

# Annual Report 2019-2020



THIS DOCUMENT IS AVAILABLE IN OTHER FORMATS ON  
REQUEST FOR PEOPLE WITH DISABILITY



# Shire of Broomehill-Tambellup

## 2019-2020 Annual Report

### Table of Contents

SHIRE PRESIDENT'S REPORT .....	1
CHIEF EXECUTIVE OFFICER'S REPORT .....	3
SHIRE PROFILE .....	5
COUNCIL INFORMATION .....	6
COUNCIL STAFF (as at 30th June 2020) .....	7
2020 ORGANISATIONAL STRUCTURE .....	8
ADDITIONAL INFORMATION.....	9
National Competition Policy.....	9
Employee Remuneration.....	9
Register of Complaints .....	9
Adoption of Local Laws.....	9
Public Interest Disclosure .....	9
Freedom of Information.....	10
Disability Access and Inclusion Plan .....	10
State Records Act 2000 .....	12
INTEGRATED PLANNING & REPORTING: STRATEGIC COMMUNITY PLAN 2012-2022 .....	12

### FINANCIAL REPORT

Statement by the Chief Executive Officer

2019-2020 Financial Report

Independent Audit Report

## SHIRE PRESIDENT'S REPORT



Well what an interesting year it has been.

Firstly I would like to thank the people who have supported me in the role as President. To my fellow Councillors Cr White, Cr Nazzari, Cr Holzknecht, Cr Letter and incoming new Councillors Cr Barritt and Cr Penny, thank you for the help and support to guide Council forward. Councillors provide feedback from community members and represent them in the best way they possibly can. A special mention to our staff and their leader Chief Executive Officer, Keith Williams.

This past year has seen the completion of many projects and many more developed even with Covid-19 in the foreground background. Council's Annual Budget included a 3.5% rate increase for 2019/20 to maintain and improve its assets.

As per usual the Shire continues to improve the road network. This is a significant part of the Annual Budget-1.73 million dollars, funding obtained from the Regional Road Group (RRG) and Roads to Recovery programs and the Shires 1/3 contribution to RRG assisted to complete the funding for the projects. Well done to the all the staff to complete them on time. The road projects were:

- Tambellup West stabilise patches and reseal
- Gnowangerup-Tambellup stabilise patches and reseal 2 sections
- Toolbrunup widen seal
- Pallinup reconstruct and seal 4 km

The Shire understands the need to keep pace with current road transport needs, and it continues to look to improvements to the Restricted Access Vehicle (RAV) network and construction of roads to a higher standard and is always pushing to obtain funding where it can.

Along-side normal operations the shire has partnered with other neighbouring local governments to deliver housing projects through the Great Southern Housing Initiative. Successful applications to the Building Better Regions Fund (BBRF) and the Regional Aged Accommodation Program supported a significant amount of funding and was supplemented by the Shires building reserve to deliver 5 million dollars' worth of housing to our Shire.

As noted below:

- Holland Court 4 Independent Living Units, Broomehill
- 2 key worker chalets in the Broomehill Caravan Park
- 3 staff houses, 2 in Broomehill and 1 in Tambellup
- 3 Government Regional Officers Houses in Tambellup

These projects inject new housing stock into our communities and attract future workers to reside in our towns. Well done Keith, a lot time and effort has gone into this, and it is not only our towns that have benefited from your work.

After a number of low rainfall years in a row our local government was also fortunate to meet the criteria to receive drought funding in the form of Drought Communities Program.

Various townscape plans and water improvements were presented to the community for comment, with feedback provided the Council endorsed them and have forwarded eligible projects to the Federal Government for approval.

These improvements will go a long way to support a much needed facelift for our town centres and surrounds, and Council have used the Strategic Plan to guide them on the intended projects.

These are:

- Eligible water efficiency Projects
- Upgrades to the Broomehill Recreation Complex
- Holland Track Interpretive Centre
- Street Scape in Broomehill and Tambellup
- Development Youth Centre in Tambellup

Many of these projects will hopefully be built and completed by local contractors.

The past year has certainly kept us all on our toes particularly with the terrible fire season.

I would like to acknowledge what a fantastic contribution our volunteers have given to the Stirlings, Camel Lake and the Katanning fires.

I was extremely proud to be a representative for our community, with people who attended and continually attend emergency situations, this was also recognised at a volunteer sundowner at the Tambellup Pavilion in February.

As many would have noticed the new Fire Shed under construction in Broomehill on Great Southern Highway. This modern building not only looks great but caters for the needs of a modern Fire Brigade. I'm sure the Broomehill Central Brigade will enjoy the new premises. This was funded by the Department of Fire and Emergency Service (DFES) and well done to Cindy Pearce our Community Emergency Services Manager (CESM) for her work around this and for contributions to the busy fire season. Hopefully a quite year ahead.

Once again, I thank the Shire Executive staff who managed their teams to achieve some great projects in a pretty trying year. It has been a larger than normal Budget to handle with an increased workload for many.

Well done everyone. I look forward to next year and what it will bring.

**Mark Paganoni**  
**SHIRE PRESIDENT**



## CHIEF EXECUTIVE OFFICER'S REPORT



It has, in somewhat of an understatement, been an interesting year.

The Great Southern Housing Initiative Housing project reached development stage, with all planning and design completed earlier in 2019. Construction of this housing commenced in June 2019, and by March 2020 four Independent Living Units (ILU's) for the well-aged were constructed in Broomehill, four dwellings were constructed in Tambellup, and two dwellings were commenced in Broomehill. Three of the dwellings in Tambellup have already been leased for teachers and police, with the fourth retained for staff housing. The two dwellings under construction in Broomehill are also for staff housing.

Most of these dwellings have been constructed in what can only be described as exceptional timeframes, with tenants already touted for the Broomehill ILU's, and all dwellings in Tambellup leased and occupied.

Part of this project included the clean-up of a contaminated site in Tambellup, where diesel had leaked into the ground at the site of the old power station. This clean up took considerable resources, and resulted in a twenty metre by thirty metre wide hole up to three metres deep. All contaminated material was removed and the site was made safe and prepared for development. Two new houses now stand on this site! A significant achievement given the complexities of the housing project and the clean-up.

After a successful application to the Department of Fire and Emergency Services (DFES) Local Government Grant Scheme, planning for the new Bushfire station in Broomehill continued. A tender process was called and awarded to RM Smith and Sons, with construction commencing in February 2020. The Fire station is currently at lock up and should be finished early in the new financial year. It is rewarding to see this project progress so quickly after all the background planning. Special thanks to our Community Emergency Services Manager (CESM), Cindy Pearce, for her commitment to this project - without her advocacy I am sure this project would not have received grant funding.

In January 2020 the Shire was advised that it is eligible for Drought Communities Program funding. This Federal Government program is designed to provide economic stimulus to Local Governments affected by drought.

The Shire plans a series of projects that will provide employment for local contractors. Projects being considered include:

- New water Infrastructure Broomehill and Tambellup
- Streetscape Upgrade in Broomehill
- Nature Play in Broomehill
- Upgrade oval access at Broomehill Sporting Complex
- Holland Track Interpretive Centre
- Town Square redevelopment Tambellup
- Youth Centre Upgrade Tambellup
- Townscape upgrade Tambellup

Along with many smaller fires, in early February 2020 our fire brigades attended a significant fire incident in Katanning, providing vital fire-fighting and support for the successful extinguishment of this fire. The turn out from Broomehill-Tambellup volunteers was exceptional, and we thank them again for their contribution.

The works crew has been steady, with only one change as Ricky Riley resigned after being successful in a new job in mining sector. We wish Ricky all the best.

Our Works Manager, Peter Vlahov, successfully defeated a cancer scare, and we all admire his strength and tenacity. Peter and the works crew have continued to improve the quality of our road network, again undertaking significant road construction projects successfully - on time and on budget.

There have been a few changes in the office. Damon Powell joined the Shire as a part time Ranger, and then later in the year had Building Maintenance Officer added to his tasks. The always bright Erryn Beacham left the Shire for the brighter lights of Albany, and will be missed. Rebecca Ford was successful in applying for the Rates Officer position, joining us from the Shire of Katanning. Charmaine Cantwell, one of our hardworking cleaners, left us in October 2019 to move to Albany, replaced by Tania Cox.

