded Australian Government initiative aimed at improving local government road networks throughout the country. Local governments are essentially free to choose how they spend these funds provided they target the improvement of roads and streets in some way. The Shire receives just over \$250,000 each year under the current iteration of this program which was allocated this year to the reconstruction of Somers and Mayfield Roads. This completed the widening of the Coronation – Mayfield section of Somers and commenced the widening of Mayfield Road.

Our Leadership

To embed strong leadership through good governance, effective communication and ensuring value for money

5.1 A sustainable future through embracing change, applying technological advancement and pursuing efficiencies

5.1.1 Establish a strong corporate governance framework to ensure high standards of integrity, ethics and accountability

Towards Waroona 2030 – Corporate Business Plan

Council adopted the 2020-2024 Corporate Business Plan at the July 2020 Council Meeting.

The Corporate Business Plan is responsible for activating the strategic direction of the Shire as articulated within the Strategic Community Plan, into specific priorities and actions at an operational level, to inform the annual budget. The Plan also draws together actions contained within the Long Term Financial Plan, Asset Management Plans and other informing strategies.

The 2020 review of the Corporate Business Plan was a major review due to the adoption of the Shire's Strategic Community Plan – Waroona 2030, at the July 2020 Council Meeting and the subsequent determination of actions.

The Corporate Business Plan maps the Shire's key priorities, projects, services and actions over four years. It provides the detail for the first years of the Waroona 2030 Strategic Community Plan, as well as outlines business as usual service delivery. It is developed on a four yearly cycle and will be reviewed annually to re-prioritise projects and services.

Governance Reviews

Good governance is extremely important to the Shire as it encourages confidence from the community in Council and its services,

it ensures that all legislative requirements are sustained and gives assurance that our organisation is operating efficiently and sustainably.

A major review of the governance framework was conducted this year with amendments made to local laws, policies and delegations. These documents are now all accessible via the Shire's website, in addition to at the Shire Administration Office.

Governance Registers

In accordance with the Local Government Act the Shire maintains and publishes the following registers on its website; Complaints register, Returns register, Disclosure register, Electoral gifts register, Gifts and Travel register and Tender register. A register of Elected Members Professional Development is available.

In accordance with legislative compliance all newly elected Councillors completed the required training by the date specified in the prior reporting period.

Annual Compliance Return

The Local Government (Audit) Regulations 1996 require the Shire to undertake an annual audit of statutory compliance and submit a Compliance Audit Return to the Department of Local Government, Sport and Cultural Industries on a yearly basis.

The Compliance Audit Return focuses on high-risk compliance areas including commercial enterprises, delegations of power, disclosure of interest, disposal of property, elections, finance, integrated planning and reporting employees, official conduct and tenders.

The compliance audit return from the 2020 calendar year was prepared and submitted to the finance and audit committee

presenting a high level of legislative and statutory compliance.

5.1.2 Maintain long term financial sustainability

Resourcing Waroona 2030 – Long Term Financial Plan

Council adopted the 2020 Long Term Financial Plan at the July 2020 Council Meeting.

The ten-year rolling plan is aligned with the Corporate Business Plan to activate Strategic Community Plan priorities and informs the develop of the annual budget. The Plan is guiding Council in a financially sustainable manner and is a 'high-level' document that focusses on Council's financial operations, particularly in relation to key components such as rate increases, service levels to the community, asset renewal, reserves and loans.

The Plan provides direction for both the Shire's long-term capital investment planning and its operating capacity, indicating long term financial sustainability and allowing early identification of financial issues and their longer-term impacts. It also shows the linkages between specific plans and strategies and enhances the transparency and accountability of Council to the community.

The Plan is reviewed annually.

2020/21 Budget

Council adopted the 2020/21 budget at the July 2020 Council Meeting. A nil rate increase was adopted in response to the COVID-19 pandemic.

The budget balanced the desire to limit the increase for ratepayers with the need to maintain a sustainable financial position, in the provision of key community services.

5.1.3 Consider future technological requirements for the delivery of services and corporate functions

During the reportable period the Shire continued to improve and update its connectable information and communication technologies to improve business efficiencies. A variety of programmes were established to ensure smooth transitions to working remotely where needed, a vital work operating system program Monday.com was launched to assist with the various reporting requirements and aid partnership and stakeholder collaboration.

The year also saw the transition and upgrade of the Shire's sever equipment. For several years, the Shire has opted to lease a variety of IT hardware. This has proven beneficial in both cost savings and continually updating equipment to improve productivities.

In addition, solar panels were installed on the administration building to assist in the transition to renewable energy and support Council's initiatives to protecting the environment.

5.1.4 Promote cooperation and collaboration with other organisations to improve efficiencies and regional identity

Expanded resource sharing arrangements with the Shire of Murray

The Shires of Waroona and Murray expanded their already successful resource sharing arrangements of Chief Executive Officer, Information Technology, Environmental Health and Ranger and Emergency Services, to include the Director Planning and Sustainability and officers within this directorate.

Local decision making was retained at both Waroona and Murray, with no governance structural changes effected in terms of elected member representation or organisationally.

Murdoch University Partnership

The Waroona Visitor Centre was one of a number of tourism services and businesses

throughout the wider metropolitan area enlisted to consult with TOUN323 Destination Management student groups. The students' task was to develop a 5000-word Destination Strategic Management Plan as part of their final semester coursework.

To support the students in developing their plan they were provided with all necessary information (brochures, Shire strategic plans, etc). In addition, Waroona Visitor Centre hosted two familiarisations of the "forest & farmlands" and "coast & lakes" introducing the students to key members of the community and business sectors. The students were able then to do a wide-ranging assessment with input from those involved in diverse roles throughout the Shire (Councillors, community groups, environmental and interest groups, event hosts, business owners, etc.).



5.2 Develop a skilled, safe and compliant organisation

5.2.1 Employ, maintain and retain a skilled workforce

In April 2021 during the annual review period of the workforce, each department was encouraged to produce a professional development plan for each individual employee. This process encouraged, skill enhancement, career advancement where possible and ensures that our employees are suitably qualified and trained to perform their roles.

This year three members of the outside workforce enrolled in Certificate III studies including Certificate III in Civil Construction and Certificate III in Irrigation. These qualifications are directly relevant to their positions and as such have increased the

knowledge and skill base of the operations crew.

Additional, staff also conducted several workshops and courses including financial management, reporting, first aid, evacuation procedures, information systems, records management, road assessment and maintenance management, procurement and governance procedures, as well as occupational health and safety.

The Shire of Waroona continued to offer to all employees a health and wellbeing program throughout the reporting period. This program encourages intervention and education to improve employee lifestyle choices and aids to prevent illness. Partnering with several different program providers including LGIS, Aware super and LG Professionals. These programs included educational workshops centred around healthy decision making, COVID safety, building resilience, healthy essentials as well as offering screening and testing opportunities.

Council's insurance provider LGIS also maintains a counselling service that is available to all local Government Officer.

5.2.2 Promote an organisational culture of safety, best practice and continuous improvements

Occupational Safety and Health

Our objective is to achieve best practice in work health and safety by developing a safety culture focused on minimising risk, preventing workplace hazards and injuries, and ill health to employees, contractors and volunteers.

The Shire conducts regular occupational health and safety meetings consisting of a committee of officers and safety representatives from each area of the organisation. Officers have been paying particular attention to the statutory modifications that are related to the change in legislation of the Work Health and Safety Act.

Work has also currently been conducting on updating the Shire's safety management system to reflect the change in legislation. During the reporting period a new resource sharing initiative with the Shire of Murray was formed which included the provision of an occupation health and safety officer.

Risk Management

Managing risk is iterative and assists the Shire in setting strategy, achieving objectives and making informed decisions.

The Shire has integrated risk management into all aspects of the organisation, driven by the Risk Management Committee which consists of officers from each area of the organisation. A major project for this committee was the development of new strategic and operational risk registers for the Shire following a risk identification and assessment workshop held by LGIS.

Incident Management and Business Continuity Response Plan

The Shire's Incident Management and Business Continuity Response Plan is a collection of information developed and maintained in readiness for use during an incident, particularly if the incident results in a disruption to business-as-usual activities. This plan's main purpose is to offer guidance in restoring the Shire to an acceptable level of operation and ensure continuity of time-critical business activities following disruption.

The Plan has been continuously reviewed and updated throughout the year to include the evolving COVID-19 pandemic and associated impacts.

5.3 Actively increase the level of community engagement and respond efficiently and effectively to the evolving needs of the community

5.3.1 Establish and maintain a user focused communication approach that informs, engages and empowers the community

Periodically a Shire of Waroona electronic Newsletter (e-news) was circulated to subscribed members. Increasing our engagement with residents and community members as well as promoting events and initiatives. The Shire of Waroona has also increased its social media coverage and continues to expand the way it communicated with its community members via online platforms.

5.3.2 Deliver efficient and effective Council services to all members of the community

Within the reporting period a draft overall integrated information and communications plans was drafted. This has been placed on hold until the following financial year due to audits and reports released by the OAG's office and State Government. The findings of these reports will be integrated into this forward plan to ensure efficient and effective service delivery.

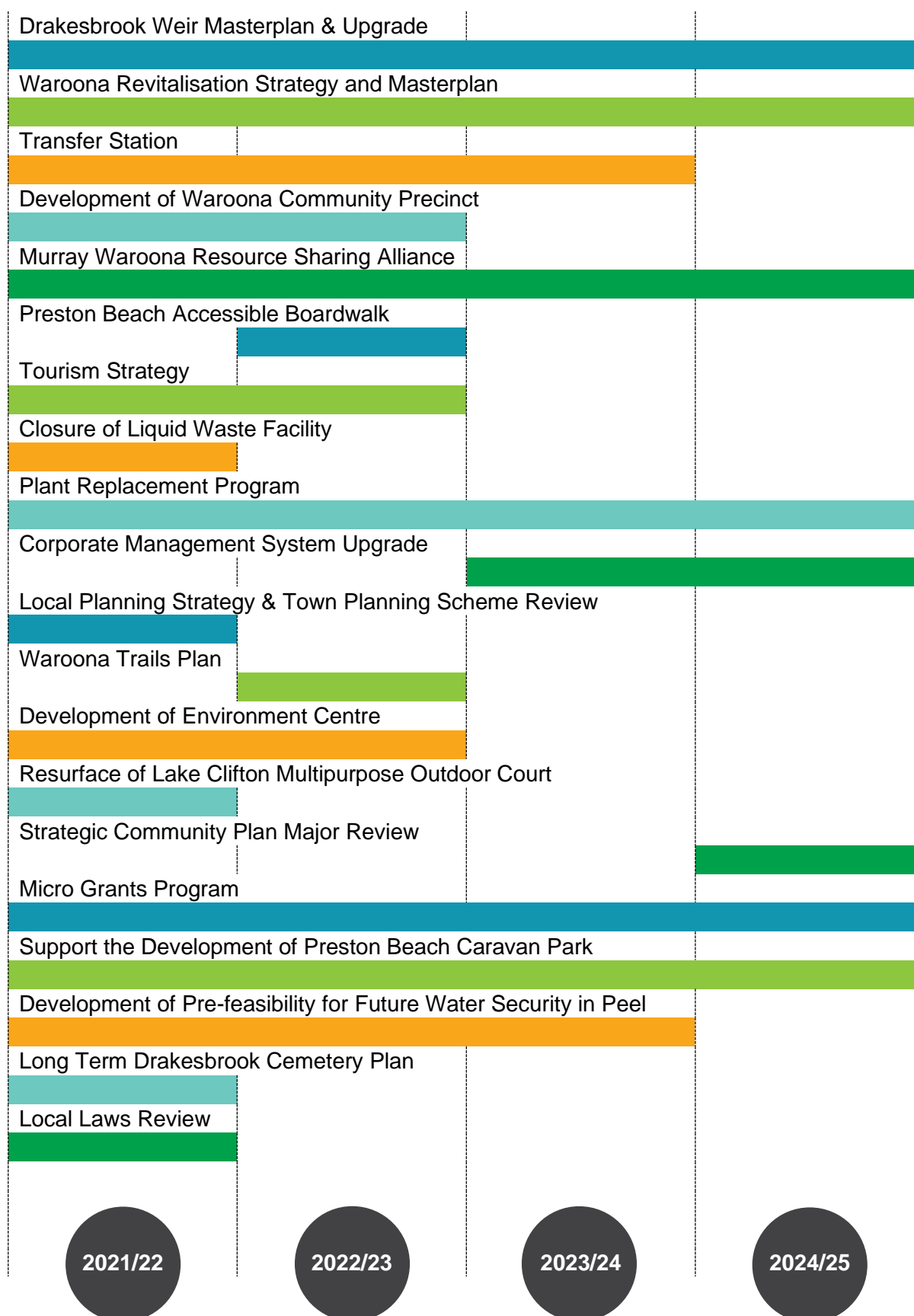
5.3.3 Provide community focused customer service and access to information

