

SHIRE OF CUNDERDIN

2020 - 2021

ANNUAL REPORT



PREPARED AND PRESENTED BY

SHIRE OF CUNDERDIN
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WHERE TO FIND US



Customer Service Office

Administration Office
37 Lundy Avenue
Cunderdin WA 6407
P; 08 9635 2700

E: Admin@cunderdin.wa.gov.au



Sporting Centres

Cunderdin Sport and
Recreation Centre
Cnr Baxter and Lundy Avenue
Cunderdin WA 6407

Meckering Sport Centre
25 Dempster Street
Meckering WA 6405

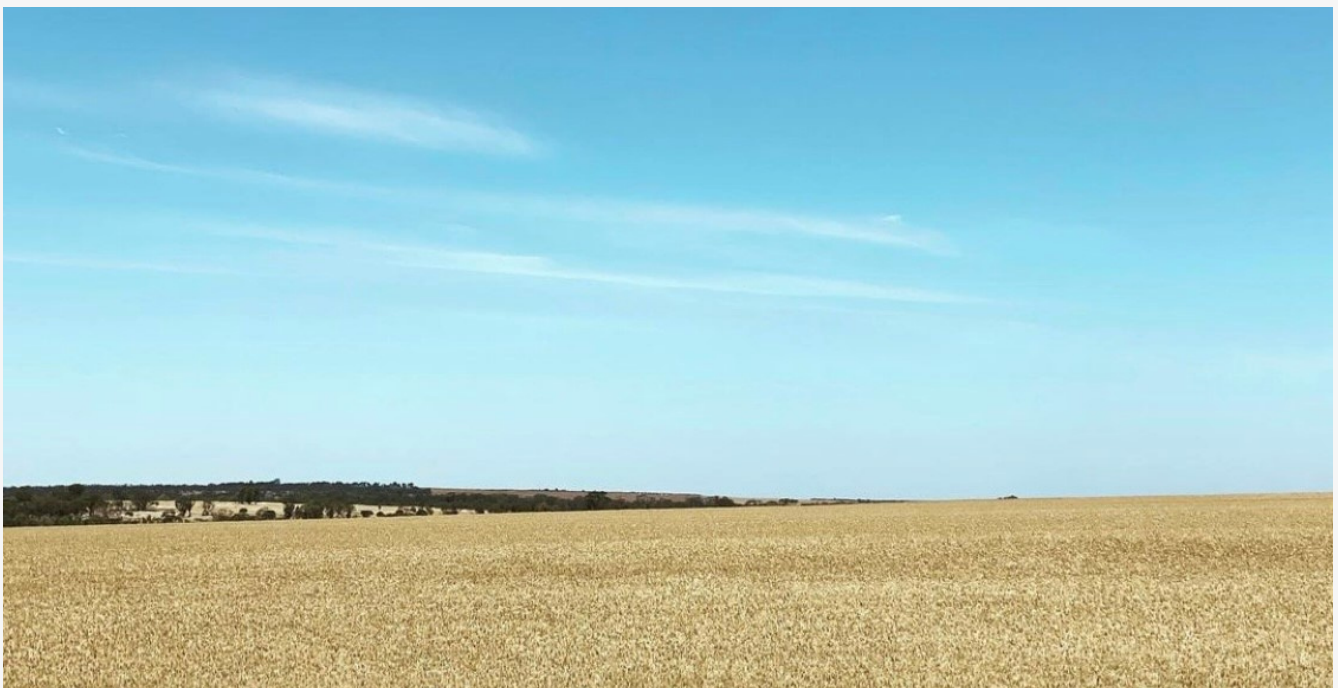


Swimming Pool

Cunderdin War Memorail Pool
Lundy Avenue
Cunderdin WA 6407
P; 08 9635 2700

Find us online

www.cunderdin.wa.gov.au
or follow us on facebook





Acknowledgement of Country

The Shire of Cunderdin acknowledges the Ballardong people as traditional custodians of this land and their continuing connection to land and community. We pay respect to them, to their culture and to their Elders past and present.

VISION AND VALUES

Our Shire will be:

- A Regional place that is progressive and will provide opportunities, offering a unique lifestyle and a sense of belonging;
- A place that connects people;
- A place that connects transport;
- A place that connects businesses.

Strategic community Plan
2017-2027

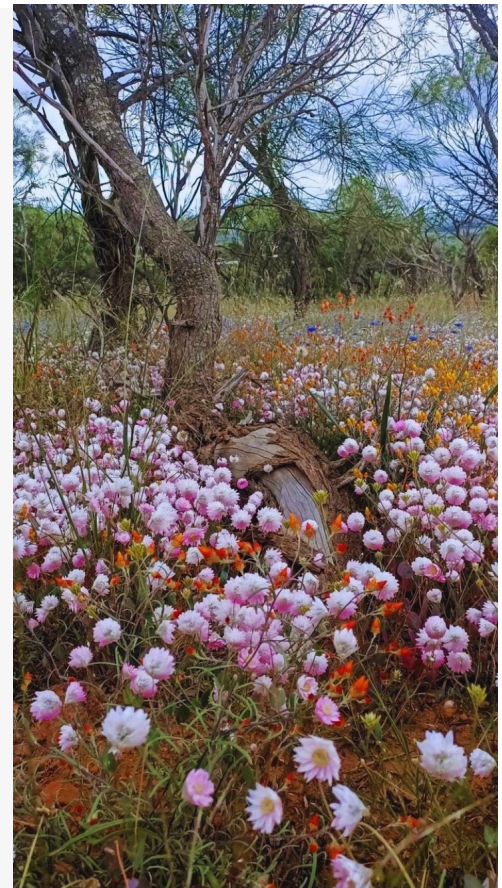
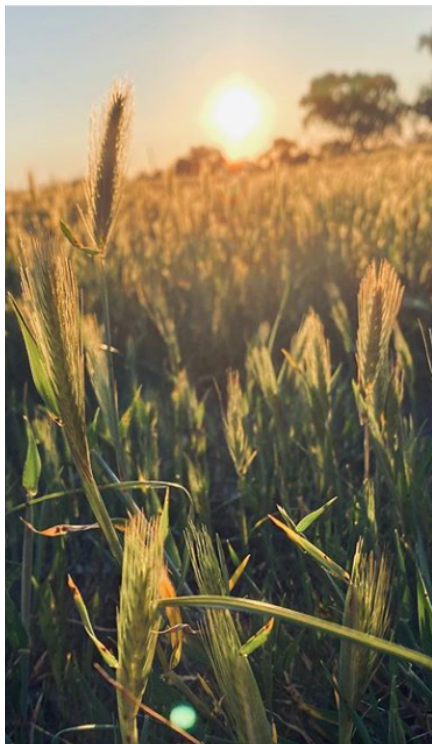


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OUR COMMUNITY

The Shire of Cunderdin is located 158 kilometers east of Perth and approximately 52 kilometres east of the regional centre of Northam. The Shire covers an area of 1,872 square kilometers and consists of two localities being Cunderdin and Meckering.

Cunderdin townsite contains the majority of the population with 800 residents and Meckering townsite of around 100. The total population of the Shire is approximately 1,300, which is estimated to remain fairly constant over the next ten years.

Features of the Shire include a wide range of recreational facilities - notably the sporting complex and swimming pool. Services include the health centre; Playgroup; Cunderdin District High School (K to Year 10); Meckering Primary School; Cunderdin WA College of Agriculture; the Cunderdin Airfield; the Community Resource Centre and Cunderdin Day Care Centre. Within the Shire there are a number of parks and reserves, including O'Connor Park, Cunderdin Hill, Meckering Rose Garden and Youndeggin - Woodthorpe.

The Shire of Cunderdin adjoins the local governments of Goomalling, Dowerin and Wyalkatchem to the north, Tammin to the east, Northam to the west and York and Quairading to the south.

The local economy is reliant on agriculture, with wheat, canola and lupins being the main crops, and sheep production being prominent. Although the local industries and services are based around the agricultural sector, Cunderdin is also home to institutional furniture manufacturing, farm machinery and equipment manufacturing, rural merchandise suppliers, fabrication industries and machinery dealerships. Cunderdin also has one of only six campuses of the Western Australian College of Agriculture in the State.

OUR COUNCIL

THE SHIRE OF CUNDERDIN COUNCIL



LEFT TO RIGHT: CR SAM STEWART, CR NORM JENZEN, SHIRE PRESIDENT CR DENNIS WHISSON, DEPUTY SHIRE PRESIDENT CR ALISON HARRIS, CR TODD HARRIS, CR BERNIE DALY AND CR TONY SMITH.

STAFF & TEAM MEMBERS

THE SHIRE OF CUNDERDIN EXECUTIVE TEAM



STUART HOBLEY
CHIEF EXECUTIVE OFFICER



HAYLEY BYRNES
DEPUTY CHIEF EXECUTIVE
OFFICER



CRAIG ROBERTSON
MANAGER OF WORKS AND
SERVICES



A message from our shire President

It is with pleasure I present the Shire of Cunderdin Annual Report for 2020/2021.

Whilst providing an opportunity to reflect on the past 12 months and the ongoing challenges presented by the COVID-19 pandemic, this Annual Report also provides an opportunity to look to the future and build on our solid foundations toward new projects and ideas.

I feel very privileged in my first term as Shire President and to be a part of such an active and growing community, and to lead an organisation of people who work hard to improve the lives of others and serve the communities of Cunderdin and Meckering.

Summarised within this report are the key achievements and highlights of the past year - all aimed at meeting the priorities and objectives set for our Shire by our community.

Generating projects and hosting community events for all ages is an integral element to driving strong local economic recovery. Many key projects within our Shire have recently been completed enabling future planning and new directions.

Community consultation and interactive sessions were held throughout 20/21 to develop plans for the upgrading of O'Connor Park, Sandalwood Village and the Meckering Earthquake Garden. Strong feedback gave council a sound understanding of what the community would like to see in these areas in the future.

Sandalwood Village "green" has been completed and now provides a welcoming place to relax within the health and independent living precinct for residents and visitors. Our next steps are to continue to source grant funding to be able to bring the community aspirations of O'Connor Park and Meckering Earthquake Garden to life.

As always, one of the first events held at the start of the calendar year was the Australia Day Breakfast. Always a lovely morning with the local Lions Club cooking up a wonderful breakfast for all to enjoy. Hearty congratulations went to Citizen of the Year, Senior - Sandie Laird and Citizen of the Year - Sharon Robinson. Both award winners are very deserving - the Shire happily able to acknowledge their significant voluntary contributions to our community.

A message from our shire President

The financial progress of our Shire is constantly monitored to ensure our budgets are met and to provide the flexibility to move when required. Councillors and Shire staff have worked well together to produce the best possible economic outcomes for our community. Our positive record of achievement to date is due to a continued dedication in realising our goals and reviewing strategies.

My sincere thanks go to my fellow councillors, all staff of the Shire of Cunderdin and the communities of Cunderdin and Meckering for their dedication and assistance in bringing about our collective vision. In particular, I wish to acknowledge the outstanding efforts of our management team, Chief Executive Officer Stuart Hobley, Deputy Chief Executive Officer Hayley Byrnes and Manager of Works and Services Craig Robertson. Our team is second to none and continue to provide solid leadership with grace and commitment.

I would also like to take this opportunity to thank outgoing Shire President, Dennis Whisson, who has now retired from council after 18 years of service, 6 of those as President. In a shrinking environment of those willing to put their hand up to serve, Dennis's long contribution to his community, affable nature and generosity of spirit are to be celebrated - the Cunderdin community is the grateful benefactor. On behalf of the Cunderdin Shire, I wish Dennis well in his council retirement and extend an open invitation to visit council chambers.

The past year has been both challenging and rewarding for our community. I look forward to seeing what 2021/2022 reveals.

