



Annual Report 2020/21



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General Information



Administration Office

Office Hours: Monday – Friday, 9:00am – 4:00pm

Street Address

80 Monger St
BENCUBBIN WA 6477

Postal Address

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BENCUBBIN WA 6477

Tel: 08 9685 1202

Email: admin@mtmarshall.wa.gov.au

Website: www.mtmarshall.wa.gov.au

Facebook: www.facebook.com/ShireMtMarshall

Twitter: <https://twitter.com/MtMarshallShire>

Localities

Bencubbin, Beacon, Cleary, Gabbin, Welbungin and Wialki.

Economy

The economic activity of the Shire is dominated by agriculture, including the growing of wheat, lupins, barley, peas, oats, canola and the breeding of sheep, pigs and cattle.

Local industries include retail, shearing, grain cleaning and servicing of farm machinery.

Significant Local Events

- Australia Day Community Breakfast and Shire Citizen of the Year presentation, held in Bencubbin;
- Australia Day Community BBQ held in Beacon;
- Mt Marshall & Districts Agricultural Show held annually in March.
- WAORRA Off Road Rally held annually on the June long weekend.

Tourist Attractions

Marshall Rock; Pergandes Granite Sheep Yards; Datjoin Well; Billiburning Rock; Wildflower season including Guided Tours (August – September); Heritage Walk Trail (Bencubbin), Historic Walking Trail (Beacon), Sandalwood Interpretation Centre (Bencubbin), Mens Shed (Beacon).

Statistics (2019/20)

Distance from Perth (km)	273
Area (sq km)	10,134
Length of Sealed Roads (km)	307
Length of Unsealed Roads (km)	1,440
Population	527
Number of Electors	382
Number of Dwellings	353
Total Rates Levied (\$)	1,452,599
Total Revenue (\$)	6,744,676
Number of Employees (FTE)	26

Shire History



The Sandalwood Shire

In September and November 1836 the Surveyor General Captain John Septimus Roe led a forty-day expedition out to the unknown east of the settled districts of the Avon Valley. Mt Marshall and Lake McDermott were named after Captain Marshall McDermott, an early settler to the Swan River Colony. Captain Roe was loathe to give any native names as he considered them unpronounceable and impossible to spell.

In 1889 Surveyor HS King fixed Trigg Station at Mt Marshall. When the Wyalkatchem-Mt Marshall Railway Line was built, the siding was not named as there was already a Mt Marshall in Tasmania.

Sandalwooders and graziers were the early settlers in the Mt Marshall area. The first grazing lease was taken up in 1868. Sandalwood was removed from this area from the 1880's through to the 1920's. Permanent settlement and the development and clearing of the land for farms commenced around 1910.

The Mt Marshall Roads Board was formed in 1923.



The Council



The Shire of Mt Marshall Council has an elected body of seven Councillors. The Council: govern the affairs of the Shire; is responsible for the performance of the Shire's functions; oversee the allocation of the Shire's finances and resources; and determine the Shire's policies.

Council is committed to providing open and accountable government that meets the needs of the community and protects and improves the Shire's assets and resources.

The Chief Executive Officer has the responsibility for ensuring all decisions of Council comply with the Local Government Act, other relevant legislation and local laws. The Chief Executive Officer and staff undertake the tasks necessary to implement the decisions of the Council.

Elections

Elections for Councillors are conducted in October every second year with the term of office being four years. Approximately one half of Council's membership vacates each election. The next election is to be held in October 2021.

The President is elected by the members following each Local Government election, for a two year term.

President

Cr Tony Sachse

Deputy President

Cr Nick Gillett

Elected Members

Name	Contact	Years of Service	Term Expires
Cr Tanya GIBSON	T: 0427 976 880 crgibson@mtmarshall.wa.gov.au	1	2023
Cr Nick GILLETT	T: 0427 862 007 crgillett@mtmarshall.wa.gov.au	4	2021
Cr Leeanne GOBBART	T: 0429 848 042 crgobbart@mtmarshall.wa.gov.au	3	2021
Cr Stuart PUTT	T: 0427 862 060 crputt@mtmarshall.wa.gov.au	3	2021
Cr Tony SACHSE	T: 0429 851 257 crsachse@mtmarshall.wa.gov.au	5	2023
Cr Ian SANDERS	T: 0427 851 213 crsanders@mtmarshall.wa.gov.au	3	2021
Vacant Seat			

Wards

The Shire of Mt Marshall does not operate a ward structure ensuring all Councillors represent the whole of the shire instead of any particular ward which is considered outdated in modern local government environment.

Council Meetings

Ordinary meetings of Council are held on the third Tuesday of every month except January, and these meetings are open to the public. Meetings commence at the advertised times (generally 3:00pm) with a period of 15 minutes at the start of the meeting being set aside as public question time as required by the Local Government Act 1995.

Electors' General Meeting

An Electors' General Meeting is held each financial year typically in December with notification being provided in the local newspapers, shire notice boards and libraries.

Committees

The Shire of Mt Marshall has two standing committees: The Mt Marshall Audit Committee as required by the Local Government Act; and the Local Emergency Management Committee as required by the Emergency Management Act.

The Council has formally resolved to establish the following committees and working groups: Mt Marshall Safety Committee; Bush Fire Advisory Committee; Economic Development Grant Fund Committee; Off Road Racing Working Group.

Representation on External Organisations

There are a number of external organisations on which the Shire is represented including: Great Eastern Zone of WALGA; North Eastern Wheatbelt Organisation of Councils (NEWROC); Wheatbelt North East Sub Regional Road Group; Rural Water Council; Kununoppin Medical Practice; Kununoppin Local Health Advisory Group; Mt Marshall Land Conservation District Committee and Central East Aged Care Alliance (CEACA).

President's Report



It gives me great pleasure to be able to table the Presidents Report for the financial year ended 30 June 2021.

Councillors

I would like to thank Deputy President Councillor Nick Gillett, Councillor Tanya Gibson, Councillor Leeanne Gobbart, Councillor Stuart Putt and Councillor Ian Sanders who have represented and fulfilled their roles as an Elected Member throughout the year. Thanks also to past Councillor Brendan Geraghty for his input during his time as a Councillor. The high standard of governance has continued, and credit must go to all Councillors for their adherence to the various codes and regulations relating to the role of a Councillor.

Chief Executive Officer

The CEO, John Nuttall, has now completed over 4 years as CEO for the Shire of Mt Marshall. John has led the Shire and the continued delivery of services to our residents and the many projects and outcomes in the annual budget. The timing of the finalisation of some of these outcomes has been difficult with the continued COVID-19 State of Emergency. Everything that could reasonably be able to be achieved, has been done this year. John has also supported members of the community, staff, Councillors and myself. This support has been extremely important, especially with severe Tropical Cyclone Seroja, local flooding events, the COVID-19 State of Emergency and lockdowns, as well as changes to the Local Government Act and other governance matters. Thank you, John.

Staff

The works team has had to deal with more local flooding of our road network, as well as the impact of Severe Tropical Cyclone Seroja and the worst roadside vegetation damage that we have experienced in decades. As well as these emergencies, the planned construction and maintenance work were completed.

All of our staff have special skills in their own fields, and team well together. On behalf of the Shire of Mt Marshall, many thanks to all the staff. Your efforts are greatly appreciated.

Communities

Community Drop – In Sessions for the Shire's Community Strategic Plan Review were held in September 2020. A linked community survey was also conducted at this time. Thanks to all those who participated in providing valuable input.

Upgrades and maintenance to both Little Bees locations have been ongoing. This service has continued to grow, is much valued by community members and remains an integral component in the annual budget.

The partnership with the Bencubbin Primary School, the Beacon Primary School and the Njaki Njaki people continued in holding the Cultural Day with the understanding, knowledge and appreciation of indigenous culture. Thanks to the Beacon Primary School for hosting the event this year.

The 2021 Australia Day Events took place with the Australia Day Big Breakfast at the Mt Marshall Aquatic Centre and the Australia Day Community Barbeque at the Beacon Recreation Ground. Both events were well attended and went off very well.

On the 4th March 2021 the Mt Marshall Aquatic Centre Redevelopment Official Opening took place. Darren West MLC, Agricultural Region, opened the Redevelopment. Also attending were Jennifer Collins from DLGSC, Councillors and CEO's from neighbouring Shire's, contractors, guests and members of the public. The redevelopment was achieved with excellent planning in combination with a financially responsible budget. Although there were some delays due COVID-19, the end result has been a quality build to match the need with the latest operating efficiencies.

The 88th Mt Marshall and Districts Agricultural Show was run in March, 2021. The show had excellent numbers attending, with the special jet-pack water display an undoubted highlight, especially at night with the backdrop of the fireworks. Congratulations to the Ag Society and all the volunteers supporting one of the best regional shows in Australia.

It was great to see the Winter Sports commence again in 2021 after the cancellation of fixtures in 2020 due COVID-19.

On Wednesday, 30th June 2021 community events were run in Bencubbin and Beacon with health service providers giving information and discussing initiatives and activities to support the health and well being of our communities. This included WA Country Health Service, Silver Chain, Holyoake, Amity Health, Wheatbelt Mental Health Service, YouthCare, Regional Men's Health Initiative – Pitstop, and Wheatbelt Agcare. These events followed on from visits by some of these agencies to support residents on an individual basis over previous months.

Thank you to community members who have taken time to attend community and Council meetings, undertaken surveys and contacted the Shire to provide information and feedback.

Capital Works

The annual budget contains a number of areas of expenditure, with roads always the major line item. Other areas include footpaths, plant, cemeteries, halls/community centres/buildings, housing, swimming pool redevelopment, Waddouring Dam, Billiburning Rock, recreation centres, Wialki Golf Club, Bencubbin and Beacon bowling greens (note: by request the Beacon Bowling Green delayed until 2021/22 financial year), and the Workers Camp at the Beacon Caravan Park.

Regional Collaboration

Excellent support has continued with the WA Local Government Association (WALGA). Although there was no convention this year, WALGA have continued to provide services including reports, Elected Members training, webinars, and advocacy for local government.

Health

Health always rates as one of the most important areas for residents within the Shire. Council continues to work with agencies to provide the best possible health services for our residents. This includes the Kununoppin Health Practice Committee, Western Australian Country Health Service (WACHS), Silver Chain, St John's Ambulance, the Department of Communities, Amity Health, and others.

The Kununoppin Medical Practice Committee, of which the Council is part, has continued support for the local medical practice. Dr Adewale Olatunji (Dr Olat) has continued in his role as General Practitioner at the Kununoppin Medical Practice. The Medical Practice works well with clinics at the Silver Chain in Bencubbin and Beacon with further services available at the Kununoppin Hospital. The Shire also has representation on the Kununoppin Local Health Advisory Group.

Economic Development

The Local Roads and Community Infrastructure Program, offered by the Commonwealth of Australia and designed to assist communities manage the economic impacts of COVID-19, has helped deliver considerable benefit to our communities. This program with different phases will run over multiple years.

Emergency Management

The Local Emergency Management Committee (LEMC) has continued with planning, compliance and addressing EM in the Shire. High and intense rainfall in February 2021 with some flooding caused significant damage to road infrastructure in the Shire. This damage was later assessed as eligible for Disaster Relief Funding Arrangements (WA).

In the early hours of Monday 12th April 2021 Severe Tropical Cyclone Seroja passed right through the Shire of Mt Marshall. With wind gusts of up to 100 kph, extensive damage was caused to buildings, energy infrastructure, vegetation and fence lines. However, no lives or severe injuries occurred due the tropical cyclone in the Shire. The loss of power over a considerable period had the flow on effect of communication outages. This loss of mobile and landline communication makes the emergency and recovery much more difficult. The battery backup services for Crisp Wireless, installed by the Shire this year, enabled those Crisp Wireless customers in the towns of Bencubbin and Beacon to have data and phone services at their business and homes at this time.