We employed several casual staff to cover for some staffing shortfalls, including Marc Norris and Andrew Meyer. Lara Timms re-joined us after maternity leave, and Marni Lloyd Woods confirmed what we all suspected and will be leaving us in the new financial year to expand her family.

The Coronavirus pandemic hit in March 2020, with both offices being closed for some weeks due to mandatory social distancing requirements, though appointments were still being taken for local residents. The Shire and community coped well with the restrictions put in place, and has been largely unaffected by the outbreak.

Council was also advised that it is eligible for funding under the Local Roads and Community Infrastructure Program to assist with the Coronavirus recovery program, and is currently developing projects that will be eligible under this funding stream. Gravel re-sheeting projects are seen as a priority for this funding. These projects should be finalised for inclusion in the 2020/2021 budget.

We have recently entered into agreements with the Shire of Plantagenet and Shire of Cranbrook for shared services for Environmental Health and Building Surveyor services respectively. Shared services are an efficient way to provide services and support local and regional employment.

The Local Government Minister has flagged a zero rate rise in response to Coronavirus to assist communities with this challenge. While this will have a significant impact on operations, it is accepted that the Local Government sector must assist with the recovery process, and Council is accordingly developing its budget to reflect this direction. I trust that our finance team will again successfully deliver a balanced budget, despite these difficult restrictions.

A challenging year, and no doubt another challenging year ahead, however, we continue to deliver projects and services, as well as undertake our usual activities efficiently and effectively.

Keith Williams  
CHIEF EXECUTIVE OFFICER

## SHIRE PROFILE

The Shire of Broomehill-Tambellup is a progressive rural community located within the Great Southern Region of Western Australia. The Region is predominantly a sheep and grain producing area with a growing interest in viticulture, horticulture and tourism.

The Shire has a population of approximately 1,144 people and covers around 2,813 square kilometres with approximately 272km of sealed roads and 754km unsealed roads.

The Shire has two towns, Broomehill Village and the Tambellup town site, that offer advantages of rural lifestyle with the convenience of most essential services including recreation and leisure facilities, government, health and education services.

The Shire of Broomehill-Tambellup covers the former individual Shires of Broomehill and Tambellup, which merged in July 2008. The main office is in Tambellup, and staff offer services at both offices such as processing of driver and vehicle licenses, animal registrations and payments of Shire accounts.

The vision of the Council is based on strong traditions, to provide:

- A great place to raise children
- Clean, green and prosperous
- A tradition of innovation – readily embracing new people and new ideas
- A strong sense of hospitality and tolerance
- Pride in our towns

The Council is committed to: achieving a better quality of living for the people in the community; providing a great place to live, work, raise children and visit, which will encourage a range of lifestyles and opportunities; caring for our natural environment, cultural diversity and heritage.

The Shire of Broomehill-Tambellup has two offices located at:

Broomehill  
30360 Great Southern Highway  
BROOMEHILL WA 6318

Tambellup  
46-48 Norrish Street  
TAMBELLUP WA 6320

Phone: 9825 3555  
Facsimile: 9825 1152  
Email: [mail@shirebt.wa.gov.au](mailto:mail@shirebt.wa.gov.au)  
Website: [www.shirebt.wa.gov.au](http://www.shirebt.wa.gov.au)  
Office Hours: 9.00 – 4.00pm Monday – Friday



## COUNCIL INFORMATION

In the year under review the Shire of Broomehill-Tambellup had seven Councillors including the Shire President. Ordinary Meetings of Council are held on the third Thursday of every month except January, commencing at 4.30pm. Committee Meetings of Council are held on an as needs basis.

### YOUR COUNCILLORS – During the year under review

**PRESIDENT**

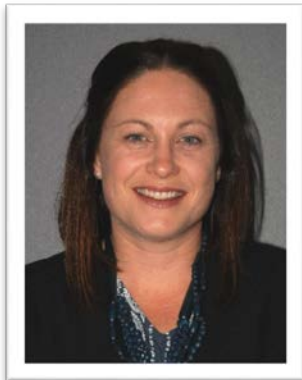
Cr MC (Mark) Paganoni  
Term Expires 2021  
Phone: 0427 383 817