Councillor Alison Harris
President
Shire of Cunderdin



2020/2021 CAPITAL PROJECTS

The Shire provided capital programs amounting to \$3,237,316 in value, funded from a variety of sources including Grants, General Reserve and Reserve funds.



Upgrade to Cunderdin Oval and Basketball Courts lights
\$226,687



Museum Conservation works
\$140,092



Purchase of Skid Steer
\$122,524

Other projects include:

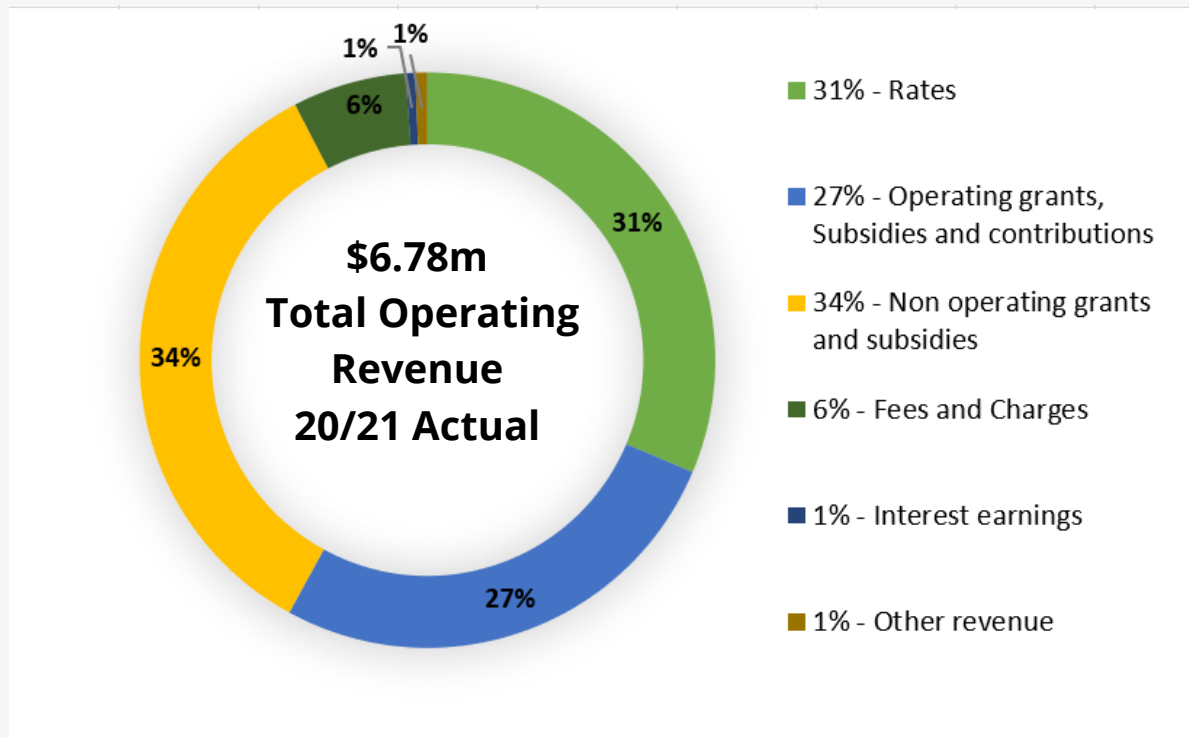
- Purchase of Mower \$ 59,090
- Purchase of Loader \$ 312,750
- Purchase of Trailer \$ 91,440
- Purchase of Forklift \$ 9,000
- Water Tank at Fire Shed \$ 6,500
- Fencing at Town Dam \$ 7,373
- Paving at Meckering Mens Shed \$ 5,000
- Upgrade of Community Bus \$ 25,000



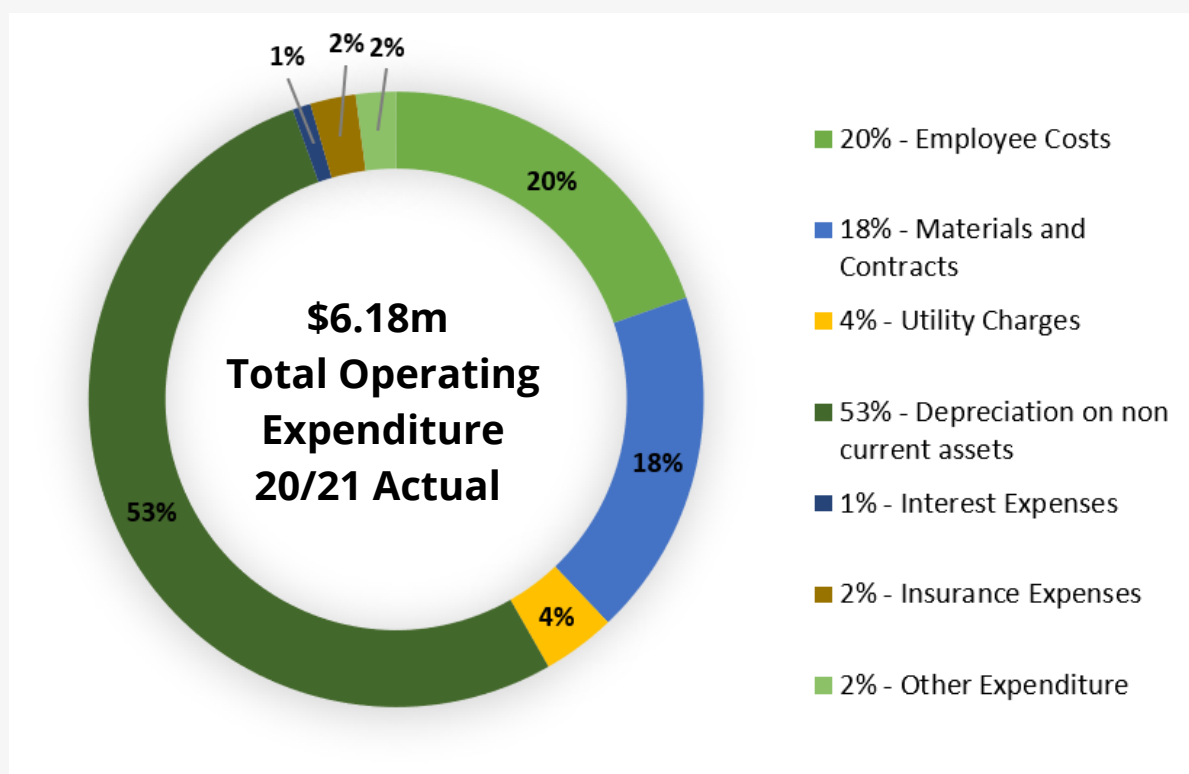
Retaining wall and Fencing along Basketball Courts
\$21,673

2020/2021 FINANCIAL OVERVIEW

Statement of Comprehensive Income - Revenue by Nature or Type

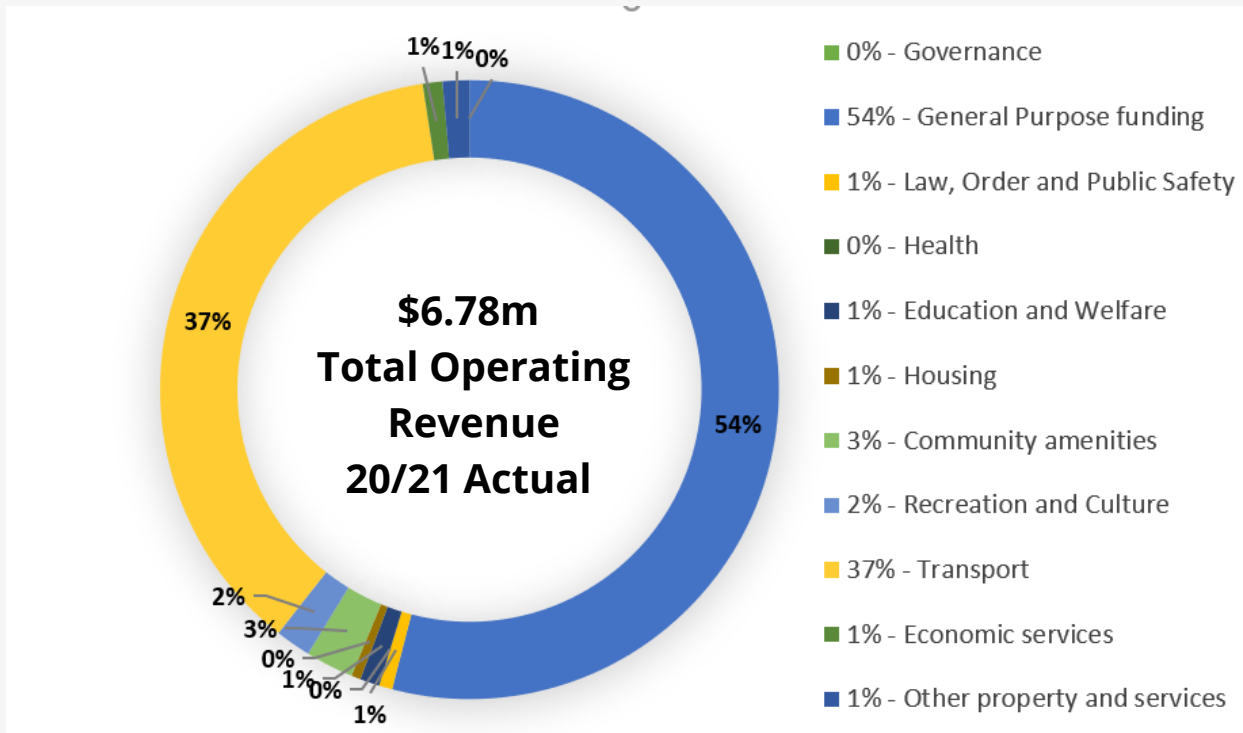


Statement of Comprehensive Income - Expenditure by Nature or Type

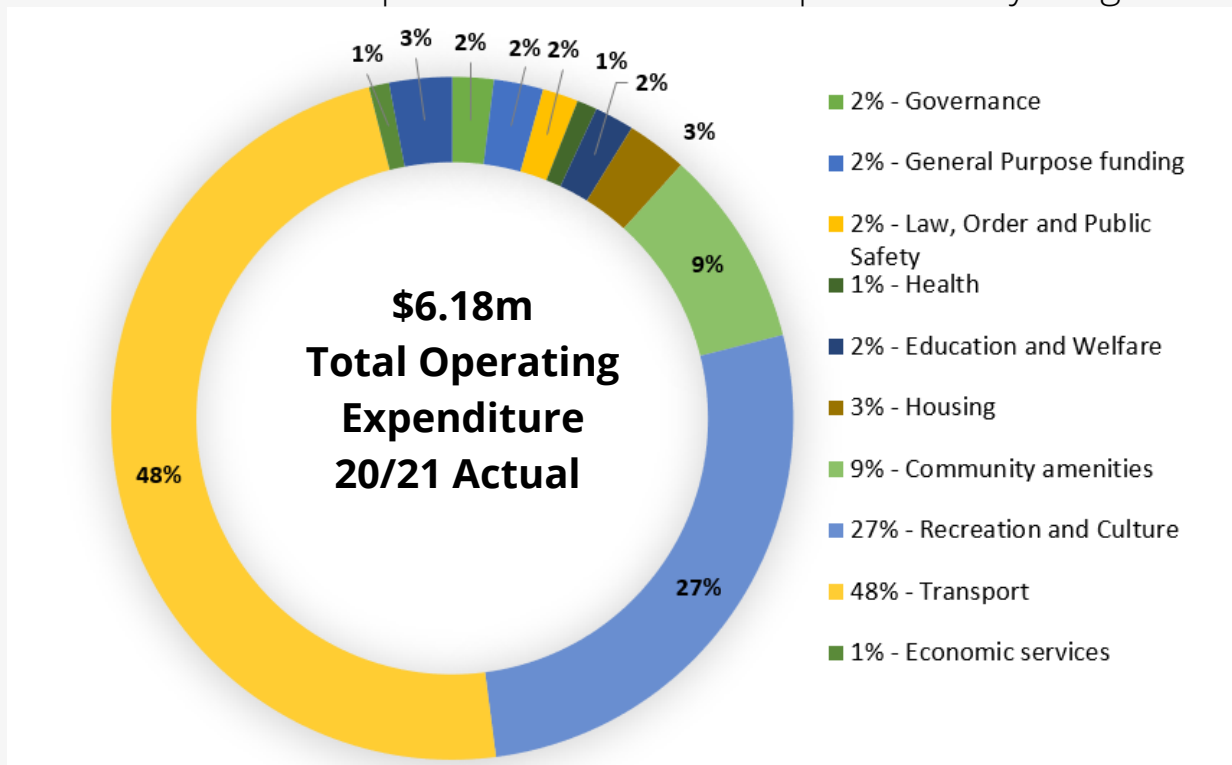


2020/2021 FINANCIAL OVERVIEW

Statement of Comprehensive Income - Revenue by Program



Statement of Comprehensive Income - Expenditure by Program





2020/2021 CAPITAL PROJECTS - ROADS

The Shire provided capital roads projects amounting to \$2,349,963 in value, funded from a variety of sources including Grants, General Reserve and Reserve funds.

