

# Shire of Lake Grace

## Special Council Meeting



### NOTICE PAPER

#### To the President and Councillors

In accordance with the provisions of Section 5.5 of the Local Government Act 1995, you are hereby notified that a Special Meeting of Council has been convened:

**Date:** Thursday 24 March 2022

**At:** Council Chambers, 1 Bishop Street, Lake Grace, WA 6353

**Commencing:** 11:00 AM

To consider the item in the agenda set out on the following pages.

A handwritten signature in dark ink, appearing to read 'Alan George'.

Alan George  
**Chief Executive Officer**

22 March 2022  
**Date**

Shire of Lake Grace

Special Council Meeting

# Agenda

24 March 2022

Meeting Commencing at 11:00 AM

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## **SHIRE OF LAKE GRACE**

Agenda for the Special Meeting of Council to be held at Council Chambers, 1 Bishop Street, Lake Grace, WA 6353 on 24 March 2022 at 11:00 am.

### **1.0 DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS**

The Shire President opened the meeting at \_\_\_\_\_ am and advised that today's special meeting has been convened to consider the following matters:

- 2020/2021 - Shire of Lake Grace Annual Financial Report and Auditors Report
- Annual General Meeting of Electors
- Shire of Lake Grace Compliance Audit Return 2021

### **2.0 DISCLAIMER READING**

*No responsibility whatsoever is implied or accepted by the Shire of Lake Grace for any act, omission or statement or intimation occurring during Council and Committee meetings or during formal and informal conversations with staff. The Shire of Lake Grace disclaims any liability for any loss whatsoever caused arising out of reliance by any person or legal entity on any such act, omission or statement or intimation occurring during Council and Committee meetings or discussions. Any person or legal entity who acts or fails to act in reliance upon any statement does so at that person's and or legal entity's own risk.*

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### **Acknowledgement of Country to be read by the Shire President**

*The Shire of Lake Grace acknowledges and pays respect to the past, present and future Traditional Custodians and Elders of this nation and the continuation of cultural, spiritual and educational practices of Aboriginal and Torres Strait Islander people.*



<b>3.0</b>	<b>RECORD OF ATTENDANCE/APOLOGIES/ LEAVE OF ABSENCE (PREVIOUSLY APPROVED)</b>
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<b>3.1</b>	<b>PRESENT</b>
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Cr LW Armstrong	Shire President
Cr RC Chappell	Deputy Shire President
Cr SD Carruthers	
Cr DS Clarke	
Cr RA Lloyd	
Cr SG Hunt	
Cr JV McKenzie	

**In Attendance**

Mr A George	Chief Executive Officer
Mr C Paget	Deputy Chief Executive Officer
Mrs T Hall	Manager Corporate Services (Via Videoconference)
Mr C Elefsen	Manager Infrastructure Services
Mrs R Rose	Executive Assistant (for the Minutes)

<b>3.2</b>	<b>APOLOGIES</b>
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Cr Ben Hyde  
Cr Anton Kuchling

<b>3.3</b>	<b>LEAVE OF ABSENCE PREVIOUSLY GRANTED</b>
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<b>4.0</b>	<b>PUBLIC QUESTION TIME</b>
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<b>5.0</b>	<b>PETITIONS/DEPUTATIONS/PRESENTATIONS</b>
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<b>6.0</b>	<b>NOTATIONS OF INTEREST</b>
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<b>6.1</b>	<b>DECLARATIONS OF FINANCIAL INTEREST – LOCAL GOVERNMENT ACT 1995 SECTION 5.60A</b>
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<b>6.2</b>	<b>DECLARATIONS OF PROXIMITY INTEREST – LOCAL GOVERNMENT ACT 1995 SECTION 5.60B</b>
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<b>6.3</b>	<b>DECLARATIONS OF IMPARTIALITY INTEREST – ADMINISTRATION REGULATIONS 1996 SECTION 34C</b>
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<b>7.0</b>	<b>ANNOUNCEMENTS BY THE PRESIDING MEMBER WITHOUT DISCUSSION</b>
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<b>8.0</b>	<b>REPORTS OF COMMITTEES</b>
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## RECOMMENDATION / RESOLUTION

**Moved:**  
**Seconded**



That the Minutes of the Special Council Meeting held on 08 September 2021 be confirmed as a true and accurate record of the meeting.

**CARRIED BY ABSOLUTE MAJORITY:**

### 9.0 REPORTS OF OFFICERS

### 10.0 ADMINISTRATION

#### 10.1 2020/21 ANNUAL FINANCIAL REPORT AND AUDITORS REPORT

Applicant:	Internal Report
File No.	0274
Attachments:	<ul style="list-style-type: none"><li>• 2020/21 Annual Financial Statements</li><li>• OAG Audit Opinion/Report</li></ul>
Author:	 Mr Chris Paget Deputy Chief Executive Officer
Disclosure of Interest	Nil
Date of Report	21/03/22
Senior Officer	 Mr Alan George Chief Executive Officer

#### Summary

The purpose of this item is for Council to receive and consider the Audit Committee recommendation to accept the Annual Report for the year ended 30 June 2021.

#### Background

The draft Annual Financial Report for the year ended 30 June 2021 was presented to the Shire of Lake Grace's auditor AMD on 27 August 2021. The auditors undertook the annual site visit to Lake Grace between 4 and 5 October, with follow up work completed electronically and meetings at their offices in Bunbury throughout November and early December. Following significant delays from the Office of the Auditor General, the exit meeting was held on 17 February 2022 with the audit opinion finally being signed off on 18 March 2022.

Section 5.54 of the *Local Government Act 1995* 'Acceptance of Annual Reports' requires an Annual Financial Statement to be accepted by Council by 31 December in each year, unless the Auditors Report is not available in time. The *Local Government Act 1995* Section 5.54(2) requires that if the Annual Report is not accepted by the Local Government by 31 December, then it must be presented within two (2) months of the Auditors report becoming available.

As per usual practice it is intended that the advertisement advising of the Annual Electors Meeting and the availability of the 2020/21 Annual Report will be placed in the *Lakes Link* and *Gatepost*, as well as the West Australian newspaper. Notices will be also placed on our notice boards and the Shire's website and Facebook page.

### Comment

The completion of the audit report confirms all figures for the 2020/21 year including the carried forward position as at 30 June 2021.

The audit management report has made three moderate findings and recommendations as detailed below:

- 12 instances of minor purchasing transactions did not have documented evidence of quotations being sought – management will refine existing procedures to ensure all staff follow and document purchasing processes.
- 2 instances of purchase orders being raised after supplier invoices were received – as above, existing procedures will be updated and implemented with staff educated accordingly.
- The Shire does not currently have an approved IT Disaster Recovery Plan in place, and backups of the IT system are not stored off site – development of the Shire's plan is currently underway (including offsite storage), and anticipate presentation to Council by end April 2022.
- Two other matters relating to IT Usage and Related Party Disclosures policies had already been adopted by Council and implemented in June and October 2021 respectively.

It is pleasing to note the significant matter raised in the 2020 financial year audit that the Shire's asset renewal ratio (ARR) being below the Department of Local Government, Sport and Cultural Industries standard for two financial years (0.33 whereas the Department standard is between 0.75 and 0.95) is now rectified. For the 2021 year the ARR was 0.96 which exceeds the DLGSC standard range – this is largely attributed to the very significant capital works program the Shire is undertaking with Commonwealth funding for the Drought Communities Program and the Regional & Local Community Infrastructure Program.

### Statutory Implications

#### *Local Government Act 1995*

##### Section 5.53 Annual Reports;

- (1) The local government is to prepare an annual report for each financial year.
- (2) The annual report is to contain —
  - (a) a report from the mayor or president; and

- (b) a report from the CEO; and
- [(c), (d) deleted]
- (e) an overview of the plan for the future of the district made in accordance with section 5.56, including major initiatives that are proposed to commence or to continue in the next financial year; and
- (f) the financial report for the financial year; and
- (g) such information as may be prescribed in relation to the payments made to employees; and
- (h) the auditor's report prepared under section 7.9(1) or 7.12AD (1) for the financial year; and
- (ha) a matter on which a report must be made under section 29(2) of the Disability Services Act 1993; and
- (hb) details of entries made under section 5.121 during the financial year in the register of complaints, including —
  - (i) the number of complaints recorded in the register of complaints; and
  - (ii) how the recorded complaints were dealt with; and
  - (iii) any other details that the regulations may require;
- and
- (i) such other information as may be prescribed.

#### Section 5.54 Acceptance of Annual Reports;

- (1) Subject to subsection (2), the annual report for a financial year is to be accepted\* by the local government no later than 31 December after that financial year.

*\* Absolute majority required.*

- (2) If the auditor's report is not available in time for the annual report for a financial year to be accepted by 31 December after that financial year, the annual report is to be accepted by the local government no later than 2 months after the auditor's report becomes available.

#### Section 5.55 Notice of Annual Reports;

The CEO is to give local public notice of the availability of the annual report as soon as practicable after the report has been accepted by the local government.

#### Section 5.55A. Publication of Annual Reports;

The CEO is to publish the annual report on the local government's official website within 14 days after the report has been accepted by the local government.

### Policy Implications

Nil

### Consultation

Internal	Mr Alan George, Chief Executive Officer Mr Chris Paget, Deputy CEO Mrs Tegan Hall, Manager Corporate Services Shire finance and administration staff
External	AMD (Contractors Auditors appointed by OAG) Office of Auditor General

### Financial Implications

Nil

## Strategic Implications

### Shire of Lake Grace Strategic Community Plan 2017 – 2027

Leadership Objective		Strong governance and leadership, demonstrating fair and equitable community values
Outcome	4.2	An efficient and effective organisation
	4.2.1	Maintain accountability and financial responsibility through effective planning
	4.2.2	Comply with statutory and legislative requirements

## Voting Requirement

Absolute majority required.

## **RECOMMENDATION / RESOLUTION**

**Moved:**



**Seconded:**

That Council:

1. In accordance with Sections 5.53 and 5.54 of the *Local Government Act 1995*, Council accepts the Annual Financial Report for the 2020/2021 financial year and;
2. In accordance with Section 5.55 of the Local Government Act 1995, Council authorise the Chief Executive Officer to give local public notice of the availability of the Shire of Lake Grace 2020/21 Annual Report from Friday 8 April 2022.

**CARRIED BY ABSOLUTE MAJORITY**

## 10.2 ANNUAL GENERAL MEETING OF ELECTORS

Applicant:	Internal Report
File No.	Nil
Attachments:	Nil
Author:	 Mr Chris Paget Deputy Chief Executive Officer
Disclosure of Interest	Nil
Date of Report	22 March 2022
Senior Officer	 Mr Alan George Chief Executive Officer

### Summary

For Council to consider and endorse the date for the Annual General Meeting of Electors.

### Background / Comment

In accordance with section 5.27 of the *Local Government Act 1995* the Annual Electors' General Meeting is to be held within 56 days of the local government accepting the annual report for the previous financial year. A requirement of setting the date is that 14 days local public notice is required for advertising the meeting. Providing the annual report is endorsed at the Special Council meeting held on Thursday 24 March 2022, it is recommended that this be held at 6.30pm Wednesday 13 April 2022 at the Lake King Pavilion. It is intended that public notice will be published in the local community newsletters and *The West Australian* newspaper; this advice will also be placed on our Notice Boards and the Shire of Lake Grace website and Facebook page.

### Statutory Implications

#### *Local Government Act 1995* Section 5.27 - Electors' General Meetings

- (1) A general meeting of the electors of a district is to be held once every financial year.
- (2) A general meeting is to be held on a day selected by the local government but not more than 56 days after the local government accepts the annual report for the previous financial year.
- (3) The matters to be discussed at general electors' meetings are to be those prescribed.

#### Local Government (Administration) Regulation No. 15

#### Matters for discussion at general electors' meetings (Act s.5.27(3))

For the purposes of section 5.27(3), the matters to be discussed at a general electors' meeting are, firstly, the contents of the annual report for the previous financial year and then any other general business.

*Local Government Act 1995 Section 5.29 - Convening Electors' Meetings*

(1) The CEO is to convene an electors' meeting by giving —

(a) at least 14 days' local public notice;

(b) each council member at least 14 days' notice, of the date, time, place and purpose of the meeting.

(2) The local public notice referred to in subsection (1)(a) is to be treated as having commenced at the time of publication of the notice under section 1.7(1)(a) and is to continue by way of exhibition under section 1.7(1)(b) and (c) until the meeting has been held.

Policy Implications

Nil

Consultation

Internal - Mr Alan George, Chief Executive Officer

Financial Implications

Minor expenses will be incurred with the required advertising.

Strategic Implications

Shire of Lake Grace Strategic Community Plan 2017 - 2027

Leadership Objective		Strong governance and leadership, demonstrating fair and equitable community values
Outcome	4.2	An efficient and effective organisation
	4.2.1	Maintain accountability and financial responsibility through effective planning
	4.2.2	Comply with statutory and legislative requirements

Voting Requirements

Simple majority required.

**RECOMMENDATION / RESOLUTION**



**Moved:**

**Seconded:**

That Council hold the Annual General Meeting of Electors on Wednesday 13 April 2022 at 6.30 pm at the Lake King Pavilion.

**CARRIED:**

**10.3 SHIRE OF LAKE GRACE COMPLIANCE AUDIT RETURN 2021**

Applicant:	Internal Report
File No.	0528
Attachments:	<ul style="list-style-type: none"> <li>Completed 2021 Compliance Audit Return</li> </ul>
Author:	 Mr Chris Paget Deputy Chief Executive Officer
Disclosure of Interest	Nil
Date of Report	21 March 2022
Senior Officer	 Mr Alan George Chief Executive Officer

Summary

The purpose of this report is for Council to consider the Audit Committee recommendation to adopt the statutory Local Government Compliance Audit Return (CAR) for the year ending 31 December 2021.

Background

Under the Local Government (Audit) Regulations 1996, a Local Government is required to carry out a Compliance Audit for the period 1 January 2021 to 31 December 2021. Once received and endorsed by Council, the certified return then needs to be submitted to the Director General, Department of Local Government, Sports and Cultural Industries by 31 March 2022.

The Compliance Audit Return must be:

1. reviewed by the Audit Committee;
2. presented to Council at a meeting of the Council;
3. adopted by the Council and certified by the President and CEO, then
4. recorded in the minutes of the meeting at which it is adopted.