Council acknowledges all the efforts of local bush fire and volunteer emergency service brigades, and those volunteers who went on deployment to the Red Gully, Wooroloo and other fires. Thanks also to Damian Tomas - Chief Bush Fire Control Officer, Garry Huckstep - Deputy Bush Fire Control Officer, and all the Bush Fire Control Officers. Thanks also to all those adhering to the Harvest and Movement of Vehicles Bans imposed by the Shire during the fire season.

The COVID-19 Pandemic, which has been mentioned previously in this report, has continued to be managed in line with Government regulations.

Tourism

One of our important external committees is our membership of NEWTravel with its flagship "Wheatbelt Way". The surge in visitor numbers has been remarkable. Both caravan parks are often at full capacity, with our free camping areas also very popular. There are so many scenic locations within the Shire.

Developing Projects

With the completion of the Strategic Community Plan and the Corporate Business Plan, Council will then be in a position to consider new projects.

Agriculture continues to be the main business within the Shire, and it's to be hoped that the high decile autumn and winter rain to date mean farmers end up with a good season and harvest for 2021.

Cr Tony Sachse
President

CEO's Report



The 2020/21 financial year once again presented challenges to Shire Councillors and staff. The ongoing COVID-19 pandemic meant that projects were often delayed, there was a shortage of labour and materials and some effects of the various lockdowns and regional closures were felt. However additional funding was provided by the Federal Government to all Local Governments as a boost in response to the pandemic. This allowed additional infrastructure projects to be undertaken which was very welcome.

In the early part of 2021 two events had significant consequences for the Shire. In February flooding hit the North of the Shire and significant amounts of roads were damaged and washed out. This posed issues for both Shire road crews to attempt to deal with the situation and the community having to navigate the damaged roads. Then in April, Cyclone Seroja passed through the Shire causing major damage, power and telecommunication outages and major vegetation damage and road blockages. Again the Shire Staff stepped up and assisted with the clean up whilst still undertaking their regular duties.

Major projects which were completed during the year, over and above the road program which always accounts for the majority of the expenditure, include the completed redevelopment and opening of the Mt Marshall Aquatic Facility, repair and upgrade of the Bencubbin Bowling Green, upgrade works at Wialki Golf Club and expenditure on the Recreation Centre's.

NEWROC continues to be a significant part of the Shire and continued close collaboration with our neighbours ensures that we are able to be part of projects and planning. The addition of the Shire of Dowerin to the NEWROC group has been a major boost.

The Shire staff have continued to work extremely hard, often in very difficult situations. We have been understaffed for some time and those who are employed by the Shire continue to deliver and get through the work despite those staff shortages.

Finally I take the opportunity to thank Shire President Cr Tony Sachse and all Councillors for their ongoing support of myself personally and the Shire administration – this support and collaborative approach allow for the provision of the best support and services for the benefit of the community.

John Nuttall
Chief Executive Officer

Annual Financial Report



SHIRE OF MT MARSHALL

FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2021

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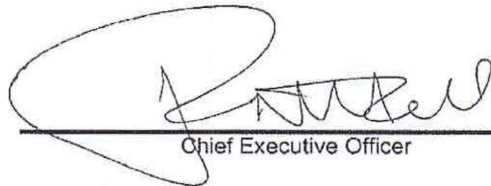
**SHIRE OF MT MARSHALL
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021**

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire of Mt Marshall 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 Mt Marshall 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 2nd day of December 2021



Chief Executive Officer

John Nuttall

Name of Chief Executive Officer



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

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
Revenue				
Rates	27(a)	1,452,598	1,474,508	1,497,428
Operating grants, subsidies and contributions	2(a)	2,724,514	1,313,668	2,891,077
Fees and charges	2(a)	727,945	526,405	498,551
Interest earnings	2(a)	33,902	44,954	70,204
Other revenue	2(a)	181,235	299,563	289,358
		5,120,194	3,659,098	5,246,618
Expenses				
Employee costs		(1,595,377)	(1,799,986)	(1,589,503)
Materials and contracts		(1,279,999)	(1,392,608)	(1,182,472)
Utility charges		(243,628)	(253,357)	(234,060)
Depreciation on non-current assets	11(d)	(3,093,486)	(2,826,170)	(2,834,573)
Interest expenses	2(b)	(41,927)	(41,993)	(43,448)
Insurance expenses		(190,786)	(184,763)	(215,788)
Other expenditure		(145,495)	(96,100)	(113,208)
		(6,590,698)	(6,594,977)	(6,213,052)
		(1,470,504)	(2,935,879)	(966,434)
Non-operating grants, subsidies and contributions	2(a)	1,795,873	2,005,996	1,544,266
Profit on asset disposals	11(a)	52,369	0	14,373
(Loss) on asset disposals	11(a)	(65,859)	(2,000)	(16,933)
Fair value adjustments to financial assets at fair value through profit or loss		2,586	0	1,153
		1,784,969	2,003,996	1,542,859
Net result for the period		314,465	(931,883)	576,425
Total other comprehensive income for the period		0	0	0
Total comprehensive income for the period		314,465	(931,883)	576,425

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



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

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
Revenue	2(a)			
Governance		28,914	34,299	33,223
General purpose funding		3,903,957	2,691,948	4,092,306
Law, order, public safety		47,474	34,845	50,448
Health		71,984	200,740	175,945
Education and welfare		119,266	106,194	101,529
Housing		145,943	123,800	127,006
Community amenities		114,858	166,419	148,362
Recreation and culture		33,677	45,928	47,427
Transport		222,974	28,800	215,790
Economic services		371,459	174,225	187,976
Other property and services		59,688	51,900	66,606
		5,120,194	3,659,098	5,246,618
Expenses	2(b)			
Governance		(360,448)	(417,708)	(382,521)
General purpose funding		(77,243)	(79,901)	(76,415)
Law, order, public safety		(202,160)	(191,911)	(186,204)
Health		(178,825)	(329,206)	(318,219)
Education and welfare		(313,798)	(369,373)	(293,045)
Housing		(312,915)	(289,845)	(257,450)
Community amenities		(262,585)	(318,312)	(265,760)
Recreation and culture		(1,204,652)	(1,210,868)	(1,074,716)
Transport		(3,080,043)	(2,828,152)	(2,818,748)
Economic services		(541,909)	(497,138)	(455,585)
Other property and services		(14,193)	(20,570)	(40,941)
		(6,548,771)	(6,552,984)	(6,169,604)
Finance Costs	2(b)			
Governance		(359)	(124)	(50)
Community amenities		(1,888)	(1,888)	(2,034)
Recreation and culture		(39,680)	(39,981)	(41,364)
		(41,927)	(41,993)	(43,448)
		(1,470,504)	(2,935,879)	(966,434)
Non-operating grants, subsidies and contributions	2(a)	1,795,873	2,005,996	1,544,266
Profit on disposal of assets	11(a)	52,369	0	14,373
(Loss) on disposal of assets	11(a)	(65,859)	(2,000)	(16,933)
Fair value adjustments to financial assets at fair value through profit or loss		2,586	0	1,153
		1,784,969	2,003,996	1,542,859
Net result for the period		314,465	(931,883)	576,425
Total other comprehensive income for the period		0	0	0
Total comprehensive income for the period		314,465	(931,883)	576,425

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



SHIRE OF MT MARSHALL
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	NOTE	2021 \$	2020 \$
CURRENT ASSETS			
Cash and cash equivalents	3	2,627,918	3,595,948
Trade and other receivables	6	219,496	188,186
Other financial assets	5(a)	9,894	9,524
Inventories	7	5,582	14,385
Contract assets	2(a)	155,001	0
Other assets	8	14,551	5,476
TOTAL CURRENT ASSETS		3,032,442	3,813,519
NON-CURRENT ASSETS			
Trade and other receivables	6	1,737	1,078
Other financial assets	5(b)	277,903	285,211
Property, plant and equipment	9	19,250,639	19,480,669
Infrastructure	10	91,536,262	90,217,920
Right-of-use assets	12(a)	130,861	148,098
TOTAL NON-CURRENT ASSETS		111,197,402	110,132,976
TOTAL ASSETS		114,229,844	113,946,495
CURRENT LIABILITIES			
Trade and other payables	14	531,812	455,245
Other liabilities	15	17,418	5,129
Lease liabilities	16(a)	10,932	10,533
Borrowings	17(a)	46,458	44,720
Employee related provisions	18	207,109	249,325
TOTAL CURRENT LIABILITIES		813,729	764,952
NON-CURRENT LIABILITIES			
Lease liabilities	16(a)	76,089	87,021
Borrowings	17(a)	958,353	1,004,811
Employee related provisions	18	15,617	38,120
Other provisions	19	52,530	52,530
TOTAL NON-CURRENT LIABILITIES		1,102,589	1,182,482
TOTAL LIABILITIES		1,916,318	1,947,434
NET ASSETS		112,313,526	111,999,061
EQUITY			
Retained surplus		83,249,236	82,120,454
Reserves - cash backed	4	644,246	1,458,563
Revaluation surplus	13	28,420,044	28,420,044
TOTAL EQUITY		112,313,526	111,999,061

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



**SHIRE OF MT MARSHALL
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021**

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2019		80,639,457	2,363,135	28,420,044	111,422,636
Comprehensive income					
Net result for the period		576,425	0	0	576,425
Total comprehensive income		576,425	0	0	576,425
Transfers from reserves	4	940,688	(940,688)	0	0
Transfers to reserves	4	(36,116)	36,116	0	0
Balance as at 30 June 2020		82,120,454	1,458,563	28,420,044	111,999,061
Comprehensive income					
Net result for the period		314,465	0	0	314,465
Total comprehensive income		314,465	0	0	314,465
Transfers from reserves	4	819,996	(819,996)	0	0
Transfers to reserves	4	(5,679)	5,679	0	0
Balance as at 30 June 2021		83,249,236	644,246	28,420,044	112,313,526

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

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

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		1,469,772	1,494,508	1,453,499
Operating grants, subsidies and contributions		2,758,503	1,312,994	2,997,194
Fees and charges		727,945	526,405	498,551
Interest received		33,902	44,954	70,204
Goods and services tax received		148,372	438,390	438,390
Other revenue		181,235	299,563	289,358
		5,319,729	4,116,814	5,747,196
Payments				
Employee costs		(1,678,341)	(1,799,986)	(1,507,064)
Materials and contracts		(1,200,609)	(805,538)	(1,584,086)
Utility charges		(243,628)	(253,357)	(234,060)
Interest expenses		(42,229)	(41,993)	(43,448)
Insurance paid		(190,786)	(184,763)	(215,788)
Goods and services tax paid		(208,982)	(438,390)	(425,167)
Other expenditure		(145,495)	(96,100)	(113,208)
		(3,710,070)	(3,620,127)	(4,122,821)
Net cash provided by (used in) operating activities	20	1,609,659	496,687	1,624,375
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	9(a)	(2,342,282)	(3,301,696)	(1,381,031)
Payments for construction of infrastructure	10(a)	(2,139,687)	(1,987,211)	(2,659,859)
Non-operating grants, subsidies and contributions	20	1,646,091	2,005,996	1,544,266
Proceeds from financial assets at amortised cost - self supporting loans		9,524	9,524	9,167
Proceeds from sale of property, plant & equipment	11(a)	303,918	383,000	190,053
Net cash provided by (used in) investment activities		(2,522,436)	(2,890,387)	(2,297,404)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	17(b)	(44,720)	(44,720)	(43,047)
Payments for principal portion of lease liabilities	16(b)	(10,533)	(10,532)	(8,698)
Proceeds from new borrowings	17(b)	0	450,000	0
Net cash provided by (used in) financing activities		(55,253)	394,748	(51,745)
Net increase (decrease) in cash held		(968,030)	(1,998,952)	(724,774)
Cash at beginning of year		3,595,948	3,582,256	4,320,722
Cash and cash equivalents at the end of the year	20	2,627,918	1,583,304	3,595,948