The following roads had capital works complete during the 2020/2021 financial year;

Goomalling-Meckering Road \$1,339,176
Clearing along both sides, culverts replaced, gravel overlay, cemented stabilisation, two coat reseal out to 8 m wide along 6 km's.

Cunderdin-Minnivale Road \$244,879
Clearing along both shoulders, gravel overlay, stabilisation, culvert install and reseal along 5 km's.

Goldfields Road \$253,258
Clearing along both shoulders, gravel overlay, stabilisation, culvert install and reseal along 1100 m.

Antonio Road \$167,206
Clearing along both sides of road, gravel overlay completed along 6km's.

Flowery Patch Road \$98,647
Clearing completed both sides of road, gravel overlay completed along 3.5km's.

Carter Road \$63,482
Clearing along both sides of road, gravel overlay completed along 1km.

Scadden Road \$86,068
Clearing along shoulders.



FIRE AND EMERGENCY SERVICES QUICK STATISTICS



Meckering BFB was also requested to attend 3 large fires in surrounding Shires



Around 166 Burning Permits Issues



The Shire of Cunderdin has three Bush Fire Brigades being; Cunderdin, Meckering and Ygnattering with 15 Elected Fire Control Officers.

13 fires within the Shire of Cunderdin



The Shire of Cunderdin collected \$85,260.65 is Emergency Service Levy (ESL) on behalf of Department of Fire and Emergency Services.

This year a new water tank was erected on the intersection of Wilding Road and Antonio Road with the capacity of 110,000 litres, for the purpose of use within a Emergency situation.





A message from our Chief Executive Officer

As for so many, this year was particularly challenging with the constant changes for our community as we continue to respond to the COVID-19 pandemic. I would like to acknowledge the great team of Elected Members and staff who have worked tirelessly for our community. I believe throughout these changes we have been able to provide exceptional facilities and community events for our residents and visitors alike.

I am pleased to report that the Shire has received an unqualified Audit Report as well as a positive audit of its Financial Management Systems and Procedures.

The Shire and Council has had to adopt a rapid and flexible approach to ensure the health and safety of the community. In a bid to offer significant relief, Council adopted a freeze in rates collected for the 2020-2021 financial year. The rate freeze was adopted in response to COVID-19 and meant that the Shire of Cunderdin did not increase the total amount of rates received. Council also adopted a Hardship policy, as it recognised that the challenges faced during COVID-19 may result in financial hardship for our ratepayers and other debtors. We wanted to ensure we are supporting the whole community during these unprecedented challenges

Council adopted the 2020-2021 Annual Budget at the 16th July 2020 Ordinary Council Meeting, the minimum rates remained at \$719. Rubbish charges rose by 2% from \$244 to \$250 per service and the rural rubbish charge increased from \$71 to \$73.

Outstanding loan principal at the end of the financial year stood at \$1,158,260 total debt servicing cost incurred during the year were \$142,074, of which \$63,730 was the interest component.

The Shire's Reserve accounts increased from \$858,299 to \$1,228,300 during the year. Reserve account funds are set aside to assist with long term initiatives including asset management and to help offset the cost of major capital projects planned in the future.

Reflecting on the highlights, throughout the year we have achieved many great things for the community some of these included the installation of new lighting system at the Cunderdin Oval and Basketball courts, purchasing of a new Loader, Skid Steer Loader and Prime Mover Trailer and upgrading the retaining wall surrounding the Basketball courts.

We completed community consultation and community feedback on proposed design plans for parks within the Shire of Cunderdin. The first of these projects completed was the Sandalwood village garden which will be completed shortly after the end of the new financial year and will be a great asset to the residents of Sandalwood village and anyone visiting the health centre.

We are constantly working hard to improve the gravel network with our Shire and ensure all roads are held at a satisfactory level. This year we encountered some challenges with heavy rainfall, large amount of trees over roads and road damage due to the amount of runoff water. The winter maintenance grade was completed by our works department and some contractors. Some areas heavily affected by the heavy rainfall throughout the year have required additional works and our crews are working to amend this issues.

A message from our Chief Executive Officer

A Thank you to our works team, led by Mr Craig Robertson, for successfully delivering a large construction program and implementing several improvements to the town during the year. Council allocated \$2,349,963 to road capital and road maintenance within the Shire of Cunderdin.

This year we commenced stage one of a significant road program on the Meckering -Goomalling road which included a full reconstruction of 6km's. Over the next two years we will be completing another two stages of this project as part of the Wheatbelt Secondary Freight Network program to improved road freight safety and efficiency.

Council continues to promote itself and try to ensure that it aligns itself with State and Federal Government Strategies and Plans to ensure it puts itself strategically in the right place to secure additional funding for projects and community functions. Council is working with its surrounding local governments to market and promote itself state-wide, identifying the opportunities and attractions of living in our District. We have been working closely with our Community Resource Centre and have created a Shire based Tourism Committee to ensure we continue to promote our beautiful Shire.

I'd like to thank and commend our wonderful community members who continue to enhance the wonderful liveability of our Shire and continue to support Council in their decision making. We're hoping the next financial year will see us continue to deliver the level of services as well as continue the progress in improving some services within our community.

I look forward to the next 12 months, which will see the Shire consolidate on the progress it has recently made and looks to develop any opportunities that come our way. Thank you to the Shire President, Cr Dennis Whisson and Deputy Shire President, Cr Alison Harris for their Leadership of Council during this period. I would like to thank all Councillors for their support in not only myself but our organisation as a whole and acknowledge the significant time and effort Councillors contribute individually and as a team for the betterment and progress of our community.

Stuart Hobley
Chief Executive Officer



COMMUNITY DEVELOPMENT

Throughout the 2020/2021 Financial year numerous community programs have been held to help stimulate and engage residents within the Shire of Cunderdin. We would like to say a huge Thankyou to any group or person who assisted us throughout the year to run these events.

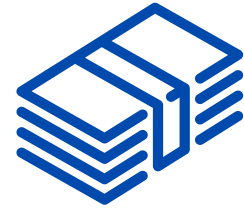
Some of the event held throughtout the year include:

- Active kids - Skate Boarding Session
- Social Netball
- Ninja Warrior Obstacle course
- Bricks4kids
- Line Dance
- Laser Tag
- Movie Under the Stars
- Carols in the Park
- Australia Day Breakfast
- Youth Wellness Day
- Be happy Seniors Event
- Citizenship Ceremonies
- Many, many more.

If you have any suggestions for programs you would like to see held please do not hesitate to contact our Community Development Officer at cdo@cunderdin.wa.gov.au



COMMUNITY DEVELOPMENT QUICK STATISTICS



15 Events Held

Approximately 1,150 Attended Events

11 Grants Approved

Cunderdin Swimming Pool Admissions

- 3,029 Adult
- 2,439 Child
- 319 Spectator
- 352 Concession
- 294 Child Under 5

Pool Passes:

- 16 Adult
- 9 Child
- 12 Senior
- 29 Family



CUNDERDIN MUSEUM

The Cunderdin Museum remained closed to the public while the required conservation works to the Engine Room floor were completed. Museum closed to the public from Monday 7th September and re-opened on Monday the 16th November 2020.

Conservation Works:

Engine Room

In collaboration with National Trust of WA, Shire of Cunderdin and Cunderdin Museum obtained funding to undertake necessary repairs to the engine room floorboards. Subsequent investigation and engineering assessments uncovered that the engine room substructure support beams were corroded and in need of urgent remedial works. As this substantial damage was discovered during preparation for replacing floorboards, a grant variation request was approved and the required works were successfully completed with generous additional financial support from the Shire Council.

Entrance Canopy

The concrete canopy above the front door received some much-needed repairs and the decorative scrolls reinstated to its original design.

Audio Visual Equipment Upgrade

The various media players used throughout the museum were replaced as they were no longer operational. The media players were installed as part of the Golden Pipeline Heritage Trail museum redevelopment project that commenced in 2005 and has lasted far longer than anticipated.

The following media interactives have all been upgraded:

- Talk of the Town telephone exchange 10 media players and handsets
- Dining Car audio
- Engine room video



CUNDERDIN MUSEUM

Tourism Portal for Regional WA Collections

The WA Museum has developed a new tourism portal website focussed on regional collections, as part of a State Government election commitment to promote these rich cultural resources and increase visitor numbers to these regions.

The items selected have connections to Cunderdin's main stories, were interesting visually and would present well aesthetically on a website.

- Em Sherrington jugs
- Kent flow venturi meter
- Carved kangaroo
- Vera Egeberg Hair tidy

Boola Bardip Many Stories

Michelle was invited to attend a pre-opening tour of the new State museum, Boola Bardip, where Cunderdin stories are featured, particularly in the Reflections Gallery.

The Cunderdin Museum has loaned an Estonian handmade doll to the state museum for display in the Reflections Gallery. The doll is connected to the Cunderdin Displaced Persons Camp that operated at the airfield after the Second World War.

An interactive display allows visitors to follow Charles Hunt's expeditions exploring the region.

The local spirit and fellowship is showcased by how the Cunderdin community rallied to help with bringing in the harvest when Mr Rod Carter passed away. An interview with Mr John Smart who coordinated the harvest help was recorded and is one of many stories explored in the new museum.



CUNDERDIN MUSEUM

VOLUNTEERS

Our museum volunteers are integral to the success of the museum. The Museum Committee give their thanks for the continued efforts of our volunteers in ensuring the museum remains open seven days a week. They provide a warm welcoming experience for our visitors and give their time to meet and talk to visiting school groups.

Behind the scenes our volunteers spend time digitizing our photographic collection, updating mosaic data records and researching people, events and objects to improve our collective knowledge of local history. Volunteers prepare objects for storage and utilise their skills to ensuring our collection is well maintained and cared for.

QUICK STATISTICS



Facebook
314 Followers



Instagram
183 Followers



Current Rating of
4.7/5



Visitor Statistics
Senior 782 Adult 769 Children 326
Local 192 Other 491
12 Tour Groups



STRATEGIC COMMUNITY PLAN

KEY RESULT AREA 1 - SOCIAL/COMMUNITY

We are a connected, friendly, industrious and diverse community that fosters inclusion, resilience and self-sufficiency, where people feel safe, capable and supported in their endeavours.



The Shire of Cunderdin endeavors to build community and capacity by developing and hosting events and community-based activities. This year we held many events throughout the year, these included but were not limited to: Youth Wellness Day, Badminton, Skateboarding Clinics, Line Dancing, Bricks4Kids, Laser Tag, Be Happy Seniors Day, Ninja Warrior course, Carols in the Park and many, many more.