The Compliance Audit Return is intended to assist Council in monitoring its organisational functions and provides an additional element of accountability through a check on internal management systems, procedures and record keeping. This in turn demonstrates the Shire's emphasis on improving its good governance, compliance, and best practice methods. Council is required to note any areas of non-compliance and endorse remedial action. The Audit is provided by the Department of Local Government through their secure website platform named Smart Hub, and is required to be completed by every local government in Western Australia.



## Comment

The Shire's Audit Committee met prior to this meeting on Thursday 24 March 2022 to review the CAR along with this report in order to recommend its adoption by Council.

There were four items of non-compliance noted out of the total 98 items (9 of these being optional disclosures) included in the Shire of Lake Grace 2021 CAR, and this equates to an achievement rate of 95.92% which is better than the 2020 result of 91.18%.

Additionally, one question in the Finance topic section was answered as 'no' for non-compliance: page 7 No.3 LG Act s7.9(1) *Was the auditor's report for the financial year ended 30 June 2021 received by the local government by 31 December 2021?* This occurred due to no fault of the Shire and has not been counted as our non-compliance, as the Office of the Auditor General wrote to the Shire President on 23 December stating our audit would be delayed due to their workloads and COVID-19 measures resulting in significant labour shortages for the audit profession.

The non-compliant matters identified for each CAR topic area are as follows:

### Delegation of Power/Duty

(Page 2 No.13) LG Act s5.46(2): Whilst a full review of the delegations register was undertaken and accepted by Council in December 2021, this was not within the 2020/2021 financial year as specified in the CAR question.

### Integrated Planning and Reporting

(Page 8 No.1) Admin Reg 19C: The Shire of Lake Grace Strategic Community Plan was adopted by absolute majority of Council on 28 June 2017 and thus was due for major review in 2021; this did not occur within that calendar year.

### Tenders for Providing Goods and Services

(Page 11 No.1) F&G Reg 11A(1) and (3): The annual financial audit identified 12 instances of minor purchasing transactions that did not have documented evidence of verbal or written quotations being sought in line with Council's purchasing policy.

(Page 11 No.7) F&G Reg 17: Whilst the tender register was available for public inspection at the Shire office, it was not published on the Shire website.

### Statutory / Legal Implications

*Local Government Act 1995* section 7.13(i)

Local Government (Administration) Regulations 1996 - Regs 13, 14 & 15

Local Government (Audit) Regulations 1996

Local Government (Elections) Regulations 1997

Local Government (Functions and General) Regulations 1996

Local Government (Rules of Conduct) Regulations 2007

### Policy Implications

Not applicable

Consultation

Internal: Mr Alan George - Chief Executive Officer  
 Mr Chris Paget – Deputy CEO  
 Mrs Tegan Hall - Manager Corporate Services  
 Mr Craig Elefsen – Manager Infrastructure Services  
 Shire Administration, Infrastructure & Finance staff

Financial Implications

Nil

Strategic Implications

Shire of Lake Grace Strategic Community Plan 2017 - 2027

Leadership Objective		Strong governance and leadership, demonstrating fair and equitable community values
Outcome	4.1	A strategically focused, unified Council functioning efficiently
	4.1.1	Provide informed leadership on behalf of the community
	4.1.3	Provide strategic leadership and governance
Outcome	4.2	An efficient and effective organisation
	4.2.1	Maintain accountability and financial responsibility through effective planning
	4.2.2	Comply with statutory and legislative requirements
	4.2.3	Provide a positive and safe workplace

Voting Requirements

Simple majority required.

**RECOMMENDATION / RESOLUTION**

**Moved:**

**Seconded:**

That Council:

1. Adopts the Local Government Statutory Compliance Audit Return for the period 1 January 2021 to 31 December 2021 for the Shire of Lake Grace; and
2. Instructs the CEO to submit the certified 2021 Compliance Audit Return to the Department of Local Government, Sport & Cultural Industries by 31 March 2022.

**CARRIED:**

## **11.0 CLOSURE**

There being no further business, the Shire President closed the meeting at \_\_\_\_ pm.

ATTACHMENTS  
TO THE AGENDA  
SPECIAL  
COUNCIL MEETING  
24/03/2021

**SHIRE OF LAKE GRACE**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2021**

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**COMMUNITY VISION**

**A safe, inclusive and growing community embracing opportunity.**

Principal place of business:  
1 Bishop Street  
Lake Grace WA 6353

**SHIRE OF LAKE GRACE  
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 Lake Grace 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 Lake Grace 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                      8th                      day of                      MARCH                      2022

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

**ALAN GEORGE**  
\_\_\_\_\_  
Name of Chief Executive Officer



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

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
<b>Revenue</b>				
Rates	24(a)	4,249,126	4,252,757	4,166,075
Operating grants, subsidies and contributions	2(a)	5,008,183	3,063,094	3,263,453
Fees and charges	2(a)	412,759	411,340	440,647
Interest earnings	2(a)	70,566	120,000	104,379
Other revenue	2(a)	262,293	225,257	226,595
		10,002,927	8,072,448	8,201,149
<b>Expenses</b>				
Employee costs		(2,383,398)	(2,350,632)	(2,107,470)
Materials and contracts		(2,594,470)	(4,022,228)	(2,581,326)
Utility charges		(339,772)	(276,250)	(340,687)
Depreciation on non-current assets	11(b)	(3,407,080)	(3,388,657)	(3,356,075)
Interest expenses	2(b)	(62,910)	(58,810)	(60,553)
Insurance expenses		(176,746)	(172,119)	(166,153)
Other expenditure		(173,240)	(275,212)	(223,802)
		(9,137,616)	(10,543,908)	(8,836,066)
		865,311	(2,471,460)	(634,917)
Non-operating grants, subsidies and contributions	2(a)	497,910	2,360,000	834,548
Profit on asset disposals	11(a)	35,039	10,166	0
(Loss) on asset disposals	11(a)	(212,038)	(42,100)	(69,084)
		320,911	2,328,066	765,464
<b>Net result for the period</b>		<b>1,186,222</b>	<b>(143,394)</b>	<b>130,547</b>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	12	(933,194)	0	0
<b>Total other comprehensive income for the period</b>		<b>(933,194)</b>	<b>0</b>	<b>0</b>
<b>Total comprehensive income for the period</b>		<b>253,028</b>	<b>(143,394)</b>	<b>130,547</b>

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



**SHIRE OF LAKE GRACE**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY PROGRAM**  
**FOR THE YEAR ENDED 30 JUNE 2021**

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
<b>Revenue</b>				
Governance	2(a)	27,813	27,550	32,245
General purpose funding		7,156,486	5,582,336	6,992,343
Law, order, public safety		139,151	157,772	179,963
Health		5,063	9,960	6,832
Education and welfare		455	2,000	1,995
Housing		18,250	23,000	19,914
Community amenities		273,783	299,618	324,141
Recreation and culture		44,287	36,100	32,331
Transport		1,268,081	1,685,462	343,790
Economic services		392,900	155,150	174,196
Other property and services		676,658	93,500	93,399
		10,002,927	8,072,448	8,201,149
<b>Expenses</b>				
Governance	2(b)	(313,728)	(405,533)	(338,025)
General purpose funding		(157,506)	(179,368)	(159,188)
Law, order, public safety		(332,009)	(359,849)	(320,232)
Health		(329,504)	(370,869)	(313,937)
Education and welfare		(53,175)	(79,162)	(39,390)
Housing		(165,561)	(206,223)	(181,175)
Community amenities		(944,430)	(1,077,786)	(987,317)
Recreation and culture		(2,361,590)	(2,680,458)	(2,136,668)
Transport		(3,660,174)	(4,303,922)	(3,659,900)
Economic services		(706,305)	(730,155)	(602,630)
Other property and services		(50,724)	(91,773)	(37,051)
		(9,074,706)	(10,485,098)	(8,775,513)
<b>Finance Costs</b>				
Governance	2(b)	(19,199)	(14,548)	(16,779)
Health		(103)	0	(1,511)
Housing		0	(6,227)	0
Recreation and culture		(17,101)	(15,939)	(21,872)
Transport		(6,360)	(5,562)	(8,442)
Economic services		(20,098)	(16,534)	(11,197)
Other property and services		(49)	0	(752)
		(62,910)	(58,810)	(60,553)
		865,311	(2,471,460)	(634,917)
Non-operating grants, subsidies and contributions	2(a)	497,910	2,360,000	834,548
Profit on disposal of assets	11(a)	35,039	10,166	0
(Loss) on disposal of assets	11(a)	(212,038)	(42,100)	(69,084)
		320,911	2,328,066	765,464
<b>Net result for the period</b>		<b>1,186,222</b>	<b>(143,394)</b>	<b>130,547</b>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	12	(933,194)	0	0
<b>Total other comprehensive income for the period</b>		<b>(933,194)</b>	<b>0</b>	<b>0</b>
<b>Total comprehensive income for the period</b>		<b>253,028</b>	<b>(143,394)</b>	<b>130,547</b>

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



**SHIRE OF LAKE GRACE**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2021**

	NOTE	2021 \$	2020 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	12,383,592	10,696,934
Trade and other receivables	6	251,749	205,674
Inventories	7	15,745	6,534
Other assets	8	65,984	2,000
<b>TOTAL CURRENT ASSETS</b>		<b>12,717,070</b>	<b>10,911,142</b>
<b>NON-CURRENT ASSETS</b>			
Trade and other receivables	6	6,268	6,268
Other financial assets	5(a)	92,259	77,334
Inventories	7	710,663	679,162
Property, plant and equipment	9	42,708,454	42,155,698
Infrastructure	10	156,800,801	156,760,603
<b>TOTAL NON-CURRENT ASSETS</b>		<b>200,318,445</b>	<b>199,679,065</b>
<b>TOTAL ASSETS</b>		<b>213,035,515</b>	<b>210,590,207</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	13	564,665	300,946
Other liabilities	14	1,968,507	447,955
Borrowings	15(a)	229,865	197,956
Employee related provisions	16	338,653	230,175
<b>TOTAL CURRENT LIABILITIES</b>		<b>3,101,690</b>	<b>1,177,032</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	15(a)	1,484,169	1,237,991
Employee related provisions	16	64,568	43,124
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>1,548,737</b>	<b>1,281,115</b>
<b>TOTAL LIABILITIES</b>		<b>4,650,427</b>	<b>2,458,147</b>
<b>NET ASSETS</b>		<b>208,385,088</b>	<b>208,132,060</b>
<b>EQUITY</b>			
Retained surplus		152,646,343	150,199,048
Reserves - cash backed	4	4,443,827	5,704,901
Revaluation surplus	12	51,294,918	52,228,111
<b>TOTAL EQUITY</b>		<b>208,385,088</b>	<b>208,132,060</b>

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



**SHIRE OF LAKE GRACE**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2021**

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
<b>Balance as at 1 July 2019</b>		<b>150,171,641</b>	<b>5,601,761</b>	<b>52,228,111</b>	<b>208,001,513</b>
Comprehensive income					
Net result for the period		130,547	0	0	130,547
Total comprehensive income		130,547	0	0	130,547
Transfers from reserves	4	245,063	(245,063)	0	0
Transfers to reserves	4	(348,203)	348,203	0	0
<b>Balance as at 30 June 2020</b>		<b>150,199,048</b>	<b>5,704,901</b>	<b>52,228,111</b>	<b>208,132,060</b>
<b>Balance at 1 July 2020</b>		<b>150,199,048</b>	<b>5,704,901</b>	<b>52,228,111</b>	<b>208,132,060</b>
Comprehensive income					
Net result for the period		1,186,222	0	0	1,186,222
Other comprehensive income	12	0	0	(933,194)	(933,194)
Total comprehensive income		1,186,222	0	(933,194)	253,028
Transfers from reserves	4	1,286,922	(1,286,922)	0	0
Transfers to reserves	4	(25,848)	25,848	0	0
<b>Balance as at 30 June 2021</b>		<b>152,646,343</b>	<b>4,443,827</b>	<b>51,294,918</b>	<b>208,385,088</b>

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



**SHIRE OF LAKE GRACE**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Rates		4,266,190	4,252,757	4,207,052
Operating grants, subsidies and contributions		6,475,706	2,615,139	3,224,568
Fees and charges		412,558	411,340	440,647
Interest received		70,566	120,000	104,379
Goods and services tax received		0	0	657,147
Other revenue		262,293	225,257	226,595
		11,487,313	7,624,493	8,860,388
<b>Payments</b>				
Employee costs		(2,241,052)	(2,350,632)	(2,175,857)
Materials and contracts		(2,457,780)	(4,022,228)	(3,084,353)
Utility charges		(339,772)	(276,250)	(340,687)
Interest expenses		(62,910)	(58,810)	(60,553)
Insurance paid		(176,746)	(172,119)	(166,153)
Goods and services tax paid		0	0	(99,307)
Other expenditure		(177,402)	(275,212)	(223,802)
		(5,455,662)	(7,155,251)	(6,150,712)
<b>Net cash provided by (used in) operating activities</b>	17	6,031,651	469,242	2,709,676
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for financial assets at amortised cost		(14,925)	0	0
Payments for purchase of property, plant & equipment	9(a)	(2,895,065)	(3,813,853)	(634,010)
Payments for construction of infrastructure	10(a)	(2,581,950)	(5,653,975)	(2,218,703)
Non-operating grants, subsidies and contributions	2(a)	497,910	2,360,000	834,548
Proceeds from financial assets at amortised cost - self supporting loans		0	0	27,930
Proceeds from sale of property, plant & equipment	11(a)	370,950	294,000	137,500
<b>Net cash provided by (used in) investment activities</b>		(4,623,080)	(6,813,828)	(1,852,735)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of borrowings	15(b)	(221,913)	(245,144)	(244,474)
Proceeds from new borrowings	15(b)	500,000	500,000	600,000
<b>Net cash provided by (used in) financing activities</b>		278,087	254,856	355,526
<b>Net increase (decrease) in cash held</b>		1,686,658	(6,089,730)	1,212,467
Cash at beginning of year		10,696,934	10,637,401	9,484,467
<b>Cash and cash equivalents at the end of the year</b>	17	12,383,592	4,547,671	10,696,934