**DEPUTY PRESIDENT**

Cr ME (Michael) White  
Term Expires 2023  
Phone: 0407 258 216



Cr MC (Monica) Nazzari  
Term Expires 2021  
Phone: 0429 898 906



Cr KJ (Kelly) Holzknecht  
Term Expires 2021  
Phone: 0429 656 572



Cr CJ (Carl) Letter  
Term Expires 2021  
Phone: 0427 282 053



Cr DT (Douglas) Barritt  
Term Expires 2023  
Phone: 0428 212 260



Cr SH (Steven) Penny  
Term Expires 2023  
Phone: 0431 685 163

## **COUNCIL STAFF (as at 30th June 2020)**

**Chief Executive Officer**

**Manager Works**

**Manager Finance and Administration**

**Strategic Support and Projects Officer**

**Executive Assistant**

**Finance/Rates Officer**

**Finance/Administration Officer**

**Works Administration Officer (part time)**

**Customer Service Officer Broomehill**

**Customer Service Officer Tambellup**

**Works Supervisor**

**Ranger/Building Maintenance Officer**

**Building Surveyor**

**Works and Maintenance Crew**

Keith Williams

Peter Vlahov

Kay O'Neill

Pam Hull

Louise Cristinelli

Rebecca Ford

Marni Lloyd-Woods

Coral Green

Jacinta Panting

Lesley Paskevicius

John Farmer

Damon Powell

Darryle Baxter

Allan Hankinson

Bevan Skinn

Darryl Pickett

Derek Carr

Foster Farmer

Joshua Ford

Lara Timms

Larry Wildblood

Owen Kay

Samuel Oclarit

Stephen Ryan

Luke Lennox

Wayne Newnham

Ian Havard

Barry Ford

Marc Norris

Andrew Meyer

William Gonzales

Max Barrett

Diane Olden

Julie Taylor

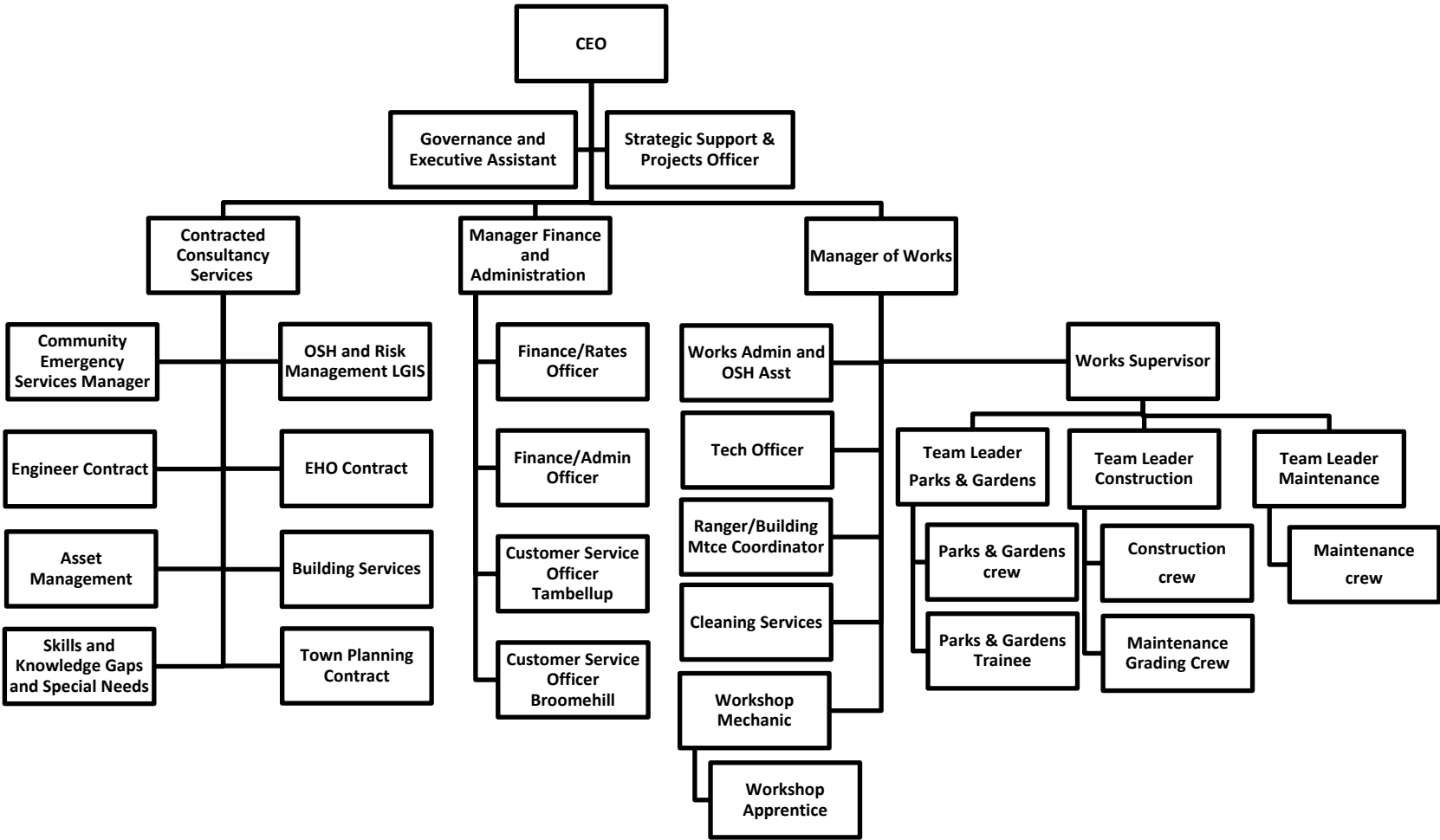
Amanda Tuffley

Tania Cox

Shannyn Timms

**Cleaners**

2020 ORGANISATIONAL STRUCTURE



## ADDITIONAL INFORMATION

### National Competition Policy

This policy has been introduced by the Commonwealth Government so as to promote competition for the benefit of business, consumers and the economy by removing unnecessary protection of monopolies of markets where competition can be enhanced. It effects local governments as factors such as exemption from company and income tax or possible local regulations and laws may give local government a potential advantage over private contractors.

In respect to competitive neutrality, the Shire of Broomehill-Tambellup reports:

- The Shire of Broomehill-Tambellup during 2019-20 did not engage in any significant business activities which generated in excess of \$200,000 annual income. Therefore, the introduction of competitive neutrality under Clause 7 of the policy was not required.
- There is no indication that the Council will become involved in any significant business activities during the next financial reporting period.
- There have been no allegations received by the Council of non-compliance with the neutrality principles.

### Employee Remuneration

The Local Government (Administration) Regulations 1996 – Regulation 19B requires that the annual report for a Local Government for a financial year is to contain the following information. Set out below, in bands of \$10,000, is the number of employees of the Shire entitled to an annual salary of \$100,000 or more.

100,000 – 109,999	
110,000 – 119,999	2
120,000 – 129,999	
130,000 – 139,999	
140,000 – 149,999	1

### Register of Complaints

Section 5.53(2)(hb) of the *Local Government Act 1995* requires that the Annual Report contain details of entries made in the Complaints Register under Section 5.121 regarding complaints made about elected members during the financial year. There were no complaints lodged against elected members in the year under review.

### Adoption of Local Laws

Council did not adopt any new Local Laws during the 2019-20 financial year; however a review of its existing Local Laws continued during the year. The review is being undertaken in conjunction with the other member Councils of the Southern Link VROC and will be completed during 2020-21.

### Public Interest Disclosure

In accordance with the requirements of the Public Interest Disclosure Act 2003, the Shire of Broomehill-Tambellup has established procedures to facilitate the making of disclosures under the Act. These procedures set out the processes in place in respect to protected disclosures generally, to protect people from reprisal for making protected disclosures and to provide guidance on investigations.

During the 2019-20 financial year, no disclosures relating to improper conduct were made to the Shire and therefore no disclosures were referred to the ombudsman.



## Freedom of Information

The Shire of Broomehill-Tambellup welcomes any enquiries for information held by Council.

If information cannot be accessed by less formal means, a Freedom of Information request can be made by contacting the Chief Executive Officer.

It should be noted that some documents are for viewing only and documents cannot be copied which would breach the *Copyright Act 1968*.

Nil enquiries were received during the 2019-20 period.

Council's Information Statement is reviewed annually and a copy made available at both administration offices for perusal, as required under the *Freedom of Information Act 1992*.

## Disability Access and Inclusion Plan

Section 29(m) of the Disability Services Act 1993 requires the Shire to report on the following seven outcomes in its approach to assisting people with disability within the Shire:

### **1. People with disability have the same opportunities as other people to access the services of, and any events organised by, the relevant public authority.**

The Shire's libraries continued to support patrons with large print books available in specific, easily located areas in the libraries. Staff provide support to patrons unable to attend the library in person through a home delivery service, with a selection of books delivered at regular intervals.

Community organisations utilising Council facilities for events are provided with an events checklist which incorporates accessibility considerations.

The Shire's Strategic Community Plan includes an objective to 'ensure our community is safe, connected, harmonious and inclusive'. Correspondingly, the Corporate Business Plan includes a strategy to promote inclusive community participation and engagement in Council and community events and activities. This focusses on ensuring that information shared with the community and events arrangements are done so with inclusion in mind.

### **2. People with disability have the same opportunities as other people to access the buildings and other facilities of the relevant public authority.**

Council is committed to ensuring all Council buildings are able to be accessed by people with Disability, and as budgets have allowed, modifications to improve accessibility have been made. This year the double front door at the Tambellup Community Resource Centre was replaced with a single door that allows patrons using mobility scooters or wheelchairs to access the facility more easily.

The Shire received funding for the construction of four independent living units in Broomehill. The designs were subject to a desktop audit by an Environment Consultant, to consider features that would assist tenants with physical, sensory or cognitive disabilities to age in place. The completed units have incorporated many of the recommendations made in the audit report, which will support tenants with disability to live independently.

Footpath replacement and maintenance continues to be a priority, with works continuing on the upgrade of footpaths in the Tambellup town centre.



**3. People with disability receive information from the relevant public authority in a format that will enable them to access the information as readily as other people are able to access it.**

All Council publications are available in a variety of formats on request for people with specific needs. This information is conveyed through local newsletters and within each individual document.

The Shire's website was redeveloped and launched in March 2020. The new site includes accessibility features, and is now compliant with the Web Content Accessibility Guidelines 2.1 which provides a single shared standard for web content accessibility that meets the needs of individuals, organizations, and governments internationally.

**4. People with disability receive the same level and quality of service from the staff of the relevant public authority.**

The Shire of Broomehill-Tambellup Customer Service Charter was reviewed in 2019-2020 to reflect the Shire's commitment to the quality of service provided to all residents. The Customer Service Charter was promoted to all residents through Topics, and is available on the Shire's website. This included a commitment to:

- Progressively improve access to services to people with disability.
- Make information available in alternative formats for people with specific requirements.
- Ensure residents are able to provide customer feedback by a variety of means including: in person; by telephone, fax or email.

**5. People with disability have the same opportunities as other people to make complaints to the relevant public authority.**

Grievance and complaint mechanisms are promoted through local newsletters and include in person phone, mail, fax and email options.

**6. People with disability have the same opportunities as other people to participate in any public consultation by the relevant public authority.**

Public consultation methods for various activities have included; publication of information on the Shire's website, via social media, through the local newsletter 'Topics' which is mailed to every household in the Shire, mailed flyer, and focus groups. Responses to requests for public comment are able to be made in person, via mail, fax or email.

**7. People with disability have the same opportunities as other people to obtain and maintain employment with the Shire of Broomehill-Tambellup.**

One staff member completed 'Lighthouse Project' training, to better understand workplace considerations when employing a person with disability. Inclusive recruitment practices are used with all advertised positions. A workforce diversity questionnaire is completed by new employees on commencement, to allow the Shire to understand any specific needs of the employee in relation to disability.

## State Records Act 2000

The Shire of Broomehill-Tambellup's amended Recordkeeping Plan RKP 2020014 was approved by the State Records Commission at its meeting on the 7<sup>th</sup> August 2020. The Recordkeeping Plan will need to be reviewed again by August 2025.

As an organisation staff are meeting the requirements to which records are to be created and kept. The Recordkeeping Plan provides an accurate reflection of the recordkeeping program within the organisation, including information regarding our organisation's recordkeeping systems, disposal arrangements, policies, practices and processes. The review has shown that the Shire of Broomehill-Tambellup is compliant with the Act. Staff will continue to improve the recordkeeping processes and procedures to continue to meet the requirements of the Act.