This year we also continued involvement in the CMT Seniors committee, which hosts events aimed at over 65's throughout the year between Tammin, Cunderdin and Meckering. These events usually host around 50-60 elderly residents from around the region and promote social well-being and building connections.

**ONE OF OUR
LARGEST PROJECTS
THIS YEAR WAS THE
UPGRADE TO THE
LIGHTING AT THE
CUNDERDIN OVAL
AND BASKETBALL
COURTS.**

STRATEGIC COMMUNITY PLAN

KEY RESULT AREA 2 - ENVIRONMENT

We value, and work to nurture and enhance our natural environment and prioritise the protection of our natural resources in all endeavours, managing resources consumption and reducing waste, preserving and protecting buildings and places of heritage and indigenous significance.

To keep in line with the strategies in our plan, Council has completed the final stage of the Town Dam with the completion of the fencing around the dam on the Southerside.

The shire also ensure and promotes that all Shire or community events, take into regard the sustainable events policy to promote sustainability initiatives with our shire.

Council continues to promote and maintain both Cunderdin Hill and Bulgin Rock with regards to preservation and promotion of these sites.

This year some necessary conservations works on the Engine room at the Cunderdin Museum were completed and Museum was able to re-open the engine room to visitors and patrons. The entrance canopy also received some additional repairs to ensure the original design is reinstated and maintained.



STRATEGIC COMMUNITY PLAN

KEY RESULT AREA 3 - ECONOMIC DEVELOPMENT

OUR LOCAL ECONOMY WILL CONTINUE TO THRIVE AND PROSPER AS WE SUPPORT AND FOSTER INDUSTRY, INITIATIVE AND INNOVATION IN SEEKING NEW OPPORTUNITIES TO ENHANCE OUR SHIRE'S ECONOMIC HEALTH.

The Shire of Cunderdin Local Planning Scheme No. 4 was advertised with community consultations held and will be coming into affect in the new financial year. This new planning scheme will make a significant chnages across zoning, land use permissions and development standards. The new scheme has identified and allowed for the developement of more industrial land throughout the Shire.

The Shire of Cunderdin is committed to supporting the whole community with the unprecedented challenges arising from the COVID-19 pandemic. Council recognises that some residents and businesses may be finacially affected by this pandemic and have adoped a financial hardship policy to ensure assistance is available for any ratepayer or debtor during these times.

Council has created a toursim committee to help promote and investigate issues and plan future developments for the promotion of Cunderdin and Meckering.



STRATEGIC COMMUNITY PLAN

KEY RESULT AREA 4 - INFRASTRUCTURE AND TRANSPORT

We work together for the provision of essential services and assets to support our growing community.

The Shire continues to lobby to increase services within our community including health, roads, doctors and recreation facilities.

This year we completed a review of our Asset management plan and long term financial plans, both to be finalised at the start of the new financial year. This ensures we have the correct provisions in place to support our community moving forward.

Council continue to improve and monitor its road network, with the completion of one of its largest road programs this year.

The first section of the Meckering-Goomalling Road had a full reconstruction completed, with further stages to be completed in the financial years following.



STRATEGIC COMMUNITY PLAN

KEY RESULT AREA 5 - CIVIC LEADERSHIP

Our Councillors and community leaders have vision, are accessible, act with transparency and integrity, and in good faith on behalf of their constituents.



Regular reviews of our current policies, management practices, delegations, risk management framework and code of conduct are completed to ensure we are staying compliant and up to date with the required legislation.

Council continues to operate out of its adopted Annual Budget, with budget reviews being completed on a regular basis to ensure that the Shire is not operating outside of its financial capacity. Council continues to lobby the state and federal government for improved services within our community.

MANY STAFF AND COUNCILLORS COMPLETED A RANGE OF TRAINING AND LEADERSHIP COURSES THROUGHOUT THE YEAR TO ENSURE EVERYONE IS EDUCATED AND SKILLED IN THEIR RESPECTIVE ROLES

STATUTORY REQUIREMENTS

Local Government is governed by a number of various Acts of Legislation including the following Compliance and Statutory Reporting activities required for our Annual reporting processes and accountability;

Competitive Neutrality

The principle of Competitive Neutrality is that government business should not enjoy a competitive advantage, or suffer a 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 that generate a user pays income of over \$200,000 per annual, unless it can be shown it is not in the public interests. A public benefit test is used to determine if competitive neutrality is in the public interest. The Shire of Cunderdin does not control any business activity with a user pays income in excess of \$200,000.

Public Interest Disclosure

The Public Interest Disclosure Act 2003 facilitates the disclosure of public interests information, and provides protection for those making such disclosure and those who are the subject of the disclosures. The Act provides a system for the matters disclosed to be investigated and for the appropriate action to be taken.

The Chief Executive Officer reports that no complaints have been received during the year under review and declares that all obligations under the Public Interest Act and the Local Government Act Section 5.121 have been complied with.

Freedom of Information

In accordance with Section 96 and 97 of the Freedom of Information Act 1995, the Shire is required to publish an annual information statement which details the process for applying for information under the Act, as well as information that the Shire provides outside of the Act.

The Shire of Cunderdin provides information to people requesting it from Council in accordance with relevant State legislation. Should a request not be met satisfactorily then a Freedom of Information Application can be lodged with the Shire.

During the 2020-21 the Shire received nil formal requests for Information under the Freedom of Information Act.



STATUTORY REQUIREMENTS

State Record Act 2000

The State Records Act 2000 is an Act to provide for the keeping of State records and for related purposes. Section 19 of the Act requires that every government organisation must have a record keeping plan (RKP) that has been approved by the State Records Commission. A government organisation's including local government, records keeping plan sets out the matters about which records are to be created by the organisation and how it is to keep its records.

The records keeping plan comprises of a range of documents which, when assessed as a whole, provide an accurate reflection of the record keeping program within the organisation. More specifically, documentation regarding the organisation's record keeping system/s, disposal arrangements, policies, practices and processes will be essential components of the record keeping plan held by a local government.

The Shire of Cunderdin is currently reviewing the record keeping plan to ensure that it remains current and complies with State Record Act 2000.

Employee Remuneration Disclosure

In accordance with Section 19B of the Local Government (Administration) Regulation 1996 as amended, the annual report of a Local Government for a financial year is to contain the following information;

- The number of the employees of the Shire entitled to an annual salary of \$130,000 or more; and
- The number of those employees with an annual salary entitlement that falls within each band of \$10,000 over \$130,000.

The Shire of Cunderdin has one employee who receives an annual salary in the \$140,00 to \$149,999 band.

Remuneration provided to the Chief Executive Officer

The remuneration provided to CEO during the 2020/2021 is detailed below regulation 19B(2)(e) Local Government (Administration) Regulation 1996 is \$149,914.

Register of Complaints

Section 5.121 of the Local Government Act 1995, requires the Annual Report to contain details of the entries made in the Complaints Register regarding complaints made about elected members.

There were no complaints lodged against elected members in the 2020/2021 financial year.

Expenditure on advertising, market research, polling and direct mail.

Section 175ZE of the Electoral Act 1907 requires public agencies to report details of expenditure to organisations providing services in relation to advertising, market research, polling direct mail and media advertising. The Shire of Cunderdin has not incurred any expenditure of this nature.

STATUTORY REQUIREMENTS

Disability Access and Inclusion Plan

The Shire of Cunderdin is committed to facilitate the inclusion of people with disabilities through the improvement of access to its information, services, events and facilities.

In working towards this goal, the Shire of Cunderdin has worked progressively towards achieving the desired results in the key outcomes, our success includes;

- Disability Access and Inclusion Plan (DAIP) available on our website. A major review of this document is scheduled for the next financial year. A DAIP progress report is completed annually and forwarded to the Disability Service Commissions;
- Improved Shire of Cunderdin staff understanding of how to assist the public to obtain information in other formats; and
- Ongoing community consultation with key stakeholders to guide access and inclusion improvement.



STATUTORY REQUIREMENTS

Attendance at Council and Committee meetings

The Council of the Shire of Cunderdin meets monthly for information session and workshops on a variety of topics. In the third week of the month, Council convenes an Ordinary Council Meeting, where decisions are made on all reported items in the best interest of the community.

Below is a table outlining individual Elected Members' attendance, for the financial year, on various Council Committees as a member in their capacity as an Elected Member.

	Ordinary Council Meeting	Special Council Meetings	Audit Committee Meeting	Local Emergency Management Committee	Bushfire Advisory Committee	Cunderdin Community Trust Meeting
No of Meetings held	11	1	3	2	2	2
Elected Member						
Shire President	11	1	3	2		2
Cr D Whisson						
Deputy Shire President	11	1	3	1		2
Cr A Harris						
Cr B Daly	10	1	2			2
Cr J Goldson*	3	1	1			1
Cr T Harris	10	1	3		1	2
Cr N Jenzen	11		2		2	1
Cr W Stewart	10	1	3	1		2
Cr A Smith	10	1	3			1

* Resigned March 2021

Elected Member Demographics

Elected member demographics of the Elected Members is detailed below (Regulation 19B(2)(h) Local Government (Administration) Regulations 1996).

Gender	7 Male 1 Female
Linguistic background	English
Country of Birth	Australia
Aboriginal or Torres Strait Islander	Nil
Ages	
Between 18 years and 24 years	Nil
Between 25 years and 34 years	Nil
Between 35 years and 44 years	Nil
Between 45 years and 54 years	2
Between 55 years and 64 years	3
Over the age of 64 years	3

A vibrant landscape featuring a field of numerous small, light pink flowers in the foreground, with a distinct band of blue flowers in the middle ground. In the background, several large, dark-trunked trees with dense green foliage stand against a bright blue sky with scattered white clouds. The overall scene is bright and colorful, suggesting a healthy, natural environment.

Annual Financial Report

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

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COMMUNITY VISION

Our Shire will be:

A regional place that is progressive and will provide opportunities, offering a unique lifestyle and a sense of belonging:

A place that connects people; a place that connects Transport; and a place that connects businesses.

Principal place of business:

37 Lundy Avenue
Cunderdin WA 6407

**SHIRE OF CUNDERDIN
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 Cunderdin 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 Cunderdin 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 17th day of February 2022



Stuart Hobley
Chief Executive Officer



SHIRE OF CUNDERDIN
 STATEMENT OF COMPREHENSIVE INCOME
 BY NATURE AND TYPE
 FOR THE YEAR ENDED 30 JUNE 2021

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
Revenue				
Rates	22	2,129,041	2,135,783	2,109,320
Operating grants, subsidies and contributions	2(a)	1,806,207	864,874	1,792,628
Fees and charges	2(a)	432,649	344,396	401,301
Interest earnings	2(a)	37,260	56,200	70,704
Other revenue	2(a)	46,286	5,500	8,188
		4,451,443	3,406,753	4,382,141
Expenses				
Employee costs		(1,214,381)	(1,410,000)	(1,322,366)
Materials and contracts		(1,129,949)	(1,477,327)	(1,133,380)
Utility charges		(238,430)	(211,225)	(268,101)
Depreciation on non-current assets	9 (b)	(3,265,347)	(5,293,951)	(5,294,767)
Interest expenses	2(b)	(59,223)	(60,625)	(63,730)
Insurance expenses		(148,078)	(177,769)	(170,522)
Other expenditure		(130,513)	(187,250)	(251,111)
		(6,185,921)	(8,818,147)	(8,503,977)
		(1,734,478)	(5,411,394)	(4,121,836)
Non-operating grants, subsidies and contributions	2(a)	2,336,611	2,299,922	648,571
Profit on asset disposals	9 (a)	0	0	176,750
(Loss) on asset disposals	9 (a)	(264,367)	0	0
Fair value adjustments to financial assets at fair value through profit or loss		0	0	3,740
		2,072,244	2,299,922	829,061
Net result for the period		337,766	(3,111,472)	(3,292,775)
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus		0	0	(8,692,534)
Total other comprehensive income for the period		0	0	(8,692,534)
Total comprehensive income for the period		337,766	(3,111,472)	(11,985,309)