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



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

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
<b>OPERATING ACTIVITIES</b>				
Net current assets at start of financial year - surplus/(deficit)	24 (c)	4,407,268	4,551,348	3,747,619
		4,407,268	4,551,348	3,747,619
<b>Revenue from operating activities (excluding rates)</b>				
Governance		32,030	37,550	32,245
General purpose funding		3,100,278	1,465,888	3,028,076
Law, order, public safety		139,151	157,772	179,963
Health		5,063	9,960	6,832
Education and welfare		455	2,000	1,995
Housing		18,250	23,000	19,914
Community amenities		273,783	299,618	324,141
Recreation and culture		44,287	36,100	32,331
Transport		1,298,903	1,685,628	343,790
Economic services		392,900	155,150	174,196
Other property and services		676,658	93,500	93,399
		5,981,758	3,966,166	4,236,882
<b>Expenditure from operating activities</b>				
Governance		(352,440)	(420,081)	(371,011)
General purpose funding		(157,506)	(179,368)	(159,188)
Law, order, public safety		(397,852)	(359,849)	(362,613)
Health		(329,607)	(370,869)	(315,448)
Education and welfare		(53,175)	(79,162)	(39,390)
Housing		(165,561)	(212,450)	(181,175)
Community amenities		(955,585)	(1,077,786)	(987,317)
Recreation and culture		(2,382,316)	(2,696,397)	(2,158,540)
Transport		(3,749,271)	(4,351,575)	(3,678,838)
Economic services		(731,520)	(746,689)	(613,827)
Other property and services		(74,821)	(91,773)	(37,803)
		(9,349,654)	(10,585,999)	(8,905,150)
Non-cash amounts excluded from operating activities	24(a)	3,060,671	3,422,269	2,963,998
<b>Amount attributable to operating activities</b>		4,100,043	1,353,784	2,043,349
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions	2(a)	497,910	2,360,000	834,548
Proceeds from disposal of assets	11(a)	370,950	294,000	137,500
Proceeds from financial assets at amortised cost - self supporting loans		0	0	27,930
Payments for financial assets at amortised cost		(14,925)	0	0
Purchase of property, plant and equipment	9(a)	(2,895,065)	(3,813,853)	(634,010)
Purchase and construction of infrastructure	10(a)	(2,581,950)	(5,653,975)	(2,218,703)
		(4,623,080)	(6,813,828)	(1,852,735)
Non-cash amounts excluded from investing activities	24(b)	516,655	0	0
<b>Amount attributable to investing activities</b>		(4,106,425)	(6,813,828)	(1,852,735)
<b>FINANCING ACTIVITIES</b>				
Repayment of borrowings	15(b)	(221,913)	(245,144)	(244,474)
Proceeds from borrowings	15(c)	500,000	500,000	600,000
Transfers to reserves (restricted assets)	4	(25,848)	(40,118)	(348,203)
Transfers from reserves (restricted assets)	4	1,286,922	1,132,672	245,063
<b>Amount attributable to financing activities</b>		1,539,161	1,347,410	252,386
<b>Surplus/(deficit) before imposition of general rates</b>		1,532,779	(4,112,634)	443,000
<b>Total amount raised from general rates</b>	24(a)	4,056,208	4,116,439	3,964,267
<b>Surplus/(deficit) after imposition of general rates</b>	24(c)	5,588,987	3,805	4,407,267

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

**SHIRE OF LAKE GRACE**  
**INDEX OF NOTES TO THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2021**

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1. BASIS OF PREPARATION

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

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

The *Local Government (Financial Management) Regulations 1996* specify that vested land is a right-of-use asset to be measured at cost. All right-of-use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost

rather than at fair value. The exception is vested improvements on

concessionary land leases such as roads, buildings or other infrastructure which continue to be reported at fair value, as opposed to the vested land which is measured at zero cost. The measurement of vested improvements at fair value is a departure from AASB 16 which would have required the Shire to measure any vested improvements at zero cost.

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

THE LOCAL GOVERNMENT REPORTING ENTITY

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

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

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

INITIAL APPLICATION OF ACCOUNTING STANDARDS

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

These were:

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

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

NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE YEARS

The following new accounting standards will have application

to local government in future years:

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

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

CRITICAL ACCOUNTING ESTIMATES

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

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

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

**2. REVENUE AND EXPENSES**

**REVENUE RECOGNITION POLICY**

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Timing of revenue recognition
Rates	General Rates	Over time	Payment dates adopted by Council during the year	None	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Specified area rates	Rates charge for specific defined purpose	Over time	Payment dates adopted by Council during the year	Refund in event monies are unspent	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Grant contracts with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants, subsidies or contributions for the construction of non-financial assets	Construction or acquisition of recognisable non-financial assets to be controlled by the local government	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants with no contract commitments	General appropriations and contributions with no reciprocal commitment	No obligations	Not applicable	Not applicable	Cash received	On receipt of funds	Not applicable	When assets are controlled
Licences/ Registrations/ Approvals	Building, planning, development and animal management, having the same nature as a licence regardless of naming.	Single point in time	Full payment prior to issue	None	Set by State legislation or limited by legislation to the cost of provision	Based on timing of issue of the associated rights	No refunds	On payment and issue of the licence, registration or approval
Pool inspections	Compliance safety check	Single point in time	Equal proportion based on an equal annually fee	None	Set by State legislation	Apportioned equally across the inspection cycle	No refunds	After inspection complete based on a 4 year cycle
Other inspections	Regulatory Food, Health and Safety	Single point in time	Full payment prior to inspection	None	Set by State legislation or limited by legislation to the cost of provision	Applied fully on timing of inspection	Not applicable	Revenue recognised after inspection event occurs
Waste management collections	Kerbside collection service	Over time	Payment on an annual basis in advance	None	Adopted by council annually	Apportioned equally across the collection period	Not applicable	Output method based on regular weekly and fortnightly period as proportionate to collection service
Waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	Adopted by council annually	Based on timing of entry to facility	Not applicable	On entry to facility
Property hire and entry	Use of halls and facilities	Single point in time	In full in advance	Refund if event cancelled within 7 days	Adopted by council annually	Based on timing of entry to facility	Returns limited to repayment of transaction price	On entry or at conclusion of hire
Fees and charges for other goods and services	Cemetery services, library fees, reinstatements and private works	Single point in time	Payment in full in advance	None	Adopted by council annually	Applied fully based on timing of provision	Not applicable	Output method based on provision of service or completion of works
Sale of stock	Aviation fuel, kiosk and visitor centre stock	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	Adopted by council annually, set by mutual agreement	Applied fully based on timing of provision	Returns limited to repayment of transaction price	Output method based on goods
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 LAKE GRACE**  
**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 \$
<b>Operating grants, subsidies and contributions</b>			
Governance	3,168	20,000	0
General purpose funding	2,945,221	1,327,783	2,838,113
Law, order, public safety	53,465	58,840	51,368
Education and welfare	455	2,000	1,995
Recreation and culture	14,700	5,500	6,813
Transport	1,243,987	1,648,971	321,489
Economic services	230,513	0	35,909
Other property and services	516,674	0	7,766
	5,008,183	3,063,094	3,263,453
<b>Non-operating grants, subsidies and contributions</b>			
Law, order, public safety	15,135	0	0
Health	0	50,000	0
Community amenities	16,817	70,000	0
Recreation and culture	371,434	2,190,000	246,528
Transport	94,524	0	588,020
Economic services	0	50,000	0
	497,910	2,360,000	834,548
<b>Total grants, subsidies and contributions</b>	<b>5,506,093</b>	<b>5,423,094</b>	<b>4,098,001</b>
<b>Fees and charges</b>			
Governance	9,473	1,150	357
General purpose funding	16,611	12,600	17,325
Law, order, public safety	3,372	2,200	4,221
Health	5,063	9,610	6,832
Education and welfare	111,584	0	0
Housing	18,250	21,000	18,143
Community amenities	148,695	162,300	190,477
Recreation and culture	29,360	28,000	23,250
Economic services	0	113,980	119,804
Other property and services	70,351	60,500	60,238
	412,759	411,340	440,647

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

**SIGNIFICANT ACCOUNTING POLICIES**

**Grants, subsidies and contributions**

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

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

**Fees and Charges**

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



**SHIRE OF LAKE GRACE**  
**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	4,491,509	3,063,094	398,765
Fees and charges	390,070	(23,760)	422,666
Other revenue	101,557	225,257	0
Non-operating grants, subsidies and contributions	497,910	2,360,000	834,548
	5,481,046	5,624,591	1,655,979

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

Revenue from contracts with customers included as a contract liability at the start of the period	447,955	447,955	0
Revenue from contracts with customers recognised during the year	4,535,181	201,497	821,431
Revenue from transfers intended for acquiring or constructing recognisable non financial assets during the year	497,910	2,360,000	834,548
	5,481,046	3,009,452	1,655,979

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	200,301	-	152,193
Contract liabilities from contracts with customers	(1,954,792)	-	(447,955)

Impairment of assets associated with contracts with customers are detailed at note 2 (b) under 'Other expenditure'.

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 LAKE GRACE**  
**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  
 Specified area rates  
 Statutory permits and licences

**Other revenue**

Reimbursements and recoveries  
 Other

**Interest earnings**

Financial assets at amortised cost - self supporting loans  
 Interest on reserve funds  
 Rates instalment and penalty interest (refer Note 24(c))  
 Other interest earnings

	2021 Actual \$	2021 Budget \$	2020 Actual \$
	4,056,208	4,048,609	3,964,267
	125,088	136,318	133,674
	22,689	23,760	17,039
	4,203,985	4,208,687	4,114,980
	160,736	151,432	186,526
	101,557	68,825	40,069
	262,293	220,257	226,595
	41	0	786
	39,717	40,000	43,203
	13,911	20,000	23,967
	16,897	60,000	36,423
	70,566	120,000	104,379

**SIGNIFICANT ACCOUNTING POLICIES**

**Interest earnings**

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

**Interest earnings (continued)**

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

**SHIRE OF LAKE GRACE**  
**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
- Other services

**Interest expenses (finance costs)**

**Borrowings**

**Other expenditure**

- Impairment loss on trade and other receivables
- Sundry expenses

Note	2021 Actual \$	2021 Budget \$	2020 Actual \$
	31,800	35,000	31,200
	3,160	22,500	17,330
	34,960	57,500	48,530
15(b)	62,910	58,810	60,553
	62,910	58,810	60,553
	0	0	4,921
	173,240	275,212	218,881
	173,240	275,212	223,802

**SHIRE OF LAKE GRACE**  
**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	6,883,592	10,696,934
Term deposits	5,500,000	0
<b>Total cash and cash equivalents</b>	<b>12,383,592</b>	<b>10,696,934</b>

**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	6,459,064	6,212,390
	<b>6,459,064</b>	<b>6,212,390</b>

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

Reserves - cash backed	4	4,443,827	5,704,901
Contract liabilities from contracts with customers	14	1,954,792	447,955
L'Chop housing		44,669	44,669
Rural Town salinity program		5,403	5,404
Bonds and deposits held		10,373	9,461
<b>Total restricted assets</b>		<b>6,459,064</b>	<b>6,212,390</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**Cash and cash equivalents**

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

**Restricted assets**

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

## SHIRE OF LAKE GRACE

#### 4. RESERVES - CASH BACKED

RESERVES - CASH BACKED												
	2021			2021			2021			2020		
	Actual	Actual	Actual	Actual	Actual	Actual	Budget	Budget	Budget	Actual	Actual	Actual
	Opening Balance	Transfer to	Transfer (from)	Closing Balance	Opening Balance	Transfer to	Transfer (from)	Closing Balance	Opening Balance	Transfer to	Transfer (from)	Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Long service leave Reserve	223,163	1,051	0	224,214	223,163	1,678	0	224,841	221,451	1,712	0	223,163
(b) Plant Reserve	1,333,805	5,742	(596,250)	743,297	1,333,806	10,026	(550,000)	793,832	1,323,585	10,220	0	1,333,805
(c) Office Furniture & Equipment Reserve	13,318	63	0	13,381	13,318	100	0	13,418	13,216	102	0	13,318
(d) Housing Reserve	835,960	3,530	(450,000)	389,490	835,960	3,068	(450,000)	389,028	829,548	6,412	0	835,960
(e) Swimming Pool Reserve	227,197	1,025	(50,000)	178,222	227,197	1,706	(50,000)	178,903	175,838	51,359	0	227,197
(f) Recreation Reserve	218,945	1,031	0	219,976	218,945	1,638	(80,000)	140,583	18,800	200,145	0	218,945
(g) Works & Services Reserve	593,272	2,793	0	596,065	593,272	4,458	0	597,730	539,105	54,167	0	593,272
(h) Lake Grace Sewerage Reserve	1,100,285	5,180	0	1,105,465	1,100,286	8,496	0	1,108,782	1,121,615	8,670	(30,000)	1,100,285
(i) Lake Grace TV Service Reserve	32,793	152	(2,672)	30,273	32,794	247	(2,672)	30,369	35,192	272	(2,671)	32,793
(j) Lake Grace Sport & Rec SAR	0	0	0	0	0	0	0	0	124,579	904	(125,483)	0
(k) Newedgate Hall Reserve	125,289	590	0	125,879	125,290	942	0	126,232	124,329	960	0	125,289
(l) Newdegate Stadium Floor Reserve	24,153	114	0	24,267	24,154	182	0	24,336	23,968	185	0	24,153
(m) Newdegate Centenary Reserve	32,170	151	0	32,321	32,170	242	0	32,412	36,885	285	(5,000)	32,170
(n) Newdegate TV Reserve	0	0	0	0	0	0	0	0	2,334	29	(2,363)	0
(o) Newdegate Sports Dam Reserve	26,770	126	0	26,896	26,770	201	0	26,971	26,565	205	0	26,770
(p) Ngt Ground Keeping SAR Reserve	0	0	0	0	0	118	0	118	15,563	113	(15,676)	0
(q) Community Water Supplies Reserve	11,987	56	0	12,043	11,988	90	0	12,078	11,895	92	0	11,987
(r) Essential Medical Services Reserve	743,578	3,480	(188,000)	559,058	743,579	5,589	0	749,168	737,874	5,704	0	743,578
(s) Emergency Services Reserves	27,167	128	0	27,295	27,166	204	0	27,370	26,958	209	0	27,167
(t) History Book Reserve	10,467	49	0	10,516	10,468	78	0	10,546	5,425	5,042	0	10,467
(u) Varley Sullage Scheme Reserve	1,667	8	0	1,675	1,663	13	0	1,676	1,654	13	0	1,667
(v) Varley Sport & Rec SAR	0	0	0	0	0	0	0	0	30,688	223	(30,911)	0
(w) Land Development Reserve	122,915	579	0	123,494	122,915	924	0	123,839	121,973	942	0	122,915
(x) Lake King Sport & Rec SAR	0	0	0	0	0	0	0	0	32,721	238	(32,959)	0
	5,704,901	25,848	(1,286,922)	4,443,827	5,704,904	40,000	(1,132,672)	4,612,232	5,601,761	348,203	(245,063)	5,704,901