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

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

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)	28 (b)	1,735,348	1,795,546	1,295,961
		1,735,348	1,795,546	1,295,961
Revenue from operating activities (excluding rates)				
Governance		51,286	34,299	43,566
General purpose funding		2,505,837	1,270,089	2,647,062
Law, order, public safety		47,474	34,845	50,448
Health		71,984	200,740	175,945
Education and welfare		119,266	106,194	101,529
Housing		145,943	123,800	127,006
Community amenities		114,858	166,419	148,362
Recreation and culture		33,677	45,928	47,427
Transport		255,557	28,800	220,973
Economic services		371,459	174,225	187,976
Other property and services		59,688	51,900	66,606
		3,777,029	2,237,239	3,816,900
Expenditure from operating activities				
Governance		(360,807)	(419,832)	(383,583)
General purpose funding		(77,243)	(79,901)	(76,415)
Law, order, public safety		(202,160)	(191,911)	(186,204)
Health		(219,457)	(329,206)	(321,026)
Education and welfare		(313,798)	(369,373)	(300,867)
Housing		(312,915)	(289,845)	(257,450)
Community amenities		(264,473)	(320,200)	(267,794)
Recreation and culture		(1,244,332)	(1,250,849)	(1,116,080)
Transport		(3,105,270)	(2,828,152)	(2,824,040)
Economic services		(541,909)	(497,138)	(455,585)
Other property and services		(14,193)	(20,570)	(40,941)
		(6,656,557)	(6,596,977)	(6,229,985)
Non-cash amounts excluded from operating activities	28(a)	3,081,665	2,828,917	2,851,805
Amount attributable to operating activities		1,937,485	264,725	1,734,681
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	2(a)	1,795,873	2,005,996	1,544,266
Proceeds from disposal of assets	11(a)	303,918	383,000	190,053
Proceeds from financial assets at amortised cost - self supporting loans		9,524	9,524	9,167
Purchase of property, plant and equipment	9(a)	(2,342,282)	(3,301,696)	(1,381,031)
Purchase and construction of infrastructure	10(a)	(2,139,687)	(1,987,211)	(2,659,859)
		(2,372,654)	(2,890,387)	(2,297,404)
Amount attributable to investing activities		(2,372,654)	(2,890,387)	(2,297,404)
FINANCING ACTIVITIES				
Repayment of borrowings	17(b)	(44,720)	(44,720)	(43,047)
Proceeds from borrowings	17(c)	0	450,000	0
Payments for principal portion of lease liabilities	16(b)	(10,533)	(10,532)	(8,698)
Transfers to reserves (restricted assets)	4	(5,679)	(10,941)	(36,116)
Transfers from reserves (restricted assets)	4	819,996	819,996	940,688
Amount attributable to financing activities		759,064	1,203,803	852,827
Surplus/(deficit) before imposition of general rates		323,895	(1,421,859)	290,104
Total amount raised from general rates	27(a)	1,398,120	1,421,859	1,445,244
Surplus/(deficit) after imposition of general rates	28(b)	1,722,015	0	1,735,348

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

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

2. REVENUE AND EXPENSES

(a) Grant revenue

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

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Operating grants, subsidies and contributions			
Governance	1,000	2,000	1,459
General purpose funding	2,411,244	1,170,000	2,521,430
Law, order, public safety	44,481	32,345	47,975
Education and welfare	41,194	41,194	40,517
Housing	0	2,500	0
Community amenities	6,184	39,674	27,960
Recreation and culture	3,500	0	0
Transport	216,457	25,000	211,659
Economic services	454	955	0
Other property and services	0	0	40,077
	2,724,514	1,313,668	2,891,077
Non-operating grants, subsidies and contributions			
Law, order, public safety	11,666	0	0
Community amenities	4,000	0	0
Recreation and culture	515,161	670,161	366,481
Transport	1,265,046	1,315,835	1,177,785
Economic services	0	20,000	0
	1,795,873	2,005,996	1,544,266
Total grants, subsidies and contributions	4,520,387	3,319,664	4,435,343
Fees and charges			
Governance	1,252	1,500	1,566
General purpose funding	1,836	1,500	1,548
Law, order, public safety	2,371	2,000	2,154
Health	16,430	8,840	8,974
Education and welfare	78,073	65,000	61,012
Housing	137,942	121,300	120,894
Community amenities	108,675	125,245	120,402
Recreation and culture	14,606	18,750	8,374
Economic services	365,337	173,270	171,293
Other property and services	1,423	9,000	2,334
	727,945	526,405	498,551

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 MT MARSHALL
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	92,579	111,213	117,911
Fees and charges	717,958	524,905	496,057
Other revenue	49,053	46,199	7,773
Non-operating grants, subsidies and contributions	1,795,873	2,005,996	1,544,266
	2,655,463	2,688,313	2,166,007

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	5,129	0	28,634
Revenue from contracts with customers recognised during the year	854,461	682,317	593,107
Revenue from transfers intended for acquiring or constructing recognisable non financial assets during the year	1,795,873	2,005,996	1,544,266
	2,655,463	2,688,313	2,166,007

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	14,342		39,248
Contract assets	155,001		0
Contract liabilities from contracts with customers	(12,199)		(5,129)
Financial assets held from transfers for recognisable financial assets	5,219		0
Grant liabilities from transfers for recognisable non financial assets	(5,219)		0

Contract assets primarily relate to the Shire's right to consideration for work completed but not billed at 30 June 2021.

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 MT MARSHALL
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
 Fines

Other revenue

Reimbursements and recoveries
 Sale of inventory
 Other

Interest earnings

Financial assets at amortised cost - self supporting loans
 Interest on reserve funds
 Rates instalment and penalty interest (refer Note 27(d))
 Other interest earnings

	2021 Actual \$	2021 Budget \$	2020 Actual \$
	1,398,120	1,421,859	1,445,244
	37,706	35,449	35,412
	9,775	1,500	2,290
	212	0	204
	1,445,813	1,458,808	1,483,150
	132,182	253,364	281,585
	545	500	0
	48,508	45,699	7,773
	181,235	299,563	289,358
	8,450	8,515	8,809
	5,678	10,939	36,116
	12,898	13,600	13,427
	6,876	11,900	11,852
	33,902	44,954	70,204

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

2. REVENUE AND EXPENSES (Continued)

(b) Expenses

Note	2021 Actual \$	2021 Budget \$	2020 Actual \$
Auditors remuneration			
Office Of The Auditor General			
- Audit of the Annual Financial Report	46,500	40,000	45,620
- Other services	1,800	0	0
Moore Australia (WA) Pty Ltd			
- Other services	0	0	1,550
	48,300	40,000	47,170
Interest expenses (finance costs)			
Borrowings	39,680	39,981	41,364
Lease liabilities	2,247	2,012	2,084
	41,927	41,993	43,448
Other expenditure			
Impairment loss on trade and other receivables	2,013	0	815
Sundry expenses	143,482	96,100	112,393
	145,495	96,100	113,208

SHIRE OF MT MARSHALL
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
Service charges	Charge for specific service	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
Memberships	Gym and pool membership	Over time	Payment in full in advance	Refund for unused portion on application	Adopted by council annually	Apportioned equally across the access period	Returns limited to repayment of transaction price	Output method Over 12 months matched to access right
Fees and charges for other goods and services	Cemetery services, library fees, reinstatements and private works	Single point in time	Payment in full in advance	None	Adopted by council annually	Applied fully based on timing of provision	Not applicable	Output method based on provision of service or completion of works
Sale of stock	History book	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
Commissions	Commissions on licencing and ticket sales	Over time	Payment in full on sale	None	Set by mutual agreement with the customer	On receipt of funds	Not applicable	When assets are controlled
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 MT MARSHALL
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	1,983,672	2,137,385
Term deposits	644,246	1,458,563
Total cash and cash equivalents	2,627,918	3,595,948
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	675,569	1,477,385
	675,569	1,477,385

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

Reserves - cash backed	4	644,246	1,458,563
Contract liabilities from contracts with customers	15	12,199	5,129
Grants for transfers for recognisable non financial assets	15	5,219	0
Bonds and deposits held	14	13,905	13,693
Total restricted assets		675,569	1,477,385

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

4. RESERVES - CASH BACKED

	2021				2021				2021				2020			
	Actual	Transfer to	Actual	Transfer (from)	Actual	Closing Balance			Budget	Transfer to	Budget	Transfer (from)	Actual	Transfer to	Actual	Closing Balance
	Opening Balance		Actual		Actual				Opening Balance		Budget		Actual		Actual	
	\$	\$	\$	\$	\$	\$			\$	\$	\$	\$	\$	\$	\$	\$
(a) Employee entitlements	99,615	437	0	0	100,052				99,615	747	0	0	100,362	1,604	0	99,615
(b) Plant Replacement	353,280	1,293	(107,400)		247,173				353,280	2,650	(107,400)		248,530	6,067	(73,284)	353,280
(c) Aged Care Units	45,170	198	0	0	45,368				45,170	339	0	0	45,509	727	0	45,170
(d) Housing	8,532	37	0	0	8,569				8,532	64	0	0	8,596	5,394	(400,000)	8,532
(e) Public Amenities & Buildings	161,939	709	0	0	162,648				161,939	1,215	0	0	163,154	2,866	(50,000)	161,939
(f) Mt Marshall Aquatic Centre Development	674,642	2,594	(672,596)		4,640				674,642	5,060	(672,596)		7,106	17,598	(417,404)	674,642
(g) Community Bus	20,468	89	0	0	20,557				20,468	154	0	0	20,622	330	0	20,468
(h) Bencubbin Recreation Complex	4,252	19	0	0	4,271				4,252	32	0	0	4,284	70	0	4,252
(i) Economic Development	78,720	251	(40,000)		38,971				78,720	590	(40,000)		39,310	1,269	0	78,720
(j) Beacon Accommodation	3,703	16	0	0	3,719				3,703	28	0	0	3,731	59	0	3,703
(k) Medical Enhancement	7,946	35	0	0	7,981				7,946	60	0	0	8,006	128	0	7,946
(l) Bencubbin Community Resource Centre	296	1	0	0	297				296	2	0	0	298	292	0	296
	1,458,563	5,679	(819,996)		644,246				1,458,563	10,941	(819,996)		649,508	36,116	(940,688)	1,458,563

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

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

Name of Reserve	Anticipated date of use	Purpose of the reserve
(a) Employee entitlements	Ongoing	to fund Long Service Leave required/other accrued leave.
(b) Plant Replacement	Ongoing	to fund the purchase of road construction plant, so as to avoid undue heavy burden in a single year.
(c) Aged Care Units	Ongoing	to fund capital works on existing Aged Care Units or construction of new Aged Care Units.
(d) Housing	Ongoing	to fund the replacement of housing and any major maintenance.
(e) Public Amenities & Buildings	Ongoing	to help fund future building maintenance requirements to the shire's buildings.
(f) Mt Marshall Aquatic Centre Development	June 2022	to finance future capital and maintenance upgrades for the Bencubbin Aquatic centre.
(g) Community Bus	Ongoing	to finance the replacement of the community bus.
(h) Bencubbin Recreation Complex	Ongoing	to provide funding for future extensions to the Bencubbin Complex.
(i) Economic Development	Ongoing	to set aside funds for Economic Development initiatives.
(j) Beacon Accommodation	Ongoing	to set aside funds for reconstruction or major maintenance on the Beacon Barracks.
(k) Medical Enhancement	Ongoing	to be used for projects that may arise through the NEWROC Health Strategy.
(l) Bencubbin Community Resource Centre	Ongoing	to be used for refurbishment of the Bencubbin Community Resource Centre.