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



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

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
Revenue				
Governance		0	0	320
General purpose funding		3,667,416	2,871,483	3,618,452
Law, order, public safety		47,121	32,550	33,744
Health		0	0	11,772
Education and welfare		69,269	65,000	145,996
Housing		33,074	11,700	24,695
Community amenities		170,198	166,500	166,352
Recreation and culture		126,290	38,200	63,274
Transport		173,817	171,074	190,296
Economic services		69,446	32,646	22,334
Other property and services		94,811	17,600	104,906
		4,451,443	3,406,753	4,382,141
Expenses				
Governance		(121,109)	(154,596)	(127,703)
General purpose funding		(144,850)	(226,422)	(279,516)
Law, order, public safety		(105,157)	(144,684)	(120,661)
Health		(58,898)	(120,877)	(78,542)
Education and welfare		(115,871)	(145,931)	(157,672)
Housing		(178,049)	(234,016)	(124,175)
Community amenities		(579,725)	(588,018)	(592,647)
Recreation and culture		(1,608,831)	(1,693,723)	(1,620,539)
Transport		(2,977,090)	(5,310,588)	(4,983,099)
Economic services		(59,061)	(115,335)	(134,906)
Other property and services		(178,057)	(23,330)	(220,787)
		(6,126,698)	(8,757,520)	(8,440,247)
Finance Costs				
Recreation and culture	2(b)	(53,521)	(53,819)	(55,895)
Other property and services		(5,702)	(6,806)	(7,835)
		(59,223)	(60,625)	(63,730)
		(1,734,478)	(5,411,394)	(4,121,836)
Non-operating grants, subsidies and contributions	2(a)	2,336,611	2,299,922	648,571
Profit on disposal of assets	9(a)	0	0	176,750
(Loss) on disposal of assets	9(a)	(264,367)	0	0
Fair value adjustments to financial assets at fair value through profit or loss		0	0	3,740
		2,072,244	2,299,922	829,061
Net result for the period		337,766	(3,111,472)	(3,292,775)
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus		0	0	(8,692,534)
		0	0	0
Total other comprehensive income for the period		0	0	(8,692,534)
				0
Total comprehensive income for the period		337,766	(3,111,472)	(11,985,309)

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



SHIRE OF CUNDERDIN
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30 JUNE

	NOTE	2021 \$	2020 \$
CURRENT ASSETS			
Cash and cash equivalents	3	3,732,300	2,306,754
Trade and other receivables	6	199,873	126,418
Other financial assets	5(a)	0	251,320
TOTAL CURRENT ASSETS		3,932,173	2,684,492
NON-CURRENT ASSETS			
Trade and other receivables	6	26,473	26,472
Other financial assets	5(b)	75,984	75,984
Property, plant and equipment	7	15,977,650	17,018,893
Infrastructure	8	94,736,336	94,521,046
TOTAL NON-CURRENT ASSETS		110,816,443	111,642,395
TOTAL ASSETS		114,748,616	114,326,887
CURRENT LIABILITIES			
Trade and other payables	11	428,495	468,231
Other liabilities	12	214,576	54,149
Borrowings	13	87,562	82,851
Employee related provisions	14	226,150	203,365
TOTAL CURRENT LIABILITIES		956,783	808,596
NON-CURRENT LIABILITIES			
Borrowings	13	987,898	1,075,409
Employee related provisions	14	44,124	20,834
TOTAL NON-CURRENT LIABILITIES		1,032,022	1,096,243
TOTAL LIABILITIES		1,988,805	1,904,839
NET ASSETS		112,759,813	112,422,047
EQUITY			
Retained surplus		3,232,446	3,264,681
Reserves - cash/financial asset backed	4	1,228,300	858,299
Revaluation surplus	10	108,299,067	108,299,067
TOTAL EQUITY		112,759,813	112,422,047

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



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

		RESERVES CASH/FINANCIAL			
	NOTE	RETAINED SURPLUS	ASSET BACKED	REVALUATION SURPLUS	TOTAL EQUITY
		\$	\$	\$	\$
Balance as at 1 July 2019		6,434,256	981,501	107,005,601	124,421,354
Change in accounting policy		0	0	(14,000)	(14,000)
Restated balance at the beginning of the financial year		6,434,256	981,501	106,991,601	124,407,354
Comprehensive income					
Net result for the period		(3,292,775)	0	0	(3,292,775)
Other comprehensive income	10	0	0	(8,692,534)	(8,692,534)
Total comprehensive income		(3,292,775)	0	(8,692,534)	(11,985,309)
Transfers from reserves	4	170,000	(170,000)	0	0
Transfers to reserves	4	(46,800)	46,800	0	0
Balance as at 30 June 2020		3,264,681	858,299	108,299,067	112,422,047
Balance at 1 July 2020		3,264,681	858,299	108,299,067	112,422,047
Comprehensive income					
Net result for the period		337,766	0	0	337,766
Total comprehensive income		337,766	0	0	337,766
Transfers from reserves	4	40,000	(40,000)	0	0
Transfers to reserves	4	(410,001)	410,001	0	0
Balance as at 30 June 2021		3,232,446	1,228,300	108,299,067	112,759,813

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

SHIRE OF CUNDERDIN
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		2,076,619	2,135,783	2,061,338
Operating grants, subsidies and contributions		2,007,620	864,874	1,827,911
Fees and charges		426,791	344,396	401,301
Interest received		37,260	56,200	70,704
Goods and services tax received		425,979	0	526,679
Other revenue		46,286	5,500	8,188
		5,020,555	3,406,753	4,896,121
Payments				
Employee costs		(1,168,306)	(1,410,000)	(1,278,926)
Materials and contracts		(1,167,461)	(1,477,327)	(1,010,792)
Utility charges		(238,430)	(211,225)	(268,101)
Interest expenses		(59,223)	(60,625)	(64,942)
Insurance paid		(148,078)	(177,769)	(170,522)
Goods and services tax paid		(484,369)	0	(320,195)
Other expenditure		(130,513)	(187,250)	(58,741)
		(3,396,380)	(3,524,196)	(3,172,219)
Net cash provided by/(used) in operating activities	15	1,624,176	(117,443)	1,723,902
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	7(a)	(739,421)	(1,027,000)	(660,378)
Payments for construction of infrastructure	8(a)	(2,497,895)	(2,823,394)	(1,596,126)
Non-operating grants, subsidies and contributions	2(a)	2,336,611	2,299,922	648,571
Proceeds from financial assets at amortised cost - term deposits		251,320	0	730,180
Proceeds from sale of property, plant & equipment	9(a)	533,554	104,000	275,260
Net cash provided by /(used) in investment activities		(115,831)	(1,446,472)	(602,493)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	13 (a)	(82,799)	(82,850)	(78,344)
Proceeds from new borrowings	13 (a)	0	300,000	0
Net cash provided by/(used) in financing activities		(82,799)	217,150	(78,344)
Net increase /(decrease) in cash held		1,425,546	(1,346,765)	1,043,063
Cash at beginning of year		2,306,754	2,552,174	1,263,690
Cash and cash equivalents at the end of the year	15	3,732,300	1,205,409	2,306,753

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

SHIRE OF CUNDERDIN
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)	23 (b)	1,278,891	1,301,435	1,393,282
		1,278,891	1,301,435	1,393,282
Revenue from operating activities (excluding rates)				
Governance		0	0	320
General purpose funding		1,560,320	751,687	1,528,958
Law, order, public safety		47,121	32,550	33,744
Health		0	0	11,772
Education and welfare		69,269	65,000	145,996
Housing		33,074	11,700	24,695
Community amenities		170,198	166,500	166,352
Recreation and culture		126,290	38,200	63,274
Transport		173,817	171,074	321,392
Economic services		69,446	32,646	22,334
Other property and services		88,953	17,600	150,560
		2,338,488	1,286,957	2,469,397
Expenditure from operating activities				
Governance		(121,109)	(154,596)	(127,703)
General purpose funding		(144,850)	(226,422)	(279,516)
Law, order, public safety		(105,157)	(144,684)	(120,661)
Health		(208,497)	(120,877)	(78,542)
Education and welfare		(115,871)	(145,931)	(157,672)
Housing		(196,441)	(234,016)	(124,175)
Community amenities		(579,725)	(588,018)	(592,647)
Recreation and culture		(1,662,352)	(1,747,542)	(1,676,434)
Transport		(3,073,466)	(5,310,588)	(4,983,099)
Economic services		(59,061)	(115,335)	(134,906)
Other property and services		(183,759)	(30,137)	(228,622)
		(6,450,288)	(8,818,146)	(8,503,977)
Non-cash amounts excluded from operating activities	23 (a)	3,553,005	5,293,951	5,114,772
Amount attributable to operating activities		720,096	(935,803)	473,474
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	2(a)	2,336,611	2,299,922	648,571
Proceeds from disposal of assets	9(a)	533,554	104,000	275,260
Purchase of property, plant and equipment	7(a)	(739,421)	(1,027,000)	(660,378)
Purchase and construction of infrastructure	8(a)	(2,497,895)	(2,823,394)	(1,596,126)
		(367,151)	(1,446,472)	(1,332,673)
Amount attributable to investing activities		(367,151)	(1,446,472)	(1,332,673)
FINANCING ACTIVITIES				
Repayment of borrowings	13(a)	(82,799)	(82,850)	(78,344)
Proceeds from borrowings	13(a)	0	300,000	0
Transfers to reserves (restricted assets)	4	(410,001)	(38,000)	(46,800)
Transfers from reserves (restricted assets)	4	40,000	78,000	170,000
Amount attributable to financing activities		(452,801)	257,150	44,856
Surplus/(deficit) before imposition of general rates		(99,855)	(2,125,125)	(814,343)
Total amount raised from general rates	22(a)	2,112,954	2,119,696	2,093,234
Surplus/(deficit) after imposition of general rates	23(b)	2,013,098	(5,430)	1,278,891

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

SHIRE OF CUNDERDIN
INDEX OF NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

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

1. BASIS OF PREPARATION

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

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

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

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

THE LOCAL GOVERNMENT REPORTING ENTITY

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

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 25 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 CUNDERDIN
 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			
General purpose funding	1,488,551	670,000	1,427,604
Law, order, public safety	41,766	30,000	29,433
Health	0	0	11,772
Education and welfare	909	0	71,153
Community amenities	580	0	3,135
Recreation and culture	97,575	12,000	34,674
Transport	127,180	131,074	125,459
Economic services	1,344	4,300	3,293
Other property and services	48,302	17,500	86,105
	1,806,207	864,874	1,792,628
Non-operating grants, subsidies and contributions			
General purpose funding	168,715	366,491	0
Recreation and culture	149,345	0	0
Transport	2,018,552	1,933,431	648,571
	2,336,611	2,299,922	648,571
Total grants, subsidies and contributions	4,142,818	3,164,796	2,441,200
Fees and charges			
Governance	0	0	320
General purpose funding	6,590	4,000	4,890
Law, order, public safety	5,355	2,550	4,311
Education and welfare	68,360	65,000	74,844
Housing	33,074	11,700	24,695
Community amenities	169,618	166,500	163,217
Recreation and culture	28,715	26,200	28,599
Transport	46,637	40,000	43,379
Economic services	68,102	28,346	19,041
Other property and services	6,197	100	38,005
	432,649	344,396	401,301

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

2 REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)	2021 Actual \$	2021 Budget \$	2020 Actual \$
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:			
Operating grants, subsidies and contributions	1,806,207	864,874	1,792,628
Fees and charges	432,649	344,396	401,301
Other revenue	46,286	5,500	8,188
Non-operating grants, subsidies and contributions	2,336,611	2,299,922	648,571
	4,621,754	3,514,692	2,850,688
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 transfers intended for acquiring or constructing recogniseable non-financial assets included as a liability at the start of the period	54,149	0	0
Revenue from contracts with customers recognised during the year	2,285,143	349,896	470,868
Revenue from transfers intended for acquiring or constructing recognisable non-financial assets during the year	2,282,462	2,299,922	648,571
	4,621,754	2,649,818	1,119,439
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:			
Liabilities from transfers intended for acquiring or constructing recogniseable non-financial assets	(214,576)	0	(54,149)

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 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 CUNDERDIN
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

2021 Actual	2021 Budget	2020 Actual
\$	\$	\$
2,112,954	2,119,696	2,093,234
2,112,954	2,119,696	2,093,234
46,286	5,500	8,188
46,286	5,500	8,188
36,250	28,200	41,900
1,010	28,000	28,804
37,260	56,200	70,704

Other revenue

Other

Interest earnings

Rates instalment and penalty interest

Other interest earnings

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.