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:

<b>Name of Reserve</b>	<b>Anticipated date of use</b>	<b>Purpose of the reserve</b>
(a) Long service leave Reserve	ongoing	to fund employee leave liability entitlements
(b) Plant Reserve	ongoing	to fund acquisition or replacement of plant and equipment in accordance with the plant replacement program.
(c) Office Furniture & Equipment Reserve	ongoing	to fund replacement of furniture, office, electrical and computer equipment at the Lake Grace administration centre.
(d) Housing Reserve	ongoing	to fund the acquisition, construction, renovation or maintenance of shire staff housing.
(e) Swimming Pool Reserve	ongoing	to fund maintenance and improvement of the Lake Grace swimming pool and associated infrastructure.
(f) Recreation Reserve	ongoing	to fund the development of sport and recreation facilities.
(g) Works & Services Reserve	ongoing	to fund expenditure associated with road and street works, including drainage and rehabilitation works.
(h) Lake Grace Sewerage Reserve	ongoing	to fund maintenance, addition and improvements to the Lake Grace sewerage system.
(i) Lake Grace TV Service Reserve	ongoing	to fund maintenance and upgrades of television and radio services in the Lake Grace town site.
(j) Lake Grace Sport & Rec SAR	30/06/2020	to fund Recreation and Culture Expenses associated with Lake Grace SARS

**SHIRE OF LAKE GRACE**  
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(k) Newdegate Hall Reserve	ongoing	to fund maintenance, renovation, extension or improvements of the Newdegate Town Hall.
(l) Newdegate Stadium Floor Reserve	ongoing	to fund upgrade works for the Newdegate stadium floor.
(m) Newdegate Centenary Reserve	ongoing	to fund the 100 year centenary of the Newdegate town site.
(n) Newdegate TV Reserve	30/06/2020	to fund maintenance and upgrades of television and radio services in the Newdegate town site.
(o) Newdegate Sports Dam Reserve	30/06/2021	to fund upgrade works for the Newdegate sports dam.
(p) Ngt Ground Keeping SAR Reserve	30/06/2020	to fund expenses relating to the preparation of grounds and acquisition or replacement of related plant and equipment.
(q) Community Water Supplies Reserve	ongoing	to fund future commitments with the construction and maintenance of community water supplies.
(r) Essential Medical Services Reserve	ongoing	to fund the provision of essential medical services and associated legal expenses.
(s) Emergency Services Reserves	ongoing	to fund volunteer bush fire brigades and other emergency services.
(t) History Book Reserve	ongoing	to fund expenditure associated with producing local history books.
(u) Varley Sullage Scheme Reserve	ongoing	to fund expenses associated with the operations of the Varley Sullage Scheme.
(v) Varley Sport & Rec SAR	30/06/2020	to fund Recreation and Culture Expenses associated with Varley SARS
(w) Land Development Reserve	ongoing	to fund the development of new residential, commercial and industrial land.
(x) Lake King Sport & Rec SAR	30/06/2020	to fund Recreation and Culture Expenses associated with Lake King SARS

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
\$	\$
92,259	77,334
92,259	77,334
92,259	77,334
92,259	77,334

SIGNIFICANT ACCOUNTING POLICIES

Financial assets at fair value through profit and loss

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

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

Impairment and risk

Information regarding impairment and exposure to risk can be found at Note 26.

## 6. TRADE AND OTHER RECEIVABLES

### Current

Rates receivable
Trade and other receivables
Allowance for impairment of receivables
ESL Control

### Non-current

Pensioner's rates and ESL deferred
SEC Extensions

2021	2020
\$	\$
49,489	56,644
200,301	152,193
0	(4,921)
1,959	1,758
251,749	205,674
3,030	3,030
3,238	3,238
6,268	6,268

### 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

### Non-current

Land held for resale - cost

Cost of acquisition

The following movements in inventories occurred during the year:

### Balance at beginning of year

Inventories expensed during the year

Additions to inventory

### Balance at end of year

	2021	2020
	\$	\$
	15,745	6,534
	15,745	6,534
	710,663	679,162
	710,663	679,162
	685,696	304,585
	(100,907)	(75,589)
	141,619	456,700
	726,408	685,696

## SIGNIFICANT ACCOUNTING POLICIES

### General

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

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

### Land held for resale

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

### Land held for resale (Continued)

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

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

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

8. OTHER ASSETS

Other assets - current

Accrued income

2021	2020
\$	\$
65,984	2,000
65,984	2,000

SIGNIFICANT ACCOUNTING POLICIES

Other current assets

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

## 9. PROPERTY, PLANT AND EQUIPMENT

### (a) Movements in Balances

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

	Land \$	Buildings - non- specialised \$	Buildings - specialised \$	Total land and buildings \$	Furniture and equipment \$	Plant and equipment \$	Capital Works in Progress	Total property, plant and equipment \$
<b>Balance at 1 July 2019</b>	2,037,711	2,577,847	35,427,432	40,042,990	77,690	2,451,750	0	42,572,430
Additions		30,773	35,036	65,809	96,577	471,624	0	634,010
(Disposals)	0	0	0	0	0	(206,584)	0	(206,584)
Depreciation (expense)		(43,483)	(536,216)	(579,699)	(22,469)	(241,990)	0	(844,158)
<b>Balance at 30 June 2020</b>	2,037,711	2,565,137	34,926,252	39,529,100	151,798	2,474,800	0	42,155,698
<b>Comprises:</b>								
Gross balance amount at 30 June 2020	2,037,711	2,688,570	36,522,010	41,248,291	219,140	3,336,714	0	44,804,145
Accumulated depreciation at 30 June 2020	0	(123,433)	(1,595,758)	(1,719,191)	(67,342)	(861,914)	0	(2,648,447)
<b>Balance at 30 June 2020</b>	2,037,711	2,565,137	34,926,252	39,529,100	151,798	2,474,800	0	42,155,698
Additions	0	1,084,652	74,396	1,159,048	54,096	1,487,517	194,404	2,895,065
(Disposals)	(40,000)	0	0	(40,000)	(18,918)	(464,374)	0	(523,292)
Revaluation increments / (decrements) transferred to revaluation surplus	10,289	153	(939,474)	(929,032)	0	0	0	(929,032)
Depreciation (expense)	0	(47,381)	(538,628)	(586,009)	(21,335)	(282,641)	0	(889,985)
<b>Balance at 30 June 2021</b>	2,008,000	3,602,561	33,522,546	39,133,107	165,641	3,215,302	194,404	42,708,454
<b>Comprises:</b>								
Gross balance amount at 30 June 2021	2,008,000	3,678,613	34,579,676	40,266,289	211,648	3,794,575	194,404	44,466,916
Accumulated depreciation at 30 June 2021	0	(76,052)	(1,057,130)	(1,133,182)	(46,007)	(579,273)	0	(1,758,462)
<b>Balance at 30 June 2021</b>	2,008,000	3,602,561	33,522,546	39,133,107	165,641	3,215,302	194,404	42,708,454

## 9. 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	Market approach using recent observable market data for similar properties	Independent registered valuers	June 2021	Price per hectare
Buildings - non-specialised		2	Market approach using recent observable market data for similar properties	Independent registered valuers	June 2021	Price per square metre, design & construction, average cost of construction, dates of acquisition
Buildings - specialised		3	Improvements to land valued using depreciated replacement cost	Independent registered valuers	June 2021	Improvements to land using construction costs and current condition residual values and remaining useful life assessments inputs
(ii) Cost						
Furniture and equipment						
			Deemed Cost	Deemed Cost		Purchase cost
Plant and equipment						
			Deemed Cost	Deemed 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 LAKE GRACE  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2021

10. 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 - parks, gardens & recreational	Other infrastructure - sewerage	Infrastructure - urban	Capital Works in Progress	Total Infrastructure
	\$	\$	\$	\$		\$
<b>Balance at 1 July 2019</b>	141,732,061	7,210,144	2,590,709	5,520,903	0	157,053,817
Additions	1,281,465	582,790	0	354,448	0	2,218,703
Depreciation (expense)	(1,538,592)	(755,794)	(53,191)	(164,340)	0	(2,511,917)
<b>Balance at 30 June 2020</b>	141,474,934	7,037,140	2,537,518	5,711,011	0	156,760,603
<b>Comprises:</b>						
Gross balance at 30 June 2020	144,564,419	8,549,426	2,632,958	6,059,420	0	161,806,223
Accumulated depreciation at 30 June 2020	(3,089,485)	(1,512,286)	(95,440)	(348,409)	0	(5,045,620)
<b>Balance at 30 June 2020</b>	141,474,934	7,037,140	2,537,518	5,711,011	0	156,760,603
Additions	1,453,647	270,653	15,917	782,401	59,332	2,581,950
(Disposals)	0	(12,040)	0	(12,617)	0	(24,657)
Depreciation (expense)	(1,560,844)	(718,090)	(58,911)	(179,250)	0	(2,517,095)
<b>Balance at 30 June 2021</b>	141,367,737	6,577,663	2,494,524	6,301,545	59,332	156,800,801
<b>Comprises:</b>						
Gross balance at 30 June 2021	146,018,066	8,808,039	2,648,875	6,829,204	59,332	164,363,516
Accumulated depreciation at 30 June 2021	(4,650,329)	(2,230,376)	(154,351)	(527,659)	0	(7,562,715)
<b>Balance at 30 June 2021</b>	141,367,737	6,577,663	2,494,524	6,301,545	59,332	156,800,801

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

10. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

(i) Fair Value		Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Infrastructure - roads			3	Cost approach using depreciated replacement costs	Management valuation	June 2018	Construction costs and current condition, residual values and remaining useful life assessments
Other infrastructure - parks, gardens &			3	Cost approach using depreciated replacement costs	Independent valuation	June 2018	Construction costs and current condition, residual values and remaining useful life assessments
Other infrastructure - sewerage			3	Cost approach using depreciated replacement costs	Independent valuation	June 2018	Construction costs and current condition, residual values and remaining useful life assessments
Other infrastructure - urban infrastructure			3	Cost approach using depreciated replacement costs	Management/ Independent valuation	June 2018	Construction costs and current condition, residual values and remaining useful life assessments

11. FIXED ASSETS

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

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

Initial recognition and measurement between mandatory revaluation dates

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

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

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

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

Revaluation

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

AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY

Revaluation (Continued)

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

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

Land under roads from 1 July 2019

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

Vested improvements from 1 July 2019

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

**SHIRE OF LAKE GRACE**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**11. 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 Loss	2020 Actual Net Book Value	2020 Actual Sale Proceeds	2020 Actual Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Land - freehold land	40,000	34,883	0	(5,117)	0	0	0	0	0	0
Furniture and equipment	18,918	0	0	(18,918)	0	0	0	0	0	0
Plant and equipment	464,374	336,067	35,039	(163,346)	325,934	294,000	(31,934)	206,584	137,500	(69,084)
Other infrastructure - parks, garde	12,040	0	0	(12,040)	0	0	0	0	0	0
Other infrastructure - urban infrast	12,617	0	0	(12,617)	0	0	0	0	0	0
	547,949	370,950	35,039	(212,038)	325,934	294,000	(31,934)	206,584	137,500	(69,084)

The following assets were disposed of during the year.

	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss
	\$	\$	\$	\$
<b>Plant and Equipment</b>				
<b>Governance</b>				
Ford Escape LG139 (A147)	26,629	21,818	0	(4,811)
Toyota Prado -LG 001 (A148)	57,601	61,818	4,217	0
Assets under \$5,000	13,521	0	0	(13,521)
Ford Ranger LG002	44,828	38,636	0	(6,192)
<b>Law, order, public safety</b>				
NGT Fire Truck	65,843	0	0	(65,843)
<b>Community amenities</b>				
Assets under \$5000	11,155	0	0	(11,155)
<b>Recreation and culture</b>				
Assets under \$5000	3,625	0	0	(3,625)
<b>Transport</b>				
PGRA Grader LG 393 (A1370)	165,633	103,750	0	(61,883)
Steel Drum Roller LG 2636	24,197	32,242	8,045	0
2015 Ford Ranger A1406	15,044	11,818	0	(3,226)
20036 Isuzu 9t Tip Truck LG1796	27,502	43,407	15,905	0
John Deere Tractor LG045	15,706	22,577	6,871	0
LG Aerodrome Runway Lights	12,617	0	0	(12,617)
<b>Economic services</b>				
Vacant land - 3 Quondong Ct [Lot	40,000	34,883	0	(5,117)
<b>Other property and services</b>				
Assets under \$5000	24,048	0	0	(24,048)
	547,949	370,950	35,039	(212,038)
	547,949	370,950	35,039	(212,038)



## 11. FIXED ASSETS

### (b) Depreciation

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Buildings - non-specialised	47,381	42,620	43,483
Buildings - specialised	538,628	537,990	536,216
Furniture and equipment	21,335	21,457	22,469
Plant and equipment	282,641	266,982	241,990
Infrastructure - roads	1,560,844	1,536,370	1,538,592
Other infrastructure - parks, gardens & recreation	718,090	765,334	755,794
Other infrastructure - sewerage	58,911	53,193	53,191
Other infrastructure - urban infrastructure	179,250	164,711	164,340
	3,407,080	3,388,657	3,356,075

### Revision of useful lives of plant and equipment

Useful lives of plant and equipment undertaken by management during may 2021, adjustments made in asset register.