5. OTHER FINANCIAL ASSETS

(a) Current assets

Financial assets at amortised cost

Other financial assets at amortised cost

Self supporting loans

(b) Non-current assets

Financial assets at amortised cost

Financial assets at fair value through profit and loss

Financial assets at amortised cost

Self supporting loans

Financial assets at fair value through profit and loss

Units in Local Government House Trust

	2021	2020
	\$	\$
Financial assets at amortised cost	9,894	9,524
	9,894	9,524
Other financial assets at amortised cost		
Self supporting loans	9,894	9,524
	9,894	9,524
Financial assets at amortised cost	204,096	213,990
Financial assets at fair value through profit and loss	73,807	71,221
	277,903	285,211
Financial assets at fair value through profit and loss		
Units in Local Government House Trust	204,096	213,990
	204,096	213,990
Financial assets at fair value through profit and loss		
Units in Local Government House Trust	73,807	71,221
	73,807	71,221

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

SIGNIFICANT ACCOUNTING POLICIES

Other financial assets at amortised cost

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

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

Financial assets at fair value through profit and loss

The Shire classifies the following 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 29.

6. TRADE AND OTHER RECEIVABLES

Current

Rates receivable	
Trade and other receivables	
GST receivable	
Allowance for impairment of receivables	

Non-current

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

2021	2020
\$	\$
121,511	123,892
14,342	39,248
86,471	25,861
(2,828)	(815)
219,496	188,186
1,737	1,078
1,737	1,078

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 29.

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

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
	\$	\$
	5,582	14,385
	5,582	14,385
	14,385	11,396
	(8,803)	0
	0	2,989
	5,582	14,385

SIGNIFICANT ACCOUNTING POLICIES

General

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

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

8. OTHER ASSETS

Other assets - current

Prepayments
Accrued income

2021	2020
\$	\$
9,407	295
5,144	5,181
14,551	5,476

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.

	Buildings - non-specialised		Buildings - specialised		Total land and buildings		Furniture and equipment		Plant and equipment		Motor vehicles		Total property, plant and equipment	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2019	736,489	2,319,654	12,439,534	15,495,677	15,438	3,244,202	431,462	19,186,779						
Additions	0	551,549	149,750	701,299	0	439,417	240,315	1,381,031						
(Disposals)	0	0	0	0	0	(22,920)	(169,693)	(192,613)						
Depreciation (expense)	0	(98,057)	(362,190)	(460,247)	(3,859)	(373,046)	(57,376)	(894,528)						
Balance at 30 June 2020	736,489	2,773,146	12,227,094	15,736,729	11,579	3,287,653	444,708	19,480,669						
Comprises:														
Gross balance amount at 30 June 2020	736,489	3,042,271	13,211,364	16,990,124	186,861	4,216,507	531,427	21,924,919						
Accumulated depreciation at 30 June 2020	0	(269,125)	(984,270)	(1,253,395)	(175,282)	(928,854)	(86,719)	(2,444,250)						
Balance at 30 June 2020	736,489	2,773,146	12,227,094	15,736,729	11,579	3,287,653	444,708	19,480,669						
Additions	0	1,864,112	0	1,864,112	0	249,155	229,015	2,342,282						
(Disposals)	0	0	0	0	0	(111,856)	(205,552)	(317,408)						
Depreciation (expense)	0	(115,530)	(369,700)	(485,230)	(3,860)	(465,615)	(52,096)	(1,006,801)						
Transfers	0	(1,713,394)	465,291	(1,248,103)	0	0	0	(1,248,103)						
Balance at 30 June 2021	736,489	2,808,334	12,322,685	15,867,508	7,719	2,959,337	416,075	19,250,639						
Comprises:														
Gross balance amount at 30 June 2021	736,489	3,192,989	13,676,656	17,606,134	186,861	4,269,662	491,680	22,554,337						
Accumulated depreciation at 30 June 2021	0	(384,655)	(1,353,971)	(1,738,626)	(179,142)	(1,310,325)	(75,605)	(3,303,698)						
Balance at 30 June 2021	736,489	2,808,334	12,322,685	15,867,508	7,719	2,959,337	416,075	19,250,639						

9. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Value Measurements

(i) Fair Value		Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Land and buildings							
30	Land - freehold land		2	Market approach using recent observable market data for similar properties	Independent registered valuers	June 2017	Price per hectare
	Land - freehold land		3	Improvements to land valued using cost approach using depreciated replacement cost	Independent registered valuers	June 2017	Improvements to land using construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
	Buildings - non-specialised		2	Market approach using recent observable market data for similar properties	Independent registered valuers	June 2017	Price per square metre
	Buildings - specialised		3	Improvements to land valued using cost approach using depreciated replacement cost	Independent registered valuers	June 2017	Improvements to buildings using construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs

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

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

(ii) Cost

Furniture and equipment

Cost	Cost	Purchase Cost
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Plant and equipment

Cost	Cost	Purchase Cost
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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 MT MARSHALL
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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 - footpaths	Infrastructure - parks and ovals	Infrastructure - playground equipment	Infrastructure - airports	Infrastructure - other	Total Infrastructure
	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2019	84,192,050	857,001	396,907	120,354	1,047,384	2,873,726	89,487,422
Additions	1,827,627	13,613	0	0	19,978	798,641	2,659,859
Depreciation (expense)	(1,702,011)	(21,607)	(63,470)	(5,149)	(20,070)	(117,054)	(1,929,361)
Balance at 30 June 2020	84,317,666	849,007	333,437	115,205	1,047,292	3,555,313	90,217,920
Comprises:							
Gross balance at 30 June 2020	118,705,143	1,213,551	945,450	190,934	1,073,096	6,558,121	128,686,295
Accumulated depreciation at 30 June 2020	(34,387,477)	(364,544)	(612,013)	(75,729)	(25,804)	(3,002,808)	(38,468,375)
Balance at 30 June 2020	84,317,666	849,007	333,437	115,205	1,047,292	3,555,313	90,217,920
31							
Additions	1,898,893	20,160	200,853	0	19,781	0	2,139,687
Depreciation (expense)	(1,824,305)	(21,891)	(63,470)	(5,149)	(20,868)	(133,765)	(2,069,448)
Transfers	0	0	0	0	0	1,248,103	1,248,103
Balance at 30 June 2021	84,392,254	847,276	470,820	110,056	1,046,205	4,669,651	91,536,262
Comprises:							
Gross balance at 30 June 2021	120,604,036	1,233,711	1,146,304	190,934	1,092,878	7,806,224	132,074,087
Accumulated depreciation at 30 June 2021	(36,211,782)	(386,435)	(675,484)	(80,878)	(46,673)	(3,136,573)	(40,537,825)
Balance at 30 June 2021	84,392,254	847,276	470,820	110,056	1,046,205	4,669,651	91,536,262

SHIRE OF MT MARSHALL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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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 cost	Management valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - footpaths		3	Cost approach using depreciated replacement cost	Management valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - parks and ovals		3	Cost approach using depreciated replacement cost	Management valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - playground equipment		3	Cost approach using depreciated replacement cost	Management valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - airports		3	Cost approach using depreciated replacement cost	Management valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - other		3	Cost approach using depreciated replacement cost	Management valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs

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

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

11. FIXED ASSETS

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

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

Initial recognition and measurement between mandatory revaluation dates

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

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

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

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

Revaluation

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

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

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

AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY

Land under control prior to 1 July 2019

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

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

Land under roads prior to 1 July 2019

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

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

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

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

Land under roads from 1 July 2019

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

Vested improvements from 1 July 2019

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

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

SHIRE OF MT MARSHALL
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 Profit	2021 Budget Loss	2020 Actual Net Book Value	2020 Actual Sale Proceeds	2020 Actual Profit	2020 Actual Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Plant and equipment	111,856	127,037	28,513	(13,332)	240,000	240,000	0	0	22,920	26,099	5,183	(2,004)
Motor vehicles	205,552	176,881	23,856	(52,527)	145,000	143,000	0	(2,000)	169,693	163,954	9,190	(14,929)
	317,408	303,918	52,369	(65,859)	385,000	383,000	0	(2,000)	192,613	190,053	14,373	(16,933)

The following assets were disposed of during the year.

	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss
	\$	\$	\$	\$
Plant and Equipment				
Transport				
Volvo L90F Wheel Loader With Rhino Buckets And H/D Scrub Grapple	85,124	113,636	28,513	0
2004 Hino Ranger Primemover	26,733	13,400	0	(13,332)
	111,856	127,037	28,513	(13,332)
Motor Vehicles				
Governance				
Toyota Prado 2019	50,727	51,364	637	0
2019 Toyota Landcruiser 200 GLX	55,396	74,545	19,149	0
Health				
New Health Toyota Fortuner 2019	40,632	0	0	(40,632)
Transport				
2014 Mitsubishi Triton Utility With Tipping Tray (Bencubbin P & G) Mm286	11,539	15,609	4,071	0
2013 Mitsubishi Triton GLX 4X2	10,407	7,273	0	(3,134)
Mitsubishi Mn Triton 4X2X GL	11,065	8,182	0	(2,883)
Mitsubishi Triton GLX 4X2 Diesel	16,106	10,909	0	(5,197)
Suzuki APV - Cleaner	9,681	9,000	0	(681)
	205,551	176,882	23,857	(52,526)
	317,408	303,918	52,369	(65,859)

(b) Fully Depreciated Assets in Use

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

	2021	2020
	\$	\$
Furniture and equipment	148,268	148,268
	148,268	148,268

(c) Temporarily Idle Assets

The carrying value of assets held by the Shire which are temporarily idle or retired from active use and not classified as held for sale are shown in the table below.

	2021	2020
	\$	\$
Furniture and equipment	14,999	14,999
	14,999	14,999

SHIRE OF MT MARSHALL
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11. FIXED ASSETS

(d) Depreciation

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Buildings - non-specialised	115,530	97,887	98,057
Buildings - specialised	369,700	361,560	362,190
Furniture and equipment	3,860	3,852	3,859
Plant and equipment	465,615	372,398	373,046
Motor vehicles	52,096	57,277	57,376
Infrastructure - roads	1,824,305	1,699,053	1,702,011
Infrastructure - footpaths	21,891	21,569	21,607
Infrastructure - parks and ovals	63,470	63,360	63,470
Infrastructure - playground equipment	5,149	5,140	5,149
Infrastructure - airports	20,868	20,035	20,070
Infrastructure - other	133,765	116,850	117,054
Right-of-use assets - land	14,972	6,433	9,927
Right-of-use assets - furniture and equipment	2,265	756	757
	3,093,486	2,826,170	2,834,573

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	3 to 50 years
Furniture and equipment	4 to 10 years
Plant and equipment	4 to 15 years
Sealed roads and streets formation	not depreciated
pavement	50 to 60 years
seal	
- bituminous seals	20 years
- asphalt surfaces	25 years
Gravel roads formation	not depreciated
pavement	40 years
Road signs	15 years
Footpaths - slab	56 years
Sewerage piping	100 to 110 years
Water supply piping and drainage systems	20 to 120 years
Right of use (land)	Based on the remaining lease
Right of use (furniture and equipment)	Based on the remaining lease

Depreciation on revaluation

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

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

12. LEASES

(a) Right-of-Use Assets

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

	Right-of-use assets - land	Right-of-use assets - furniture and equipment	Right-of-use assets - Total
	\$	\$	
Balance at 1 July 2019	97,190	9,062	106,252
Additions	52,530	0	52,530
Depreciation (expense)	(9,927)	(757)	(10,684)
Balance at 30 June 2020	139,793	8,305	148,098
Depreciation (expense)	(14,972)	(2,265)	(17,237)
Balance at 30 June 2021	124,821	6,040	130,861

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

	2021 Actual	2020 Actual
	\$	\$
Depreciation expense on lease liabilities	(17,237)	(10,684)
Interest expense on lease liabilities	(2,247)	(2,084)
Total amount recognised in the statement of comprehensive income	(19,484)	(12,768)
Total cash outflow from leases	(12,780)	(10,782)

The Shire has 2 leases relating to landfill sites. The lease term for both leases is 5 years with an option of an additional 5 years.