Within the reporting period significant maintenance and upgrades were completed on the Council's website. These improvements were centred around clear communication of Council information and increasing the accessibility and usability of the of the platform. Each year maintenance is completed on the website and more information is added continually.

Five Year Key Summary of Statistics

Statistic	2016/17	2017/18	2018/19	2019/20	2020/21
Operating Revenue	\$8,411,511	\$7,854,670	\$8,159,461	\$8,375,653	\$8,105,948
Operating Expenditure	\$10,468,288	\$10,957,304	\$10,420,833	\$10,581,587	\$10,517,478
Operating Grants, Contributions & Subsidies	\$2,383,260	\$1,492,570	\$1,638,205	\$1,731,108	\$1,555,015
Fees & Charges Revenue	\$1,447,516	\$1,481,077	\$1,433,532	\$1,418,316	\$1,453,073
Capital Grants Revenue	\$2,465,918	\$1,809,331	\$2,026,290	\$2,543,710	\$1,605,434
Capital Expenditure	\$2,609,765	\$2,492,559	\$3,522,894	\$3,546,855	\$31,69,685
Asset Valuation	\$130,732,461	\$129,949,168	\$129,749,817	\$129,672,983	\$129,698,942
Total Net Assets	\$133,018,290	\$132,134,387	\$134,247,914	\$134,599,888	\$135,119,465
Reserve Balance	\$2,508,330	\$2,317,381	\$2,397,934	\$2,446,605	\$2,456,564
Number of Rateable Properties	2,713	2,715	2,726	2,738	3,004
Minimum General Rate	\$1,010	\$1,605	\$1,115	\$1,145	\$1,145
Rates Levied	\$4,105,583	\$4,688,601	\$4,888,697	\$5,063,342	\$5,029,681
Planning Applications Received	108	74	53	64	74
Planning Applications Determined	117	67	55	47	70
Building Applications Received	164	119	115	98	151
Building Applications Determined	159	120	114	98	136
Library Items Loaned	10,272	14,518	12,343	13,608	12,663
Library Local Stock Resources	9,339	9,583	8,677	8,599	7,990
Licensing Agency Transactions	7,149	7,646	7,512	6,666	7,482
Licensing Computer Theory Tests	68	81	77	63	98

Major Projects



Major Grant Funding



Australian Government
Department of Infrastructure, Transport,
Regional Development and Communications

Direct Grant 2020/21	\$97,420
Regional Road Group	\$640,340
Black Spot	\$54,741

Roads to Recovery	\$252,532
Local Roads and Community Infrastructure	\$144,673



Australian Government
The Treasury



Financial Assistance Grant	\$1,325,148
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Local Government Grant Scheme	\$53,775
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Department of
Local Government, Sport
and Cultural Industries



Department of Planning,
Lands and Heritage

Cricket Nets	\$13,000
Swimming Pool Concourse	\$55,000

Preston Beach Foreshore Restoration	\$10,000
Preston Beach Foreshore Management Plan	\$9,000



Australia Day
Reflect. Respect. Celebrate.

2021 Community Partnership	\$210,164
Speed Reduction Program	\$10,000
Place Management	\$10,000

COVID Safe Australia Day Safety Resources	\$20,000
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Statutory Reports

Amendments to Strategic Community Plan & Corporate Business Plan

There were no modifications made to the Strategic Community Plan during 2020/21, however the following significant modifications were made to the Corporate Business Plan during the financial year:

Modification	Details
Removal	
Action 1.1.5.2 – Support the investigation of a water festival including activities such as windsurfing, water skiing, canoeing, kayaking or rafting.	Addressed under Action 1.1.5.1 – Support, attract and develop events that activate the community.
Action 1.1.5.3 – Support live music events at waterside locations such as Drakesbrook Weir and Preston Beach.	
Action 1.1.6.4 – Conduct a competency and training needs assessment of all volunteer fire fighters and senior officer positions.	DFES task.
Action 1.1.6.5 – Develop the Shire of Waroona volunteer bush fire brigade operating procedures.	
Action 1.1.6.6 – Consider Crime Prevention Through Environmental Design principles when developing projects.	Included in project development.
Action 1.3.2.2 – Develop a designated industrial estate for light industry and heavy industry.	Identified as not a priority in the four year scope of the Plan.
Action 1.5.2.2 – Develop an open studio drive trail.	Action completed.
Action 2.1.2.2 – Support Southern Dirt and associated initiatives.	
Action 2.3.2.2 – Develop and implement a Preston Beach Foreshore Development Strategy and Masterplan.	Duplication of Action 3.1.2.2.
Action 2.3.2.4 – Seek funding for a link road between Weir Road and Prince Road.	Identified as not a priority in the four year scope of the Plan.
Action 4.1.1.4 – Investigate the future location of the Depot.	
Action 4.2.1.3 – Refurbish Waroona Visitor Centre.	Action completed.
Action 4.2.1.4 – Redevelop the Waroona Recreation & Aquatic Centre dry area ablutions.	
Action 4.2.1.7 – Redevelop the Waroona Showgrounds changerooms and ablutions.	Addressed under Action 1.4.2.4 – Develop a Waroona Sport and Recreation Precinct Masterplan.
Action 4.2.1.8 – Investigate the upgrade of the old section road network at Preston Beach.	Action completed.
Action 4.2.1.9 – Complete the replacement of the reticulation from Harvey Water Main to Waroona Showgrounds.	
Action 4.2.1.10 – Improve the identified drainage on Chalet Vale in Preston Beach.	
Action 4.3.2.1 – Lobby for the installation of a vehicle slip lane onto Forrest Freeway from Preston Beach.	

Modification	Details
Removal	
Action 4.3.2.3 – Finalise arrangements to have legal public access over the Waroona Dam wall.	
Action 5.1.4.2 – Work with Shire of Murray, Shire of Serpentine Jarrahdale and Shire of Harvey to re-establish the Harvest Highway.	All three Shires agreed to not pursue this initiative.
Action 5.1.4.3 – Seek to share information and collaborate with other local governments.	Occurs as part of normal local government operations.
Action 5.2.1.3 – Develop and implement a health and wellbeing program for employees.	Action completed.
Action 5.2.1.4 – Develop and implement a Human Resources Strategy and procedures.	
Action 5.2.2.1 – Develop and promote an events process that links to the Shire website.	
Action 5.3.1.2 – Efficiently use social media and online platforms.	Occurs as part of normal local government operations.
Action 5.3.3.1 – Update the Shire website to be more accessible and contain current and relevant information.	
Action 5.3.3.2 – Conduct a bi-annual community survey that seeks community input and satisfaction.	
Addition	
Action 1.1.2.4 – Prepare and plan for the upgrade of the administration building front entrance to be disability access compliant for residents and community members.	Identified as a priority by Council and staff during the budget process.
Action 1.2.2.1 – Prepare a Business Plan for the implementation of the Drakesbrook Weir Masterplan.	
Action 1.2.2.3 – Progressively implement the Drakesbrook Weir Management Plan.	
Action 1.5.2.2 – Develop marketing materials for Art, Heritage and Cultural Trail.	
Action 2.3.1.3 – Prepare Streetscape Improvement Plans for South Western Highway within Waroona Town Centre.	
Action 2.3.1.4 – Prepare a Local Planning Policy to guide the design of development within Waroona Town Centre.	
Action 3.1.1.5 – Contribute toward the refurbishment of the Department of Agriculture building.	
Action 3.1.1.6 – Support local Landcare groups through subsidy of the environment centre in Waroona.	
Action 3.2.4.4 – Commence the transition to re-useable items (non single-use plastics).	New CEO KPI.
Action 4.2.1.5 – Resurface the Lake Clifton multipurpose outdoor court.	Identified as a priority by Council and staff during the budget process.
Action 4.2.1.6 – Replace the boilers at Waroona Recreation & Aquatic Centre.	
Action 5.2.2.4 – Review and implement the Occupational Safety and Health Plan.	

Modification	Details
Removal	
Action 5.3.2.2 – Develop a 5 year organisational structure plan.	New CEO KPI.
Action 5.3.2.3 – Develop a Strategy and Organisational Structure in the event of State Government enforced Local Government reform.	
Action 5.3.2.4 – Develop a long term Operational (Transitional) Plan for Works and Services.	

Complaints Register

In accordance with the *Local Government Act 1995*, local governments are required to maintain a register recording complaints and action taken in relation to complaints made to the Local Government Standards Panel about Council members breaching the rules of conduct or contravention of a local law under the Act.

No complaints have been entered into the register during this reporting period.

Disability Access and Inclusion Plan

In accordance with the *Disability Services Act 1993*, local governments are required to develop and implement a Disability Access and Inclusion Plan to ensure people with disabilities have equal access to Council facilities and services.

This Plan was reviewed in consultation with the Disabilities Services Commission, with amendments included in the adoption of a revised Plan in 2017/18. A major review of the Plan will occur in 2021/22.

Freedom of Information

The Freedom of Information Act 1992 provides a general right of access to documents held by a Government Agencies. Documents accessible under the FOI Act include paper records, plans and drawings, photographs, tape recordings, films, videotapes or information stored in a computerised form. The Shire of Waroona aspires to make information available promptly and at the least possible cost, and whenever possible documents will be provided outside the process. If information is not routinely available, the Freedom of Information Act 1992 provides the right to apply for documents held by the Shire and enables the public to ensure personal information in documents is accurate, complete, up to date and not misleading.

Council's Freedom of Information policy and guidelines are reviewed annually as part of the full policy manual review. No modifications were made to the statement in this reporting period. Two (2) Freedom of Information applications were processed in this reporting period.