Elected members have received information on what constitutes a record from a councillor perspective, and their responsibility to ensure relevant information is captured into Council's record keeping system.

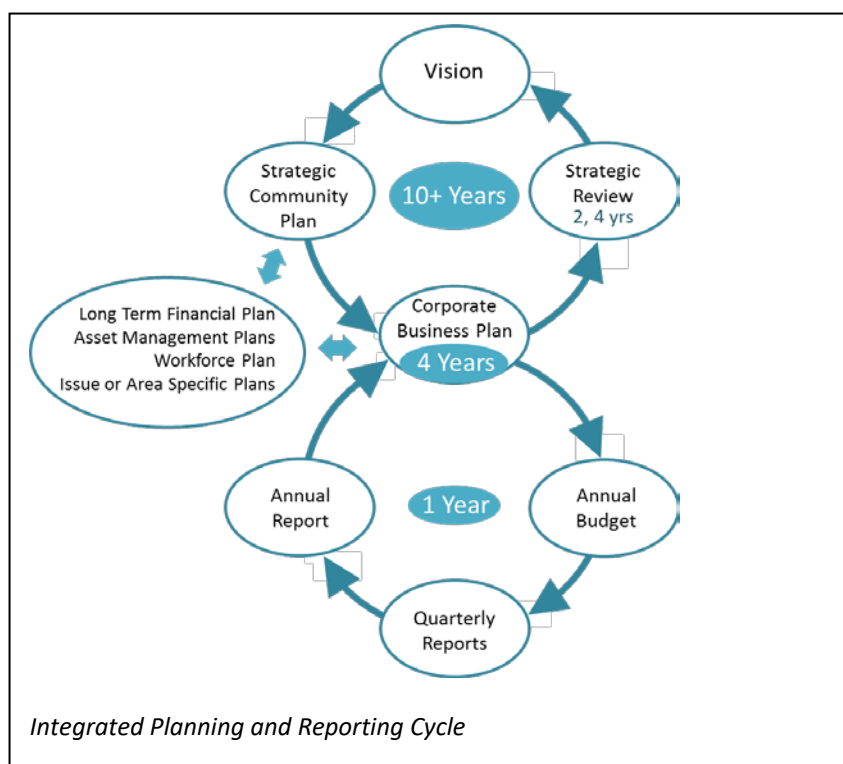
## INTEGRATED PLANNING & REPORTING: STRATEGIC COMMUNITY PLAN 2018-2028

In 2010, the Integrated Planning and Reporting (IPR) Framework and Guidelines were introduced in Western Australia (WA) as part of the State Government's Local Government Reform Program. All local governments were required to have their first suite of IPR documents in place by 1 July 2013.

In essence, IPR is a process designed to:

- Articulate the community's vision, outcomes and priorities
- Allocate resources to achieve the vision, striking a considered balance between aspirations and affordability
- Monitor and report progress

The IPR process is based on a four year cycle, with the Strategic Community Plan, the highest level document, being reviewed at the two and four year mark to coincide with the review timeframe of the next level document, the Corporate Business Plan, and other informing strategies.



## Strategic Community Plan 2018-2028

The Strategic Community Plan 2018-2028 was endorsed by Council in December 2018. The document incorporates a community vision and overarching goal, with three Key Result Areas (KRAs) developed– ‘Our People’, ‘Our Economy’ and ‘Our Places’. These evolved from the analysis of community feedback, and objectives and strategies were developed under each KRA to achieve the stated desired outcome.



## Progress 2019-2020

The following provides an overview of actions and achievements through the year that contribute to achieving the desired outcome for each Key Result Area.

### Key Result Area 1: Our People

*Desired Outcome: To have a cohesive, diverse and inclusive community supported by quality services and facilities. These will be supported by a Council demonstrating effective leadership and good governance.*

#### 1.1 Our community is safe, connected, harmonious and inclusive

The Shire utilised a variety of methods through the year to communicate and consult with members of the community, including Topics, flyers, local noticeboards and the website. The Shire launched its new website in March 2020, providing a more consistent and improved user experience. The onset of the COVID-19 pandemic also saw a Shire Facebook page created, initially to communicate essential information in relation to the pandemic. The page has evolved into a useful tool to share information quickly and effectively with residents, and the number of page ‘likes’ is steadily increasing.

COVID-19 threw not only our community, but the world into an unprecedented period of uncertainty during 2020, and locally, measures were taken to keep our community safe and connected during this time. The Local Emergency Management Committee was activated in response and met weekly during the initial stages, to ensure businesses and agencies were able to meet their obligations in terms of operations and community support.

Aside from COVID-19, the community was in safe hands, with our volunteer emergency services well supported and coordinated to respond to incidents. During the year, support was provided to neighbouring shires for significant fires at Camel Lake, the Stirling Range and Katanning. A bushfire awareness seminar held in Broomehill at the request of local residents following the Katanning fire was well attended. Work commenced on the construction of the new Broomehill Central Bush Fire Brigade building by RM Smith & Son.

Community events held in Broomehill and Tambellup, as well as neighbouring communities, were promoted through the Shire's social media.

The Shire partnered with Baldjamaar Foundation and the Tambellup Primary School to celebrate Reconciliation Week in May, with a 'Sea of Hands' display installed at the entrance to Tambellup and on the Shire lawn.

## **1.2 Our community has services and facilities that meet our needs and expectations**

An interagency committee established in Tambellup in September 2019 identified that youth support was required in Tambellup. In conjunction with the reopening of the Blue Light 'Zone' building by local police, an application to WA Police Community Crime Prevention Fund was successful, to deliver a traineeship in youth work. It is intended that the traineeship will be hosted by the Shire, and delivered with the support of agencies working with the Tambellup community. The application was successful, however recruitment to the position was delayed due to COVID-19.

The Shire is advocating through the WALGA Great Southern Zone for improvements to mobile phone towers to ensure battery backup facilities are sufficient to maintain communications for an extended period in the event of a power outage.

The Shire is working with regional local governments and Great Southern Centre for Outdoor Recreation Excellence on the implementation of the Regional Trails Master Plan. Council has committed financial and in kind support to develop a walk trail in Boot Rock Reserve, upgrade the walk section of the Holland Track, and undertake maintenance of the Tambellup Heritage Trails.

## **1.3 Our community provides opportunities to enhance local employment**

The Shire has been pleased to support the Tambellup Community Resource Centre by hosting a trainee at the administration office one day per week. The Shire continues to liaise with Impact Services regarding opportunities to provide work experience and traineeships.

## **1.4 Organisations in our community demonstrate strong leadership and commitment**

Over the year, the Shire provided financial and in kind support to a number of community groups and organisations to conduct events in Broomehill and Tambellup. These included:

Broomehill and Tambellup Primary Schools (various activities), Tambellup Hockey Club (Great Southern Carnival), Broomehill Recreation Complex (30<sup>th</sup> Anniversary), Tambellup Agricultural Society (Market Day), Tambellup Police and Blue Light (COVID pack distribution, various), Tambellup P & C (Drum Muster), Tambellup Community Resource Centre (Tough Love seminar, visitor centre status, various).

Shire staff continued to maintain buildings and facilities that are utilised by community groups and organisations, to a high standard.

## **1.5 Our Shire demonstrates strong leadership, effective governance and efficient service delivery to our community**

The Local Government Election conducted in October 2019 saw Cr Michael White returned for a second term, and new Councillors Douglas Barritt and Steven Penny elected. Elected member training has been made available to all Councillors, with mandatory training requirements currently being completed.

Shire staff have worked diligently through the year to ensure compliance activities were completed within statutory timeframes. Of particular note was the awarding of a Silver Award (80% achievement) following a Tier 2 Occupational Safety & Health Audit in 2019. This represents a great achievement by all staff in promoting a safe work environment and culture across the organisation.

Council continued to engage and collaborate with a number of local government and regional organisations during the year, on matters of importance to the community. This included the Southern Link Voluntary Regional Organisation of Councils, Regional Road Group, Great Southern Treasures, Great Southern Recreation Advisory Group, Early Years Initiative, Great Southern Housing Initiative and Great Southern Centre for Outdoor Recreation Excellence, amongst others.