The Shire has a lease relating to a photocopier. The lease term for this lease is 4 years.

The Shire has recognised a provision for the rehabilitation of the 2 landfill sites as part of the right of use assets. The right of use assets relating the rehabilitation of the landfill sites will be depreciated over a 10 year period, similar to the treatment for the right of use assets relating to the leases recognised above.

The measurement of lease liabilities does not include any future cash outflows associated with leases not yet commenced to which the Shire is committed.

SIGNIFICANT ACCOUNTING POLICIES

Leases

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

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

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

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

Right-of-use assets - valuation

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

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

Right-of-use assets - depreciation

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

12. LEASES (CONTINUED)

(b) Property, Plant and Equipment Subject to Lease

The table below represents a maturity analysis of the undiscounted lease payments to be received after the reporting date.

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Less than 1 year	32,254	0	46,396
1 to 2 years	17,512	0	24,699
2 to 3 years	15,012	0	17,512
3 to 4 years	6,969	0	15,012
4 to 5 years	4,056	0	6,969
> 5 years	9,443	0	13,499
	85,246	0	124,087

SIGNIFICANT ACCOUNTING POLICIES

The Shire as Lessor

Upon entering into each contract as a lessor, the Shire assesses if the lease is a finance or operating lease.

The contract is classified as a finance lease when the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases not within this definition are classified as operating leases. Rental income received from operating leases is recognised on a straight-line basis over the term of the specific lease.

Initial direct costs incurred in entering into an operating lease (eg legal cost, cost to setup) are included in the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

When a contract is determined to include lease and non-lease components, the Entity applies AASB 15 to allocate the consideration under the contract to each component.

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13. REVALUATION SURPLUS

	2021 Opening Balance	2021 Change in Accounting Policy	2021 Revaluation Increment	2021 Revaluation (Decrement)	2021 Total Movement on Revaluation	2021 Closing Balance	2020 Opening Balance	2020 Change in Accounting Policy	2020 Revaluation Increment	2020 Revaluation (Decrement)	2020 Total Movement on Revaluation	2020 Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land and Buildings	6,412,600	0	0	0	0	6,412,600	6,784,657	(372,057)	0	0	0	6,412,600
Revaluation surplus - Infrastructure - roads	18,941,495	0	0	0	0	18,941,495	18,941,495	0	0	0	0	18,941,495
Revaluation surplus - Infrastructure - footpaths	431,791	0	0	0	0	431,791	431,791	0	0	0	0	431,791
Revaluation surplus - Infrastructure - parks and ovals	369,597	0	0	0	0	369,597	369,597	0	0	0	0	369,597
Revaluation surplus - Infrastructure - playground equipment	141,311	0	0	0	0	141,311	141,311	0	0	0	0	141,311
Revaluation surplus - Infrastructure - airports	692,373	0	0	0	0	692,373	692,373	0	0	0	0	692,373
Revaluation surplus - Infrastructure - other	1,430,877	0	0	0	0	1,430,877	1,430,877	0	0	0	0	1,430,877
	28,420,044	0	0	0	0	28,420,044	28,792,101	(372,057)	0	0	0	28,420,044

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.

14. TRADE AND OTHER PAYABLES

Current

Sundry creditors
Prepaid rates
Accrued salaries and wages
ATO liabilities
Bonds and deposits held
Accrued interest
Accrued expenses

2021	2020
\$	\$
412,181	293,644
24,304	8,852
(616)	54,010
75,274	38,893
13,905	13,693
6,764	7,066
0	39,087
531,812	455,245

SIGNIFICANT ACCOUNTING POLICIES

Trade and other payables

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

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

Prepaid rates

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

15. OTHER LIABILITIES

Current

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

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

Less than 1 year

2021	2020
\$	\$
12,199	5,129
5,219	0
17,418	5,129

Contract liabilities	Liabilities under transfers to acquire or construct non-financial assets to be controlled by the entity
\$	\$
12,199	5,219
12,199	5,219

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.

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16. LEASE LIABILITIES

(a) Lease Liabilities

	2021	2020
	\$	\$
Current	10,932	10,533
Non-current	76,089	87,021
	87,021	97,554

(b) Movements in Carrying Amounts

Purpose	Lease Number	Institution	Lease Interest Rate	Lease Term	Actual Lease Principal 1 July 2020	30 June 2021 Actual Lease Principal Repayments	30 June 2021 Actual Lease Principal Outstanding	30 June 2021 Budget Lease Principal Repayments	30 June 2021 Budget Lease Principal Outstanding	30 June 2021 Budget Lease Interest Repayments	Actual Lease Principal 1 July 2019	30 June 2020 Actual New Leases	30 June 2020 Actual Lease Repayments	30 June 2020 Actual Lease Principal Outstanding	30 June 2020 Actual Lease Interest Repayments
Governance															
Fuji Xerox Documente	1	BOQ Finance	1.70%	4 years	8,330	(2,221)	6,109	(2,221)	6,109	(124)	0	9,062	(732)	8,330	(50)
Community amenities															
Bencubbin Landfill Site	2	Paul Anthony Sak	2.00%	10 years	44,612	(4,156)	40,456	(4,156)	40,456	(944)	0	48,595	(3,983)	44,612	(1,017)
Beacon Landfill Site	3	Faulkner Holding	2.00%	10 years	44,612	(4,156)	40,456	(4,156)	40,456	(944)	0	48,595	(3,983)	44,612	(1,017)
					97,554	(10,533)	87,021	(10,533)	87,021	(2,012)	0	106,252	(8,696)	97,554	(2,084)

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17. INFORMATION ON BORROWINGS

(a) Borrowings		2021	2020															
		\$	\$															
Current		46,458	44,720															
Non-current		958,353	1,004,811															
		1,004,811	1,049,531															
(b) Repayments - Borrowings																		
Particulars	Loan Number	Institution	Interest Rate	30 June 2021			30 June 2021			30 June 2021			30 June 2021			30 June 2020		
				Actual Principal 1 July 2020	Actual repayments	Actual Interest	Budget Principal	Budget repayments	Budget Interest	Budget New Loans	Budget Principal	Budget repayments	Budget Interest	Budget Principal outstanding	Actual Principal 1 July 2019	Actual repayments	Actual Interest	Actual Principal outstanding
Housing				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$		
Staff Housing	124	WATC*	1.70%	0	0	0	0	0	410,000	0	0	410,000	0	0	0	0		
Recreation and culture	120	WATC*	3.85%	386,768	(16,480)	(14,623)	370,288	(14,733)	(16,733)	0	370,288	402,632	(15,864)	(15,243)	386,768			
	121	WATC*	3.85%	439,249	(18,716)	(16,607)	420,533	(18,716)	(16,733)	0	420,533	457,265	(18,016)	(17,312)	439,249			
	123	WATC*	1.70%	0	0	0	0	0	0	40,000	40,000	0	0	0	0			
				826,017	(35,196)	(31,230)	790,821	(35,196)	(31,466)	450,000	1,240,821	859,897	(33,880)	(32,555)	826,017			
Self Supporting Loans																		
Recreation and culture	122	WATC*	3.85%	223,514	(9,524)	(8,450)	213,990	(9,524)	(8,515)	0	213,990	232,681	(9,167)	(8,809)	223,514			
				223,514	(9,524)	(8,450)	213,990	(9,524)	(8,515)	0	213,990	232,681	(9,167)	(8,809)	223,514			
				1,049,531	(44,720)	(39,680)	1,004,811	(44,720)	(39,981)	450,000	1,454,811	1,092,578	(43,047)	(41,364)	1,049,531			
42																		
* WA Treasury Corporation																		

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

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17. INFORMATION ON BORROWINGS (Continued)

	2021	2020
	\$	\$
(c) Undrawn Borrowing Facilities		
Credit Standby Arrangements		
Credit card limit	20,000	20,000
Credit card balance at balance date	(1,929)	(1,815)
Total amount of credit unused	18,071	18,185
 Loan facilities		
Loan facilities - current	46,458	44,720
Loan facilities - non-current	958,353	1,004,811
Lease liabilities - current	10,932	10,533
Lease liabilities - non-current	76,089	87,021
Total facilities in use at balance date	1,091,832	1,147,085

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 29.

18. 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	135,494	113,831	249,325
Non-current provisions	0	38,120	38,120
	135,494	151,951	287,445
Additional provision	137,105	29,742	166,847
Amounts used	(184,183)	(47,383)	(231,566)
Balance at 30 June 2021	88,416	134,310	222,726
Comprises			
Current	88,416	118,693	207,109
Non-current	0	15,617	15,617
	88,416	134,310	222,726

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	85,443	111,515
More than 12 months from reporting date	122,050	160,697
Expected reimbursements from other WA local governments	15,233	15,233
	222,726	287,445

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.

19. OTHER PROVISIONS

	Provision for remediation costs	Total
	\$	\$
Opening balance at 1 July 2020		
Non-current provisions	52,530	52,530
Balance at 30 June 2021	52,530	52,530
Comprises		
Non-current	52,530	52,530
	52,530	52,530

Provision for remediation costs

Under the licence for the operation of the Bencubbin and Beacon landfill sites, the Shire has a legal obligation to restore the sites.

A provision for remediation is recognised when:

- there is a present obligation as a result of waste activities undertaken;
- it is probable that an outflow of economic benefits will be required to settle the obligation; and
- the amount of the provision can be measured reliably.

The estimated future obligations include the costs of restoring the affected areas and continued monitoring of the site.

The provision for future remediation costs is the best estimate of the present value of the expenditure required to settle the remediation obligation at the reporting date. Future remediation costs are reviewed annually and any changes in the estimate are reflected in the present value of the remediation provision at each reporting date.

Amounts which are reliably expected to be paid out within 12 months of the reporting date are classified as current. Exact timing of payment of non-current obligations is unable to be reliably estimated as it is dependent on the remaining life of the waste facility.

20. 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	2,627,918	1,583,304	3,595,948
Reconciliation of Net Cash Provided By Operating Activities to Net Result			
Net result	314,465	(931,883)	576,425
Non-cash flows in Net result:			
Adjustments to fair value of financial assets at fair value through profit and loss	(2,586)	0	(1,153)
Depreciation on non-current assets	3,093,486	2,826,170	2,834,573
(Profit)/loss on sale of asset	13,490	2,000	2,560
Changes in assets and liabilities:			
(Increase)/decrease in receivables	(31,969)	20,000	121,643
(Increase)/decrease in other assets	(9,075)	0	(1,232)
(Increase)/decrease in inventories	8,803	2,020	(2,989)
(Increase)/decrease in contract assets	(155,001)	0	0
Increase/(decrease) in payables	76,567	585,050	(399,199)
Increase/(decrease) in employee provisions	(64,719)	0	61,518
Increase/(decrease) in other liabilities	12,289	(674)	(23,505)
Non-operating grants, subsidies and contributions	(1,646,091)	(2,005,996)	(1,544,266)
Net cash from operating activities	1,609,659	496,687	1,624,375

21. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2021	2020
	\$	\$
Governance	912,230	1,066,988
General purpose funding	123,248	124,970
Law, order, public safety	1,170,119	1,233,330
Health	91,217	117,937
Education and welfare	1,262,661	1,250,519
Housing	2,245,291	2,245,536
Community amenities	807,665	917,569
Recreation and culture	13,934,014	12,771,789
Transport	87,483,689	88,390,935
Economic services	1,426,987	1,487,189
Other property and services	2,502,656	1,966,403
Unallocated	2,270,067	2,373,330
	114,229,844	113,946,495

22. CONTINGENT ASSETS AND LIABILITIES

The Shire does not have any contingent assets or contingent liabilities to report as at 30 June 2021. (30 June 2020 Nil).