Legislative Review

Council is required to assess each of its local laws to ensure there are no negative impacts on competition and to determine how any restrictive practices might be overcome, or to propose amendments to existing local laws. The current Shire of Waroona Local Laws are:

- Activities on Thoroughfares & Trading in Thoroughfares Public Places 2001
- Dogs 2001
- Drakesbrook Cemetery Local Law 2021

- Extractive Industries 1999
- Fencing 2014
- Health 2001
- Local Government Property 2014
- Meeting Procedures 2020

Every 8 years Council is required to review all its local laws with the next full review due in 2021/22.

Local Government Elections

No elections were held in 2020/21.

National Competition Policy

National Competition Policy is designed to enhance the efficiency and effectiveness of public sector agencies and lead to more efficient use of all economic reserves. There are a number of specific requirements for local governments in the areas of competition, neutrality, legislation review and structural reform. The Shire has no local laws or policies that contain anti-competitive provision and has had no complaints during this reporting period. The Shire has not acquired any new entities in this reporting period that have required competitive neutrality testing.

State Records Act

The Shire is required to manage its records in accordance with the *State Records Act 2000* and the Shire's Record Keeping Plan. This Plan was submitted in accordance with the Act and is approved until 2022, at which time it will be reviewed. Council has adopted its own internal procedural policy with respect to the Plan:

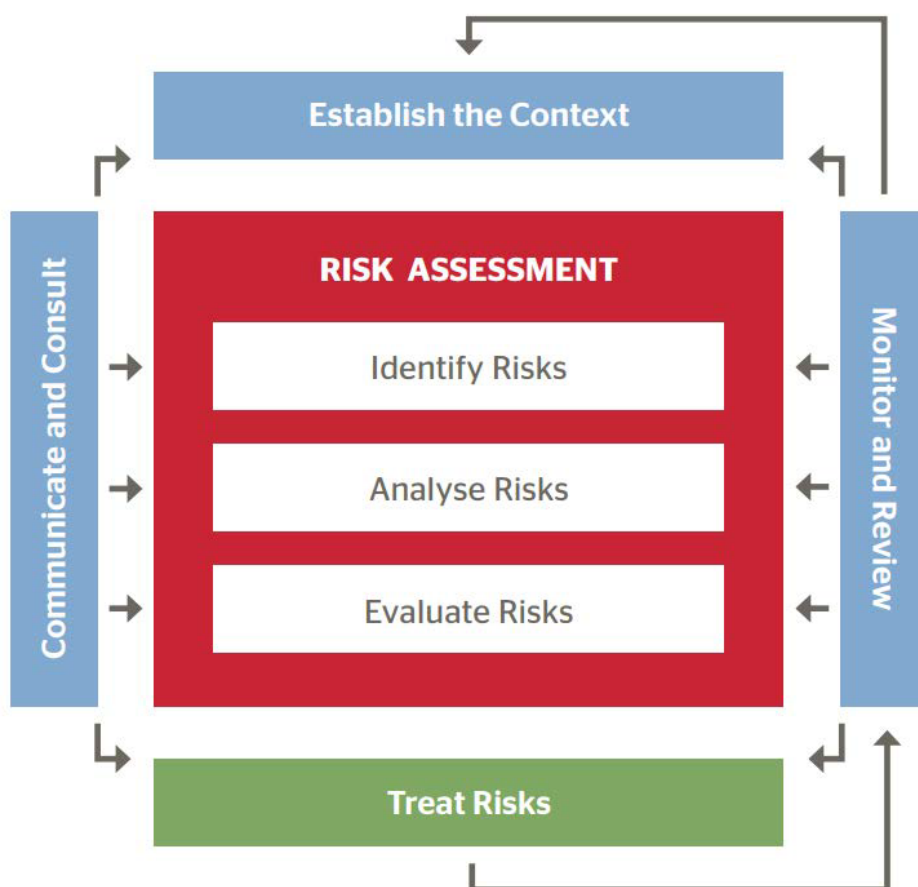
- Efficiency and effectiveness of the Plan is monitored on an ongoing basis by the use of report tracking methods incorporating management software;
- New employees receive face-to-face induction from the Records Officer, covering an overview of the Plan, Record Keeping Procedure Manual, and staff responsibilities, including the capture of emails and procedures for forwarding records for capture into the corporate management system;
- Staff training is conducted on an ongoing basis by providing information services at staff meetings and one-on-one meetings with new staff;
- Software training in the Shire's record tracking system is conducted as required; and
- Offsite storage procedures have been introduced and subsequently reviewed.

Risk Management

The Shire of Waroona is committed to identifying, measuring and managing risks in order to capitalise on opportunities and achieve the objectives of the Council's strategic plans.

To achieve this, the Shire has adopted a risk management framework aligned to AS/NZS ISO 31000:2018 Risk Management – Principles and Guidelines. The framework, which is comprised of a Risk Management Policy and Strategy, provides a coordinated and systematic process for managing risks, integrating risk management into everyday decision making and business planning.

A Business Continuity Plan also compliments this framework, ensuring that the Shire can continue to provide essential services to stakeholders in the event of a crisis or major incident.



Financial Statements & Auditor's Report

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

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COMMUNITY VISION

We care for our coast, our country and for our community.
We build on our foundations to be socially, environmentally and financially sound & sustainable.

Principal place of business:
Shire of Waroona
52 Hesse Street
Waroona, Western Australia 6215

**SHIRE OF WAROONA
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 Waroona for the financial year ended 30 June 2021 is based on proper accounts and records to present fairly the financial position of the Shire of Waroona 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 21st day of December 2021



Chief Executive Officer

MARK GOODLET

Name of Chief Executive Officer



BUTLER SETTINERI

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

	NOTE	2021 Actual	2021 Budget	2020 Actual Restated
		\$	\$	\$
Revenue				
Rates	24(a)	5,029,681	5,023,646	5,063,342
Operating grants, subsidies and contributions	2(a)	1,555,015	1,077,647	1,731,108
Fees and charges	2(a)	1,435,073	1,298,904	1,418,316
Interest earnings	2(a)	22,557	70,190	51,793
Other revenue	2(a)	63,622	94,500	111,094
		8,105,948	7,564,887	8,375,653
Expenses				
Employee costs		(3,034,644)	(3,192,294)	(3,192,450)
Materials and contracts		(3,183,933)	(3,350,289)	(3,003,667)
Utility charges		(375,752)	(407,460)	(374,904)
Depreciation on non-current assets	10(b)	(3,478,686)	(3,292,598)	(3,457,407)
Interest expenses	2(b)	(21,774)	(11,587)	(17,353)
Insurance expenses		(196,843)	(228,944)	(199,105)
Other expenditure	2(b)	(225,846)	(335,566)	(336,701)
		(10,517,478)	(10,818,738)	(10,581,587)
		(2,411,530)	(3,253,851)	(2,205,934)
Non-operating grants, subsidies and contributions	2(a)	1,605,434	1,450,459	2,543,710
Profit on asset disposals	10(a)	24,532	13,952	17,301
(Loss) on asset disposals	10(a)	(17,273)	(32,157)	(23,034)
Fair value adjustments to financial assets at fair value through profit or loss		1,940	0	865
		1,614,633	1,432,254	2,538,842
Net result for the period		(796,897)	(1,821,597)	332,908
Total other comprehensive income/(loss) for the period		0	0	0
Total other comprehensive income/(loss) for the period		(796,897)	(1,821,597)	332,908

This statement is to be read in conjunction with the accompanying notes.
Please refer to Note 29 for explanation of prior year error restatement



BUTLER SETTINERI

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

	NOTE	2021 Actual	2021 Budget	2020 Actual Restated
		\$	\$	\$
Revenue				
Governance		149,777	104,267	193,285
General purpose funding		5,999,425	5,636,129	6,082,339
Law, order, public safety		131,499	105,515	87,787
Health		38,780	37,500	40,861
Education and welfare		57,816	66,645	105,884
Housing		15,061	15,600	16,583
Community amenities		1,091,483	997,684	1,117,145
Recreation and culture		413,616	427,215	253,540
Transport		79,684	72,970	374,685
Economic services		93,521	76,602	69,337
Other property and services		35,285	24,760	34,207
		8,105,948	7,564,887	8,375,653
Expenses				
Governance		(1,472,074)	(1,453,169)	(1,581,512)
General purpose funding		(113,476)	(153,214)	(134,816)
Law, order, public safety		(598,918)	(567,915)	(578,574)
Health		(204,352)	(231,608)	(208,452)
Education and welfare		(368,721)	(386,215)	(366,087)
Housing		(8,643)	(9,030)	(8,095)
Community amenities		(1,548,760)	(1,558,041)	(1,610,694)
Recreation and culture		(2,701,003)	(2,951,446)	(2,717,117)
Transport		(2,801,412)	(2,804,321)	(2,767,334)
Economic services		(598,283)	(657,817)	(545,098)
Other property and services		(80,063)	(34,375)	(46,455)
		(10,495,705)	(10,807,151)	(10,564,234)
Finance Costs				
Governance		(3,684)	0	(3,506)
Recreation and culture		(11,325)	(11,587)	(13,847)
Economic services		(6,764)	0	0
	2(b)	(21,773)	(11,587)	(17,353)
		(2,411,530)	(3,253,851)	(2,205,934)
Non-operating grants, subsidies and contributions	2(a)	1,605,434	1,450,459	2,543,710
Profit on disposal of assets	10(a)	24,532	13,952	17,301
(Loss) on disposal of assets	10(a)	(17,273)	(32,157)	(23,034)
Fair value adjustments to financial assets at fair value through profit or loss		1,940	0	865
		1,614,633	1,432,254	2,538,842
Net result for the period		(796,897)	(1,821,597)	332,908
Total other comprehensive income/(loss) for the period		0	0	0
Total other comprehensive income/(loss) for the period		(796,897)	(1,821,597)	332,908

This statement is to be read in conjunction with the accompanying notes.
Please refer to Note 29 for explanation of prior year error restatement

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

	NOTE	2021	2020 Restated
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	3	4,909,620	4,116,743
Trade and other receivables	6	504,061	574,386
Inventories	7	6,842	10,676
TOTAL CURRENT ASSETS		5,420,523	4,701,805
NON-CURRENT ASSETS			
Trade and other receivables	6	9,176	3,146
Other financial assets	5(a)	55,356	53,416
Property, plant and equipment	8	38,509,710	38,408,150
Infrastructure	9	90,794,794	91,264,833
Right-of-use assets	11(a)	329,906	79,971
TOTAL NON-CURRENT ASSETS		129,698,942	129,809,516
TOTAL ASSETS		135,119,465	134,511,321
CURRENT LIABILITIES			
Trade and other payables	13	1,242,170	988,498
Contract liabilities	14	374,369	77,597
Lease liabilities	15(a)	90,994	69,407
Borrowings	16(a)	78,116	64,046
Employee related provisions	17	799,369	734,588
TOTAL CURRENT LIABILITIES		2,585,018	1,934,136
NON-CURRENT LIABILITIES			
Lease liabilities	15(a)	238,912	10,564
Borrowings	16(a)	807,716	239,903
Employee related provisions	17	37,049	79,051
TOTAL NON-CURRENT LIABILITIES		1,083,677	329,518
TOTAL LIABILITIES		3,668,695	2,263,654
NET ASSETS		131,450,770	132,247,667
EQUITY			
Retained surplus		10,064,343	10,871,198
Reserves - cash backed	4	2,456,564	2,446,606
Revaluation surplus	12	118,929,863	118,929,863
TOTAL EQUITY		131,450,770	132,247,667