COVID-19 changed the way the Shire operated for a time, with the administration offices closed to the public for six weeks. While the doors were closed, we were fortunate to be able to have all staff continue working from the office, with appropriate measures in place, and we were able to provide assistance to residents and rate payers over the phone, directing them online where possible. The works program continued with minimal disruption during this period. Senior staff met regularly to monitor and respond to directives from the State Government as they were implemented, and this resulted in improved planning to be able to provide a safe environment and continued service to the community in the event of an outbreak of the virus.

Council meetings adapted to the new regime, going online initially, then transferring venues to the Tambellup Community Pavilion, where appropriate distancing was able to be achieved.

Regional support was especially evident during the COVID-19 period, with weekly regional meetings of emergency organisations to monitor and ensure preparedness for a potential outbreak, and also regular meetings with the regional local government and business community to monitor economic and social impacts of travel restrictions. The Shire participated in a statewide survey to determine how our communities were travelling in terms of well being and resilience during the pandemic.

---

### **Key Result Area 2: Our Economy**

*Desired Outcome: To maintain an environment in the towns and rural areas of the Shire that is conducive to tourism, small business and population retention and growth.*

---

## **2.1 Our community provides a unique tourism and visitor experience**

Council continued its financial and in kind support of Great Southern Treasures through the year, providing a contribution towards operational costs, as well as auspicing grants and management of the group's financials. Great Southern Treasures coordinated the annual Bloom Festival in 2019, and the Shire provided in kind support and advice to the Tambellup Agricultural Society to conduct a market day as a Bloom event. The Shire also promoted its drive trails and wildflowers to travellers visiting the region.

Council tendered the construction of two cabins in the Broomehill Caravan Park in December 2019, with RM Smith and Sons winning the tender. Design processes were completed in June with construction to commence shortly after. This project forms part of the broader Great Southern Housing Initiative project. It is anticipated that the new cabins will be made available to CBH for employee accommodation during peak times, and for visitors to the community at other times.

Council determined to advertise the former Tambellup Bowling Club for purchase by tender, for redevelopment as a caravan park. The tender was awarded in February 2020 and negotiations for the development are progressing.

The community was invited to provide feedback to the draft Great Southern Centre for Outdoor Recreation Excellence (GSCORE) Regional Trails Master Plan. Following endorsement of the Plan by this and other regional local governments, Council committed to funding the development of new trails and upgrade of existing trails in Broomehill and Tambellup in 2020/2021, in collaboration with GSCORE.

## **2.2 A stable population base is important to the sustainability of our community**

Diversity in housing was noted as a priority by the community, and the initiation of the Great Southern Housing Initiative (GSHI) project seeks to partially address that. The GSHI project is a collaboration of seven local governments and one community organisation, aiming to develop key worker housing and independent living seniors accommodation in 12 communities. In this Shire, construction of four houses in Tambellup and four independent living units in Broomehill was completed, with works continuing on two houses and two cabins in Broomehill. It is intended that three houses in Tambellup will be leased to the Department of Communities for police and education housing and negotiations were ongoing at 30 June. The project has been funded by Council and the Australian Government Buildign Better Regions Fund.

Shire support of our Primary Schools, P & C Associations and A Smart Start Great Southern continued through 2019-2020.

## **2.3 Our Shire actively supports existing local business and encourages new business ventures**

Council actively worked to increase the opportunity for local businesses to participate in major projects through the year by including a weighting for local content in tenders advertised for Key Worker Housing, Independent Living Units, Broomehill Caravan Park cabins and the Broomehill Fire Brigade building.

Council once again appointed a delegate to the Tambellup Business Centre Committee.

---

### ***Key Result Area 3: Our Places***

*Desired Outcome: To have appealing town centres and surrounding rural areas that reflect their unique history and culture, connected by quality transport infrastructure and well managed natural environments.*

---

## **3.1 The history, heritage and culture of our communities is reflected in attractive townscapes**

A welcome boost was received in January 2020, with the announcement that the Shire was eligible to apply for up to \$1 million in funding through the Drought Communities Programme.

The programme aim is to deliver immediate economic stimulus and other benefits to targeted drought-affected regions of Australia.

Projects for the funding were determined with reference to the Strategic Community Plan and specifically the stakeholder feedback from the consultation process that informed that document. Projects endorsed by Council included:

- Broomehill Sporting Facility Upgrade – to improve access and amenity in the area between the Pavilion and the oval
- Broomehill Townscape Enhancement – to include streetscape works on Great Southern Highway and Journal St
- Broomehill Nature Play Park – to be constructed in Holland Park
- Holland Track Interpretive Centre – to be constructed at a location to be determined but to include townscape interpretation and links to existing heritage sites
- Tambellup Townscape Enhancement and Town Square – to include streetscape upgrades on Norrish St and development of a town square between the Hall and Railway Station
- Tambellup Youth Centre – to refurbish the Railway Station for use as a Youth Centre.

At 30 June 2020, the first draft of concept plans for the town centre works had been advertised for community comment. We look forward to the commencement of all projects and the resulting improvements to our townscapes.

Council has been working with the newly established Broomehill Heritage Group who are working towards reopening the Broomehill Museum, following a significant refurbishment program.

### **3.2 Our community and Council are environmentally aware and engaged**

Council has engaged Warren Blackwood Waste to provide waste collection services, including kerbside and drop off recycling. The annual Drum Muster collection was coordinated by the Tambellup P & C Association once again, with over 3200 containers dropped off for recycling.

The harvesting of storm water has been a priority for Council over recent years. In 2019 funding was received from the Department of Water & Environmental Regulation to extend the stormwater harvesting program in Broomehill. The project included the installation of a 75mm pipeline from the CBH expansion site to the Broomehill Complex Dam, a new pipeline from the Broomehill town dam to the Broomehill Caravan Park, and improvements to the catchment at the Broomehill Complex Dam. These measures complement infrastructure already in place, and ensure that the water harvested off the CBH site is able to be utilised on community facilities, reducing the draw on the scheme.

A photovoltaic system has been installed at the Tambellup Administration office.

Management of road reserves continued through the year, with vegetation pruning and roadside spraying completed.

### **3.3 Our transport networks are safe and efficient**

The Shire continues to work collaboratively with regional local governments and other stakeholders to secure State and Federal funding for the annual capital road works program.

Over the course of the year, Council supported applications to amend Restricted Access Vehicle (RAV) ratings applying to 47 roads (or sections of road) across the Shire. Applications are considered by Main Roads WA as the decision maker, and once approved, improve connectivity for heavy vehicles moving around and through the Shire.



### 3.4 Our Council facilities and infrastructure are managed sustainably to meet current and future needs

As part of Council's Integrated Planning framework, a Strategic Resource Plan has been developed, which includes levels of service for all Council assets including roads, buildings and equipment. Annually, schedules of maintenance for each asset class are developed and included in the budget process, which form the works program for the coming year.

Long term (10 year) plans are in place for road construction/maintenance and plant replacement, these are reviewed annually in line with the budget process.



#### ***Great Southern Housing Initiative***

*Ribbon Cutting at Lot 384 Parnell Street Tambellup by MP Rick Wilson on 28 January 2020.*

*L to R: Cr Michael White, Cr Mark Paganoni, MP Rick Wilson, Sergeant Josh Humble & Randall Smith (RM Smith & Sons Builder).*



#### ***Great Southern Housing Initiative***

*Lot 8 Taylor Street, Tambellup completed*



#### ***Great Southern Housing Initiative***

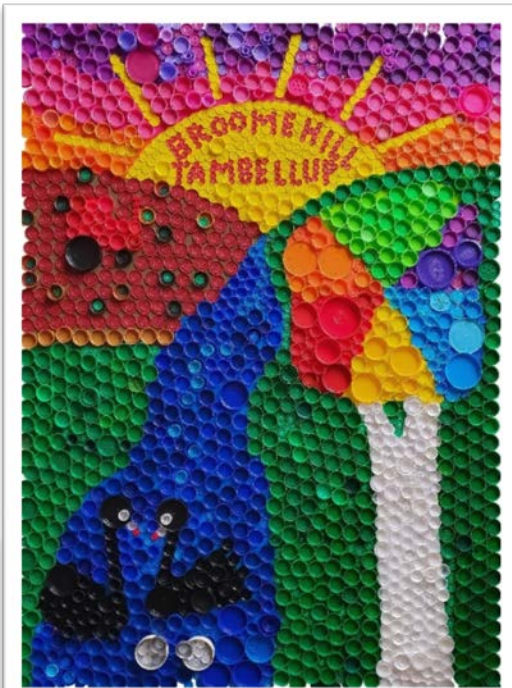
*Lot 384 Parnell Street completed project*