23. CAPITAL COMMITMENTS

(a) Capital Expenditure Commitments

Contracted for:

- capital expenditure projects
- plant & equipment purchases

	2021	2020
	\$	\$
	0	788,281
	0	0
	0	788,281
	0	788,281

Payable:

- not later than one year

The capital expenditure project outstanding at the end of the previous reporting period represents the upgrade of the Shire's aquatic facilities.

24. ELECTED MEMBERS REMUNERATION

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Elected member - Tony Sachse			
President's allowance	4,773	5,500	5,250
Meeting attendance fees	10,977	10,950	10,500
Annual allowance for ICT expenses	1,750	2,432	1,750
Travel and accommodation expenses	1,174	2,148	1,361
	18,674	21,030	18,861
Elected member - Nick Gillett			
Deputy President's allowance	1,312	1,500	1,312
Meeting attendance fees	3,675	3,675	3,675
Annual allowance for ICT expenses	1,750	2,428	1,750
Travel and accommodation expenses	858	2,142	652
	7,595	9,745	7,389
Elected member - Tanya Gibson			
Meeting attendance fees	3,645	3,675	2,642
Annual allowance for ICT expenses	1,735	2,428	1,258
Travel and accommodation expenses	3,048	2,142	2,847
	8,428	8,245	6,747
Elected member - Leeanne Gobbart			
Meeting attendance fees	3,675	3,675	3,675
Annual allowance for ICT expenses	1,750	2,428	1,750
Travel and accommodation expenses	516	2,142	546
	5,941	8,245	5,971
Elected member - Stuart Putt			
Meeting attendance fees	3,675	3,675	3,675
Annual allowance for ICT expenses	1,750	2,428	1,750
Travel and accommodation expenses	416	2,142	572
	5,841	8,245	5,997
Elected member - Ian Sanders			
Meeting attendance fees	3,675	3,675	3,675
Annual allowance for ICT expenses	1,750	2,428	1,750
Travel and accommodation expenses	0	2,142	159
	5,425	8,245	5,584
Elected member - Vacant/Geraghty			
Meeting attendance fees	668	3,675	4,678
Annual allowance for ICT expenses	318	2,428	2,068
Travel and accommodation expenses	0	2,142	2,056
	986	8,245	8,802
	52,890	72,000	59,351
Fees, expenses and allowances to be paid or reimbursed to elected council members.			
President's allowance	4,773	5,500	5,250
Deputy President's allowance	1,312	1,500	1,312
Meeting attendance fees	29,990	33,000	32,520
Annual allowance for ICT expenses	10,803	17,000	12,076
Travel and accommodation expenses	6,012	15,000	8,193
	52,890	72,000	59,351

25. RELATED PARTY TRANSACTIONS

Key Management Personnel (KMP) Compensation Disclosure

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

	2021 Actual	2020 Actual
	\$	\$
Short-term employee benefits	456,309	457,484
Post-employment benefits	57,062	56,123
Other long-term benefits	11,163	52,966
	<u>524,534</u>	<u>566,573</u>

Short-term employee benefits

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

Post-employment benefits

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

Other long-term benefits

These amounts represent long service benefits accruing during the year.

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25. RELATED PARTY TRANSACTIONS (Continued)

Transactions with related parties

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

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

The following transactions occurred with related parties:

	2021 Actual	2020 Actual
	\$	\$
Purchase of goods and services	10,380	0
Building maintenance contract	416,706	240,057
Lease of the rubbish tip	5,055	5,000
Amounts payable to related parties:		
Trade and other payables	6,094	12,099

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.

26. INVESTMENT IN ASSOCIATE

The Shire of Mt Marshall has 2 arrangements with the following Shires:-

NEW Health Group

The Shire of Mt Marshall is part of the NEW Health group which provides health services in the North Eastern Wheatbelt. From 1 July 2017, the Shire of Mt Marshall has managed the income and expenditure for this arrangement.

NEW Health group employs an Environmental Health/Building Surveyor to provide regulatory health and building assessment services to member shires: Wyalkatchem, Trayning, Mukinbudin, Koorda, Nungarin and Mt Marshall.

All associated expenses are attributed to member Shires on the following basis:

Wyalkatchem	18.8%
Trayning	18.8%
Mukinbudin	18.8%
Koorda	18.8%
Nungarin	6.0%
Mt Marshall	18.8%

The Shire of Mt Marshall's share of expenses in relation to this arrangement amounted to \$24,909 in 2020/21 and \$32,498 in 2019/20. This arrangement ceased on 31 December 2020.

Kununoppin Medical Practice

The Kununoppin Medical Practice employs a General Practitioner to provide medical consultation and accident and emergency services to the member shires: Mount Marshall, Trayning, Mukinbudin and Nungarin. Shire of Mt Marshall's share of expenses in relation to this arrangement amounted to \$27,144 in 2020/21 and \$41,848 in 2019/20. The Shire of Mt Marshall contribute 30% of the total expenses of the Medical Practice.

SIGNIFICANT ACCOUNTING POLICIES

An associate is an entity over which the Shire has significant influence. Significant influence is the power to participate in the financial operating policy decisions of that entity but is not control or joint control of those policies. Investments in associates are accounted for in the financial statements by applying the equity method of accounting, whereby the investments is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Shire's share of net assets of the associate. In addition, the Shire's share of the profit or loss of the associate is included in the Shire's profit or loss.

The carrying amount of the investment includes, where applicable, goodwill relating to the associate. Any discount on acquisition, whereby the Shire's share of the net fair value of the associate exceeds the cost of the investment, is recognised in profit or loss in the period in which the investment is acquired.

When the Shire's share of losses in an associate equals or exceeds its interest in the associate, the Shire discontinues recognising its share of further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate. When the associate subsequently makes profits, the Shire will resume recognising its share of those profits once its share of the profits equals the share of the losses not recognised.

SHIRE OF MT MARSHALL

27. RATING INFORMATION

(a) Rates

RATE TYPE											
Differential general rate / general rate											
Rate in \$	Number of Properties	2020/21		2020/21		2020/21		2020/21		2020/21	
		Actual Rateable Value	Actual Rate	Actual Interim Rates	Actual Back Rates	Budget Interim Rate	Budget Back Rate	Budget Total Revenue	Actual Total Revenue		
Gross rental valuations											
Residential	106	569,520	75,933	4,522	0	0	0	75,933	0	75,933	96,867
Unimproved valuations											
Rural	311	74,587,587	1,368,682	(3,585)	(23,995)	1,341,102	0	1,368,682	0	1,368,682	1,369,711
Mining	1	47,718	876	925	0	1,801	0	876	0	876	1,009
Sub-Total	418	75,204,825	1,445,491	1,862	(23,995)	1,423,358	0	1,445,491	0	1,445,491	1,467,587
Minimum payment											
Gross rental valuations											
Residential	38	28,033	15,808	0	0	15,808	0	15,808	0	15,808	17,888
Unimproved valuations											
Rural	24	164,160	9,984	0	0	9,984	0	9,984	0	9,984	9,984
Mining	11	45,907	4,576	0	0	4,576	0	4,576	0	4,576	3,744
Sub-Total	73	238,100	30,368	0	0	30,368	0	30,368	0	30,368	31,616
Discounts/concessions (Note 27(c))											
	491	75,442,925	1,475,859	1,862	(23,995)	1,453,726	0	1,475,859	0	1,475,859	1,499,203
Total amount raised from general rate											
Specified Area Rate (Note 27(b))						1,398,120				(54,000)	1,445,244
Ex-gratia rates						37,706				35,449	35,412
Totals						16,772				17,200	16,772
						1,452,598				1,474,508	1,497,420

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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27. 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 Specified Area Rate Revenue	2020/21 Total Specified Area Rate Revenue	2020/21 Budget Rate Revenue	2020/21 Budget Interim Rate Revenue	2020/21 Budget Total Revenue	2019/20 Total Actual Revenue
Bencubbin Multipurpose Complex Redevelopment												
	GRV	0.005759	482,008	2,776	0	0	0	2,776	2,776	0	2,776	2,776
	UV	0.000959	36,384,776	34,893	37	0	0	34,930	32,673	0	32,673	32,636
			36,866,784	37,669	37	0	0	37,706	35,449	0	35,449	35,412
Specified Area 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 Actual Reserve Applied to Costs	2020/21 Budget Rate Set Aside to Reserve	2020/21 Budget Rate Applied to Costs	2020/21 Budget Reserve Applied to Costs	2020/21 Budget Total Revenue	2019/20 Total Actual Revenue
				\$	\$	\$	\$	\$	\$	\$	\$	\$
				37,706	0	0	37,706	35,449	35,449	0	35,449	32,636
				37,706	0	0	37,706	35,449	35,449	0	35,449	35,412

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27. RATING INFORMATION (Continued)

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

Rates Discounts

Rate or Fee Discount Granted	Discount %	Discount \$	2021 Actual \$	2021 Budget \$	2020 Actual \$	Circumstances in which Discount is Granted
General Rates	5.00%	0	54,098	53,300	53,290	Discount applies if rates, (including arrears, waste and service charges) are paid in full within 21 days of the issue date of the rate notice.
Waivers or Concessions			54,098	53,300	53,290	

Rate or Fee and Charge to which the Waiver or Concession is Granted	Type	Discount %	Discount \$	2021 Actual \$	2021 Budget \$	2020 Actual \$
General Rates	Write off	0.00%	0	1,508	700	669
				1,508	700	669
Total discounts/concessions (Note 27(a))				55,606	54,000	53,959

Rate or Fee and Charge to which the Waiver or Concession is Granted	Circumstances in which the Waiver or Concession is Granted and to whom it was available	Objects of the Waiver or Concession	Reasons for the Waiver or Concession
General Rates	Small balances appearing on rates debtor accounts	Write off of small balances on rates debtor accounts	Difficult to recover small balances and administratively expensive

27. RATING INFORMATION (Continued)

(d) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
Option One				
Single full payment	4/09/2020	0.00	0.00%	8.00%
Option Two				
First instalment	4/09/2020	0.00	0.00%	8.00%
Second instalment	4/11/2020	12.00	5.00%	8.00%
Third instalment	4/02/2021	12.00	5.00%	8.00%
Fourth instalment	4/04/2021	12.00	5.00%	8.00%

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Interest on unpaid rates	10,069	11,600	11,086
Interest on instalment plan	2,469	2,000	2,022
Charges on instalment plan	1,836	1,500	1,548
DFES penalty interest	360	0	319
	14,734	15,100	14,975

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NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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28. RATE SETTING STATEMENT INFORMATION

		2020/21 Budget	2020/21	2019/20
	2020/21 (30 June 2021 Carried Forward)	(30 June 2021 Carried Forward)	(1 July 2020 Brought Forward)	(30 June 2020 Carried Forward)
Note	\$	\$	\$	\$
(a) Non-cash amounts excluded from operating activities				
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .				
Adjustments to operating activities				
Less: Profit on asset disposals	11(a)	(52,369)	0	(14,373)
Less: Movement in liabilities associated with restricted cash		437	747	1,604
Less: Fair value adjustments to financial assets at fair value through profit and loss		(2,586)	0	(1,153)
Movement in pensioner deferred rates (non-current)		(659)	0	(305)
Movement in employee benefit provisions (non-current)		(22,503)	0	14,526
Add: Loss on disposal of assets	11(a)	65,859	2,000	16,933
Add: Depreciation on non-current assets	11(d)	3,093,486	2,826,170	2,834,573
Non cash amounts excluded from operating activities		3,081,665	2,851,805	2,851,805
(b) Surplus/(deficit) after imposition of general rates				
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.				
Adjustments to net current assets				
Less: Reserves - cash backed	4	(644,246)	(649,508)	(1,458,563)
Less: Financial assets at amortised cost - self supporting loans	5(a)	(9,894)	0	(9,524)
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings	17(a)	46,458	0	44,720
- Current portion of lease liabilities		10,932	0	10,533
- Employee benefit provisions		100,052	100,362	99,615
Total adjustments to net current assets		(496,698)	(549,146)	(1,313,219)
Net current assets used in the Rate Setting Statement				
Total current assets		3,032,442	1,787,289	3,813,519
Less: Total current liabilities		(813,729)	(1,238,143)	(764,952)
Less: Total adjustments to net current assets		(496,698)	(549,146)	(1,313,219)
Net current assets used in the Rate Setting Statement		1,722,015	0	1,735,348