### 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	30 to 50 years
Furniture and equipment	4 to 10 years
Plant and equipment	5 to 15 years
Sealed roads and streets	
formation	not depreciated
pavement	50 years
seal	
- bituminous seals	20 years
- asphalt surfaces	25 years
Gravel roads	
formation	not depreciated
pavement	50 years
Parks, Gardens and Recreation facilities	4-50 years
Urban Infrastructure	5 - 50 years
Sewerage piping	100 years
Water supply piping and drainage systems	75 years

#### Depreciation on revaluation

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

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

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

#### Amortisation

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

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

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

**SHIRE OF LAKE GRACE**  
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**12. REVALUATION SURPLUS**

	2021 Opening Balance	2021 Transfers	2021 Revaluation Increment	2021 Revaluation (Decrement)	Total Movement on Revaluation	2021 Closing Balance	2020 Opening Balance	2020 Change in Accounting Policy	2020 Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land and buildings	27,130,477	0	0	(943,637)	(933,191)	26,197,285	27,682,477	(552,000)	27,130,477
Revaluation surplus - Plant and equipment	1,277,979	0	0	0	0	1,277,979	1,277,979	0	1,277,979
Revaluation surplus - Infrastructure - roads	13,125,444	0	0	0	0	13,125,444	13,125,444	0	13,125,444
Revaluation surplus - Other infrastructure - parks, gardens & recreational facilities	3,117,417	184,294	0	0	0	3,301,711	3,117,417	0	3,117,417
Revaluation surplus - Other infrastructure - sewerage	2,654,025	0	0	0	0	2,654,025	2,654,025	0	2,654,025
Revaluation surplus - Other infrastructure - urban infrastructure	4,922,772	(184,294)	0	0	0	4,738,478	4,922,772	0	4,922,772
	52,228,113	0	10,445	(943,637)	(933,191)	51,294,922	52,780,113	(552,000)	52,228,113

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 expenditure
Accrued interest on long term borrowings

2021	2020
\$	\$
475,573	89,926
24,391	14,482
38,130	25,706
15,804	15,413
0	143,886
10,767	11,533
564,665	300,946

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. OTHER LIABILITIES

Current

Contract liabilities  
Income Received in Advance

2021	2020
\$	\$
1,954,792	447,955
13,715	0
1,968,507	447,955

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

\$	\$
1,968,507	447,955
1,968,507	447,955

SIGNIFICANT ACCOUNTING POLICIES

Contract liabilities

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

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

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

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

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

Service concession liabilities

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

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

15. INFORMATION ON BORROWINGS

	(a) Borrowings	
	2021	2020
	\$	\$
Current	229,865	197,956
Non-current	1,484,169	1,237,991
	1,714,034	1,435,947

(b) Repayments - Borrowings

Particulars	Loan Number	Institution	Interest Rate	30 June 2021				30 June 2021				30 June 2021				30 June 2021				30 June 2020				30 June 2020			
				Actual Principal 1 July 2020	Actual New Loans	Actual Principal repayments	Actual Interest	Budget Principal 1 July 2020	Budget New Loans	Budget Principal repayments	Budget Interest	Budget Principal outstanding	Actual Principal 1 July 2019	Actual New Loans	Actual Principal repayments	Actual Interest	Actual Principal outstanding	Actual Principal 1 July 2019	Actual New Loans	Actual Principal repayments	Actual Interest	Actual Principal outstanding	Actual Principal 1 July 2018	Actual New Loans	Actual Principal repayments	Actual Interest	Actual Principal outstanding
<b>Governance</b>																											
L175 - CEO's Residence	175	WATC	6.25%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
L181 - Office Redevelopment	181	WATC	5.78%	251,436	0	(16,915)	(15,730)	251,437	0	(16,915)	(14,548)	234,522	267,414	0	(15,978)	(16,775)	251,436	267,414	0	(15,978)	(16,775)	251,436	267,414	0	(15,978)	(16,775)	251,436
<b>Health</b>																											
L190 - NGT Medical Centre	190	WATC	5.62%	0	0	0	(103)	27,720	0	0	0	27,720	41,425	0	(41,425)	(1,511)	0	41,425	0	(41,425)	(1,511)	0	41,425	0	(41,425)	(1,511)	0
<b>Housing</b>																											
L 204 CEO & Staff House		WATC	0.89%	0	500,000	(23,956)	(3,470)	476,044																			
<b>Recreation and culture</b>																											
L173 - Lake Grace Pool	173	WATC	5.64%	46,089	0	(14,503)	(2,477)	31,586					59,795	0	(13,706)	(3,370)	46,089	59,795	0	(13,706)	(3,370)	46,089	59,795	0	(13,706)	(3,370)	46,089
L182 - Lake Grace Sports	182	WATC	6.33%	138,433	0	(16,277)	(9,164)	122,156					153,727	0	(15,294)	(10,257)	138,433	153,727	0	(15,294)	(10,257)	138,433	153,727	0	(15,294)	(10,257)	138,433
L192 - Lake Grace Bowling	192	WATC	6.12%	0	0	0	(41)	32,226	0	0	0	32,226	16,113	0	(16,113)	(631)	0	16,113	0	(16,113)	(631)	0	16,113	0	(16,113)	(631)	0
L193 - Newdegate Bowling	193	WATC	4.77%	11,251	0	(5,493)	(448)	5,758					16,237	0	(5,240)	(738)	11,251	16,237	0	(5,240)	(738)	11,251	16,237	0	(5,240)	(738)	11,251
L198 - Lake Grace Precinct	198	WATC	4.48%	90,749	0	(21,202)	(4,427)	69,547					111,032	0	(20,283)	(5,468)	90,749	111,032	0	(20,283)	(5,468)	90,749	111,032	0	(20,283)	(5,468)	90,749
L202 - Lake Grace Court R	202	WATC	2.29%	18,824	0	(9,305)	(504)	9,519					27,920	0	(9,096)	(777)	18,824	27,920	0	(9,096)	(777)	18,824	27,920	0	(9,096)	(777)	18,824
<b>Transport</b>																											
L196 - Roadworks & Plant	196	WATC	3.81%	151,533	0	(48,617)	(6,360)	102,916					198,349	0	(46,816)	(8,442)	151,533	198,349	0	(46,816)	(8,442)	151,533	198,349	0	(46,816)	(8,442)	151,533
<b>Economic services</b>																											
L189 - LG Residential Land	189	WATC	6.04%	127,632	0	(9,624)	(8,465)	118,008					141,035	0	(13,403)	(9,072)	127,632	141,035	0	(13,403)	(9,072)	127,632	141,035	0	(13,403)	(9,072)	127,632
L199 - Standpipe Control	199	WATC	3.72%	0	0	0	0	0	0	0	0	0	0	0	0	(63)	0	0	0	0	0	(63)	0	0	0	0	0
L203 - Land Development	203	WATC	1.51%	600,000	0	(56,021)	(11,631)	543,979					600,000	0	(8,849)	(1,907)	600,000	600,000	0	(8,849)	(1,907)	600,000	600,000	0	(8,849)	(1,907)	600,000
<b>Other property and services</b>																											
L191 - Staff Housing	191	WATC	6.12%	0	0	0	(49)	19,190	0	0	0	19,190	19,190	0	(19,190)	(752)	0	19,190	0	(19,190)	(752)	0	19,190	0	(19,190)	(752)	0
				1,435,947	500,000	(221,913)	(62,869)	1,714,034					1,052,491	600,000	(216,544)	(59,767)	1,435,947	1,052,491	600,000	(216,544)	(59,767)	1,435,947	1,052,491	600,000	(216,544)	(59,767)	1,435,947
<b>Self Supporting Loans</b>																											
<b>Recreation and culture</b>																											
L188 - Lake Grace Sports	188	WATC	6.12%	0	0	0	(41)	0	0	0	0	0	16,113	0	(16,113)	(631)	0	16,113	0	(16,113)	(631)	0	16,113	0	(16,113)	(631)	0
<b>Economic services</b>																											
L201 - Lake Grace Development	201	WATC	3.26%	0	0	0	0	0	0	0	0	0	11,817	0	(11,817)	(155)	0	11,817	0	(11,817)	(155)	0	11,817	0	(11,817)	(155)	0
				0	0	0	(41)	0	0	0	0	0	27,930	0	(27,930)	(786)	0	27,930	0	(27,930)	(786)	0	27,930	0	(27,930)	(786)	0
				1,435,947	500,000	(221,913)	(62,910)	1,714,034					1,080,421	600,000	(244,474)	(60,553)	1,435,947	1,080,421	600,000	(244,474)	(60,553)	1,435,947	1,080,421	600,000	(244,474)	(60,553)	1,435,947

\* WA Treasury Corporation

Self supporting loans are financed by payments from third parties. These are shown in Note 4 as other financial assets at amortised cost.  
All other loan repayments were financed by general purpose revenue.

**SHIRE OF LAKE GRACE**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**15. 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		
CEO & Staff Housing	WATC		10	0.89%	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 4,162	\$ 0
* WVA Treasury Corporation					500,000	500,000	500,000	500,000	4,162	0

**(d) Undrawn Borrowing Facilities**

**Credit Standby Arrangements**

	2021	2020
	\$	\$
Bank overdraft limit	100,000	100,000
Bank overdraft at balance date	0	0
Credit card limit	10,000	10,000
Credit card balance at balance date	690	1
<b>Total amount of credit unused</b>	<b>110,690</b>	<b>110,001</b>

**Loan facilities**

Loan facilities - current	229,865	197,956
Loan facilities - non-current	1,484,169	1,237,991
<b>Total facilities in use at balance date</b>	<b>1,714,034</b>	<b>1,435,947</b>

**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**

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

**Risk**

Information regarding exposure to risk can be found at Note 26.

## 16. 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
	\$	\$	\$
Opening balance at 1 July 2020			
Current provisions	141,913	88,262	230,175
Non-current provisions	0	43,124	43,124
	141,913	131,386	273,299
Additional provision	205,151	53,065	258,216
Amounts used	(125,886)	(2,408)	(128,294)
Balance at 30 June 2021	221,178	182,043	403,221
Comprises			
Current	221,178	117,475	338,653
Non-current	0	64,568	64,568
	221,178	182,043	403,221

#### 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	338,653	230,173
More than 12 months from reporting date	41,354	43,124
Expected reimbursements from other WA local governments	23,214	13,991
	403,221	287,288

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

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

## SIGNIFICANT ACCOUNTING POLICIES

### Employee benefits

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

### Short-term employee benefits

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

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

### Other long-term employee benefits

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

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

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

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

### Provisions

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

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

## 17. NOTES TO THE STATEMENT OF CASH FLOWS

### Reconciliation of Cash

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

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Cash and cash equivalents	12,383,592	4,547,671	10,696,934
<b>Reconciliation of Net Cash Provided By Operating Activities to Net Result</b>			
Net result	1,186,222	(143,394)	130,547
Non-cash flows in Net result:			
Depreciation on non-current assets	3,407,080	3,388,657	3,356,075
(Profit)/loss on sale of asset	172,837	31,934	69,084
Changes in assets and liabilities:			
(Increase)/decrease in receivables	(46,075)	0	111,725
(Increase)/decrease in other assets	(63,984)	0	69,703
(Increase)/decrease in inventories	(40,712)	0	(381,111)
Increase/(decrease) in payables	263,719	0	(177,755)
Increase/(decrease) in employee provisions	129,922	0	(81,999)
Increase/(decrease) in other liabilities	1,520,552	(447,955)	447,955
Non-operating grants, subsidies and contributions	(497,910)	(2,360,000)	(834,548)
Net cash from operating activities	6,031,651	469,242	2,709,676



## 18. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2021	2020
	\$	\$
Governance	3,530,079	2,978,231
General purpose funding	6,268	63,977
Law, order, public safety	1,278,637	896,400
Health	3,016,191	3,176,929
Education and welfare	633,592	625,101
Housing	10,032,591	10,215,833
Community amenities	4,516,293	4,547,237
Recreation and culture	24,674,908	26,491,341
Transport	140,945,984	140,694,046
Economic services	3,505,716	2,544,411
Other property and services	2,316,384	2,516,614
Unallocated	18,578,872	15,840,087
	213,035,515	210,590,207

## 19. CONTINGENT LIABILITIES

There are no contingent liabilities that require adjustments or disclosure to the financial report.

## 20. CAPITAL COMMITMENTS

### (a) Capital Expenditure Commitments

Contracted for:

	2021	2020
	\$	\$
- capital expenditure projects	1,249,084	0
- plant & equipment purchases	0	0
	<hr/> 1,249,084	<hr/> 0

Payable:

- not later than one year	1,249,084	0
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The capital expenditure project outstanding at the end of the current reporting period represents several projects moved to 21/22 FY

## 21. ELECTED MEMBERS REMUNERATION

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
<b>Elected member Cr Armstrong</b>			
President's annual allowance	20,063	20,063	2,319
Meeting attendance fees	8,000	8,000	3,269
Annual allowance for ICT expenses	2,000	2,000	1,398
Travel and accommodation expenses	11,447	6,000	2,435
	41,510	36,063	9,421
<b>Elected member Cr Chappell</b>			
Deputy President's annual allowance	5,016	2,016	580
Meeting attendance fees	4,000	4,000	4,000
Annual allowance for ICT expenses	2,000	2,000	2,000
Travel and accommodation expenses	1,554	2,000	860
	12,570	10,016	7,440
<b>Elected member Cr Stoffberg</b>			
Meeting attendance fees	4,000	4,000	4,000
Deputy Presidents Allowance	0	3,000	2,939
Annual allowance for ICT expenses	2,000	2,000	2,000
Travel and accommodation expenses	0	2,000	531
	6,000	11,000	9,470
<b>Elected member Cr Marshall</b>			
Meeting attendance fees	4,000	4,000	4,000
ICT expenses	491	0	491
Annual allowance for ICT expenses	1,509	2,000	1,509
Travel and accommodation expenses	828	2,000	630
	6,828	8,000	6,630
<b>Elected member Cr Lloyd</b>			
Meeting attendance fees	4,000	4,000	4,000
Annual allowance for ICT expenses	2,000	2,000	2,000
Travel and accommodation expenses	1,463	2,000	1,588
	7,463	8,000	7,588
<b>Elected member Cr Carruthers</b>			
Meeting attendance fees	3,167	3,200	0
Annual allowance for ICT expenses	1,583	1,600	0
Travel and accommodation expenses	0	2,000	0
	4,750	6,800	0
<b>Elected member Cr Hyde</b>			
Meeting attendance fees	3,167	3,200	0
Annual allowance for ICT expenses	1,583	1,600	0
Travel and accommodation expenses	2,140	2,000	0
	6,890	6,800	0
<b>Elected member Cr Clarke</b>			
Meeting attendance fees	4,000	4,000	4,000
Annual allowance for ICT expenses	2,000	2,000	2,000
Travel and accommodation expenses	0	0	92
	6,000	6,000	6,092
<b>Elected member Cr Steicke</b>			
Meeting attendance fees	2,333	2,800	2,796
Annual allowance for ICT expenses	1,167	1,400	1,398
Travel and accommodation expenses	1,586	2,000	394
	5,086	6,200	4,587

## 21. ELECTED MEMBERS REMUNERATION

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
<b>Elected member Cr Stanton</b>			
Meeting attendance fees	0	2,800	3,548
Annual allowance for ICT expenses	0	1,400	1,774
	0	4,200	5,322
<b>Elected member Cr De Landgraaf</b>			
Meeting attendance fees	0	0	7,097
Presidents Annual Allowance	0	0	17,798
ICT expenses	0	0	436
Annual allowance for ICT expenses	0	0	1,387
Travel and accommodation expenses	0	0	6,407
	0	0	33,125
<b>Elected member Cr Hunt</b>			
Meeting attendance fees	0	0	1,204
Deputy President's annual allowance	0	0	1,510
Other expenses	0	0	142
Annual allowance for ICT expenses	0	0	602
Travel and accommodation expenses	0	0	942
	0	0	4,401
<b>Elected member Cr Spurr</b>			
Meeting attendance fees	0	0	667
Annual allowance for ICT expenses	0	0	333
Travel and accommodation expenses	0	0	243
	0	0	1,243
	97,096	103,079	95,319
Fees, expenses and allowances to be paid or reimbursed to elected council members.			
President's allowance	20,063	20,063	20,117
Deputy President's allowance	5,016	5,016	5,029
Meeting attendance fees	36,667	40,000	38,581
Other expenses	0	0	142
ICT expenses	491	0	927
Annual allowance for ICT expenses	15,842	18,000	16,402
Travel and accommodation expenses	19,017	20,000	14,121
	97,096	103,079	95,319

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**22. 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:

	<b>2021</b> <b>Actual</b>	<b>2020</b> <b>Actual</b>
	<b>\$</b>	<b>\$</b>
Short-term employee benefits	533,514	386,016
Post-employment benefits	57,374	47,144
Other long-term benefits	20,199	13,687
Termination benefits	0	107,770
	<b>611,087</b>	<b>554,617</b>

*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).