2. REVENUE AND EXPENSES (Continued)

(b) Expenses

Auditors remuneration

- Audit of the Annual Financial Report

-Other Services

Interest expenses (finance costs)

Borrowings

Other expenditure

Impairment loss on trade and other receivables

Sundry expenses

Note	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
	29,200	35,000	28,600
	2,373		2,373
	31,573	35,000	30,973
13 (a)	59,223	60,625	63,730
	59,223	60,625	63,730
	43,023	120,000	192,370
	88,490	67,250	58,741
	131,513	187,250	251,111

SHIRE OF CUNDERDIN
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
Airport landing charges	Permission to use facilities and runway	Single point in time	Monthly in arrears	None	Adopted by council annually	Applied fully on timing of landing/take-off	Not applicable	On landing/departure event
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	Aviation fuel, kiosk and visitor centre stock	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	Adopted by council annually, set by mutual agreement	Applied fully based on timing of provision	Returns limited to repayment of transaction price	Output method based on goods
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 CUNDERDIN
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3. CASH AND CASH EQUIVALENTS

NOTE	2021	2020
	\$	\$
Cash at bank and on hand	3,732,300	2,306,754
Total cash and cash equivalents	3,732,300	2,306,754
Restrictions		
- Cash and cash equivalents	1,444,561	662,813
- Financial assets at amortised cost	0	251,320
	1,444,561	914,133

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
- Financial assets at amortised cost

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

Reserves - cash/financial asset backed	4	1,228,300	858,299
Grant liabilities	12	214,576	54,149
Bonds and deposits held		1,685	1,685
Total restricted assets		1,444,561	914,133

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

4. RESERVES - CASH/FINANCIAL
 ASSET BACKED

	2021 Actual		2021 Actual		2021 Budget		2021 Budget		2020 Actual		2020 Actual	
	Opening Balance	Transfer to	Actual	Transfer (from)	Opening Balance	Transfer (from)	Closing Balance	Transfer to	Opening Balance	Transfer to	Actual	Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Staff Entitlements	178,442	0	178,442	0	178,442	0	178,442	0	175,439	3,003	0	178,442
(b) Plant Replacement	55,084	1	55,085	0	55,085	0	55,085	0	221,296	3,788	(170,000)	55,084
(c) Airfield	115,493	0	115,493	0	115,493	0	115,493	0	113,549	1,944	0	115,493
(d) Community Bus	20,390	0	20,390	0	20,390	0	20,390	0	20,047	343	0	20,390
(e) Asset Replacement	251,903	0	251,903	0	251,903	0	221,903	(30,000)	247,664	4,239	0	251,903
(f) Buildings	77,081	360,000	457,081	0	77,081	0	77,081	0	75,784	1,297	0	77,081
(g) Cunderdin Museum	42,267	0	2,267	(40,000)	42,267	8,000	2,267	(48,000)	41,556	711	0	42,267
(h) Sporting Surfaces Replacement	87,638	0	87,638	0	87,638	0	87,638	0	86,163	1,475	0	87,638
(i) Age Appropriate Accommodation	30,000	30,000	60,000	0	30,000	30,000	60,000	0	0	30,000	0	30,000
	858,299	410,001	1,228,300	(40,000)	858,299	38,000	818,299	(78,000)	981,500	46,800	(170,000)	858,299

All reserves are supported by cash and cash equivalents and financial assets at amortised cost and are restricted within equity as Reserves - cash/financial assets 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) Staff Entitlements	Ongoing	To be used to fund annual and long service leave requirements.
(b) Plant Replacement	Ongoing	To be used to fund acquisition, disposal and maintenance of plant and equipment.
(c) Airfield	Ongoing	To be used to fund acquisition, maintenance and funding of property, buildings, plant and equipment associated with the Cunderdin airfield
(d) Community Bus	Ongoing	To be used to fund acquisition, disposal and maintenance of community bus.
(e) Asset Replacement	Ongoing	To provide for the replacement of necessary equipment, furniture and infrastructure comprising of road, drains, footpaths and recreational reserves.
(f) Buildings	Ongoing	To be used to fund acquisition, disposal and maintenance of land and buildings.
(g) Cunderdin Museum	Ongoing	To be used to fund exhibitions and upgrades to the Cunderdin Museum
(h) Sporting Surfaces Replacement	Ongoing	To be used to fund the replacement of the tennis and bowling surfaces in Cunderdin and Meckering
(i) Age Appropriate Accommodation	Ongoing	To be used to fund acquisition, disposal and maintenance of land and buildings in the Aged Appropriate Accommodation precinct.

5. OTHER FINANCIAL ASSETS

(a) Current assets

Financial assets at amortised cost

Other financial assets at amortised cost

Term deposits

(b) Non-current assets

Financial assets at fair value through profit and loss

Financial assets at fair value through profit and loss

Units in Local Government House Trust

Shares held in Cunderdin Cooperative

	2021	2020
	\$	\$
	0	251,320
	0	251,320
	0	251,320
	0	251,320
	75,984	75,984
	75,984	75,984
	73,808	73,808
	2,176	2,176
	75,984	75,984

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 24.

SHIRE OF CUNDERDIN
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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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
	\$	\$
Rates receivable	366,360	310,309
Trade and other receivables	9,516	8,479
GST receivable	58,390	0
Allowance for impairment of receivables	(234,393)	(192,370)
	199,873	126,418
Pensioner's rates and ESL deferred	26,473	26,472
	26,473	26,472

SIGNIFICANT ACCOUNTING POLICIES

Trade and other receivables

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

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

Impairment and risk exposure

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 24.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Classification and subsequent measurement

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

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

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

7. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Balances

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

	Land \$	Buildings - non- specialised \$	Total land and buildings \$	Furniture and equipment \$	Plant and equipment \$	Total property, plant and equipment \$
Balance at 1 July 2019	2,462,000	12,632,748	15,094,748	17,945	1,649,530	16,762,223
Additions	0	44,689	44,689	9,931	605,758	660,378
(Disposals)	(17,000)	(28,804)	(45,804)	0	(52,706)	(98,510)
Revaluation increments / (decrements) transferred to revaluation surplus	0	0	0	0	633,245	633,245
Depreciation (expense)	0	(689,737)	(689,737)	(4,479)	(244,228)	(938,444)
Balance at 30 June 2020	2,445,000	11,958,898	14,403,898	23,398	2,591,598	17,018,893
Comprises:						
Gross balance amount at 30 June 2020	2,445,000	29,823,301	32,268,301	180,729	4,036,374	36,485,404
Accumulated depreciation at 30 June 2020	0	(17,864,403)	(17,864,403)	(157,331)	(1,444,776)	(19,466,511)
Balance at 30 June 2020	2,445,000	11,958,898	14,403,898	23,398	2,591,598	17,018,893
Additions	121,889	0	121,889	0	617,532	739,421
(Disposals)	(62,000)	(560,783)	(622,783)	0	(175,138)	(797,921)
Depreciation (expense)	0	(547,323)	(547,323)	(13,743)	(421,678)	(982,744)
Balance at 30 June 2021	2,504,889	10,850,792	13,355,681	9,655	2,612,314	15,977,650
Comprises:						
Gross balance amount at 30 June 2021	2,504,889	28,479,801	30,984,690	180,729	4,226,906	35,392,325
Accumulated depreciation at 30 June 2021	0	(17,629,009)	(17,629,009)	(171,074)	(1,614,593)	(19,414,676)
Balance at 30 June 2021	2,504,889	10,850,792	13,355,681	9,655	2,612,314	15,977,650

SHIRE OF CUNDERDIN
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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7. 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					
	Land	2	Market Approach	Independent Valuation	2017	Price Per Square Metre
	Buildings - non-specialised	2	Market Approach	Independent Valuation	2017	Price Per Square Metre
	Buildings - specialised	3	Cost Approach using depreciated replacement cost	Independent Valuation	2017	Estimates of residual value, useful life, pattern of consumption and asset condition and relationship to the assessed level of remaining service potential of depreciable amount
(ii) Cost						
	Furniture and equipment	N/A	N/A	At Cost	2015	N/A
	Plant and equipment	N/A	N/A	At Cost	2020	N/A

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.

8. INFRASTRUCTURE

(a) Movements in Balances

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

	Infrastructure roads	infrastructure bridges	infrastructure - footpaths	infrastructure - airports	Infrastructure other	Total Infrastructure
Balance at 1 July 2019	\$ 92,783,581	\$ 2,274,600	\$ 312,412	\$ 6,185,335	\$ 5,051,092	\$ 106,607,020
Additions	1,254,813	0	0	0	341,311	1,596,126
Revaluation increments / (decrements) transferred to revaluation surplus	(8,596,988)	(845,620)	116,830	0	0	(9,325,778)
Depreciation (expense)	(3,766,036)	(107,400)	(17,856)	(97,717)	(367,314)	(4,356,323)
Balance at 30 June 2020	81,675,371	1,321,580	411,387	6,087,618	5,025,090	94,521,046
Comprises:						
Gross balance at 30 June 2020	135,516,206	2,490,000	859,022	18,872,000	9,054,543	166,791,771
Accumulated depreciation at 30 June 2020	(53,840,835)	(1,168,420)	(447,637)	(12,784,382)	(4,029,453)	(72,270,727)
Balance at 30 June 2020	81,675,371	1,321,580	411,386	6,087,618	5,025,090	94,521,046
Additions	2,238,665	0	0	0	259,230	2,497,895
Depreciation (expense)	(1,791,651)	(49,800)	(21,476)	(96,250)	(323,427)	(2,282,604)
Balance at 30 June 2021	82,122,385	1,271,780	389,910	5,991,368	4,960,893	94,736,336
Comprises:						
Gross balance at 30 June 2021	137,754,871	2,490,000	859,022	18,872,000	9,313,773	169,289,666
Accumulated depreciation at 30 June 2021	(55,632,486)	(1,218,220)	(469,112)	(12,880,631)	(4,352,880)	(74,553,329)
Balance at 30 June 2021	82,122,385	1,271,780	389,910	5,991,368	4,960,893	94,736,336

**SHIRE OF CUNDERDIN
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FOR THE YEAR ENDED 30 JUNE 2021**

8. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

(i) Fair Value	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Infrastructure roads	3	Cost Approach using depreciated replacement cost	Independent Valuation	June 2020	Cost of components used to create the assets and condition based on estimates.
infrastructure - bridges	3	Cost Approach using depreciated replacement cost	Independent Valuation	June 2020	Cost of components used to create the assets and condition based on estimates.
infrastructure - footpaths	3	Cost Approach using depreciated replacement cost	Independent Valuation	June 2020	Cost of components used to create the assets and condition based on estimates.
infrastructure - airports	3	Cost Approach using depreciated replacement cost	Independent Valuation	June 2019	Cost of components used to create the assets and condition based on estimates.
Infrastructure other	3	Cost Approach using depreciated replacement cost	Independent Valuation	June 2019	Cost of components used to create the assets and condition based on estimates.