This statement is to be read in conjunction with the accompanying notes.
Please refer to Note 29 for explanation of prior year error restatement



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

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2019		10,586,960	2,397,936	118,929,863	131,914,759
Comprehensive income					
Net result for the period (restated)		332,908	0	0	332,908
Total comprehensive income		332,908	0	0	332,908
Transfers from reserves	4	199,525	(199,525)	0	0
Transfers to reserves	4	(248,195)	248,195	0	0
Balance as at 30 June 2020 Restated		10,871,198	2,446,606	118,929,863	132,247,667
Comprehensive loss					
Net result for the period		(796,897)	0	0	(796,897)
Total comprehensive loss		(796,897)	0	0	(796,897)
Transfers from reserves	4	237,138	(237,138)	0	0
Transfers to reserves	4	(247,096)	247,096	0	0
Balance as at 30 June 2021		10,064,343	2,456,564	118,929,863	131,450,770

This statement is to be read in conjunction with the accompanying notes.
Please refer to Note 29 for explanation of prior year error restatement

SHIRE OF WAROONA
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		5,145,831	5,093,646	4,985,784
Operating grants, subsidies and contributions		1,827,926	1,127,647	1,881,168
Fees and charges		1,435,073	1,298,904	1,418,316
Interest received		22,557	70,190	51,793
Goods and services tax received		0	15,048	0
Other revenue		68,622	94,500	119,594
		8,500,009	7,699,935	8,456,655
Payments				
Employee costs		(3,093,340)	(3,242,294)	(3,416,018)
Materials and contracts		(2,881,171)	(3,495,289)	(2,956,897)
Utility charges		(375,752)	(407,460)	(374,904)
Interest expenses		(21,774)	(11,587)	(17,353)
Insurance paid		(196,843)	(228,944)	(199,105)
Goods and services tax paid		(1,905)	0	(3,110)
Other expenditure		(225,718)	(307,004)	(295,303)
		(6,796,503)	(7,692,578)	(7,262,690)
Net cash provided by (used in) operating activities	18	1,703,506	7,357	1,193,968
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	8(a)	(1,311,550)	(1,080,630)	(1,556,122)
Payments for construction of infrastructure	9(a)	(1,858,135)	(1,876,049)	(1,990,733)
Non-operating grants, subsidies and contributions	2(a)	1,605,434	1,450,459	2,543,710
Proceeds from sale of property, plant & equipment	10(a)	157,732	194,000	238,481
Net cash provided by (used in) investment activities		(1,406,519)	(1,312,220)	(764,664)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	16(b)	(78,116)	(64,046)	(61,483)
Proceed from low interest loans		5,000	5,000	8,500
Payments for principal portion of lease liabilities	15(b)	(90,994)	0	(79,152)
Proceeds from new borrowings	16(b)	660,000	0	0
Net cash provided by (used in) financing activities		495,890	(59,046)	(132,135)
Net increase (decrease) in cash held		792,877	(1,363,909)	297,169
Cash at beginning of year		4,116,743	3,700,213	3,819,577
Cash and cash equivalents at the end of the year	18	4,909,620	2,336,304	4,116,743

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

SHIRE OF WAROONA
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)	25 (b)	1,187,251	1,124,657	1,057,699
		1,187,251	1,124,657	1,057,699
Revenue from operating activities (excluding rates)				
Governance		157,850	108,672	194,595
General purpose funding		969,744	612,483	1,018,997
Law, order, public safety		131,499	105,515	99,291
Health		38,780	37,500	40,861
Education and welfare		57,816	68,264	105,884
Housing		15,061	15,600	16,583
Community amenities		1,091,483	997,684	1,117,145
Recreation and culture		413,616	427,215	253,540
Transport		98,085	80,898	380,037
Economic services		93,521	76,602	69,337
Other property and services		35,285	24,760	34,207
		3,102,742	2,555,192	3,330,477
Expenditure from operating activities				
Governance		(1,475,759)	(1,453,169)	(1,586,428)
General purpose funding		(113,476)	(153,214)	(134,816)
Law, order, public safety		(598,918)	(567,915)	(578,574)
Health		(204,352)	(231,608)	(208,452)
Education and welfare		(368,721)	(386,215)	(366,087)
Housing		(8,643)	(9,030)	(8,095)
Community amenities		(1,548,760)	(1,558,041)	(1,610,694)
Recreation and culture		(2,712,328)	(2,963,033)	(2,730,964)
Transport		(2,818,685)	(2,832,478)	(2,787,538)
Economic services		(605,047)	(661,817)	(546,518)
Other property and services		(80,065)	(34,375)	(46,455)
		(10,534,754)	(10,850,895)	(10,604,621)
Non-cash amounts excluded from operating activities	25(a)	3,492,263	3,274,365	3,237,141
Amount attributable to operating activities		(2,752,498)	(3,896,681)	(2,979,304)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	2(a)	1,605,434	1,450,459	2,543,710
Proceeds from disposal of assets	10(a)	157,732	194,000	238,481
Purchase of property, plant and equipment	8(a)	(1,311,550)	(1,080,630)	(1,556,122)
Purchase and construction of infrastructure	9(a)	(1,858,135)	(1,876,049)	(1,990,733)
		(1,406,519)	(1,312,220)	(764,664)
Amount attributable to investing activities		(1,406,519)	(1,312,220)	(764,664)
FINANCING ACTIVITIES				
Repayment of borrowings	16(b)	(78,116)	(64,046)	(61,483)
Proceeds from borrowings	16(c)	660,000	0	0
Proceeds from low interest loans		5,000	5,000	8,500
Unspent grants 1 July B/Fwd		0	0	48,681
Unspent grants 30 June C/Fwd		0	77,597	0
Payments for principal portion of lease liabilities	15(b)	(90,994)	0	(79,152)
Transfers to reserves (restricted assets)	4	(247,096)	(152,070)	(248,195)
Transfers from reserves (restricted assets)	4	237,138	318,770	199,525
Amount attributable to financing activities		485,932	185,251	(132,124)
Surplus/(deficit) before imposition of general rates		(3,673,085)	(5,023,646)	(3,876,091)
Total amount raised from general rates	24(a)	5,029,681	5,023,646	5,063,342
Surplus/(deficit) after imposition of general rates	25(b)	1,356,596	0	1,187,251

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

SHIRE OF WAROONA
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FOR THE YEAR ENDED 30 JUNE 2021

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

1. BASIS OF PREPARATION

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

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

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

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

THE LOCAL GOVERNMENT REPORTING ENTITY

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

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

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

INITIAL APPLICATION OF ACCOUNTING STANDARDS

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

These were:

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

The impact of adoption of these standards is described at Note 28.

NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE YEARS

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

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

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

CRITICAL ACCOUNTING ESTIMATES

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

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

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

2. REVENUE AND EXPENSES

(a) Grant revenue

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

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Operating grants, subsidies and contributions			
Governance	110,283	68,777	159,023
General purpose funding	921,446	490,593	883,916
Law, order, public safety	87,591	68,845	49,249
Health	0	100	0
Education and welfare	57,406	66,235	105,474
Housing	897	0	1,995
Community amenities	191,661	91,192	178,191
Recreation and culture	141,010	264,055	9,914
Transport	517	0	287,520
Economic services	11,935	8,150	24,814
Other property and services	32,269	19,700	31,012
	1,555,015	1,077,647	1,731,108
Non-operating grants, subsidies and contributions			
General purpose funding	481,656	415,367	410,475
Law, order, public safety	66,076	10,000	788,906
Community amenities	19,000	0	0
Recreation and culture	0	21,000	0
Transport	1,018,702	1,004,092	38,000
Economic services	20,000	0	1,306,329
	1,605,434	1,450,459	2,543,710
Total grants, subsidies and contributions	3,160,449	2,528,106	4,274,818
Fees and charges			
Governance	35,494	31,490	30,262
General purpose funding	51,687	37,000	60,798
Law, order, public safety	43,908	36,670	38,537
Health	38,780	37,400	40,861
Education and welfare	410	410	410
Housing	14,165	15,600	14,588
Community amenities	893,270	903,492	935,953
Recreation and culture	272,607	163,160	243,626
Transport	150	170	210
Economic services	81,586	68,452	49,875
Other property and services	3,016	5,060	3,196
	1,435,073	1,298,904	1,418,316

SIGNIFICANT ACCOUNTING POLICIES

Grants, subsidies and contributions

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

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

Fees and Charges

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

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

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Contracts with customers and transfers for recognisable non-financial assets

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

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Operating grants, subsidies and contributions	1,555,015	1,077,647	1,731,108
Fees and charges	1,435,073	1,298,904	1,418,316
Other revenue	85,567	75,800	84,604
Non-operating grants, subsidies and contributions	1,605,434	1,450,459	2,543,710
	4,681,089	3,902,810	5,777,738

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	77,597	0	48,681
Revenue from contracts with customers recognised during the year	2,998,058	2,452,351	3,185,347
Revenue from transfers intended for acquiring or constructing recognisable non financial assets during the year	1,605,434	1,450,459	2,543,710
	4,681,089	3,902,810	5,777,738

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

Trade and other receivables from contracts with customers	6	219,487	0	195,626
Contract liabilities from contracts with customers	14	(374,369)	0	(77,597)

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

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Revenue from statutory requirements

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

General rates

Other revenue

Reimbursements and recoveries

Sale of inventory

Other

Interest earnings

Interest on reserve funds

Other interest earnings

	2021 Actual \$	2021 Budget \$	2020 Actual \$
General rates	5,029,681	5,023,646	5,063,342
	5,029,681	5,023,646	5,063,342
Other revenue			
Reimbursements and recoveries	(21,945)	18,700	26,490
Sale of inventory	3,470	2,300	13,431
Other	82,097	73,500	71,173
	63,622	94,500	111,094
Interest earnings			
Interest on reserve funds	12,915	39,600	37,910
Other interest earnings	9,642	30,590	13,883
	22,557	70,190	51,793

SIGNIFICANT ACCOUNTING POLICIES

Interest earnings

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

Interest earnings (continued)

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

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

2. REVENUE AND EXPENSES (Continued)

(b) Expenses

Auditors remuneration

Audit of the Annual Financial Report

Interest expenses (finance costs)

Borrowings

Lease liabilities

Other expenditure

Sundry expenses

Note	2021 Actual \$	2021 Budget \$	2020 Actual \$
	26,000	12,200	12,660
	26,000	12,200	12,660
16(b)	18,090	11,587	13,847
15(b)	3,684	0	3,506
	21,774	11,587	17,353
	225,846	335,566	336,701
	225,846	335,566	336,701

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

2. REVENUE AND EXPENSES

REVENUE RECOGNITION POLICY

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Timing of revenue recognition
Rates / Service Charges / waste collection	General rates, waste collection, kerbside collection	Over time	Payment dates adopted by Council	None	Adopted by Council annually	When taxable event occurs	Not applicable	When rates notice is issued
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 completed	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants / fees and charges / other revenue	General appropriations and contributions with no reciprocal commitments, 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 services or completed works
Licence / registration / approvals	Building, planning, development and animal management, having the same nature as a licence regardless of naming	Single point in time	Full payment prior to issue	None	Set by state legislation or limited by legislation to the cost of provision	Based on timing of issue of the associated rights	No refunds	On payment of the licence, registration or approval
Pool and other inspections	Compliance safety check / regulatory food, health and safety	Single point in time	Full payment prior to issue	None	Set by state legislation or limited by legislation to the cost of provision	Apportioned equally across the inspection cycle	No refunds	Revenue recognised after inspections event occurs
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	On payment and issue of the licence, registration or approval
Reimbursements	Insurance claims	Single point in time	Payment in arrears for claimable event	None	Set by mutual agreement with the customer	When claim is agreed	Not applicable	When claim is agreed

SHIRE OF WAROONA
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		2,453,058	1,670,138
Term deposits		2,456,562	2,446,605
Total cash and cash equivalents		4,909,620	4,116,743
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		2,830,933	2,524,203
		2,830,933	2,524,203
The restricted assets are a result of the following specific purposes to which the assets may be used:			
Reserves - cash backed	4	2,456,564	2,446,606
Contract liabilities from contracts with customers	14	374,369	77,597
Total restricted assets		2,830,933	2,524,203

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.