29. FINANCIAL RISK MANAGEMENT

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

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

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

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

(a) Interest rate risk

Cash and cash equivalents

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

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

	Weighted Average Interest Rate %	Carrying Amounts \$	Fixed Interest Rate \$	Variable Interest Rate \$	Non Interest Bearing \$
2021					
Cash and cash equivalents	0.15%	2,627,918	644,246	494,676	1,488,996
2020					
Cash and cash equivalents	0.37%	3,595,948	1,458,563	1,190,799	946,586

Sensitivity

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

	2021 \$	2020 \$
Impact of a 1% movement in interest rates on profit and loss and equity*	4,947	11,908

* Holding all other variables constant

Borrowings

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

29. 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 and 30 June 2020 for rates receivable was determined as follows:

	Current	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total
30 June 2021					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	68,854	29,120	12,349	12,925	123,248
Loss allowance	0	0	0	0	0
30 June 2020					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	90,566	21,114	8,000	5,290	124,970
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
30 June 2021					
Trade and other receivables					
Expected credit loss	0.00%	0.00%	0.00%	87.69%	
Gross carrying amount	9,725	1,012	380	3,225	14,342
Loss allowance	0	0	0	2,828	2,828
30 June 2020					
Trade and other receivables					
Expected credit loss	0.05%	0.00%	3.08%	46.85%	
Gross carrying amount	30,167	4,983	2,556	1,542	39,248
Loss allowance	14	0	79	722	815

29. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

Payables and borrowings

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

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

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
2021					
Payables	531,812	0	0	531,812	531,812
Borrowings	84,701	338,803	931,708	1,355,212	1,004,811
Contract liabilities	12,199	0	0	12,199	12,199
Other liabilities	5,219	0	0	5,219	5,219
Lease liabilities	12,749	47,647	35,154	95,550	87,021
	646,680	386,450	966,862	1,999,992	1,641,062
2020					
Payables	455,245	0	0	455,245	455,245
Borrowings	84,701	338,803	1,016,409	1,439,913	1,049,531
Contract liabilities	5,129	0	0	5,129	5,129
Lease liabilities	12,545	49,135	46,416	108,096	97,554
	557,620	387,938	1,062,825	2,008,383	1,607,459

30. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

The Shire does not have any subsequent events after balance sheet date.

31. TRUST FUNDS

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

	1 July 2020	Amounts Received	Amounts Paid	30 June 2021
	\$	\$	\$	\$
Housing Bonds	11,800	1,140	(2,920)	10,020
Staff Social Club	2,114	2,719	(3,629)	1,204
Other	10,700	320	(70)	10,950
	<u>24,614</u>	<u>4,179</u>	<u>(6,619)</u>	<u>22,174</u>

SHIRE OF MT MARSHALL

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

32. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

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

c) Rounding off figures

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

d) Comparative figures

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

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

e) Budget comparative figures

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

f) Superannuation

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

g) Fair value of assets and liabilities

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

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

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

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

h) Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

i) Impairment of assets

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

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

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

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

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

33. ACTIVITIES/PROGRAMS

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

PROGRAM NAME AND OBJECTIVES	ACTIVITIES
GOVERNANCE To provide a decision making process for the efficient allocation of scarce resources	Administration and operation of facilities and services to members of the Council. Other costs that relate to the tasks of assisting elected members and ratepayers on matters which are not directly related to specific shire services.
GENERAL PURPOSE FUNDING To collect revenue to allow for the provision of services.	Rates, general purpose government grants and interest revenue.
LAW, ORDER, PUBLIC SAFETY To provide services to help ensure a safer community.	Supervision of various by-laws, fire prevention, emergency services and animal control.
HEALTH To provide an operational framework for good community health.	Food and water quality, pest control, immunisation services, child health services and health education.
EDUCATION AND WELFARE To meet the needs of the community in these areas.	Management and support for families, children, youth and the aged within the community by providing Youth, Aged and Family Centres, Home and Community Aged Care Programs and assistance to schools.
HOUSING To help ensure adequate housing.	Provision of residential housing for council staff. Provision of housing for aged persons, low income families, government and semi government employees.
COMMUNITY AMENITIES Provide services required by the community.	Rubbish collection services and disposal of waste, stormwater drainage, protection of the environment, town planning and regional development and other community amenities (cemeteries and public toilets).
RECREATION AND CULTURE To establish and manage efficiently infrastructure and resources which will help the social wellbeing of the community.	Public halls, recreation and aquatic centres, parks and reserves, libraries, heritage and culture.
TRANSPORT To provide effective and efficient transport services to the community.	Construction and maintenance of roads, footpaths, bridges, street cleaning and lighting, road verges, streetscaping and depot maintenance.
ECONOMIC SERVICES To help promote the Municipality and improve its economic wellbeing.	The regulation and provision of tourism, area promotion, building control, noxious weeds, vermin control and standpipes.
OTHER PROPERTY AND SERVICES To monitor and control the Shire's overhead operating accounts.	Private works, public works overheads, plant and equipment operations, town planning schemes and activities not reported in the above programs.

34. FINANCIAL RATIOS

	2021 Actual	2020 Actual	2019 Actual
Current ratio	3.45	3.61	2.39
Asset consumption ratio	0.57	0.58	0.60
Asset renewal funding ratio	N/A *	N/A *	N/A *
Asset sustainability ratio	1.15	0.97	1.04
Debt service cover ratio	17.02	20.07	9.71
Operating surplus ratio	(0.62)	(0.41)	(0.53)
Own source revenue coverage ratio	0.36	0.38	0.37

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

* The Shire is unable to calculate the Asset Renewal Funding Ratio at this time as the information is unavailable.

Auditor's Report



Auditor General

INDEPENDENT AUDITOR'S REPORT 2021

To the Councillors of the Shire of Mt Marshall

Report on the audit of the annual financial report

Opinion

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

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

In my opinion the financial report of the Shire of Mt Marshall:

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

Basis for opinion

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

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

The Chief Executive Officer (CEO) of the Shire is responsible for the preparation and fair presentation of the financial report in accordance with the requirements of the Act, the Regulations and Australian Accounting Standards. The CEO is also responsible for managing

internal control (as required by the CEO) to ensure the financial report is free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibility for the audit of the financial report

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

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

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

Report on other legal and regulatory requirements

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

- (i) In my opinion, the following material matter indicates a significant adverse trend in the financial position of the Shire:
 - a) The Operating Surplus Ratio has been below the Department of Local Government, Sport and Cultural Industries' standard for the past 3 years.
- (ii) The following material matter(s) indicating non-compliance with Part 6 of the Act, the Regulations or applicable financial controls of any other relevant written law were identified during the course of my audit:
 - a) The Shire has not reported the Asset Renewal Funding Ratio for 2021, 2020 and 2019 in the annual financial report as required by section 50(1)(c) of the Local Government (Financial Management) Regulations 1996 as the information required by management on planned capital renewals and required capital expenditure is unavailable.
- (iii) All required information and explanations were obtained by me.
- (iv) All audit procedures were satisfactorily completed.
- (v) In my opinion, the Asset Consumption Ratio included in the financial report was supported by verifiable information and reasonable assumptions.

Other matter

The financial ratios for 2019 in Note 34 of the financial report were audited by another auditor when performing their audit of the Shire for the year ending 30 June 2019. The auditor expressed an unmodified opinion on the financial report for that year.

Other information

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

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

Matters relating to the electronic publication of the audited financial report

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



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

Notice of Meeting

Annual General Meeting of Electors



Notice is hereby given that the Annual General Meeting of Electors of the Shire of Mt Marshall will be held on Tuesday 21 December 2021, in the Council Chambers, Bencubbin, commencing at 5:00pm.

Order of Business

1. Attendance and Apologies.
2. Confirmation of Minutes of the Annual General Meeting of electors held on Tuesday, 16 March 2021
3. Reading of the Auditors Report for 2020/2021.
4. Reading of the President's Report for the year ended 30 June 2021.
5. Receiving of the Annual Report for 2020/2021.
6. General Business as the President thinks fit or as the majority of the electors present may decide.

By order of Council

John Nuttall
Chief Executive Officer

Minutes of the Annual General Meeting of Electors



SHIRE OF MT MARSHALL



MINUTES

Electors' General Meeting

**Minutes of Annual General Meeting of Electors
held on Tuesday 16 March 2021, in Council
Chambers, 80 Monger Street, Bencubbin
commencing at 5:00pm**

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- 1. Declaration Of Opening**
- 2. Attendance and Apologies**
- 3. Confirmation of Minutes of the Electors' General Meeting held on Tuesday 17 December 2019**
- 4. Reading of the Auditor's Report for 2019/20**
- 5. Reading of the President's Report for the year ended 30 June 2020**
- 6. Receiving of Annual Report for the year ending 30 June 2020.**
- 7. General business as the President thinks fit or as the majority of the electors present may decide.**
- 8. Closure of Meeting**

1.0 Declaration of Opening / Announcement of Visitors

The Presiding Member declared the meeting open at 5:00pm

2.0 Record of Attendance / Apologies / Approved Leave of Absence

In Attendance

Cr ARC Sachse	President / Presiding Member / Elector
Cr NR Gillett	Deputy President / Elector
Cr LN Gobbart	Councillor / Elector
Cr SR Putt	Councillor / Elector
Mr John Nuttall	Chief Executive Officer
Ms Nadine Richmond	Executive Assistant / Elector
Ms Tanika McLennan	Finance Administration Manager / Elector
Miss Meg Wyatt	Regulatory Officer / Elector
Mr Peter Waters	Elector
Mr Len Cargeeg	Elector
Mrs Megan Beagley	Elector
Mrs Margo Sachse	Elector

Apologies

Cr IC Sanders	Councillor / Elector
Cr TM Gibson	Councillor / Elector
Mrs Donna Cooper	Elector

3.0 Confirmation of Minutes of Previous Electors' General Meeting

3.1 Minutes of the Electors' General Meeting held 12 February 2019

2021/2-020 ELECTORS RESOLUTION:

That the Minutes of the Electors' General Meeting held on Tuesday 17 December 2019 be confirmed as a true and correct record of proceedings.

Moved Mr L Cargeeg

Seconded Mr P Waters

Carried

4.0 Reading of the Auditor's Report for 2019/20

5.0 Reading of the President's Report for the Year Ended 30 June 2020

6.0 Receiving of Annual Report for the year ending 30 June 2020

2021/2-021 ELECTORS RESOLUTION:

That the Annual Report for the year ended 30 June 2020 as previously adopted by Council incorporating;

- ***The Financial Statements***
- ***Auditors Report***
- ***President's Report***
- ***CEO's Report***

Be received by the Electors of the Shire of Mt Marshall.

Moved Cr NR Gillett

Seconded Cr SR Putt

Carried

7.0 General business as the President thinks fit or as the majority of the Electors present may decide

A summary of questions, answers, comments and general discussion is provided:

Comment from Mr Peter Waters:

- Work completed as part of the Aquatic Centre redevelopment is impressive and shows a high level of workmanship. Happy to see the project completed.
- Works done on the Bencubbin-Kununoppin Rd that were discussed at the last Electors Meeting are appreciated.

Presiding Member comment:

The redevelopment of the Aquatic Centre is a great result considering the budget provided and may be a template for other small local governments who look to do something similar.