Level 3 inputs are based on assumptions with regards to future values and patterns of consumptions 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.

9. 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.

Revaluation (Continued)

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

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

AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY

Land under roads from 1 July 2019

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

Vested improvements from 1 July 2019

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

SHIRE OF CUNDERDIN
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9. FIXED ASSETS

(a) Disposals of Assets

	2021		2021		2021		2021		2021		2020		2020	
	Actual Net Book Value	Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss	Budget Net Book Value	Budget Sale Proceeds	Budget Profit	Budget Loss	Actual Net Book Value	Actual Sale Proceeds	Actual Profit	Actual Loss		
Land	\$ 62,000	\$ 48,548	\$ 0	\$ (13,452)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 17,000	\$ 17,000	\$ 0	\$ 0		
Buildings - non-specialised	560,783	406,244	0	(154,539)	0	0	0	0	28,804	53,000	24,196	0		
Plant and equipment	175,138	78,762	0	(96,376)	104,000	104,000	0	0	52,706	205,260	152,554	0		
	797,921	533,554	0	(264,367)	104,000	104,000	0	0	98,510	275,260	176,750	0		

The following assets were disposed of during the year.

	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss
Health				
Doctors House - 2 First Street Cunderdin	226,109	159,030	0	(67,079)
Doctors Surgery- 2 First Street Cunderdin	252,207	176,316	0	(75,891)
Land Under Doctors Surgery & House	17,000	10,371	0	(6,629)
Housing				
81 Mitchell St	82,467	70,899	0	(11,568)
Land Under 81 Mitchell St	45,000	38,176	0	(6,824)
Transport				
Community Bus	46,671	8,198	0	(38,473)
2011 John Deere 544K Z- Bar Loader	108,767	67,837	0	(40,930)
New Holland Mower	19,700	2,727	0	(16,973)
	797,921	533,554	0	(264,367)
	797,921	533,554	0	(264,367)

9. FIXED ASSETS

(b) Depreciation

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Buildings - non-specialised	547,323	691,007	689,737
Furniture and equipment	13,743	4,479	4,479
Plant and equipment	421,678	244,228	244,228
Infrastructure roads	1,791,651	3,766,036	3,766,036
infrastructure - bridges	49,800	107,400	107,400
infrastructure - footpaths	21,476	17,856	17,856
infrastructure - airports	96,250	97,717	97,717
Infrastructure other	323,427	365,228	367,314
	3,265,347	5,293,951	5,294,767

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	Depreciation % (revised)	Useful life (previous)	Depreciation % (previous)
Land	Not depreciated		Not Depreciated	-
Infrastructure- roads	15 to 120 years	0.0033%-6.66%	12 to 50 years	2.00%-5.00%
Infrastructure-footpath	10 to 80 years	1.25%-10.00%	50 years	2.00%
Infrastructure- laneways	20 to 80 years	1.25%-5.00%	15 years	6.67%
Infrastructure- aerodrome	10 to 30 years	3.33%-10.00%	30 years	3.33%
Infrastructure- urban stormwater drainage	5 to 80 years	1.25%-20.00%	50 years	2.00%
Infrastructure- parks and ovals	10 to 40 years	2.50%-10.00%	Not Depreciated	-
Infrastructure- sewerage	60 to 100 years	1.00%-1.66%	Not Depreciated	-
Infrastructure- townscape	20 to 35 years	2.857%-5.00%	50 years	2.00%
Infrastructure-bridges	50 years	12.5%-33.33%	Not Depreciated	-
Infrastructure- other	5 to 50 years	1.25%-10.0%	Not Depreciated	-
Buildings -non-specialised	30 to 75 years	1.33%-3.33%	12 to 50 years	2.00%-3.33%
			30 to 50 years	2.00%-3.33%
			30 to 50 years	2.00%-3.33%

Depreciation on revaluation

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

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

Amortisation

All intangible assets with a finite useful life, are amortised on a straight-line basis over the individual assets useful life. The residual value of intangible assets is considered to be zero and the useful life and amortisation method are reviewed at the end of each financial year. Amortisation is included within Depreciation on non-current assets in the Statement of Comprehensive Income and in the note above.

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

10. REVALUATION SURPLUS

	2021 Opening Balance	2021 Closing Balance	2020 Opening Balance	2020 Change in Accounting Policy	2020 Revaluation Increment	2020 Revaluation (Decrement)	Total Movement on Revaluation	2020 Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land	2,274,890	2,274,890	2,277,891	(3,000)	0	0	0	2,274,890
Land Vested in Council	0	0	11,000	(11,000)	0	0	0	0
Revaluation surplus - Buildings - non-specialised	4,650,061	4,650,061	4,650,061	0	0	0	0	4,650,061
Revaluation surplus - Plant and equipment	1,406,509	1,406,509	773,264	0	633,245	0	633,245	1,406,509
Revaluation surplus - Infrastructure - roads	86,590,103	86,590,103	95,187,091	0	0	(8,596,988)	(8,596,988)	86,590,103
Revaluation surplus - infrastructure - bridges	1,553,380	1,553,380	2,399,000	0	0	(845,620)	(845,620)	1,553,380
Revaluation surplus - infrastructure - footpaths	143,634	143,634	26,804	0	116,830	0	116,830	143,634
Revaluation surplus - infrastructure - airports	6,683,159	6,683,159	6,683,159	0	0	0	0	6,683,159
Revaluation surplus - Infrastructure other	4,997,331	4,997,331	4,997,331	0	0	0	0	4,997,331
	108,299,067	108,299,067	117,005,601	(14,000)	750,075	(9,442,608)	(8,692,534)	108,299,067

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

11. TRADE AND OTHER PAYABLES

Current

Sundry creditors
Prepaid rates
Accrued salaries and wages
ATO liabilities
Bonds and deposits held
Accrued Interest on Loans
Payroll Creditors

	2021	2020
	\$	\$
Sundry creditors	308,840	145,223
Prepaid rates	27,961	30,190
Accrued salaries and wages	40,255	26,116
ATO liabilities	12,773	203,047
Bonds and deposits held	1,685	1,685
Accrued Interest on Loans	12,886	14,180
Payroll Creditors	24,095	47,791
	428,495	468,231

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.

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

12. OTHER LIABILITIES

Current
 Grant Liabilities

	2021	2020
	\$	\$
	214,576	54,149
	214,576	54,149

Grant liabilities

Performance obligations for grant liabilities are expected to be recognised as revenue in accordance with the following time bands:

Less than 1 year

	214,576	54,149
	214,576	54,149

SIGNIFICANT ACCOUNTING POLICIES

Contract liabilities

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

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

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

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

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

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

Service concession liabilities

Service concession liabilities relate to the grant of right to an operator in respect of an asset controlled by the Shire.

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

13. INFORMATION ON BORROWINGS (Continued)

	2021	2020
	\$	\$
(b) Undrawn Borrowing Facilities		
Credit Standby Arrangements		
Bank overdraft limit		
Bank overdraft at balance date		
Credit card limit	10,000	10,000
Credit card balance at balance date	(690)	(3,202)
Total amount of credit unused	9,310	6,798
Loan facilities		
Loan facilities - current	87,562	82,851
Loan facilities - non-current	987,898	1,075,409
Total facilities in use at balance date	1,075,461	1,158,260
Unused loan facilities at balance date	NIL	NIL

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

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

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

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

Borrowing costs

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

Risk

Information regarding exposure to risk can be found at Note 24.

14. EMPLOYEE RELATED PROVISIONS

(a) Employee Related Provisions

Opening balance at 1 July 2020

Current provisions

Non-current provisions

Additional provision

Balance at 30 June 2021

Comprises

Current

Non-current

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

	Provision for Annual Leave	Provision for Long Service Leave	Total
	\$	\$	\$
Opening balance at 1 July 2020			
Current provisions	103,547	99,818	203,365
Non-current provisions	0	20,834	20,834
	103,547	120,652	224,199
Additional provision	19,053	27,023	46,076
Balance at 30 June 2021	122,600	147,675	270,274
Comprises			
Current	122,600	103,550	226,150
Non-current	0	44,124	44,124
	122,600	147,674	270,274
	2021	2020	
	\$	\$	
Less than 12 months after the reporting date	226,150	203,365	
More than 12 months from reporting date	44,124	20,834	
	270,274	224,199	

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.

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

15. 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	3,732,300	1,205,410	2,306,754
Reconciliation of Net Cash Provided By Operating Activities to Net Result			
Net result	337,766	(3,111,472)	(3,292,775)
Non-cash flows in Net result:			
Adjustments to fair value of financial assets at fair value through profit and loss	0	0	(3,740)
Depreciation on non-current assets	3,265,348	5,293,951	5,294,767
(Profit)/loss on sale of asset	264,367	0	(176,750)
Reversal of loss on revaluation of fixed assets	0	0	192,370
Changes in assets and liabilities:			
(Increase)/decrease in receivables	(73,455)	0	(11,721)
(Increase)/decrease in inventories	0	0	130
Increase/(decrease) in payables	(39,741)	0	315,829
Increase/(decrease) in employee provisions	46,075	0	0
Increase/(decrease) in other provisions	0	0	211
Increase/(decrease) in other liabilities	160,427	0	54,149
Non-operating grants, subsidies and contributions	(2,336,611)	(2,299,922)	(648,571)
Net cash from operating activities	1,624,176	(117,443)	1,723,902

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

16. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2021	2020
	\$	\$
Governance	276,106	222,546
General purpose funding	226,346	163,707
Law, order, public safety	575,647	661,242
Health	52,283	585,583
Education and welfare	2,832,022	2,877,770
Housing	1,191,219	1,310,070
Community amenities	320,205	410,911
Recreation and culture	10,659,244	10,736,736
Transport	94,469,010	93,705,129
Other property and services	1,566,551	1,881,882
Unallocated	2,579,985	1,771,309
	<u>114,748,616</u>	<u>114,326,887</u>

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

17. CAPITAL COMMITMENTS

(a) Capital Expenditure Commitments

Contracted for:

- capital expenditure projects

	2021	2020
	\$	\$
	214,576	54,149
	214,576	54,149
Payable:		
- not later than one year	214,576	54,149

18. CONTINGENT LIABILITIES

The Shire had no contingent liabilities to disclose at the end of the reporting period.

19. ELECTED MEMBERS REMUNERATION

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Shire President - Dennis Whisson			
President's annual allowance	309	1,500	868
Meeting attendance fees	5,880	5,880	5,880
	6,189	7,380	6,748
Shire Deputy President - Alison Harris			
Deputy President's annual allowance		750	0
Meeting attendance fees	2,856	2,856	3,808
	2,856	3,606	3,808
Councillor - Todd Harris			
Meeting attendance fees	2,618	2,856	2,618
	2,618	2,856	2,618
Councillor - Bernie Daly			
Meeting attendance fees	2,618	2,856	2,142
	2,618	2,856	2,142
Councillor - Norm Jenzen			
Meeting attendance fees	2,618	2,856	2,142
	2,618	2,856	2,142
Councillor - Sam Stewart			
Meeting attendance fees	2,618	2,856	2,856
	2,618	2,856	2,856
Councillor - Anthony Smith			
Meeting attendance fees	2,618	2,856	3,094
	2,618	2,856	3,094
Councillor - Jayson Goldson			
Meeting attendance fees	714	2,856	2,618
	714	2,856	2,618
	22,849	28,122	26,026
Fees, expenses and allowances to be paid or reimbursed to elected council members.			
President's allowance	309	1,500	868
Deputy President's allowance	0	750	0
Meeting attendance fees	22,540	30,000	25,158
Conference Expenses	0	0	12,479
	22,849	32,250	38,505

20. RELATED PARTY TRANSACTIONS

Key Management Personnel (KMP) Compensation Disclosure

	2021 Actual	2020 Actual
The total of remuneration paid to KMP of the Shire during the year are as follows:	\$	\$
Short-term employee benefits	380,009	343,706
Post-employment benefits	33,871	33,740
Other long-term benefits	36,399	34,730
	450,279	412,176

Short-term employee benefits

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

Post-employment benefits

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

Other long-term benefits

These amounts represent annual leave and long service benefits accruing during the year.