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

4. RESERVES - CASH BACKED

	2021 Actual Opening Balance	2021 Actual Transfer to	2021 Actual Transfer (from)	2021 Actual Closing Balance	2021 Budget Opening Balance	2021 Budget Transfer to	2021 Budget Transfer (from)	2021 Budget Closing Balance	2020 Actual Opening Balance	2020 Actual Transfer to	2020 Actual Transfer (from)	2020 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Sporting Reserve	72,321	5,631	0	77,952	72,322	5,250	0	77,572	62,164	10,157	0	72,320
(b) Council Building Maintenance Reserve	86,644	11,457	0	98,101	86,644	0	0	86,644	85,296	1,348	0	86,644
(c) Rec Centre Building Maintenance Reserve	124,098	655	0	124,753	124,098	0	0	124,098	100,509	23,589	0	124,098
(d) Preston Beach Volunteer Ranger Reserve	31,466	11,562	0	43,028	31,466	13,170	0	44,636	39,641	11,820	(19,995)	31,466
(e) Emergency Assistance Reserve	105,401	556	0	105,957	105,401	0	0	105,401	103,761	1,640	0	105,401
(f) Works Depot Redevelopment Reserve	79,841	421	0	80,262	79,841	0	0	79,841	78,599	1,242	0	79,841
(g) Council Building Construction Reserve	216,699	1,143	(48,368)	169,474	216,699	0	(75,000)	141,699	214,039	2,661	0	216,699
(h) Information Technology Reserve	142,735	753	0	143,488	142,734	0	0	142,734	88,300	54,435	0	142,736
(i) Footpath Construction Reserve	31,691	167	0	31,858	31,691	0	0	31,691	31,198	493	0	31,691
(j) Plant Replacement Reserve	566,846	2,990	(188,770)	381,066	566,846	0	(188,770)	378,076	503,877	62,969	0	566,846
(k) Staff Leave Reserve	128,246	686	0	128,932	128,245	0	0	128,245	253,767	4,011	(129,530)	128,247
(l) Strategic Planning Reserve	19,856	105	0	19,961	19,856	0	0	19,856	19,547	309	0	19,856
(m) Waste Management Reserve	823,315	137,343	0	960,658	823,315	133,000	(55,000)	901,315	800,661	72,654	(50,000)	823,315
(n) History Book Reprint Reserve	8,279	1,048	0	9,327	8,279	650	0	8,929	7,555	724	0	8,279
(o) Risk & Insurance Reserve	9,168	48	0	9,216	9,167	0	0	9,167	9,025	143	0	9,168
(p) Drakesbrook Cemetery Reserve	0	72,531	0	72,531	0	0	0	0	0	0	0	0
	2,446,606	247,096	(237,138)	2,456,564	2,446,604	152,070	(318,770)	2,279,904	2,397,940	248,195	(199,525)	2,446,606

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

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

Name of Reserve	Anticipated date of use	Purpose of the reserve
(a) Sporting Reserve	Ongoing	To provide funds for sporting facilities and equipment as determined by Council together with low interest loans applications
(b) Council Building Maintenance Reserve	Ongoing	To provide funds for future building maintenance.
(c) Rec Centre Building Maintenance Reserve	Ongoing	To be used for future building asset maintenance items at the Recreation Centre, particularly items of plant.
(d) Preston Beach Volunteer Ranger Reserve	Ongoing	To provide funds to assist in the operations of the volunteer ranger functions including replacement of equipment.
(e) Emergency Assistance Reserve	Ongoing	To provide funds to assist in emergency situations eg. major fire.
(f) Works Depot Redevelopment Reserve	Ongoing	To provide funds for the provision of vehicle storage bays at Works Depot.
(g) Council Building Construction Reserve	Ongoing	To provide funds for future capital construction works in accordance with Council's Long Term Financial & Community Strategic Plans.
(h) Information Technology Reserve	Ongoing	To be used to ensure that the network computer system is maintained including external site connections.
(i) Footpath Construction Reserve	Ongoing	To provide funds for future extension of dual use path network.
(j) Plant Replacement Reserve	Ongoing	To be used for the purchase and replacement of major plant.
(k) Staff Leave Reserve	Ongoing	To be used to fund annual and long service leave requirements.
(l) Strategic Planning Reserve	Ongoing	To provide funds for the future requirements of Council's Strategic Planning.
(m) Waste Management Reserve	Ongoing	To be used to maintain operations at Buller Road Refuse Site.
(n) History Book Reprint Reserve	Ongoing	To be used to fund the update reprint of the 'Drakesbrook days and Waroona years' historical book.
(o) Risk & Insurance Reserve	Ongoing	To be used for expenses associated with risk assessments and insurance adjustments or unforeseen expenses.
(p) Drakesbrook Cemetery Reserve	Ongoing	To be used for future upgrades of the Drakesbrook Public Cemetery.

5 OTHER FINANCIAL ASSETS

(a) Non-current assets

Financial assets at fair value through profit and loss

Financial assets at fair value through profit and loss

Units in Local Government House Trust

2021	2020
\$	\$
55,356	53,416
55,356	53,416
55,356	53,416
55,356	53,416

SIGNIFICANT ACCOUNTING POLICIES

Financial assets at fair value through profit and loss

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

- equity investments which the Shire has not elected to recognise fair value gains and losses through other comprehensive income.

6. TRADE AND OTHER RECEIVABLES

Current

Rates receivable
Trade and other receivables
GST receivable
Loans - Low Interest

Non-current

Pensioner's rates and ESL deferred

2021	2020
\$	\$
283,368	370,650
219,487	195,626
1,206	3,110
0	5,000
504,061	574,386
9,176	3,146
9,176	3,146

SIGNIFICANT ACCOUNTING POLICIES

Trade and other receivables

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

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

Impairment and risk exposure

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 26.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Classification and subsequent measurement

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

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

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

7. INVENTORIES

Current

Fuel and materials
Kiosk Stock

The following movements in inventories occurred during the year:

Balance at beginning of year

Inventories expensed during the year

Additions to inventory

Balance at end of year

	2021	2020
	\$	\$
	4,951	9,091
	1,891	1,585
	6,842	10,676
	10,676	11,360
	(90,493)	(109,297)
	86,659	108,613
	6,842	10,676

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.

8. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Balances

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

	Land	Buildings - non-specialised	Total land and buildings	Furniture and equipment	Plant and equipment	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2019	17,926,000	17,639,437	35,565,437	170,181	2,455,308	38,190,926
Additions		909,321	909,321	41,436	605,365	1,556,122
(Disposals)	0	0	0	0	(244,214)	(244,214)
Depreciation (expense)	0	(775,342)	(775,342)	(34,095)	(285,247)	(1,094,684)
Balance at 30 June 2020	17,926,000	17,773,416	35,699,416	177,522	2,531,212	38,408,150
Comprises:						
Gross balance at 30 June 2020	17,926,000	20,036,226	37,962,226	277,040	3,231,901	41,471,167
Accumulated depreciation at 30 June 2020	0	(2,262,810)	(2,262,810)	(99,518)	(700,689)	(3,063,017)
Balance at 30 June 2020	17,926,000	17,773,416	35,699,416	177,522	2,531,212	38,408,150
Additions	667,625	57,318	724,943	56,913	529,694	1,311,550
(Disposals)	0	0	0	0	(150,473)	(150,473)
Depreciation (expense)	0	(806,167)	(806,167)	(37,268)	(216,082)	(1,059,517)
Balance at 30 June 2021	18,593,625	17,024,567	35,618,192	197,167	2,694,351	38,509,710
Comprises:						
Gross balance at 30 June 2021	18,593,625	20,093,544	38,687,169	333,953	3,523,799	42,544,921
Accumulated depreciation at 30 June 2021	0	(3,068,977)	(3,068,977)	(136,786)	(829,448)	(4,035,211)
Balance at 30 June 2021	18,593,625	17,024,567	35,618,192	197,167	2,694,351	38,509,710

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Land and buildings					
Land	2/3	Valuations were made on the basis of observable open markets of similar assets, adjusted for condition and comparability at their highest and best use	Independent registered valuer	June 2017	Market Value
Buildings	2/3	Valuations were made on the basis of observable open markets of similar assets, adjusted for condition and comparability at their highest and best use cost approach using depreciated replacement cost	Independent registered valuer	June 2017	Market Value / Depreciated Replacement Cost
Furniture and equipment		Cost	Cost		Purchase cost
Plant and equipment		Cost	Cost		Purchase cost

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

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

9. INFRASTRUCTURE

(a) Movements in Balances

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

	Infrastructure - Roads	Infrastructure - Bridges	Infrastructure - Drainage	Infrastructure - Footpaths	Infrastructure - Other	Infrastructure - Parks & Ovals	Total Infrastructure
	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2019	74,999,821	2,145,030	9,388,111	1,181,512	1,156,776	2,687,642	91,558,891
Additions	1,850,461	0	14,695	0	77,765	47,813	1,990,733
Depreciation (expense)	(1,600,111)	(81,040)	(245,440)	(38,423)	(70,748)	(249,029)	(2,284,791)
Balance at 30 June 2020	75,250,171	2,063,990	9,157,366	1,143,089	1,163,793	2,486,426	91,264,833
Comprises:							
Gross balance at 30 June 2020	78,396,883	2,226,070	9,647,851	1,218,984	1,487,513	2,785,000	95,762,300
Accumulated depreciation at 30 June 2020	(3,146,712)	(162,079)	(490,485)	(75,895)	(323,720)	(298,574)	(4,497,466)
Balance at 30 June 2020	75,250,171	2,063,990	9,157,366	1,143,089	1,163,793	2,486,426	91,264,833
Additions	1,503,885	0	68,087	26,627	165,613	93,923	1,858,135
(Disposals)	0	0	0	0	0	0	0
Adjustment between classes				316,625	1,103,315	(1,419,940)	0
Depreciation (expense)	(1,647,137)	(81,040)	(245,980)	(55,696)	(171,737)	(126,585)	(2,328,175)
Balance at 30 June 2021	75,106,919	1,982,951	8,979,473	1,430,644	2,260,984	1,033,824	90,794,794
Comprises:							
Gross balance at 30 June 2021	79,900,768	2,226,070	9,715,938	1,596,078	2,795,932	1,385,649	97,620,435
Accumulated depreciation at 30 June 2021	(4,793,849)	(243,119)	(736,465)	(165,434)	(534,949)	(351,825)	(6,825,641)
Accumulated impairment loss at 30 June 2021							0
Balance at 30 June 2021	75,106,919	1,982,951	8,979,473	1,430,644	2,260,984	1,033,824	90,794,794

SHIRE OF WAROONA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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9. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Infrastructure - Roads	3	Depreciated Replacement costs	Independent Registered Valuer	1 June 2018	Construction costs and current condition levels, residual values and remaining useful life assessments.
Infrastructure - Bridges	3	Depreciated Replacement costs	Independent Registered Valuer	1 June 2018	Construction costs and current condition levels, residual values and remaining useful life assessments.
Infrastructure - Drainage	3	Depreciated Replacement costs	Independent Registered Valuer	1 June 2018	Construction costs and current condition levels, residual values and remaining useful life assessments.
Infrastructure - Footpaths	3	Depreciated Replacement costs	Independent Registered Valuer	1 June 2018	Construction costs and current condition levels, residual values and remaining useful life assessments.
Infrastructure - Other	3	Depreciated Replacement costs	Independent Registered Valuer	1 June 2018	Construction costs and current condition levels, residual values and remaining useful life assessments.
Infrastructure - Parks & Ovals	3	Depreciated Replacement costs	Independent Registered Valuer	1 June 2018	Construction costs and current condition levels, residual values and remaining useful life assessments.