22. RELATED PARTY TRANSACTIONS (Continued)

Transactions with related parties

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

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

The following transactions occurred with related parties:	2021 Actual	2020 Actual
	\$	\$
Short term employee benefits -other related parties	104,859	61,029
Amounts payable to related parties:		
Trade and other payables	67,968	3,722

Related Parties

The Shire's main related parties are as follows:

- i. Key management personnel  
Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any elected member, are considered key management personnel.
- ii. Other Related Parties  
An associate person of KMP was employed by the Shire under normal employment terms and conditions.  
  
Any entity that is controlled by or over which KMP, or close family members of KMP, have authority and responsibility for planning, directing and controlling the activity of the entity, directly or indirectly, are considered related parties in relation to the Shire.
- iii. Entities subject to significant influence by the Shire  
An entity that has the power to participate in the financial and operating policy decisions of an entity, but does not have control over those policies, is an entity which holds significant influence. Significant influence may be gained by share ownership, statute or agreement.

23. MAJOR LAND TRANSACTIONS

(a) Details

Sale of 3 Quondong Ct [Lot 218 on plan 75988] Lake Grace 6353 Lnd - vacant land (Asset 5013)

(b) Current year transactions

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Other revenue			
- Sale proceeds	34,883	0	0
Other expenditure			
- Cost of goods sold	(40,000)	0	0
	(5,117)	0	0

The above operating revenue for the proceeds of land held for resale is reflected in other revenue and operating expenditure for the cost of the disposed land held for resale is reflected in other expenditure.



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24. RATING INFORMATION

(a) Rates

RATE TYPE

Differential general rate / general rate

Gross rental valuations

Gross rental valuations

Unimproved valuations

Unimproved valuations

Sub-Total

Minimum payment

Gross rental valuations

Gross rental valuations

Unimproved valuations

Unimproved valuations

Sub-Total

Total amount raised from general rate

Specified Area Rate (Note 22(b))

Ex-gratia rates

Totals

Rate in \$	Number of Properties	2020/21 Actual Value	2020/21 Actual Rate	2020/21 Actual Revenue	2020/21 Actual Interim Rates	2020/21 Actual Back Rates	2020/21 Budget Revenue	2020/21 Budget Interim Rate	2020/21 Budget Back Rate	2020/21 Budget Total Revenue	2019/20 Actual Total Revenue
0.132463	394	4,613,455	611,112	19,029			615,904	500		616,404	607,707
0.011164	554	301,830,762	3,369,639	5,288			3,379,555	500		3,380,055	3,305,600
	948	306,444,217	3,980,751	24,317	0		3,995,459	1,000	0	3,996,459	3,913,307
Minimum \$											
490	36	36,177	17,640	0			17,150	0		17,150	16,660
500	67	888,289	33,500	0			35,000	0		35,000	34,300
	103	924,466	51,140	0	0		52,150	0	0	52,150	50,960
	1,051	307,368,683	4,031,891	24,317	0		4,047,609	1,000	0	4,048,609	3,964,267
											3,964,267
											133,674
											68,134
											4,166,075

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.

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**24. RATING INFORMATION (Continued)**

(b) Specified Area Rate													
Specified Area Rate	Basis of Valuation	Rate in \$	2020/21 Rateable Value	2020/21 Rate Revenue	2020/21 Interim Rate Revenue	2020/21 Back Rate Revenue	2020/21 Total Specified Area Revenue	2020/21					
								2020/21 Budget Revenue	2020/21 Budget Rate	2020/21 Set Aside to Reserve	2020/21 Budget Reserve Applied to Costs	2020/21 Interim Rate Revenue	2020/21 Budget Reserve Applied to Costs
Sewerage - GRV	GRV	0.04394	\$ 2,846,791	125,088	\$ 0	\$ 0	\$ 125,088	\$ 136,318	\$ 0	\$ 0	\$ 0	\$ 136,318	\$ 133,674
			2,846,791	125,088	0	0	125,088	136,318	0	0	0	136,318	133,674
Specified Area Rate	Purpose of the rate	Area/properties Rate Imposed		2020/21 Actual Rate Applied to Costs	2020/21 Actual Rate Set Aside to Reserve	2020/21 Actual Reserve Applied to Costs		2020/21 Budget Rate Applied to Costs	2020/21 Budget Rate Set Aside to Reserve	2020/21 Budget Reserve Applied to Costs			
Sewerage - GRV	Applied in full to operate and maintain the sewerage scheme	Lake Grace Townsite		\$ 125,088	\$ 125,088	\$ 0		\$ 136,318	\$ 0	\$ 136,318			
				125,088	125,088	0	0	136,318	0	136,318	0	136,318	

24. RATING INFORMATION (Continued)

(c) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
<b>Option One</b>				
Single full payment	07/09/2020	0.00	0.00%	8.00%
<b>Option Two</b>				
First instalment	07/09/2020	11.00	0.00%	8.00%
Second instalment	09/11/2020	11.00	3.00%	8.00%
<b>Option Three</b>				
First instalment	07/09/2020	11.00	3.00%	8.00%
Second instalment	09/11/2020	11.00	3.00%	8.00%
Third instalment	08/01/2021	11.00	3.00%	8.00%
Fourth instalment	08/03/2021	11.00	3.00%	8.00%

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Interest on unpaid rates	7,451	12,000	13,511
Interest on instalment plan	6,460	8,000	10,456
Charges on instalment plan	8,454	5,500	5,643
	22,365	25,500	29,610

## 25. RATE SETTING STATEMENT INFORMATION

		2020/21 (30 June 2021 Carried Forward)	2020/21 Budget (30 June 2021 Carried Forward)	2019/20 (30 June 2020 Carried Forward)	
Note		\$	\$	\$	
<b>(a) Non-cash amounts excluded from operating activities</b>					
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .					
<b>Adjustments to operating activities</b>					
	Less: Profit on asset disposals	11(a)	(35,039)	(10,166)	0
	Less: Non-cash grants and contributions for assets		(516,655)	0	0
	Less: Movement in liabilities associated with restricted cash		18,229	1,678	(99,097)
	Movement in employee benefit provisions (non-current)		21,444	0	17,098
	Movement of inventory (non-current)		(46,426)	0	(379,162)
	Add: Loss on disposal of assets	11(a)	212,038	42,100	69,084
	Add: Depreciation on non-current assets	11(b)	3,407,080	3,388,657	3,356,075
	<b>Non cash amounts excluded from operating activities</b>		3,060,671	3,422,269	2,963,998
<b>(b) Non-cash amounts excluded from investing activities</b>					
The following non-cash revenue or expenditure has been excluded from amounts attributable to investing activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .					
<b>Adjustments to investing activities</b>					
	Movement in non-current capital expenditure provisions		516,655	0	0
	<b>Non cash amounts excluded from investing activities</b>		516,655	0	0
<b>(c) Surplus/(deficit) after imposition of general rates</b>					
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.					
<b>Adjustments to net current assets</b>					
	Less: Reserves - cash backed	4	(4,443,827)	(4,612,232)	(5,704,901)
	Less: Municipal - restricted cash		(50,072)	0	(50,073)
	Less: Current assets not expected to be received at end of year				
	- Trust - Restricted Cash		(10,373)	0	0
	Add: Current liabilities not expected to be cleared at end of year				
	- Current portion of borrowings	15(a)	229,865	452,812	197,956
	- Employee benefit provisions		248,014	224,841	230,175
	<b>Total adjustments to net current assets</b>		(4,026,393)	(3,934,579)	(5,326,843)
<b>Net current assets used in the Rate Setting Statement</b>					
	Total current assets		12,717,070	4,747,397	10,911,142
	Less: Total current liabilities		(3,101,690)	(808,895)	(1,177,032)
	Less: Total adjustments to net current assets		(4,026,393)	(3,934,579)	(5,326,843)
	<b>Net current assets used in the Rate Setting Statement</b>		5,588,987	3,923	4,407,268

## 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	Aging analysis Credit analysis	Diversification of bank deposits, credit limits. Investment policy
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

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

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

### (a) Interest rate risk

#### Cash and cash equivalents

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

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

	Weighted Average Interest Rate %	Carrying Amounts \$	Fixed Interest Rate \$	Variable Interest Rate \$	Non Interest Bearing \$
<b>2021</b>					
Cash and cash equivalents	0.4417%	12,383,592	5,500,000	6,873,219	10,373
<b>2020</b>					
Cash and cash equivalents	0.51%	10,696,934	0	10,687,073	9,861

#### 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
	\$	\$
	123,836	106,969

#### 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 15(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
<b>30 June 2021</b>					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	417	28,784	12,955	7,333	49,489
Loss allowance	0	0	0	0	0
<b>30 June 2020</b>					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	0%
Gross carrying amount	826	35,910	6,204	4,008	46,948
Loss allowance	0	0	0	0	0

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
<b>30 June 2021</b>					
Trade and other receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	201,244	1,016	0	0	202,260
Loss allowance	0	0	0	0	0
<b>30 June 2020</b>					
Trade and other receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	0%
Gross carrying amount	149,312	1,324	544	42	151,222
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 15(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
	\$	\$	\$	\$	\$
<b>2021</b>					
Payables	540,525	0	0	540,525	564,665
Borrowings	229,865	808,297	675,872	1,714,034	1,714,034
Contract liabilities	2,063,031	0	0	2,063,031	1,968,507
	2,833,421	808,297	675,872	4,317,590	4,247,206
<b>2020</b>					
Payables	142,578	0	0	142,578	300,946
Borrowings	258,161	922,721	509,058	1,689,940	1,435,947
Contract liabilities	447,955	0	0	447,955	447,955
	848,694	922,721	509,058	2,280,473	2,184,848

## 27. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

There were no events occurring after the end of the reporting period that require adjustments or disclosure to the financial report.



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

Subsequent to initial recognition or reclassification, service concession assets are accounted for by depreciating or amortising in accordance with AASB 116 *Property, Plant and Equipment* or AASB 138 *Intangible Assets*. Where appropriate, any impairment is recognized in accordance with AASB 136 *Impairment of Assets*. At the end of the term of any service concession arrangement, the Shire will reclassify the service concession asset based on its nature or function, and account for it in accordance with accounting standards and policies applicable to the relevant asset classification.

Where the Shire recognises a service concession asset in relation to a newly constructed or upgraded asset, it also recognises a liability. This liability is initially measured at the same amount as the service concession asset, adjusted by the amount of any other consideration provided by the Shire to the third-party operator or from the third-party operator to the Shire. The Shire does not recognise a liability in the circumstances where an existing asset of the Shire is reclassified as a service concession asset except in circumstances where additional consideration is provided by the third-party operator.

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

The Shire adopted AASB 1059 *Service Concession Arrangements: Grantors* on 1 July 2020 and confirms that the Shire does not have any existing or new arrangements that fall within the scope of this standard.

## 29. TRUST FUNDS

Funds held in trust at balance date which are included in the financial statements are as follows:

	1 July 2020	Amounts Received	Amounts Paid	30 June 2021
	\$	\$	\$	\$
Standpipe bonds	9,461	1,071	(159)	10,373
Nomination Deposits	0	480	(480)	0
	9,461	1,551	(639)	10,373

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30. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

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

c) Rounding off figures

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

d) Comparative figures

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

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

e) Budget comparative figures

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

f) Superannuation

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

g) Fair value of assets and liabilities

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

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

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

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

h) Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

i) Impairment of assets

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

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

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

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

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**31. ACTIVITIES/PROGRAMS**

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

<b>PROGRAM NAME AND OBJECTIVES</b>	<b>ACTIVITIES</b>
<b>GOVERNANCE</b> To provide a decision making process for the efficient allocation of scarce resources.	Includes the activities of members of council and the administrative support available to the council for the provision of governance of the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific council services.
<b>GENERAL PURPOSE FUNDING</b> To collect revenue to allow for the provision of services.	Rates, general purpose government grants and interest revenue.
<b>LAW, ORDER, PUBLIC SAFETY</b> To provide bushfire prevention services and animal control services.	Supervision, enforcement of various local laws, fire prevention, emergency services, animal control and other aspects of public safety.
<b>HEALTH</b> To provide for an operational framework for good community health in conjunction with the Health Department of WA. To provide services for families and children.	Health inspection services in relation to food outlets and their control, pest and noise control and waste disposal compliance and the provision of a Doctor, dental and medical surgeries. Assistance with playgroups and daycare centres.
<b>EDUCATION AND WELFARE</b> To provide services for the elderly, children and youth.	Maintenance of playgroups and daycare centres. Provision of elderly and youth services.
<b>HOUSING</b> To ensure that adequate housing is available to staff and the community.	Provision and maintenance of staff housing, aged persons units and community accommodation (Joint Venture and LOGCHOP) units.
<b>COMMUNITY AMENITIES</b> To provide services and infrastructure as required by the community.	Rubbish collection services, operation of refuse disposal sites and the Lake Grace sewerage scheme. Administration of the Local Planning Scheme, maintenance of cemeteries and public conveniences.
<b>RECREATION AND CULTURE</b> To establish and effectively manage infrastructure and resources which will help the social wellbeing of the community.	The provision and maintenance of public halls, sports pavillions, recreation grounds, Lake Grace swimming pool, parks, gardens and playgrounds. The operation of public libraries in conjunction with the Education Department and other cultural and heritage facilities.
<b>TRANSPORT</b> To provide safe, effective and efficient transport infrastructure to the community.	Construction and maintenance of streets, roads, drainage, footpaths, and aerodromes. Cleaning of streets, maintenance of street trees, street lighting and works depot. Provision of Department of Transport licensing services.
<b>ECONOMIC SERVICES</b> To help promote the Shire and improve its economic wellbeing.	The regulation and provision of tourism, area promotion, building control, noxious weeds, saleyards and the provision of emergency water supplies.
<b>OTHER PROPERTY AND SERVICES</b> To monitor and control council's overheads operating accounts.	Private works operation, plant repair and operating costs, engineering operation costs.