## Showcase in Pixels 2019



Tambellup Primary School  
wins the Upper Primary  
School award for  
Showcase in Pixels  
2019 – The theme  
was Renewal  
Practical







# Annual Financial Report for the year ending 30 June 2020

**SHIRE OF BROOMEHILL-TAMBELLUP**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**TABLE OF CONTENTS**

Statement by Chief Executive Officer	2
Statement of Comprehensive Income by Nature or Type	3
Statement of Comprehensive Income by Program	4
Statement of Financial Position	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Rate Setting Statement	8
Index of Notes to the Financial Report	9
Independent Auditor's Report	51

**COMMUNITY VISION**

*Building prosperity and community spirit through individual commitment, partnerships and collaboration to enhance our way of life.*

**Overarching Goal**

*To have a peaceful and friendly rural lifestyle with thriving towns.*

**Principal place of business:**

46-48 Norrish Street  
TAMBELLUP WA 6320

**SHIRE OF BROOMEHILL-TAMBELLUP  
FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2020**

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

**STATEMENT BY CHIEF EXECUTIVE OFFICER**

The attached financial report of the SHIRE OF BROOMEHILL-TAMBELLUP for the financial year ended 30 June 2020 is based on proper accounts and records to present fairly the financial position of the SHIRE OF BROOMEHILL-TAMBELLUP at 30 June 2020 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

23<sup>rd</sup>

day of

March

2021



Chief Executive Officer

Keith Williams

Name of Chief Executive Officer

**SHIRE OF BROOMEHILL-TAMBELLUP**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY NATURE OR TYPE**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	NOTE	2020 Actual \$	2020 Budget \$	2019 Actual \$
<b>Revenue</b>				
Rates	20(a)	2,503,764	2,493,900	2,404,513
Operating grants, subsidies and contributions	2(a)	2,470,027	1,416,400	3,643,982
Fees and charges	2(a)	271,611	279,700	269,473
Interest earnings	2(a)	52,057	61,200	58,745
Other revenue	2(a)	102,826	93,200	91,085
		5,400,285	4,344,400	6,467,798
<b>Expenses</b>				
Employee costs		(2,021,983)	(2,194,100)	(1,877,240)
Materials and contracts		(1,603,409)	(1,770,800)	(2,816,589)
Utility charges		(310,262)	(198,500)	(191,928)
Depreciation on non-current assets	10(b)	(1,798,949)	(1,780,700)	(1,763,567)
Interest expenses	2(b)	(68,215)	(56,100)	(57,659)
Insurance expenses		(151,949)	(163,700)	(153,509)
Other expenditure		(93,348)	(87,500)	(78,228)
		(6,048,115)	(6,251,400)	(6,938,720)
		(647,830)	(1,907,000)	(470,922)
Non-operating grants, subsidies and contributions	2(a)	4,005,592	4,362,700	1,756,937
Profit on asset disposals	10(a)	139,548	556,800	18,177
(Loss) on asset disposals	10(a)	(90,100)	(71,800)	(38,697)
Change in value of assets through profit and loss	7	1,152	0	0
		4,056,192	4,847,700	1,736,417
<b>Net result for the period</b>		<b>3,408,362</b>	<b>2,940,700</b>	<b>1,265,495</b>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	11	0	0	23,566
<b>Total other comprehensive income for the period</b>		<b>0</b>	<b>0</b>	<b>23,566</b>
<b>Total comprehensive income for the period</b>		<b>3,408,362</b>	<b>2,940,700</b>	<b>1,289,061</b>

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





**SHIRE OF BROOMEHILL-TAMBELLUP**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY NATURE OR TYPE**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	NOTE	2020 Actual \$	2020 Budget \$	2019 Actual \$
<b>Revenue</b>				
2(a)				
Governance		38,580	37,100	33,189
General purpose funding		4,436,146	3,507,000	4,335,220
Law, order, public safety		148,367	137,900	125,477
Health		2,416	1,800	1,798
Education and welfare		79,453	62,800	46,838
Housing		121,400	108,500	61,410
Community amenities		77,290	88,500	90,913
Recreation and culture		44,309	45,100	41,778
Transport		185,591	178,000	1,566,138
Economic services		195,278	69,000	68,230
Other property and services		71,455	112,700	96,807
		5,400,285	4,348,400	6,467,798
<b>Expenses</b>				
2(b)				
Governance		(566,500)	(641,700)	(554,627)
General purpose funding		(273,651)	(252,300)	(265,863)
Law, order, public safety		(270,941)	(278,600)	(225,366)
Health		(33,873)	(50,000)	(30,681)
Education and welfare		(46,684)	(71,600)	(53,170)
Housing		(138,500)	(128,200)	(77,034)
Community amenities		(437,164)	(431,800)	(401,213)
Recreation and culture		(1,128,309)	(1,303,800)	(1,133,956)
Transport		(2,539,533)	(2,721,600)	(3,858,226)
Economic services		(358,801)	(216,400)	(208,324)
Other property and services		(185,944)	(99,300)	(72,601)
		(5,979,900)	(6,195,300)	(6,881,061)
<b>Finance Costs</b>				
2(b)				
Governance		(5,072)	(5,500)	(6,312)
Housing		(13,826)	0	0
Recreation and culture		(49,317)	(50,600)	(51,347)
		(68,215)	(56,100)	(57,659)
		(647,830)	(1,903,000)	(470,922)
Non-operating grants, subsidies and contributions	2(a)	4,005,592	4,362,700	1,756,937
Profit on disposal of assets	10(a)	139,548	556,800	18,177
(Loss) on disposal of assets	10(a)	(90,100)	(71,800)	(38,697)
Change in value of assets through profit and loss	7	1,152	0	0
		4,056,192	4,847,700	1,736,417
<b>Net result for the period</b>		<b>3,408,362</b>	<b>2,944,700</b>	<b>1,265,495</b>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	11	0	0	23,566
<b>Total other comprehensive income for the period</b>		<b>0</b>	<b>0</b>	<b>23,566</b>
<b>Total comprehensive income for the period</b>		<b>3,408,362</b>	<b>2,944,700</b>	<b>1,289,061</b>

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

**SHIRE OF BROOMEHILL-TAMBELLUP**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2020**

	NOTE	2020 \$	2019 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	4,285,420	2,425,758
Trade and other receivables	5	538,675	852,526
Inventories	6	32,540	26,158
<b>TOTAL CURRENT ASSETS</b>		<b>4,856,635</b>	<b>3,304,442</b>
<b>NON-CURRENT ASSETS</b>			
Trade and other receivables	5	60,852	64,723
Other financial assets	7	71,220	70,965
Inventories	6	216,000	216,000
Property, plant and equipment	8	19,879,997	15,642,399
Infrastructure	9	118,399,227	117,772,580
<b>TOTAL NON-CURRENT ASSETS</b>		<b>138,627,296</b>	<b>133,766,667</b>
<b>TOTAL ASSETS</b>		<b>143,483,931</b>	<b>137,071,109</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	409,946	646,318
Contract liabilities	13	2,292,980	0
Borrowings	14(a)	123,506	62,001
Employee related provisions	15	431,702	361,222
<b>TOTAL CURRENT LIABILITIES</b>		<b>3,258,134</b>	<b>1,069,541</b>
<b>NON-CURRENT LIABILITIES</b>			
Trade and other payables		0	3,056
Borrowings	14(a)	1,941,696	1,098,431
Employee related provisions	15	53,067	70,009
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>1,994,763</b>	<b>1,171,496</b>
<b>TOTAL LIABILITIES</b>		<b>5,252,897</b>	<b>2,241,037</b>
<b>NET ASSETS</b>		<b>138,231,034</b>	<b>134,830,072</b>
<b>EQUITY</b>			
Retained surplus		38,887,914	35,578,443
Reserves - cash backed	4	1,649,377	1,488,347
Revaluation surplus	11	97,693,743	97,763,282
<b>TOTAL EQUITY</b>		<b>138,231,034</b>	<b>134,830,072</b>