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 transactions or outstanding balances or provisions for doubtful debts or guaranties exist in relation to related parties at year end.

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.

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

ii. Other Related Parties

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.

21. JOINT ARRANGEMENTS

Share of joint operations

The Shire of Cunderdin together with the Cunderdin-Meckering Cottage Homes Inc. and Homeswest has a joint operation arrangement for the provision of an Aged Persons Home located at Lot 391 Kennedy Street, Cunderdin. The Shire has a 5.6% equitable interest in the joint operation.

SIGNIFICANT ACCOUNTING POLICIES

Interests in joint arrangements

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

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

SHIRE OF CUNDERDIN
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22. RATING INFORMATION

(a) Rates

RATE TYPE	Differential general rate / general rate	Number of Properties	2020/21 Actual Rateable Value		2020/21 Actual Rate Revenue		2020/21 Actual Interim Rates		2020/21 Actual Back Rates		2020/21 Budget Interim Rate		2020/21 Budget Back Rate		2020/21 Budget Total Revenue		2019/20 Actual Total Revenue			
			\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$		
Gross rental valuations																				
Residential	0.08697	387	5,480,312	476,623	(906)										476,701	0	0	476,701	475,219	
Unimproved valuations																				
Rural	0.008507	290	173,707,000	1,477,725	(906)										1,477,725	0	0	1,477,725	1,482,803	
Sub-Total		677	179,187,312	1,954,348	(906)	0									1,954,426	0	0	1,954,426	1,958,022	
Minimum payment	\$																			
Gross rental valuations																				
Residential	719	125	415,618	89,875											89,875			89,875	91,313	
Unimproved valuations																				
Rural	719	96	4,080,600	69,024											69,024			69,024	64,710	
Mining	719	9	64,120	6,471											6,471			6,471	5,752	
Sub-Total		230	4,560,338	165,370	0	0									165,370	0	0	165,370	161,775	
Discounts/concessions (Note 20 (b))		907	183,747,650	2,119,718	(906)	0									2,119,796	0	0	2,119,796	2,119,797	
Total amount raised from general rate																		(5,858)	(26,563)	
Ex-gratia rates																		2,112,954	2,093,234	
Totals																		16,087	16,087	
																				2,109,320
																				2,135,783

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.

SHARE OF CUNDERDIN
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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22. RATING INFORMATION (Continued)

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

Rates Written Off

	2021 Actual	2021 Budget	2020 Actual	Circumstances in which Discount is Granted
Rates Written Off	\$ 5,858	\$ 120,000	\$ 26,563	
	\$ 5,858	\$ 120,000	\$ 26,563	
Rates Written Off	5,858	120,000	26,563	

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

22. RATING INFORMATION (Continued)

(c) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
Option One				
Single full payment	24/08/2020	0.00	0.00%	8.00%
Option Three				
First instalment	24/08/2020	9.00	5.50%	8.00%
Second instalment	26/10/2020	9.00	5.50%	8.00%
Third instalment	4/01/2021	9.00	5.50%	8.00%
Fourth instalment	8/03/2021	9.00	5.50%	8.00%

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Instalment plan admin charge revenue	5,974	5,500	5,928
Instalment plan interest earned	8,463	6,200	7,783
Unpaid rates and service charge interest earned	27,787	22,000	34,117
	42,224	33,700	47,828

23. RATE SETTING STATEMENT INFORMATION

	2020/21 (30 June 2021 Carried Forward) \$	2020/21 Budget (30 June 2021 Carried Forward) \$	2019/20 (30 June 2020 Carried Forward) \$
(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	9(a) 0	0	(176,750)
Less: Fair value adjustments to financial assets at fair value through profit and loss	0	0	(3,740)
Movement in pensioner deferred rates (non-current)	0		(4,741)
Movement in employee benefit provisions (non-current) and reserve	23,291		5,235
Add: Loss on disposal of assets	9(a) 264,367	0	0
Add: Depreciation on non-current assets	9(b) 3,265,347	5,293,951	5,294,767
Non cash amounts excluded from operating activities	3,553,005	5,293,951	5,114,772
(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/financial asset backed	4 (1,228,300)	(818,299)	(858,299)
Add: Current liabilities not expected to be cleared at end of year			
- Current portion of borrowings	13(a) 87,562	300,001	82,851
- Movement in provisions between current and non-current provisions	0	7,375	0
- Employee benefit provisions	178,442	178,442	178,442
Total adjustments to net current assets	(962,296)	(332,481)	(597,006)
Net current assets used in the Rate Setting Statement			
Total current assets	3,932,173	1,418,358	2,684,492
Less: Total current liabilities	(956,780)	(1,091,306)	(808,597)
Less: Total adjustments to net current assets	(962,296)	(332,481)	(597,006)
Net current assets used in the Rate Setting Statement	2,013,098	(5,430)	1,278,891

24. FINANCIAL RISK MANAGEMENT

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

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

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

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

(a) Interest rate risk

Cash and cash equivalents

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

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

	Weighted Average Interest Rate %	Carrying Amounts \$	Fixed Interest Rate \$	Variable Interest Rate \$	Non Interest Bearing \$
2021					
Cash and cash equivalents	0.00%	3,732,300	0	0	3,732,300
2020					
Cash and cash equivalents	0.00%	2,306,754	0	0	2,306,754
Financial assets at amortised cost	0.65%	251,320	251,320	0	0

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*	\$ 0	\$ 0

* 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.

24. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Trade and Other Receivables

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

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

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

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

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

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

	Current	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total
30 June 2021					
Rates receivable					
Expected credit loss	0.00%	0.00%	27.00%	100.00%	
Gross carrying amount	2,526	67,605	84,700	211,529	366,360
Loss allowance	0	0	22,864	211,529	234,393
30 June 2020					
Rates receivable					
Expected credit loss	0.00%	0.00%	70.86%	100.00%	
Gross carrying amount	5,307	91,657	71,971	141,374	310,309
Loss allowance	0	0	50,996	141,374	192,370

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

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
30 June 2021					
Trade and other receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	5,176	4,215	0	125	9,516
Loss allowance	0	0	0	0	0
30 June 2020					
Trade and other receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	7,867	142	0	470	8,479
Loss allowance	0	0	0	0	0

24. 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 13(b).

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	428,495	0	0	428,495	428,491
Borrowings	87,562	390,415	685,046	1,163,023	1,075,460
Contract liabilities	214,576	0	0	214,576	214,576
	<u>730,633</u>	<u>390,415</u>	<u>685,046</u>	<u>1,806,094</u>	<u>1,718,527</u>
2020					
Payables	325,496	0	0	325,496	265,185
Borrowings	144,401	627,580	850,211	1,622,192	1,158,260
Contract liabilities	54,149	0	0	54,149	54,149
	<u>524,046</u>	<u>627,580</u>	<u>850,211</u>	<u>2,001,837</u>	<u>1,477,594</u>

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

25. 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
	\$	\$	\$	\$
Working Trust	0	1,098	(106)	992
Community Centre Trust	96,971	3	(10,000)	86,974
Community Centre Term Deposit	451,548	0	0	451,548
	548,519	1,101	(10,106)	539,514

26. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

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

c) Rounding off figures

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

d) Comparative figures

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

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

e) Budget comparative figures

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

f) Superannuation

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

g) Fair value of assets and liabilities

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

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

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

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

h) Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

i) Impairment of assets

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

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

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

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

27. 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 resources	Includes the activities of Council and the administrative support available to the Council for the provision of governance for the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific Council services.
GENERAL PURPOSE FUNDING To collect revenue to allow for the provision of services.	Rates, general purpose government grants and interest revenue.
LAW, ORDER, PUBLIC SAFETY To provide services to help ensure a safer and environmentally conscious community.	Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services.
HEALTH To provide an operational framework for environmental and community health.	Inspection of food outlets and their control, noise control and waste disposal compliance.
EDUCATION AND WELFARE To provide services to disadvantaged persons, the elderly, children and youth.	Maintenance of daycare centre, aged housing and provision of aged and youth services.
HOUSING To provide and maintain housing.	Provision of staff housing and other housing to the community.
COMMUNITY AMENITIES To provide services required by the community.	Rubbish collection services, operation of rubbish disposal sites, litter control, protection of the environment and administration of town planning schemes, cemetery and public conveniences.
RECREATION AND CULTURE To establish and effectively manage infrastructure and resources which will help the social wellbeing of the community.	Maintenance of public halls, civic centres, aquatic centres, recreation centres and various sporting facilities. Provision and maintenance of parks gardens and playgrounds. Funding of library museum and other cultural facilities.
TRANSPORT To provide safe, effective and efficient transport services to the community.	Construction and maintenance of roads, streets, footpaths, depots, parking facilities and traffic control. Cleaning of streets maintenance of street trees and street lighting.
ECONOMIC SERVICES To promote the Shire and its economic wellbeing.	Tourism and area promotion including coordination of events. Provision of rural services including weed control, vermin control and standpipes. Building control.
OTHER PROPERTY AND SERVICES To monitor and control the Shires overhead and operating accounts.	Private works operation, plant repair and operation costs and engineering operation costs.

28. FINANCIAL RATIOS

	2021 Actual	2020 Actual	2019 Actual
Current ratio	3.20	2.81	5.03
Asset consumption ratio	0.54	0.54	0.60
Asset renewal funding ratio	1.06	N/A	N/A
Asset sustainability ratio	0.83	0.37	0.24
Debt service cover ratio	9.29	9.95	9.31
Operating surplus ratio	(0.77)	(1.42)	(1.51)
Own source revenue coverage ratio	0.40	0.33	0.30

The above ratios are calculated as follows:

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



Auditor General

INDEPENDENT AUDITOR'S REPORT 2021 Shire of Cunderdin

To the Councillors of the Shire of Cunderdin

Report on the audit of the annual financial report

Opinion

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

- 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 matters indicate a significant adverse trend in the financial position of the Shire:
 - a) The Asset Sustainability Ratio as reported in Note 28 of the annual financial report is below the Department of Local Government, Sport and Cultural Industries' standard for the last three financial years.
 - b) The Operating Surplus Ratio as reported in Note 28 of the annual financial report is below the Department of Local Government, Sport and Cultural Industries' standard for the last three financial years.
- (ii) The following material matters 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) For approximately 3% of purchase transactions we sampled, there was no evidence that a sufficient number of quotations were obtained to test the market. We also noted six of the purchase orders we sampled were dated after the dates of the corresponding supplier invoices. These practices increase the risk of fraud or favouritism of suppliers, not obtaining value for money in procurement, and inappropriate or unnecessary purchases.
 - b) The Workforce Plan was last reviewed in 2018. Section 19DA(3)(c) of the Local Government (Administration) Regulations requires a corporate business plan for a district to develop and integrate matters relating to resources, which includes workforce planning. Section 19DA(4) of the Regulations requires the corporate business plan to be reviewed every year.

- c) Reconciliations for property, plant and equipment, and infrastructure were not being performed. Reconciliations are a key control for ensuring the completeness and accuracy of financial data within the general ledger and the information reported in the financial statements.
 - d) The Shire has not reported the Asset Renewal Funding Ratio for 2020 and 2019 in the annual financial report as required by section 50(1)(c) of the FM Regulations, as management could not confirm the reliability of the available information on planned capital renewals and required capital expenditure in the long-term financial plan and asset management plan respectively.
- (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 and the Asset Renewal Funding Ratio included in the financial report were supported by verifiable information and reasonable assumptions.

Other information

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

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

Matters relating to the electronic publication of the audited financial report

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

Patrick Arulsingham
Acting Assistant Auditor General Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
18 February 2022