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

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

10. FIXED ASSETS

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

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

Initial recognition and measurement between mandatory revaluation dates

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

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

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

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

Revaluation

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

Revaluation (Continued)

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

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

AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY
Land under roads from 1 July 2019

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

Vested improvements from 1 July 2019

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

Refer to Note 11 that details the significant accounting policies applying to leases (including right-of-use assets).

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10. FIXED ASSETS

(a) Disposals of Assets

	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss	2021 Budget Net Book Value	2021 Budget Sale Proceeds	2021 Budget Profit	2021 Budget Loss	2020 Actual Net Book Value	2020 Actual Sale Proceeds	2020 Actual Profit	2020 Actual Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Plant and equipment	150,473	157,732	24,532	(17,273)	212,205	194,000	13,952	(32,157)	244,214	238,481	17,301	(23,034)
	150,473	157,732	24,532	(17,273)	212,205	194,000	13,952	(32,157)	244,214	238,481	17,301	(23,034)

The following assets were disposed of during the year.

	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss
Plant and Equipment	\$	\$	\$	\$
Governance				
DCEO Vehicle	26,596	32,728	6,132	0
Transport				
DTS Vehicle	33,172	33,180	8	0
Workshop Vehicle	17,412	19,091	1,679	0
Gardener Vehicle	4,196	20,909	16,713	0
Caterpillar 12G Grader	69,097	51,824	0	(17,273)
	150,473	157,732	24,532	(17,273)
	150,473	157,732	24,532	(17,273)

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10. FIXED ASSETS

(b) Depreciation

	2021 Actual	2021 Budget	2020 Actual Restated
	\$	\$	\$
Buildings - non-specialised	806,167	763,426	775,342
Furniture and equipment	37,268	27,902	34,095
Plant and equipment	216,082	246,719	285,247
Infrastructure - Roads	1,647,137	1,574,295	1,600,111
Other infrastructure - Bridges	81,040	81,625	81,040
Other infrastructure - Drainage	245,980	247,014	245,440
Other infrastructure - Footpaths	55,696	55,266	38,423
Other infrastructure - Other	171,737	182,918	70,748
Other infrastructure - Parks & Ovals	126,585	113,433	249,029
Right-of-use assets - plant and equipment	90,994	0	77,932
	3,478,686	3,292,598	3,457,407

SIGNIFICANT ACCOUNTING POLICIES

Depreciation

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

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

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

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

Depreciation rates

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

Asset Class	Useful Life
Buildings	25-60 yrs
Furniture & Equipment	3-20 yrs
Plant & Equipment	5-10 yrs
Seats & Benches	15 - 25 yrs
Water Supply Piping	20-40 yrs
Infrastructure Other	20-70 yrs
Sealed Roads & Streets	
Construction	45-55 yrs
Bituminous Seals	15-25 yrs
Asphalt Seals	25-30 yrs
Unformed Roads	
Formed	10-15 yrs
Gravel	12-15 yrs

Depreciation on revaluation

Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

11. LEASES

(a) Right-of-Use Assets

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

Balance at 1 July 2019

Additions

Depreciation (expense)

Balance at 30 June 2020

Additions

Depreciation (expense)

Balance at 30 June 2021

Right-of-use assets - plant and equipment	Right-of-use assets Total
\$	
149,378	149,378
0	0
(69,407)	(69,407)
79,971	79,971
340,931	340,931
(90,994)	(90,994)
329,906	329,906

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

Lease principle expense

Interest expense on lease liabilities

Total amount recognised in the statement of comprehensive income

Total cash outflow from leases

2021 Actual	2020 Actual
\$	\$
90,994	77,931
3,684	3,506
94,678	81,437
94,678	81,437

SIGNIFICANT ACCOUNTING POLICIES

Leases

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

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

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

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

Right-of-use assets - valuation

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

Refer to Note 10 for details on the significant accounting policies applying to vested improvements.

Right-of-use assets - depreciation

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

12. REVALUATION SURPLUS

	2021 Opening Balance	2021 Closing Balance	2020 Opening Balance	2020 Closing Balance
	\$	\$	\$	\$
Land and buildings	28,656,391	28,656,391	28,656,391	28,656,391
Furniture and Equipment	37,322	37,322	37,322	37,322
Plant and Equipment	655,570	655,570	655,570	655,570
Infrastructure Roads	80,054,881	80,054,881	80,054,881	80,054,881
Other Infrastructure - Bridges	1,540,482	1,540,482	1,540,482	1,540,482
Other Infrastructure - Drainage	4,554,758	4,554,758	4,554,758	4,554,758
Other Infrastructure - Footpaths	0	0	0	0
Other Infrastructure - Other	2,598,830	2,598,830	2,598,830	2,598,830
Other Infrastructure - Parks and Ovals	831,629	831,629	831,629	831,629
	118,929,863	118,929,863	118,929,863	118,929,863

'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.

13. TRADE AND OTHER PAYABLES

Current

Sundry creditors
Prepaid rates
Accrued salaries and wages
Bonds and deposits held
Accrued interest on debentures
Accrued expenses

2021	2020
\$	\$
453,081	210,504
137,679	102,781
2,906	84,381
645,841	584,198
2,663	1,342
0	5,292
1,242,170	988,498

SIGNIFICANT ACCOUNTING POLICIES

Trade and other payables

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

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

Prepaid rates

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

14. CONTRACT LIABILITIES

Current

Contract liabilities

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

Less than 1 year

2021	2020
\$	\$
374,369	77,597
374,369	77,597

Contract liabilities	Liabilities under transfers to acquire or construct non-financial assets to be controlled by the entity
\$	\$
374,369	0
374,369	0

SIGNIFICANT ACCOUNTING POLICIES

Contract liabilities

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

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

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

Liabilities under transfers to acquire or construct non-financial assets to be controlled by the entity
Grant liabilities represent the the Shire's performance obligations to construct recognisable non-financial assets to identified specifications which are yet to be satisfied.

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

SHIRE OF WAROONA

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15. LEASE LIABILITIES

(a) Lease Liabilities	2021	2020
	\$	\$
	90,994	69,407
	238,912	10,564
Non-current	329,906	79,971

(b) Movements in Carrying Amounts

					Actual	30 June 2021	30 June 2021	30 June 2021	30 June 2021						Actual	30 June 2020	30 June 2020	30 June 2020	30 June 2020
	Lease		Lease		Actual	Actual	Actual	Actual	Actual	Budget	Budget	Budget	Budget	Actual	Actual	Actual	Actual	Actual	
Purpose	Number	Institution	Interest	Lease	Lease Principal	New	Lease Principal	Lease Interest	Lease Principal	Lease Principal	Lease Principal	Lease Interest	Lease Principal	Lease Principal	New	Lease Principal	Lease Principal	Lease Interest	
			Rate	Term	1 July 2020	Leases	Repayments	Repayments	Outstanding	1 July 2020	Repayments	Outstanding	Repayments	1 July 2019	Leases	Repayments	Outstanding	Repayments	
					\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Governance																			
Server Lease	1	Maia Financial	1.70%	60 months	0	173,171	(8,326)	(709)	164,845	0	0	0	0	0	0	0	0	0	
Spin Bikes	2	Maia Financial	1.10%	48 months	0	30,741	(3,772)	(157)	26,969	0	0	0	0	0	0	0	0	0	
Gym Equipment	E6N0160721	Maia Financial	2.10%	60 months	14,802	158	(5,891)	(255)	9,069	0	0	0	0	20,729	0	(5,927)	14,802	(378)	
CCTV	E6N0160761	Maia Financial	2.10%	60 months	5,160	55	(2,054)	(89)	3,161	0	0	0	0	7,226	0	(2,066)	5,160	(132)	
Photocopiers	E6N0162301	Maia Financial	2.20%	60 months	49,661	556	(12,992)	(965)	37,225	0	0	0	0	62,928	0	(13,267)	49,661	(1,248)	
PC Lease	E6N0158218	Macquarie Bank	1.10%	48 months	0	71,287	(20,089)	(680)	51,198	0	0	0	0	10,835	0	(10,835)	0	(65)	
Bushfire Brigade Laptops	7	Macquarie Bank	1.20%	48 months	0	11,338	(2,086)	(93)	9,252	0	0	0	0	0	0	0	0	0	
Rec Centre Solar Panels	SOW01072020	Maia Financial	1.50%	60 months	0	35,118	(6,931)	(475)	28,187	0	0	0	0	0	0	0	0	0	
Server Lease - Expired	E6N0158318	Maia Financial	2.20%	66 months	8,408	16,845	(25,252)	(229)	0	0	0	0	0	41,859	0	(33,451)	8,408	(582)	
Spin Bikes - Expired	E6N0155357	Maia Financial	2.00%	36 months	1,940	1,662	(3,601)	(31)	0	0	0	0	0	5,801	0	(3,861)	1,940	(81)	
					79,971	340,931	(90,994)	(3,684)	329,906	0	0	0	0	149,378	0	(69,407)	79,971	(2,486)	

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16. INFORMATION ON BORROWINGS

(a) Borrowings

	2021	2020
	\$	\$
Current	78,116	64,046
Non-current	807,716	239,903
	885,832	303,949