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



**SHIRE OF BROOMEHILL-TAMBELLUP**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
<b>Balance as at 1 July 2018</b>		<b>34,742,837</b>	<b>1,058,458</b>	<b>97,739,716</b>	<b>133,541,011</b>
Comprehensive income					
Net result for the period		1,265,495	0	0	1,265,495
Other comprehensive income	11	0	0	23,566	23,566
Total comprehensive income		1,265,495	0	23,566	1,289,061
Transfers from reserves	4	415,354	(415,354)	0	0
Transfers to reserves	4	(845,243)	845,243	0	0
<b>Balance as at 30 June 2019</b>		<b>35,578,443</b>	<b>1,488,347</b>	<b>97,763,282</b>	<b>134,830,072</b>
Change in accounting policy	23(a)	0	0	(7,400)	(7,400)
<b>Restated total equity at 1 July 2019</b>		<b>35,578,443</b>	<b>1,488,347</b>	<b>97,755,882</b>	<b>134,822,672</b>
Comprehensive income					
Net result for the period		3,408,362	0	0	3,408,362
Total comprehensive income		3,408,362	0	0	3,408,362
Reclassification of Financial Assets		62,139	0	(62,139)	0
Transfers from reserves	4	645,752	(645,752)	0	0
Transfers to reserves	4	(806,782)	806,782	0	0
<b>Balance as at 30 June 2020</b>		<b>38,887,914</b>	<b>1,649,377</b>	<b>97,693,743</b>	<b>138,231,034</b>

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

**SHIRE OF BROOMEHILL-TAMBELLUP**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	NOTE	2020 Actual \$	2020 Budget \$	2019 Actual \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Rates		2,480,612	2,475,900	2,360,542
Operating grants, subsidies and contributions		5,089,413	2,274,600	4,058,124
Fees and charges		271,611	279,700	269,473
Interest received		52,057	60,000	58,745
Goods and services tax received		438,235	588,100	674,887
Other revenue		102,826	93,200	91,085
		8,434,754	5,771,500	7,512,856
<b>Payments</b>				
Employee costs		(1,913,966)	(2,097,800)	(1,831,401)
Materials and contracts		(1,918,174)	(2,008,800)	(2,829,642)
Utility charges		(310,262)	(198,500)	(191,928)
Interest expenses		(64,888)	(61,100)	(58,437)
Insurance paid		(151,949)	(163,700)	(153,509)
Goods and services tax paid		(412,618)	(805,000)	(643,457)
Other expenditure		(92,451)	(87,500)	(78,228)
		(4,864,308)	(5,422,400)	(5,786,602)
<b>Net cash provided by (used in) operating activities</b>	16	3,570,446	349,100	1,726,254
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for purchase of property, plant & equipment	8(a)	(5,393,805)	(6,316,900)	(1,250,991)
Payments for construction of infrastructure	9(a)	(1,903,637)	(2,026,200)	(2,852,584)
Non-operating grants, subsidies and contributions	2(a)	4,005,592	4,362,700	1,756,937
Proceeds from sale of property, plant & equipment	10(a)	676,296	1,796,700	862,552
<b>Net cash provided by (used in) investment activities</b>		(2,615,554)	(2,183,700)	(1,484,086)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of borrowings	14(b)	(90,930)	(62,000)	(59,290)
Proceeds from new borrowings	14(b)	995,700	995,700	0
<b>Net cash provided by (used in) financing activities</b>		904,770	933,700	(59,290)
<b>Net increase (decrease) in cash held</b>		1,859,662	(900,900)	182,878
Cash at beginning of year		2,425,758	2,241,300	2,242,880
<b>Cash and cash equivalents at the end of the year</b>	16	4,285,420	1,340,400	2,425,758

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

**SHIRE OF BROOMEHILL-TAMBELLUP**  
**RATE SETTING STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	NOTE	2020 Actual \$	2020 Budget \$	2019 Actual \$
<b>OPERATING ACTIVITIES</b>				
Net current assets at start of financial year - surplus/(deficit)	21 (b)	1,259,156	1,227,000	1,892,465
		1,259,156	1,227,000	1,892,465
<b>Revenue from operating activities (excluding rates)</b>				
Governance		48,110	37,100	35,517
General purpose funding		1,929,206	1,009,100	1,930,707
Law, order, public safety		148,367	137,900	125,477
Health		2,416	1,800	1,798
Education and welfare		79,453	62,800	46,838
Housing		249,199	663,100	61,410
Community amenities		77,290	88,500	90,913
Recreation and culture		44,309	45,100	41,778
Transport		187,810	180,200	1,581,987
Economic services		195,278	69,000	68,230
Other property and services		71,455	112,700	96,807
		3,032,893	2,407,300	4,081,462
<b>Expenditure from operating activities</b>				
Governance		(578,861)	(653,700)	(562,466)
General purpose funding		(273,651)	(252,300)	(265,863)
Law, order, public safety		(270,941)	(278,600)	(225,366)
Health		(33,873)	(50,000)	(30,681)
Education and welfare		(46,684)	(71,600)	(53,170)
Housing		(152,326)	(128,200)	(77,034)
Community amenities		(437,164)	(431,800)	(401,213)
Recreation and culture		(1,177,626)	(1,354,400)	(1,185,303)
Transport		(2,622,344)	(2,786,900)	(3,895,396)
Economic services		(358,801)	(216,400)	(208,324)
Other property and services		(185,944)	(99,300)	(72,601)
		(6,138,215)	(6,323,200)	(6,977,417)
Non-cash amounts excluded from operating activities	21(a)	1,831,389	1,295,700	1,831,398
<b>Amount attributable to operating activities</b>		(14,777)	(1,393,200)	827,908
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions	2(a)	4,005,592	4,362,700	1,756,937
Proceeds from disposal of assets	10(a)	676,296	1,796,700	862,552
Purchase of property, plant and equipment	8(a)	(5,393,805)	(6,316,900)	(1,250,991)
Purchase and construction of infrastructure	9(a)	(1,903,637)	(2,026,200)	(2,852,584)
<b>Amount attributable to investing activities</b>		(2,615,554)	(2,183,700)	(1,484,086)
<b>FINANCING ACTIVITIES</b>				
Repayment of borrowings	14(b)	(90,930)	(62,000)	(59,290)
Proceeds from borrowings	14(c)	995,700	995,700	0
Transfers to reserves (restricted assets)	4	(806,782)	(1,519,400)	(845,243)
Transfers from reserves (restricted assets)	4	645,752	1,668,700	415,354
<b>Amount attributable to financing activities</b>		743,740	1,083,000	(489,179)
<b>Surplus/(deficit) before imposition of general rates</b>		(1,886,591)	(2,493,900)	(1,145,357)
<b>Total amount raised from general rates</b>	20(a)	2,506,940	2,493,900	2,404,513
<b>Surplus/(deficit) after imposition of general rates</b>	21(b)	<b>620,349</b>	<b>0</b>	<b>1,259,156</b>

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

**SHIRE OF BROOMEHILL-TAMBELLUP**  
**INDEX OF NOTES TO THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

Note 1	Basis of Preparation	10
Note 2	Revenue and Expenses	11
Note 3	Cash and Cash Equivalents	15
Note 4	Reserves - Cash backed	16
Note 5	Trade and Other Receivables	17
Note 6	Inventories	18
Note 7	Other Financial Assets	19
Note 8	Property, Plant and Equipment	20
Note 9	Infrastructure	22
Note 10	Fixed Assets	24
Note 11	Revaluation Surplus	27
Note 12	Trade and Other Payables	28
Note 13	Contract Liabilities	29
Note 14	Information on Borrowings	30
Note 15	Employee Provisions	32
Note 16	Notes to the Statement of Cash Flows	33
Note 17	Total Assets Classified by Function and Activity	34
Note 18	Commitments	35
Note 19	Related Party Transactions	36
Note 20	Rating Information	38
Note 21	Rate Setting Statement Information	41
Note 22	Financial Risk Management	42
Note 23	Initial Application of Australian Accounting Standards	45
Note 24	Trust Funds	47
Note 25	Other Significant Accounting Policies	48
Note 26	Activities/Programs	49
Note 27	Financial Ratios	50

## 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 (Financial Management) Regulations 1996* (FM Regs) take precedence over Australian Accounting Standards. Prior to 1 July 2019, Regulation (Reg) 16 arbitrarily prohibited a local government from recognising as assets Crown Land that is a public thoroughfare, ie land under roads, and land not owned by but under the control or management of the local government, unless it is a golf course, showground, racecourse or recreational facility of State or regional significance. Consequently, some assets pertaining to vested land, including including land under roads acquired on or after 1 July 2008, were not recognised in previous financial reports of the Shire. This was not in accordance with the requirements of AASB 1051 *Land Under Roads* paragraph 15 and AASB 116 *Property, Plant and Equipment* paragraph 7.