## 32. FINANCIAL RATIOS

	2021 Actual	2020 Actual	2019 Actual
Current ratio	6.86	9.46	5.13
Asset consumption ratio	0.96	0.96	0.98
Asset renewal funding ratio	0.96	0.33	0.45
Asset sustainability ratio	1.09	0.80	0.74
Debt service cover ratio	14.60	8.89	10.88
Operating surplus ratio	0.14	(0.14)	0.01
Own source revenue coverage ratio	0.54	0.55	0.73

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

## SHIRE OF LAKE GRACE

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2021

## FINDINGS IDENTIFIED DURING THE FINAL AUDIT

INDEX OF FINDINGS	RATING		
	Significant	Moderate	Minor
<b>Matters identified during the current year</b>			
1. Quotations for goods and services		✓	
2. Purchase orders		✓	
3. IT disaster recovery plan		✓	
4. Information technology usage policy			✓
5. Related party policy			✓

**KEY TO RATINGS**

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

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

## SHIRE OF LAKE GRACE

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2021

## FINDINGS IDENTIFIED DURING THE FINAL AUDIT

## 1. Quotations for goods and services

**Finding**

During our testing of a sample of 26 purchases during the year, we noted the following:

- 11 instances identified of purchases transactions up to \$4,999 that did not have any documented evidence of written or verbal quotes being sought during the requisition stage.
- 1 instance identified of a purchase transaction between \$5,000 and \$19,999 that did not have any documented evidence of written quotations being sought during the requisition stage.

For purchase transactions below \$5,000, the Shire's purchasing policy states that quotes are not required, although two verbal quotes should be obtained in most instances as best practice.

Management have reviewed these instances identified and provided sufficient explanations of the reasons for why quotes were not sought or evidenced for each instance identified, typically due to the suppliers engaged being the only local supplier available.

**Rating: Moderate****Implication**

When purchases are made without obtaining quotations or if reasons for not obtaining quotations are not sufficiently documented during the purchase requisition stage, there is an increased risk of favoritism of suppliers and not obtaining value for money.

**Recommendation**

Quotes should be obtained for purchases in-line with the Shire's purchasing policy. Where it is impractical to obtain quotations, the reasons for this should be recorded during the requisition stage prior to committing to the purchase of goods or services.

**Management Comment**

*Acknowledged and accepted; Manager Corporate Services and DCEO will be refining existing procedures to ensure all necessary steps are followed and documented by staff within the purchasing and procurement processes.*

**Responsible Person:** Manager Corporate Services / Deputy CEO

**Completion Date:** 30 April 2022

## SHIRE OF LAKE GRACE

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2021

## FINDINGS IDENTIFIED DURING THE FINAL AUDIT

## 2. Purchase orders

**Finding**

During our testing of a sample of 26 purchases during the year, we identified 2 instances where the purchase order was raised after the invoice was received.

**Rating: Moderate****Implication**

Delays in raising and approving purchase orders increases the risk of unauthorised goods or services being incurred.

**Recommendation**

The Shire should ensure that all purchase orders are appropriately raised and approved prior to receiving goods or services for all applicable transactions that require purchase orders.

**Management Comment**

*Acknowledged – as per previous answer, this will continue to be monitored as existing procedures for purchasing are updated and implemented, and staff will be educated accordingly.*

**Responsible Person:**

Manager Corporate Services

**Completion Date:**

30 April 2022



## SHIRE OF LAKE GRACE

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2021

## FINDINGS IDENTIFIED DURING THE FINAL AUDIT

## 3. IT disaster recovery plan

**Finding**

The Shire does not have an approved IT Disaster Recovery Plan in place. In addition, backups are currently not stored off site.

**Rating: Moderate****Implication**

Without a disaster recovery plan, it is likely to be more difficult to recover from an incident or crisis in a timely and effective manner. There is an increased risk that key business functions will remain out of operation for extended periods of time following a major incident.

**Recommendation**

The Shire should implement an IT Disaster Recovery Plan as soon as practical. Once implemented and communicated to staff, we recommend the Shire develop a process to test and evaluate the IT Disaster Recovery Plan to ensure it is adequate and will effectively mitigate disruption in the event of unforeseen circumstances. The plan should also address the storage and testing of IT system backups.

**Management Comment**

*Development of the Shire's IT Disaster Recovery Plan is currently underway; anticipate presentation to Council and adoption by end of April.*

**Responsible Person:** Deputy CEO / Manager Corporate Services

**Completion Date:** 30 April 2022

## SHIRE OF LAKE GRACE

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2021

## FINDINGS IDENTIFIED DURING THE FINAL AUDIT

**4. Information technology usage policy****Finding**

We noted that the Shire currently does not have any written Information Technology (IT) policies in place covering the acceptable and appropriate use of the Shire's IT resources utilised by staff, contractors and consultants.

**Rating: Minor****Implication**

In the absence of a clearly defined IT policy, there is an increased risk that the Shire staff, contractors or consultants may not be aware of management's expectations regarding the acceptable use of IT resources. This may result in IT security or other exposures occurring.

**Recommendation**

The Shire should develop and implement an IT usage policy covering the acceptable and appropriate use of the Shire's IT resources and ensure the policy is communicated to all Shire staff, contractors and consultants.

**Management Comment**

*Council adopted policy 1.20 "Usage of Information and Communications Technology (ICT) including Social Media" at the ordinary Council meeting held on 23<sup>rd</sup> June 2021.*

**Responsible Person:** Deputy CEO  
**Completion Date:** Completed

## SHIRE OF LAKE GRACE

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2021

## FINDINGS IDENTIFIED DURING THE FINAL AUDIT

## 5. Related Party Policy

**Finding**

We noted that the Shire currently does not have a Related Party Disclosures Policy in place.

**Rating: Minor****Implication**

In the absence of a clearly defined Related Party Disclosure Policy, there is increased risk that related party relationships are not adequately disclosed in the Shire's annual financial report as required by AASB 124 – *Related Party Disclosures*.

**Recommendation**

The Shire should develop and implement a Related Party Disclosure Policy. At a minimum, the policy should include how Key Management Personnel (KMP) are defined, the processes implemented by the Shire to identify potential related party transactions, and outline the processes for KMP to perform annual declarations of related parties and transactions for financial reporting purposes.

**Management Comment**

*Related Party Disclosures Policy was presented to and adopted by Council at its ordinary meeting held 27<sup>th</sup> October 2021.*

**Responsible Person:** Deputy CEO

**Completion Date:** Completed



Department of  
**Local Government, Sport  
and Cultural Industries**

## Lake Grace - Compliance Audit Return 2021

### Certified Copy of Return

Please submit a signed copy to the Director General of the Department of Local Government, Sport and Cultural Industries together with a copy of the relevant minutes.

Commercial Enterprises by Local Governments					
No	Reference	Question	Response	Comments	Respondent
1	s3.59(2)(a) F&G Regs 7,9,10	Has the local government prepared a business plan for each major trading undertaking that was not exempt in 2021?	N/A		Chris Paget
2	s3.59(2)(b) F&G Regs 7,8A, 8, 10	Has the local government prepared a business plan for each major land transaction that was not exempt in 2021?	N/A		Chris Paget
3	s3.59(2)(c) F&G Regs 7,8A, 8,10	Has the local government prepared a business plan before entering into each land transaction that was preparatory to entry into a major land transaction in 2021?	N/A		Chris Paget
4	s3.59(4)	Has the local government complied with public notice and publishing requirements for each proposal to commence a major trading undertaking or enter into a major land transaction or a land transaction that is preparatory to a major land transaction for 2021?	N/A		Chris Paget
5	s3.59(5)	During 2021, did the council resolve to proceed with each major land transaction or trading undertaking by absolute majority?	N/A		Chris Paget



<b>Delegation of Power/Duty</b>					
<b>No</b>	<b>Reference</b>	<b>Question</b>	<b>Response</b>	<b>Comments</b>	<b>Respondent</b>
1	s5.16	Were all delegations to committees resolved by absolute majority?	N/A	No delegations to committees have been made in the reporting period.	Chris Paget
2	s5.16	Were all delegations to committees in writing?	N/A		Chris Paget
3	s5.17	Were all delegations to committees within the limits specified in section 5.17?	N/A		Chris Paget
4	s5.18	Were all delegations to committees recorded in a register of delegations?	N/A		Chris Paget
5	s5.18	Has council reviewed delegations to its committees in the 2020/2021 financial year?	N/A		Chris Paget
6	s5.42(1) & s5.43 Admin Reg 18G	Did the powers and duties delegated to the CEO exclude those listed in section 5.43 of the Act?	Yes		Chris Paget
7	s5.42(1)	Were all delegations to the CEO resolved by an absolute majority?	Yes		Chris Paget
8	s5.42(2)	Were all delegations to the CEO in writing?	Yes		Chris Paget
9	s5.44(2)	Were all delegations by the CEO to any employee in writing?	Yes		Chris Paget
10	s5.16(3)(b) & s5.45(1)(b)	Were all decisions by the council to amend or revoke a delegation made by absolute majority?	Yes		Chris Paget
11	s5.46(1)	Has the CEO kept a register of all delegations made under Division 4 of the Act to the CEO and to employees?	Yes		Chris Paget
12	s5.46(2)	Were all delegations made under Division 4 of the Act reviewed by the delegator at least once during the 2020/2021 financial year?	No	Full delegations review was conducted and presented to/accepted by Council in December 2021; this was not within the 2020/2021 financial year as specified in this question.	Chris Paget
13	s5.46(3) Admin Reg 19	Did all persons exercising a delegated power or duty under the Act keep, on all occasions, a written record in accordance with Admin Reg 19?	Yes		Chris Paget

<b>Disclosure of Interest</b>					
<b>No</b>	<b>Reference</b>	<b>Question</b>	<b>Response</b>	<b>Comments</b>	<b>Respondent</b>



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No	Reference	Question	Response	Comments	Respondent
1	s5.67	Where a council member disclosed an interest in a matter and did not have participation approval under sections 5.68 or 5.69, did the council member ensure that they did not remain present to participate in discussion or decision making relating to the matter?	Yes		Chris Paget
2	s5.68(2) & s5.69 (5) Admin Reg 21A	Were all decisions regarding participation approval, including the extent of participation allowed and, where relevant, the information required by Admin Reg 21A, recorded in the minutes of the relevant council or committee meeting?	Yes		Chris Paget
3	s5.73	Were disclosures under section sections 5.65, 5.70 or 5.71A(3) recorded in the minutes of the meeting at which the disclosures were made?	Yes		Chris Paget
4	s5.75 Admin Reg 22, Form 2	Was a primary return in the prescribed form lodged by all relevant persons within three months of their start day?	Yes		Chris Paget
5	s5.76 Admin Reg 23, Form 3	Was an annual return in the prescribed form lodged by all relevant persons by 31 August 2021?	Yes		Chris Paget
6	s5.77	On receipt of a primary or annual return, did the CEO, or the mayor/president, give written acknowledgment of having received the return?	Yes		Chris Paget
7	s5.88(1) & (2)(a)	Did the CEO keep a register of financial interests which contained the returns lodged under sections 5.75 and 5.76?	Yes		Chris Paget
8	s5.88(1) & (2)(b) Admin Reg 28	Did the CEO keep a register of financial interests which contained a record of disclosures made under sections 5.65, 5.70, 5.71 and 5.71A, in the form prescribed in Admin Reg 28?	Yes		Chris Paget
9	s5.88(3)	When a person ceased to be a person required to lodge a return under sections 5.75 and 5.76, did the CEO remove from the register all returns relating to that person?	Yes		Chris Paget
10	s5.88(4)	Have all returns removed from the register in accordance with section 5.88(3) been kept for a period of at least five years after the person who lodged the return(s) ceased to be a person required to lodge a return?	Yes		Chris Paget
11	s5.89A(1), (2) & (3) Admin Reg 28A	Did the CEO keep a register of gifts which contained a record of disclosures made under sections 5.87A and 5.87B, in the form prescribed in Admin Reg 28A?	Yes		Chris Paget
12	s5.89A(5) & (5A)	Did the CEO publish an up-to-date version of the gift register on the local government's website?	Yes		Chris Paget



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No	Reference	Question	Response	Comments	Respondent
13	s5.89A(6)	When a person ceases to be a person who is required to make a disclosure under section 5.87A or 5.87B, did the CEO remove from the register all records relating to that person?	Yes		Chris Paget
14	s5.89A(7)	Have copies of all records removed from the register under section 5.89A (6) been kept for a period of at least five years after the person ceases to be a person required to make a disclosure?	Yes		Chris Paget
15	Rules of Conduct Reg 11(1), (2) & (4)	Where a council member had an interest that could, or could reasonably be perceived to, adversely affect the impartiality of the person, did they disclose the interest in accordance with Rules of Conduct Reg 11(2)?*  *Question not applicable after 2 Feb 2021	Yes		Chris Paget
16	Rules of Conduct Reg 11(6)	Where a council member disclosed an interest under Rules of Conduct Reg 11(2) was the nature of the interest recorded in the minutes?*	Yes		Chris Paget
		*Question not applicable after 2 Feb 2021			
17	s5.70(2) & (3)	Where an employee had an interest in any matter in respect of which the employee provided advice or a report directly to council or a committee, did that person disclose the nature and extent of that interest when giving the advice or report?	Yes		Chris Paget
18	s5.71A & s5.71B (5)	Where council applied to the Minister to allow the CEO to provide advice or a report to which a disclosure under s5.71A(1) relates, did the application include details of the nature of the interest disclosed and any other information required by the Minister for the purposes of the application?	N/A		Chris Paget
19	s5.71B(6) & s5.71B(7)	Was any decision made by the Minister under subsection 5.71B(6) recorded in the minutes of the council meeting at which the decision was considered?	N/A		Chris Paget
20	s5.103 Admin Regs 34B & 34C	Has the local government adopted a code of conduct in accordance with Admin Regs 34B and 34C to be observed by council members, committee members and employees?*	Yes		Chris Paget
		*Question not applicable after 2 Feb 2021			
21	Admin Reg 34B(5)	Has the CEO kept a register of notifiable gifts in accordance with Admin Reg 34B(5)?*	Yes		Chris Paget
		*Question not applicable after 2 Feb 2021			