(b) Repayments - Borrowings

Particulars	Loan Number	Institution	Interest Rate	Actual	30 June 2021	30 June 2021	30 June 2021	30 June 2021	Budget	30 June 2021	30 June 2021	30 June 2021	Actual	30 June 2020	30 June 2020	30 June 2020
				Principal	Actual	Actual	Actual	Actual		Budget	Budget	Budget		Actual	Actual	Actual
				1 July 2020	New Loans	Principal repayments	Interest repayments	Principal outstanding	Principal 1 July 2020	Principal repayments	Interest repayments	Principal outstanding	Principal 1 July 2019	Principal repayments	Interest repayments	Principal outstanding
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Recreation and culture																
Loan - Basketball Stadium	117	WATC	6.58%	67,560	0	(15,287)	(4,041)	52,273	67,561	(15,287)	(4,134)	52,274	81,889	(14,329)	(4,990)	67,560
Loan - Rec Centre Upgrade	120	WATC	3.91%	89,385	0	(21,066)	(3,275)	68,319	89,385	(21,066)	(3,291)	68,319	109,650	(20,265)	(4,076)	89,385
Loan - Memorial Hall Upgrade	121	WATC	2.97%	147,004	0	(27,693)	(4,010)	119,311	147,003	(27,693)	(4,162)	119,310	173,892	(26,889)	(4,781)	147,004
Loan - Town Centre Park Purchase	122	WATC	1.60%	0	660,000	(14,071)	(6,764)	645,929	0	0	0	0	0	0	0	0
				303,949	660,000	(78,116)	(18,090)	885,832	303,949	(64,046)	(11,587)	239,903	365,431	(61,483)	(13,847)	303,949
				303,949	660,000	(78,116)	(18,090)	885,832	303,949	(64,046)	(11,587)	239,903	365,431	(61,483)	(13,847)	303,949

* WA Treasury Corporation

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

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16. INFORMATION ON BORROWINGS (Continued)

(c) New Borrowings - 2020/21

Particulars/Purpose	Institution	Loan Type	Term Years	Interest Rate	Amount Borrowed		Amount (Used)		Total Interest & Charges	Actual Balance Unspent
					2021 Actual	2021 Budget	2021 Actual	2021 Budget		
Loan - Town Centre Park Purchas/VA Treasur		Council	20	1.60%	\$ 660,000	\$ 0	\$ (660,000)	\$ 0	\$ 5,172	\$ 0
* WA Treasury Corporation					660,000	0	(660,000)	0	5,172	0

(d) Undrawn Borrowing Facilities

	2021	2020
	\$	\$
Credit Standby Arrangements		
Bank overdraft limit	500,000	500,000
Bank overdraft at balance date	0	0
Credit card limit	43,000	37,000
Credit card balance at balance date	0	0
Total amount of credit unused	543,000	537,000
Loan facilities		
Loan facilities - current	78,116	64,046
Loan facilities - non-current	807,716	239,903
Lease liabilities - current	90,994	69,407
Lease liabilities - non-current	238,912	10,564
Total facilities in use at balance date	1,215,738	383,920
Unused loan facilities at balance date	NIL	NIL

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

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

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

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

Borrowing costs

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 26.

17. EMPLOYEE RELATED PROVISIONS

(a) Employee Related Provisions

Opening balance at 1 July 2020

Current provisions

Non-current provisions

Additional provision

Amounts used

Balance at 30 June 2021

Comprises

Current

Non-current

	Provision for Annual Leave	Provision for Long Service Leave	Total
	\$	\$	\$
Current provisions	316,695	417,893	734,588
Non-current provisions	0	79,051	79,051
	316,695	496,944	813,639
Additional provision	23,072	115,477	138,549
Amounts used	(67,711)	(48,059)	(115,770)
Balance at 30 June 2021	272,056	564,362	836,418
Comprises			
Current	272,056	527,313	799,369
Non-current	0	37,049	37,049
	272,056	564,362	836,418

Amounts are expected to be settled on the following basis:

Less than 12 months after the reporting date

More than 12 months from reporting date

Expected reimbursements from other WA local governments

	2021	2020
	\$	\$
Less than 12 months after the reporting date	81,617	136,799
More than 12 months from reporting date	796,699	703,269
Expected reimbursements from other WA local governments	(41,898)	(26,429)
	836,418	813,639

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

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

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

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

Short-term employee benefits

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

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

Other long-term employee benefits

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

Other long-term employee benefits (Continued)

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

The Shire's obligations for long-term employee benefits are presented as non-current provisions in its statement of 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.

18. 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 Restated
	\$	\$	\$
Cash and cash equivalents	4,909,620	2,336,304	4,116,743
Reconciliation of Net Cash Provided By Operating Activities to Net Result			
Net result	(796,897)	(1,821,597)	332,908
Non-cash flows in Net result:			
Depreciation on non-current assets	3,478,686	3,292,598	3,457,407
(Profit)/loss on sale of asset	(7,259)	18,205	5,733
Fair value adjustment on financial asset	(1,940)	0	(865)
Changes in assets and liabilities:			
(Increase)/decrease in receivables	64,295	135,048	37,077
(Increase)/decrease in other receivables	(5,000)	0	(8,500)
(Increase)/decrease in inventories	3,834	0	684
Increase/(decrease) in payables	253,670	0	61,990
Increase/(decrease) in employee provisions	22,779	(36,438)	(226,353)
Increase/(decrease) in contract liabilities	296,772	(130,000)	77,597
Non-operating grants, subsidies and contributions	(1,605,434)	(1,450,459)	(2,543,710)
Net cash from operating activities	1,703,506	7,357	1,193,968

19. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2021	2020
	\$	\$
Governance	2,942,251	2,993,687
General purpose funding	5,256,787	4,546,200
Law, order, public safety	2,727,656	288,130
Health	1,692,043	1,723,839
Education and welfare	288,644	289,990
Housing	180,000	180,000
Community amenities	10,660,503	10,777,797
Recreation and culture	28,168,528	28,716,878
Transport	79,617,658	79,633,947
Economic services	939,356	939,422
Other property and services	1,027,556	1,052,133
Unallocated	1,618,483	3,369,298
	135,119,465	134,511,321

20. CONTINGENT LIABILITIES

Shire of Waroona Buller Road Refuse Site

In compliance with the Contaminated Sites Act 2003 Section 11, the Shire's Buller Road Refuse Site is a possible source of contamination. Until the Shire conducts an investigation to determine the presence and scope for the contamination, assess the risk and agree with the Department of Water and Environmental Regulation on the need and criteria for remediation of a risk based approach the Shire is unable to estimate the potential costs associated with remediation of these sites. This approach is consistent with the Department of Water and Environmental Regulation guidelines.

21. CAPITAL COMMITMENTS

(a) Capital Expenditure Commitments

Contracted for:

- capital expenditure projects
- plant & equipment purchases

Payable:

- not later than one year

	2021	2020
	\$	\$
	0	144,000
	0	0
	0	144,000
	0	144,000

22 ELECTED MEMBERS REMUNERATION

	2021 Actual \$	2021 Budget \$	2020 Actual \$
President			
Presidents annual allowance	9,700	9,700	9,700
Members sitting fees	9,200	9,200	9,200
IT Allowance	500	500	500
Communication Allowance	850	850	850
Travel and accommodation expenses		375	0
	20,250	20,625	20,250
Deputy President			
Deputy Presidents annual allowance	2,300	2,300	2,300
Members sitting fees	9,200	9,200	9,200
IT Allowance	500	500	500
Communication Allowance	850	850	850
Travel and accommodation expenses		375	685
	12,850	13,225	13,535
Cr N Dew			
Members sitting fees	9,200	9,200	9,200
IT Allowance	500	500	500
Communication Allowance	850	850	850
Travel and accommodation expenses	1,089	375	529
	11,639	10,925	11,079
Cr L Scott			
Members sitting fees	9,200	9,200	9,200
IT Allowance	500	500	500
Communication Allowance	850	850	850
Travel and accommodation expenses		375	
	10,550	10,925	10,550
Cr L Snell			
Members sitting fees	9,200	9,200	9,200
IT Allowance	500	500	500
Communication Allowance	850	850	850
Travel and accommodation expenses		375	
	10,550	10,925	10,550
Cr J Mason			
Meeting attendance fees	9,200	9,200	9,200
IT Allowance	500	500	500
Communication Allowance	850	850	850
Travel and accommodation expenses		375	
	10,550	10,925	10,550
Cr V Vitale			
Members sitting fees	9,200	9,200	6,425
IT Allowance	500	500	349
Communication Allowance	850	850	594
Travel and accommodation expenses		375	
	10,550	10,925	7,368

22 ELECTED MEMBERS REMUNERATION

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Cr K Odorisio			
Members sitting fees	9,200	9,200	6,425
IT Allowance	500	500	349
Communication Allowance	850	850	594
Travel and accommodation expenses		375	
	10,550	10,925	7,368
Cr C Wright			
Member sitting fees	0	0	2,775
IT Allowance	0	0	151
Communication Allowance	0	0	256
	0	0	3,182
Cr J Salerian			
Member sitting fees	0	0	2,775
IT Allowance	0	0	151
Communication Allowance	0	0	256
	0	0	3,182
	97,489	99,400	97,614
Fees, expenses and allowances to be paid or reimbursed to elected council members.			
President's allowance	9,700	9,700	9,700
Deputy President's allowance	2,300	2,300	2,300
Member sitting fees	73,600	73,600	73,600
IT Allowance	4,000	4,000	4,000
Communication Allowance	6,800	6,800	6,800
Travel and accommodation expenses	1,089	3,000	1,214
	97,489	99,400	97,614

23. RELATED PARTY TRANSACTIONS

Key Management Personnel (KMP) Compensation Disclosure

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

	2021 Actual	2020 Actual
	\$	\$
Short-term employment benefits	1,085,907	1,214,559
Post-employment benefits	121,065	110,492
Other long-term benefits	7,914	77,937
Termination benefits	0	55,313
	1,214,886	1,458,301

Short-term employee benefits

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

Post-employment benefits

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

Other long-term benefits

These amounts represent long service benefits accruing during the year.

Termination benefits

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

23. RELATED PARTY TRANSACTIONS (Continued)

Transactions with related parties

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

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

The following transactions occurred with related parties:	2021	2020
	Actual	Actual
	\$	\$
Purchase of goods and services	46,926	14,586
Amounts payable to related parties:		
Trade and other payables	670	1,299

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.

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.

SHIRE OF WAROONA
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24. RATING INFORMATION

(a) Rates

RATE TYPE	Rate in \$	Number of Properties	2020/21 Actual Rateable Value \$	2020/21 Actual Rate Revenue \$	2020/21 Actual Interim Rates \$	2020/21 Actual Back Rates \$	2020/21 Actual Total Revenue \$	2020/21 Budget Rate Revenue \$	2020/21 Budget Interim Rate \$	2020/21 Budget Back Rate \$	2020/21 Budget Total Revenue \$	2019/20 Actual Total Revenue \$
Differential general rate / general rate												
Gross rental valuations												
Gross rental valuations	0.103248	1,712	23,407,196	2,415,663	4,045		2,419,708	2,415,662	0	0	2,415,662	2,398,417
Unimproved valuations												
Unimproved valuations	0.007783	572	229,164,000	1,783,584	1,989		1,785,573	1,783,584	0	0	1,783,584	1,832,510
Sub-Total		2,284	252,571,196	4,199,247	6,034	0	4,205,281	4,199,247	0	0	4,199,246	4,230,927
Minimum payment	Minimum \$											
Gross rental valuations												
Gross rental valuations	1,145	623	8,474,372	713,335			713,335	713,335	0	0	713,335	725,930
Unimproved valuations												
Unimproved valuations	1,145	97	4,275,568	111,065			111,065	111,065	0	0	111,065	106,485
Sub-Total		720	12,749,940	824,400	0	0	824,400	824,400	0	0	824,400	832,415
Total amount raised from general rate		3,004	265,321,136	5,023,647	6,034	0	5,029,681	5,023,647	0	0	5,023,646	5,063,342
							5,029,681				5,023,646	5,063,342

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.