We are happy with what Shire roads construction staff have been able to achieve with the resources available.

Question from Mr Len Cargeeg:

Why is there only a temporary fence in place around the electricity pole located at the front of the pool?

Presiding Member Response:

A power upgrade is scheduled for the pool and we are waiting on Western Power to carry out the works. The temporary fence has been approved for use to allow the pool to open during summer.

Question from Mr Len Cargeeg:

When will the new Bencubbin Fire Shed be built?

Presiding Member Response:

We are not sure of the timing as yet. DFES are the agency responsible for the build.

Discussion took place regarding the Beacon Fire Shed and the young people being included in seeing the Shed come to fruition as well as discussion on local volunteers attending recent fire incidents in Wooroloo and Gingin.

Question from Mrs Megan Beagley:

Are any statistics available on the usage of the Aquatic Centre?

Presiding Member Response:

No not as yet. Having the facility run by contractors is working well.

Discussion took place around the cost of Aquatic Contractors, however the cost to employ Shire staff to run the facility would be greater.

Question from Mrs Megan Beagley:

What is the Shire's position on the proposed mine commencing in Gabbin? Will the Shire be ensuring the mine does not become self-sufficient, which would see locals not receive full benefits?

Presiding Member Response:

Only very preliminary discussions have been had with the mine company directors. The only role the Shire will play in the mine opening up will be during the approval process.

Discussion took place regarding the jobs possibly available, how local business could benefit and how the Shire will be monitoring the situation and making it very clear that benefits flowing into the local communities is preferred.

Question from Mr Len Cargeeg:

Does the Annual Report include a register of Councillor attendance at Council meetings?

Presiding Member Response:

No.

Question from Mr Len Cargeeg:

Is the Shire aware that 2023 will see the centenary of the Shire of Mt Marshall and are there any plans in place for this?

Presiding Member Response:

No plans at this stage.

ELECTORS MOTION:

That the location of the 2021/2022 Annual Electors Meeting be in Beacon.

Moved Mrs M Beagley

Seconded Mr L Cargeeg

Lost

Question from Mr Len Cargeeg:

What is the status of the Land Conservation District Committee (LCDC)?

Presiding Member Response:

I am a Council delegate on the LCDC and the status is that there has not been any meetings. It is a worthwhile committee for a range of reasons.

ELECTORS MOTION:

That the desktop review that was passed in the 2017 February 022 meeting of Council regarding a 5 year development plan for the town of Beacon to be enacted.

Moved Mrs M Beagley

Seconded Mr L Cargeeg

Lost

Question from Mr Len Cargeeg:

When will the Grants Commission be visiting the Shire?

Presiding Member Response:

The scheduled Grants Commission visit was cancelled during a lock down period imposed on the Perth metro area and will be rescheduled at some stage. They have not advised us of a rescheduled date.

8.0 Closure of Meeting

The Presiding Member acknowledged the past year has been a challenging time for everyone in the community, thanked everyone for their attendance and declared the meeting closed at 6.02pm.

These Minutes were confirmed at the Electors' General Meeting held on

Date

President

Freedom of Information Statement



The Shire of Mt Marshall maintains records relating to each property within the Shire and also records relating to the function and administration of the Shire including minutes of meetings, a financial interests register, register of delegations, rates book, electoral roll, financial statements, and local laws. These documents amongst others, can be inspected (or copies of which may be made available for purchase) at the Shire Office, 80 Monger St, Bencubbin during business hours.

The Shire of Mt Marshall will provide information held to people requesting it. Should a request not be met satisfactorily, then a Freedom of Information Application can be lodged. Requests for information under the Freedom of Information Act can be lodged with the Freedom of Information Co-ordinator, Ms Nadine Richmond – Executive Assistant, Shire of Mt Marshall, 80 Monger St, Bencubbin.

Requests for changes to personal information must be made in writing.

The Shire's full Freedom of Information Statement may be found on the Shire's website www.mtmarshall.wa.gov.au or a copy may be obtained by contacting the Shire Office by telephone on 08 9685 1202 or via email to admin@mtmarshall.wa.gov.au

During the year ended 30 June 2021, one (1) Freedom of Information application was received.

National Competition Policy



National Competition Policy (NCP) is designed to enhance the effectiveness of public sector agencies and lead to more efficient use of all economic resources. There are a number of specific requirements placed on local government in the areas of competitive neutrality, legislation review and structural reform.

1. Competitive Neutrality

The principle of competitive neutrality is that government businesses should not enjoy a competitive advantage, or disadvantage, simply as a result of their public sector ownership. Measures should be introduced to effectively neutralise any net competitive advantage flowing from government ownership.

Competitive neutrality should apply to all business activities, which generate a users-pay income of over \$200,000 unless it can be shown it is not in the public interest. Public benefit tests are used to determine if competitive neutrality is in the public interest.

The Shire of Mt Marshall does not operate a business activity, which generates a user-pays income over \$200,000 per annum.

Consequently, the Shire of Mt Marshall is not required to implement competitive neutrality.

2. Legislation Review

All local governments are required to assess which of their local laws might impact on competition and conduct a review of each to determine how any restrictive practices might be overcome.

Where necessary Clause 7 legislation review principles will be complied with and the Shire of Mt Marshall remains committed to reviewing its existing local laws, as well as proposed local laws.

3. Structural Reform

Before local governments privatise a monopoly business or introduce competition into a sector dominated by a monopoly or near monopoly, the regulatory and commercial activities must be separated and a review undertaken.

The Shire of Mt Marshall did not privatise any activities in 2019/20, consequently there were no obligations for structural reform. Nevertheless, the Shire of Mt Marshall is committed to the principles of structural reform under National Competition Policy.

Disability Access & Inclusion Plan



The Shire of Mt Marshall Disability Plan has been in place since 1996. The Shire's Disability and Access Plan is required to be reviewed every five years. A review of the Shire's 2012-2017 plan began in 2018 and was endorsed by Council in June of 2020. The plan is valid from 2020 – 2025.

All the Shire's functions, facilities and services are reviewed annually to ensure they meet the needs of people with disabilities.

The Shire of Mt Marshall is committed to ensuring that the community is an accessible community for people with disabilities, their families and carers.

The Shire of Mt Marshall believes that people with disabilities, their families and carers who live in country areas should be supported to remain in the community of their choice.

The Shire of Mt Marshall is committed to consulting with people with disabilities, their families and carers and where required, disability organizations to ensure that barriers to access are addressed appropriately.

The Shire of Mt Marshall aims to ensure that all new constructions are designed incorporating disability access.

The Shire of Mt Marshall is committed to achieving the following outcomes:

- Outcome 1: Existing functions, facilities and services are adapted to meet the needs of people with disabilities.
- Outcome 2: Access to buildings and facilities is improved.
- Outcome 3: Information about functions, facilities and services is provided in formats, which meet the communication requirements of people with disabilities.
- Outcome 4: Staff awareness of the needs of people with disabilities and skill in delivering advice and services are improved.
- Outcome 5: Opportunities for people with disabilities to participate in public consultation, grievance mechanisms and decision-making processes are provided.
- Outcome 6: People with disabilities have the same opportunities as other people to participate in any public consultation by the Shire of Mt Marshall.
- Outcome 7: People with disabilities have the same opportunities as other people to obtain and maintain employment with a public authority.

Copies of the Disability Services Plan and the Disability Access & Inclusion Plan (DAIP) are available upon request by contacting the Shire Office by telephone on 08 9685 1202 or via email to admin@mtmarshall.wa.gov.au

Record Keeping Plan



The State Records Act 2000 requires that the Shire maintains and disposes of all records in the prescribed manner. The Shire of Mt Marshall maintains a Record Keeping Plan, which was reviewed in early 2018 and approved by the State Records Office.

Evaluation

Evaluation of the efficiency and effectiveness of the Shire's record keeping plan is ongoing and considered each time a function is carried out. Internal performance indicators such as spot checks for accuracy of stored records are undertaken, and on the basis of response times the record keeping system is assessed as being appropriate.

Staff Training

Staff members responsible for the management of records receive external record keeping training with a focus on local government records, including the retention and disposal methods.

All administrative staff receive an introduction to record keeping and the Shire's record keeping system as part of their induction program ensuring compliance with the record keeping plan. In addition, staff information sessions and presentations are conducted as required.

Internal performance indicators such as spot checks for accuracy of stored records are undertaken, and on the basis of response times the effectiveness of staff training is assessed as being appropriate.

Employee and Chief Executive Officer Remuneration



As per Section 19B of the Local Government (Administration) Regulations 1996, the annual report must contain information on the number of employees entitled to an annual salary of \$130,000 or more. It also must be reported the number of employees in each band of \$10,000 over \$130,000.

No employees received a salary of \$130,000 or more during the year ended 30 June 2021.

Section 19B of the Local Government (Administration) Regulations 1996 also requires the remuneration paid or provided to the CEO to be provided in the annual report.

The CEO remuneration for the year ending 30 June 2021 included:

Cash Component	\$162,506.24
Regional Isolation Allowance	\$10,000
Private Motor Vehicle Usage	\$15,645
Private Residence	\$6,448
Utilities / Internet	\$6,500
Professional Development Allowance	\$3,000

Complaints Register



As per Section 5.53(2)(hb) of the Local Government Act 1995, the annual report must contain 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.

During the year ended 30 June 2021, no complaints were recorded in the register of complaints.

Elected Member Attendance at Council and Committee Meetings



As per Section 19B of the Local Government (Administration) Regulations 1996 the annual report must contain details of Council and Committee meetings attended by Elected Members.

Councillor Attendance at Council Meetings 2020/2021											
Councillor	July 2020	August 2020	September 2020	October 2020	November 2020	December 2020	February 2021	March 2021	April 2021	May 2021	June 2021
Sachse, ARC	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Gillett, NR	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓
Putt, SR	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Gobbart, LN	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Sanders, IC	✓	✓	✓	✓	✓	✓	✓			✓	✓
Gibson, TM	✓	✓	✓	✓	✓	✓	✓		✓		✓
Geraghty, BC	✓	✓	Resigned								

Councillor Attendance at Committee Meetings 2020/2021									
Councillor	Economic Development Grant Fund Committee		Audit Committee		Local Emergency Management Committee				Bushfire Advisory Committee
	Oct 2020	March 2021	July 2021	March 2021	Aug 2020	Nov 2020	Feb 2021	May 2021	Oct 2020
Sachse, ARC	✓	✓	✓	✓	✓	✓	✓	✓	
Gillett, NR	✓	✓	✓	✓					
Putt, SR			✓	✓					
Gobbart, LN									
Sanders, IC									
Gibson, TM	✓	✓							
Geraghty, BC									

Strategic Community Plan and Corporate Business Plan



Strategic Community Plan

Our Strategic Community Plan reinforces our commitment to the people who live, work and visit our Shire and to regional co-operation and prosperity. The purpose of this document is to provide a clear purpose and strategic direction for our Shire, and to reinforce our commitment to regional co-operation in order to source the funding and support required to address regional and local priorities.

A major review of the Shire's Strategic Community Plan was undertaken during 2020 and Council adopted a new plan at their ordinary meeting of 15 December 2020. The Strategic Community Plan will be subjected to a minor review in 2022 and a major review requiring extensive community engagement in 2024 as legislated. The Plan is available on the Shire's website.

Corporate Business Plan

Section 19DA of the Local Government (Administration) Regulations 1996 requires a local government to have a corporate business plan in place for its district covering a period of no less than four years.

A major review of the Shire's Corporate Business Plan was undertaken alongside the review of the Strategic Community Plan in 2020 and Council adopted a new plan at their May ordinary meeting covering the period 2021-2025.

The Corporate Business Plan will be reviewed and updated annually to reflect any changes to the regional or local priorities, the budget and to service levels. The Plan is available on the Shire's website.