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No	Reference	Question	Response	Comments	Respondent
22	s5.104(1)	Did the local government prepare and adopt, by absolute majority, a code of conduct to be observed by council members, committee members and candidates within 3 months of the prescribed model code of conduct coming into operation (3 February 2021)?	Yes	Adopted by Council 23 February 2021	Chris Paget
23	s5.104(3) & (4)	Did the local government adopt additional requirements in addition to the model code of conduct? If yes, does it comply with section 5.104(3) and (4)?	N/A	No additional requirements were adopted	Chris Paget
24	s5.104(7)	Did the CEO publish an up-to-date version of the adopted code of conduct on the local government's website?	Yes		Chris Paget
25	s5.51A(1) & (3)	Did the CEO prepare, and implement and publish an up-to-date version on the local government's website, a code of conduct to be observed by employees of the local government?	Yes	Presented to & adopted by Council on 28 July 2021	Chris Paget

### Disposal of Property

No	Reference	Question	Response	Comments	Respondent
1	s3.58(3)	Where the local government disposed of property other than by public auction or tender, did it dispose of the property in accordance with section 3.58(3) (unless section 3.58(5) applies)?	Yes		Chris Paget
2	s3.58(4)	Where the local government disposed of property under section 3.58(3), did it provide details, as prescribed by section 3.58(4), in the required local public notice for each disposal of property?	Yes		Chris Paget





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## Elections

No	Reference	Question	Response	Comments	Respondent
1	Elect Regs 30G(1) & (2)	Did the CEO establish and maintain an electoral gift register and ensure that all disclosure of gifts forms completed by candidates and donors and received by the CEO were placed on the electoral gift register at the time of receipt by the CEO and in a manner that clearly identifies and distinguishes the forms relating to each candidate?	Yes	No electoral gift declarations were received within the CAR reporting period.	Chris Paget
2	Elect Regs 30G(3) & (4)	Did the CEO remove any disclosure of gifts forms relating to an unsuccessful candidate, or a successful candidate that completed their term of office, from the electoral gift register, and retain those forms separately for a period of at least two years?	N/A	As above	Chris Paget
3	Elect Regs 30G(5) & (6)	Did the CEO publish an up-to-date version of the electoral gift register on the local government's official website in accordance with Elect Reg 30G(6)?	N/A		Chris Paget



<b>Finance</b>					
<b>No</b>	<b>Reference</b>	<b>Question</b>	<b>Response</b>	<b>Comments</b>	<b>Respondent</b>
1	s7.1A	Has the local government established an audit committee and appointed members by absolute majority in accordance with section 7.1A of the Act?	Yes		Chris Paget
2	s7.1B	Where the council delegated to its audit committee any powers or duties under Part 7 of the Act, did it do so by absolute majority?	N/A	There are no delegations to committees	Chris Paget
3	s7.9(1)	Was the auditor's report for the financial year ended 30 June 2021 received by the local government by 31 December 2021?	No	Final audit report from the Office of the Auditor General was only recently received by the Shire on 18 March 2022	Chris Paget
4	s7.12A(3)	Where the local government determined that matters raised in the auditor's report prepared under s7.9 (1) of the Act required action to be taken, did the local government ensure that appropriate action was undertaken in respect of those matters?	N/A	As above	Chris Paget
5	s7.12A(4)(a) & (4)(b)	Where matters identified as significant were reported in the auditor's report, did the local government prepare a report that stated what action the local government had taken or intended to take with respect to each of those matters? Was a copy of the report given to the Minister within three months of the audit report being received by the local government?	N/A	No significant matters were reported from the audit	Chris Paget
6	s7.12A(5)	Within 14 days after the local government gave a report to the Minister under s7.12A(4)(b), did the CEO publish a copy of the report on the local government's official website?	N/A	As above	Chris Paget
7	Audit Reg 10(1)	Was the auditor's report for the financial year ending 30 June received by the local government within 30 days of completion of the audit?	Yes	As per answer 2 above, received 18 March 2022	Chris Paget



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### Integrated Planning and Reporting

No	Reference	Question	Response	Comments	Respondent
1	Admin Reg 19C	Has the local government adopted by absolute majority a strategic community plan? If Yes, please provide the adoption date or the date of the most recent review in the Comments section?	No	SCP was adopted by Council 28 June 2017; major review was due in 2021 however is now commencing.	Chris Paget
2	Admin Reg 19DA (1) & (4)	Has the local government adopted by absolute majority a corporate business plan? If Yes, please provide the adoption date or the date of the most recent review in the Comments section?	Yes	The Corporate Business Plan 2021-2025 was adopted by Council 23 June 2021.	Chris Paget
3	Admin Reg 19DA (2) & (3)	Does the corporate business plan comply with the requirements of Admin Reg 19DA(2) & (3)?	Yes		Chris Paget

### Local Government Employees

No	Reference	Question	Response	Comments	Respondent
1	Admin Reg 18C	Did the local government approve a process to be used for the selection and appointment of the CEO before the position of CEO was advertised?	N/A	No CEO recruitment was necessary during the year.	Chris Paget
2	s5.36(4) & s5.37 (3) Admin Reg 18A	Were all CEO and/or senior employee vacancies advertised in accordance with Admin Reg 18A?	Yes	Only the position of Manager Corporate Services was advertised in 2021.	Chris Paget
3	Admin Reg 18E	Was all information provided in applications for the position of CEO true and accurate?	N/A	Refer answer 1 above	Chris Paget
4	Admin Reg 18F	Was the remuneration and other benefits paid to a CEO on appointment the same remuneration and benefits advertised for the position under section 5.36(4)?	N/A	As above	Chris Paget
5	s5.37(2)	Did the CEO inform council of each proposal to employ or dismiss senior employee?	Yes		Chris Paget
6	s5.37(2)	Where council rejected a CEO's recommendation to employ or dismiss a senior employee, did it inform the CEO of the reasons for doing so?	N/A		Chris Paget



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<b>Official Conduct</b>					
<b>No</b>	<b>Reference</b>	<b>Question</b>	<b>Response</b>	<b>Comments</b>	<b>Respondent</b>
1	s5.120	Has the local government designated a senior employee as defined by section 5.37 to be its complaints officer?	Yes	CEO is the complaints officer	Chris Paget
2	s5.121(1) & (2)	Has the complaints officer for the local government maintained a register of complaints which records all complaints that resulted in a finding under section 5.110(2)(a)? Does the complaints register include all information required by section 5.121 (2)?	Yes	No complaints have been received	Chris Paget
3	s5.121(3)	Has the CEO published an up-to-date version of the register of the complaints on the local government's official website?	Yes		Chris Paget



Optional Questions					
No	Reference	Question	Response	Comments	Respondent
1	Financial Management Reg 5 (2)(c)	Did the CEO review the appropriateness and effectiveness of the local government's financial management systems and procedures in accordance with Financial Management Reg 5(2)(c) within the three years prior to 31 December 2021? If yes, please provide the date of council's resolution to accept the report.	Yes	Regulation 5 FMR was accepted by Council 16 September 2020.	Chris Paget
2	Audit Reg 17	Did the CEO review the appropriateness and effectiveness of the local government's systems and procedures in relation to risk management, internal control and legislative compliance in accordance with Audit Reg 17 within the three years prior to 31 December 2021? If yes, please provide date of council's resolution to accept the report.	Yes	Audit Regulation 7 review was accepted by Council 28 July 2021.	Chris Paget
3	s5.87C	Where a disclosure was made under sections 5.87A or 5.87B, was the disclosure made within 10 days after receipt of the gift? Did the disclosure include the information required by section 5.87C?	N/A	No disclosures were made during the reporting period	Chris Paget
4	s5.90A(2) & (5)	Did the local government prepare, adopt by absolute majority and publish an up-to-date version on the local government's website, a policy dealing with the attendance of council members and the CEO at events ?	Yes	Policy 1.18 adopted by Council 23 June 2021.	Chris Paget
5	s5.96A(1), (2), (3) & (4)	Did the CEO publish information on the local government's website in accordance with sections 5.96A(1), (2), (3), and (4)?	Yes		Chris Paget
6	s5.128(1)	Did the local government prepare and adopt (by absolute majority) a policy in relation to the continuing professional development of council members?	Yes	Policy 1.19 adopted by Council 23 June 2021.	Chris Paget
7	s5.127	Did the local government prepare a report on the training completed by council members in the 2020/2021 financial year and publish it on the local government's official website by 31 July 2021?	Yes		Chris Paget
8	s6.4(3)	By 30 September 2021, did the local government submit to its auditor the balanced accounts and annual financial report for the year ending 30 June 2021?	Yes	Submitted to the auditor on 27 August 2021.	Chris Paget
9	s.6.2(3)	When adopting the annual budget, did the local government take into account all its expenditure, revenue and income?	Yes		Chris Paget



## Tenders for Providing Goods and Services

No	Reference	Question	Response	Comments	Respondent
1	F&G Reg 11A(1) & (3)	Did the local government comply with its current purchasing policy [adopted under F&G Reg 11A(1) & (3)] in relation to the supply of goods or services where the consideration under the contract was, or was expected to be, \$250,000 or less or worth \$250,000 or less?	No	12 minor instances of non-compliance with the purchasing policy were identified during the course of the 2020-21 audit.	Chris Paget
2	s3.57 F&G Reg 11	Subject to F&G Reg 11(2), did the local government invite tenders for all contracts for the supply of goods or services where the consideration under the contract was, or was expected to be, worth more than the consideration stated in F&G Reg 11(1)?	Yes		Chris Paget
3	F&G Regs 11(1), 12(2), 13, & 14(1), (3), and (4)	When regulations 11(1), 12(2) or 13 required tenders to be publicly invited, did the local government invite tenders via Statewide public notice in accordance with F&G Reg 14(3) and (4)?	Yes		Chris Paget
4	F&G Reg 12	Did the local government comply with F&G Reg 12 when deciding to enter into multiple contracts rather than a single contract?	N/A		Chris Paget
5	F&G Reg 14(5)	If the local government sought to vary the information supplied to tenderers, was every reasonable step taken to give each person who sought copies of the tender documents or each acceptable tenderer notice of the variation?	N/A	No information variations were made.	Chris Paget
6	F&G Regs 15 & 16	Did the local government's procedure for receiving and opening tenders comply with the requirements of F&G Regs 15 and 16?	Yes		Chris Paget
7	F&G Reg 17	Did the information recorded in the local government's tender register comply with the requirements of F&G Reg 17 and did the CEO make the tenders register available for public inspection and publish it on the local government's official website?	No	Information did comply with the regulation requirements and was available for public inspection, however it was not published on the Shire website.	Chris Paget
8	F&G Reg 18(1)	Did the local government reject any tenders that were not submitted at the place, and within the time, specified in the invitation to tender?	N/A		Chris Paget
9	F&G Reg 18(4)	Were all tenders that were not rejected assessed by the local government via a written evaluation of the extent to which each tender satisfies the criteria for deciding which tender to accept?	Yes		Chris Paget
10	F&G Reg 19	Did the CEO give each tenderer written notice containing particulars of the successful tender or advising that no tender was accepted?	Yes		Chris Paget



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No	Reference	Question	Response	Comments	Respondent
11	F&G Regs 21 & 22	Did the local government's advertising and expression of interest processes comply with the requirements of F&G Regs 21 and 22?	N/A	No EOI processes were undertaken.	Chris Paget
12	F&G Reg 23(1) & (2)	Did the local government reject any expressions of interest that were not submitted at the place, and within the time, specified in the notice or that failed to comply with any other requirement specified in the notice?	N/A		Chris Paget
13	F&G Reg 23(3) & (4)	Were all expressions of interest that were not rejected under F&G Reg 23 (1) & (2) assessed by the local government? Did the CEO list each person as an acceptable tenderer?	N/A		Chris Paget
14	F&G Reg 24	Did the CEO give each person who submitted an expression of interest a notice in writing of the outcome in accordance with F&G Reg 24?	N/A		Chris Paget
15	F&G Regs 24AD(2) & (4) and 24AE	Did the local government invite applicants for a panel of pre-qualified suppliers via Statewide public notice in accordance with F&G Reg 24AD(4) and 24AE?	N/A		Chris Paget
16	F&G Reg 24AD(6)	If the local government sought to vary the information supplied to the panel, was every reasonable step taken to give each person who sought detailed information about the proposed panel or each person who submitted an application notice of the variation?	N/A		Chris Paget
17	F&G Reg 24AF	Did the local government's procedure for receiving and opening applications to join a panel of pre-qualified suppliers comply with the requirements of F&G Reg 16, as if the reference in that regulation to a tender were a reference to a pre-qualified supplier panel application?	N/A		Chris Paget
18	F&G Reg 24AG	Did the information recorded in the local government's tender register about panels of pre-qualified suppliers comply with the requirements of F&G Reg 24AG?	N/A		Chris Paget
19	F&G Reg 24AH(1)	Did the local government reject any applications to join a panel of pre-qualified suppliers that were not submitted at the place, and within the time, specified in the invitation for applications?	N/A		Chris Paget
20	F&G Reg 24AH(3)	Were all applications that were not rejected assessed by the local government via a written evaluation of the extent to which each application satisfies the criteria for deciding which application to accept?	N/A		Chris Paget
21	F&G Reg 24AI	Did the CEO send each applicant written notice advising them of the outcome of their application?	N/A		Chris Paget



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No	Reference	Question	Response	Comments	Respondent
22	F&G Regs 24E & 24F	Where the local government gave regional price preference, did the local government comply with the requirements of F&G Regs 24E and 24F?	N/A	No regional price preferences were given during the reporting period.	Chris Paget

I certify this Compliance Audit Return has been adopted by council at its meeting on \_\_\_\_\_

\_\_\_\_\_  
Signed Mayor/President, Lake Grace

\_\_\_\_\_  
Signed CEO, Lake Grace