24. RATING INFORMATION (Continued)

(b) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
Option One				
Single full payment	11/09/2020	0.00	0.00%	8.00%
Option Two				
First instalment	11/09/2020	0.00	5.50%	8.00%
Second instalment	11/11/2020	10.00	5.50%	8.00%
Option Three				
First instalment	11/09/2020	0.00	5.50%	8.00%
Second instalment	11/11/2020	10.00	5.50%	8.00%
Third instalment	11/01/2021	10.00	5.50%	8.00%
Fourth instalment	11/03/2021	10.00	5.50%	8.00%

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Interest on unpaid rates	29,478	25,300	40,602
Interest on instalment plan	14,596	14,700	17,033
Charges on instalment plan	16,910	21,000	20,270
	60,984	61,000	77,905

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25. RATE SETTING STATEMENT INFORMATION

		2020/21 Budget	2020/21 2019/20	
	2020/21 (30 June 2021)	(30 June 2021)	(1 July 2020)	(30 June 2020)
	Carried Forward)	Carried Forward)	Brought Forward)	Carried Forward
Note	\$	\$	\$	\$
(a) Non-cash amounts excluded from operating activities				
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .				
Adjustments to operating activities				
Less: Profit on asset disposals	10(a)	(24,532)	(13,952)	(17,301)
Less: Fair value adjustments to financial assets at fair value through profit and loss		(1,940)	0	(865)
Movement in employee benefit provisions (non-current)		22,776	(36,438)	(226,354)
Difference in ROU asset depreciation			1,220	1,220
Add: Loss on disposal of assets	10(a)	17,273	32,157	23,034
Add: Depreciation on non-current assets	10(b)	3,478,686	3,292,598	3,457,407
Non cash amounts excluded from operating activities		3,492,263	3,274,365	3,237,141
(b) Surplus/(deficit) after imposition of general rates				
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.				
Adjustments to net current assets				
Less: Reserves - cash backed	4	(2,456,564)	(2,279,904)	(2,446,604)
Net current assets used in the Rate Setting Statement				
Total current assets		4,650,148	2,771,141	4,012,972
Less: Total current liabilities		(836,988)	(491,237)	(379,117)
Less: Total adjustments to net current assets		(2,456,564)	(2,279,904)	(2,446,604)
Net current assets used in the Rate Setting Statement		1,356,596	0	1,187,251

26. FINANCIAL RISK MANAGEMENT

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

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

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

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

(a) Interest rate risk

Cash and cash equivalents

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

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

	Weighted Average Interest Rate	Carrying Amounts	Fixed Interest Rate	Variable Interest Rate	Non Interest Bearing
	%	\$	\$	\$	\$
2021					
Cash and cash equivalents	0.50%	4,909,620	2,456,562	2,453,058	
2020					
Cash and cash equivalents	1.244%	4,116,743	2,446,605	1,670,138	

Sensitivity

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

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

* Holding all other variables constant

2021	2020
\$	\$
24,531	16,701

Borrowings

Borrowings are subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs. The Shire manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation. The Shire does not consider there to be any interest rate risk in relation to borrowings. Details of interest rates applicable to each borrowing may be found at Note 16(b).

26. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Trade and Other Receivables

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

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

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

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

The expected loss rates are based on the payment profiles of rates and fees and charges over a period of 36 months before 1 July 2020 or 1 July 2021 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as the ability of ratepayers and residents to settle the receivables. Housing prices and unemployment rates have been identified as the most relevant factor in repayment rates, and accordingly adjustments are made to the expected credit loss rate based on these factors.

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

	Current	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total
30 June 2021					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	139,229	38,014	67,761	38,364	283,368
30 June 2020					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	55,288	225,673	59,816	29,873	370,650

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

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
30 June 2021					
Trade and other receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	210,208	1,401	0	7,877	219,487
Loss allowance	0	0	0	0	0
30 June 2020 Restated					
Trade and other receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	188,377	0	0	7,249	195,626
Loss allowance	0	0	0	0	0

26. 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 16(d).

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
<u>2021</u>	\$	\$	\$	\$	\$
Payables	596,329	645,841	0	1,242,170	1,242,170
Borrowings	98,439	300,502	506,860	905,800	885,832
Contract liabilities	374,369	0	0	374,369	374,369
Lease liabilities	90,994	238,912		329,906	329,906
	1,160,131	1,185,255	506,860	2,852,245	2,832,277
<u>2020</u>					
Payables	404,300	584,198	0	988,498	988,498
Borrowings	66,698	249,558	0	316,255	303,949
Contract liabilities	77,597	0	0	77,597	77,597
Lease liabilities	69,407	10,564	0	79,971	79,971
	618,002	844,320	0	1,462,321	1,450,015

27. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

During the 2021/2021 financial year the COVID-19 pandemic continued to effect Australian Communities, Businesses and Local Governments. The effects of this pandemic are expected to continue on into 2022.

There has been little to no effect on Councils resources or finances during this pandemic. However the Shire of Waroona will be diligent in monitoring the continued effects of the epidemic into the 2021/2022 financial year.

The continuing pandemic may affect area of operations such as events, applications, access to materials, service contracts, state and federal grants and funding, rates and debtor's payment as well as debt collection on outstanding funds. Processes have been amended to take into account residents and ratepayer's difficulties due to the pandemic however in most circumstances the end result will not be affected.

There were no events occurring after balance date that have significant effect on the financial statement.

28. INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS

During the 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 concession 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. The Shire has considered the requirements of AASB 1059 Service Concession Arrangements: Grantor and confirms that the Shire has no arrangements that fall within the scope of this standard.

29. CORRECTION OF ERROR

The Shire did not correctly record the fair value movement of the investment in the Local Government House Trust for the year ended 30 June 2020. The fair value of the investment and the equity balances were recorded correctly in the statement of financial position, however the "fair value adjustments to financial assets at fair value through profit and loss" and net result for the period were not correct.

The Shire recognised the right of use asset and corresponding lease liability at 30 June 2020 for a particular lease that was only entered in July 2020.

The impacts of the changes on the prior year comparatives are disclosed below.

Statement of Financial Position (Extract)	30 June 2020	Increase/ (Decrease)	30 June 2020 (Restated)
	\$	\$	\$
Right of Use Assets	168,537	(88,566)	79,971
Lease liabilities - current	(53,022)	(16,385)	(69,407)
Lease liabilities - non current	(115,515)	104,951	(10,564)

Statement of Comprehensive Income (Extract)	2020	Increase/ (Decrease)	2020 (Restated)
	\$	\$	\$
<i>By Nature or Type</i>			
Fair value adjustments to financial assets at fair value through profit and loss	0	865	865
<i>By program</i>			
Fair value adjustments to financial assets at fair value through profit and loss	0	865	865
Net result for the period	332,043	865	332,908
Total comprehensive income for the period	332,043	865	332,908

30. TRUST FUNDS

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

	1 July 2020	Amounts Received	Amounts Paid	30 June 2021
	\$	\$	\$	\$
Extractive Industries	18,017	55		18,072
Public Open Space	43,063	131		43,194
Alcoa Waroona Sustainability	1,968,325	399,572	(111,442)	2,256,455
	<u>2,029,405</u>	<u>399,758</u>	<u>(111,442)</u>	<u>2,317,721</u>

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31. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

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

c) Rounding off figures

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

d) Comparative figures

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

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

e) Budget comparative figures

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

f) Superannuation

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

g) Fair value of assets and liabilities

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

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

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

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

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32. ACTIVITIES/PROGRAMS

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

PROGRAM NAME AND OBJECTIVES

GOVERNANCE

To provide a decision making process for the efficient allocation of scarce resources.

ACTIVITIES

Includes the activities of members of council and the administrative support available to the council for the provision of governance of the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific council services.

GENERAL PURPOSE FUNDING

To collect revenue to allow for the provision of services.

Rates, general purpose government grants and interest revenue.

To provide an operational framework for environmental and community health.

Inspection of food outlets and their control, provision of meat inspection services, noise control and waste disposal compliance.

EDUCATION AND WELFARE

To provide services to disadvantaged persons, the elderly, children and youth

Maintenance of child minding centre, playgroup centre, senior citizen centre and aged care centres. Provision and maintenance of home and community care programs and youth services

HOUSING

To provide and maintain elderly residents housing.

Provision and maintenance of elderly residents housing.

COMMUNITY AMENITIES

To provide services required by the community.

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.

RECREATION AND CULTURE

To establish and effectively manage infrastructure and resource which will help the social well being of the community.

Maintenance of public halls, civic centres, aquatic centre, beaches, recreation centres and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of library, museum and other cultural facilities.

TRANSPORT

To provide safe, effective and efficient transport services to the community

Construction and maintenance of roads, streets, footpaths, depots, cycle ways, parking facilities and traffic control. Cleaning of streets and maintenance of street trees, street lighting etc.

ECONOMIC SERVICES

To help promote the shire and its economic wellbeing.

Tourism and area promotion including the maintenance and operation of a caravan park. Provision of rural services including weed control, vermin control and standpipes. Building Control.

OTHER PROPERTY AND SERVICES

To monitor and control the Shire's overhead operating accounts.

Private works operation, plant repair and operation costs and engineering operation costs.

33. FINANCIAL RATIOS

	2021 Actual	2020 Actual	2019 Actual
Current ratio	1.03	1.22	1.16
Asset consumption ratio	0.92	0.69	0.69
Asset renewal funding ratio	0.99	1.02	1.28
Asset sustainability ratio	0.85	0.72	0.76
Debt service cover ratio	11.41	16.78	14.52
Operating surplus ratio	(0.37)	(0.34)	(0.36)
Own source revenue coverage ratio	0.62	0.62	0.62

The above ratios are calculated as follows:

Current ratio	$\frac{\text{current assets minus restricted assets}}{\text{current liabilities minus liabilities associated with restricted assets}}$
Asset consumption ratio	$\frac{\text{depreciated replacement costs of depreciable assets}}{\text{current replacement cost of depreciable assets}}$
Asset renewal funding ratio	$\frac{\text{NPV of planned capital renewal over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$
Asset sustainability ratio	$\frac{\text{capital renewal and replacement expenditure}}{\text{depreciation}}$
Debt service cover ratio	$\frac{\text{annual operating surplus before interest and depreciation}}{\text{principal and interest}}$
Operating surplus ratio	$\frac{\text{operating revenue minus operating expenses}}{\text{own source operating revenue}}$
Own source revenue coverage ratio	$\frac{\text{own source operating revenue}}{\text{operating expense}}$



Auditor General

INDEPENDENT AUDITOR'S REPORT 2021 Shire of Waroona

To the Councillors of the Shire of Waroona

Report on the audit of the annual financial report

Opinion

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

- 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 33 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 matter

The financial ratios for 2019 and 2020 in Note 33 of the financial report were audited by another auditor when performing their audit of the Shire for the years ending 30 June 2019 and 30 June 2020. The auditor expressed an unmodified opinion on the financial report for those years.

Other information

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

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

Matters relating to the electronic publication of the audited financial report

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

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

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