From 1 July 2019, the Shire has applied AASB 16 Leases which requires leases to be included by lessees in the balance sheet. Also, the FM Regs have been amended to specify that vested land is a right of use (ROU) asset to be measured at cost. All ROU assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost (ie not included in the balance sheet) rather than 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.

The Shire has accounted for the removal of the vested land values associated with the Broomehill golf course by removing the land value and associated revaluation reserve as at 1 July 2019. The comparative year amounts have been retained as AASB 16 does not require comparatives to be restated in the year of transition.

Therefore the departure from AASB 1051 and AASB 16 in respect of the comparatives for the year ended 30 June 2019 remains.

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 report has been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

### NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE YEARS

On 1 July 2020 the following new accounting standards are to be adopted:

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

AASB 1059 *Service Concession Arrangements: Grantors* is not expected to impact the financial report.

Specific impacts of AASB 2018-7 *Amendments to Australian Accounting Standards - Materiality*, have not been identified.

### 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.

### 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 24 to these financial statements.

**SHIRE OF BROOMEHILL-TAMBELLUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**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
Grant contracts with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants, subsidies or contributions for the construction of non-financial assets	Construction or acquisition of recognisable non-financial assets to be controlled by the local government	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants with no contract commitments	General appropriations and contributions with no reciprocal commitment	No obligations	Not applicable	Not applicable	Cash received	On receipt of funds	Not applicable	When assets are controlled
Licences/ Registrations/ Approvals	Building, planning, development and animal management, having the same nature as a licence regardless of naming.	Single point in time	Full payment prior to issue	None	Set by State legislation or limited by legislation to the cost of provision	Based on timing of issue of the associated rights	No refunds	On payment and issue of the licence, registration or approval
Pool inspections	Compliance safety check	Single point in time	Equal proportion based on an equal annually fee	None	Set by State legislation	Apportioned equally across the inspection cycle	No refunds	After inspection complete based on a 4 year cycle
Other inspections	Regulatory Food, Health and Safety	Single point in time	Full payment prior to inspection	None	Set by State legislation or limited by legislation to the cost of provision	Applied fully on timing of inspection	Not applicable	Revenue recognised after inspection event occurs
Waste management collections	Kerbside collection service	Over time	Payment on an annual basis in advance	None	Adopted by council annually	Apportioned equally across the collection period	Not applicable	Output method based on regular weekly and fortnightly period as proportionate to collection service
Waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	Adopted by council annually	Based on timing of entry to facility	Not applicable	On entry to facility
Property hire and entry	Use of halls and facilities	Single point in time	In full in advance	Refund if event cancelled within 7 days	Adopted by council annually	Based on timing of entry to facility	Returns limited to repayment of transaction price	On entry or at conclusion of hire
Fees and charges for other goods and services	Cemetery services, library fees, reinstatements and private works	Single point in time	Payment in full in advance	None	Adopted by council annually	Applied fully based on timing of provision	Not applicable	Output method based on provision of service or completion of works
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 BROOMEHILL-TAMBELLUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**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:

	2020 Actual \$	2020 Budget \$	2019 Actual \$
<b>Operating grants, subsidies and contributions</b>			
Governance	38,557	37,100	33,180
General purpose funding	1,878,581	944,900	1,869,590
Law, order, public safety	72,231	61,100	49,567
Education and welfare	79,453	62,800	46,838
Housing	49,097	13,500	2,510
Community amenities	2,305	2,500	2,321
Recreation and culture	28,003	20,000	22,863
Transport	153,799	143,800	1,532,250
Economic services	118,061	3,000	3,436
Other property and services	49,940	97,700	81,427
	2,470,027	1,386,400	3,643,982
<b>Non-operating grants, subsidies and contributions</b>			
Law, order, public safety	256,847	400,000	0
Housing	2,384,163	2,423,500	0
Recreation and culture	7,994	0	38,114
Transport	1,288,167	1,288,200	1,718,823
Economic services	68,421	251,000	0
	4,005,592	4,362,700	1,756,937
<b>Total grants, subsidies and contributions</b>	6,475,619	5,749,100	5,400,919
<b>Fees and charges</b>			
Governance	22	0	9
General purpose funding	3,130	4,000	3,564
Law, order, public safety	5,561	4,800	5,283
Health	2,416	1,800	1,798
Housing	72,303	65,000	58,900
Community amenities	74,986	86,000	88,591
Recreation and culture	16,306	25,100	18,915
Transport	18,213	12,200	14,617
Economic services	76,954	65,800	64,624
Other property and services	1,720	15,000	13,172
	271,611	279,700	269,473

**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 BROOMEHILL-TAMBELLUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**2. REVENUE AND EXPENSES (Continued)**

(a) Revenue (Continued)	2020 Actual \$	2020 Budget \$	2019 Actual \$
<b>Contracts with customers and transfers for recognisable non-financial assets</b>			
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	196,780	90,600	71,397
Fees and charges	271,611	269,458	279,700
Other revenue	33,554	22,200	21,632
Non-operating grants, subsidies and contributions	4,005,592	4,362,700	1,756,937
	4,507,537	4,744,958	2,129,666
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:			
Other revenue from contracts with customers recognised during the year	501,945	382,258	372,729
Other revenue from performance obligations satisfied during the year	4,005,592	4,362,700	1,756,937
	4,507,537	4,744,958	2,129,666
Information about receivables, contract assets and contract liabilities from contracts with customers along with financial assets and associated liabilities arising from transfers to enable the acquisition or construction of recognisable non financial assets is:			
Trade and other receivables from contracts with customers	90,603		
Contract liabilities from contracts with customers	(2,292,980)		

Contract liabilities for contracts with customers primarily relate to grants with performance obligations received in advance, for which revenue is recognised over time as the performance obligations are met.

Information is not provided about remaining performance obligations for contracts with customers that had an original expected duration of one year or less.

Consideration from contracts with customers is included in the transaction price.

Performance obligations in relation to contract liabilities from transfers for recognisable non financial assets are satisfied as project milestones are met or completion of construction or acquisition of the asset. All associated performance obligations are expected to be met over the next 12 months.



**SHIRE OF BROOMEHILL-TAMBELLUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**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:

	2020 Actual \$	2020 Budget \$	2019 Actual \$
General rates	2,506,940	2,497,900	2,407,983
Statutory permits and licences	31,932	33,700	33,734
Fines	3,589	1,200	1,735
	2,542,461	2,532,800	2,443,452
<b>Other revenue</b>			
Reimbursements and recoveries	352,310	359,100	267,407
Other	102,826	22,200	91,085
	455,136	381,300	358,492
<b>Interest earnings</b>			
Interest on reserve funds	21,082	34,700	34,042
Rates instalment and penalty interest (refer Note 20(c))	30,975	25,600	24,703
	52,057	60,300	58,745

**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.

**(b) Expenses**

**Auditors remuneration**

- Audit of the Annual Financial Report
- Other services

**Interest expenses (finance costs)**

Borrowings

Note	2020 Actual \$	2020 Budget \$	2019 Actual \$
	18,373	18,000	7,260
	2,226	2,000	1,100
	20,599	20,000	8,360
14(b)	68,215	56,100	57,659
	68,215	56,100	57,659

**SHIRE OF BROOMEHILL-TAMBELLUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**3. CASH AND CASH EQUIVALENTS**

	NOTE	2020 \$	2019 \$
Cash at bank and on hand		4,285,420	2,425,758
<b>Total cash and cash equivalents</b>		<b>4,285,420</b>	<b>2,425,758</b>
<b>Restrictions</b> requirements which limit or direct the purpose for which the resources may be used:			
- Cash and cash equivalents		3,942,357	1,724,274
		<b>3,942,357</b>	<b>1,724,274</b>

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

Reserves - cash backed	4	1,649,377	1,488,347
Contract liabilities from contracts with customers	13	2,292,980	184,421
Unspent grants, subsidies and contributions		0	51,506
<b>Total restricted assets</b>		<b>3,942,357</b>	<b>1,724,274</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**Cash and cash equivalents**

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

**Restricted assets**

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

**SHIRE OF BROOMEHILL-TAMBELLUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**4. RESERVES - CASH BACKED**

	2020 Actual Opening Balance	2020 Actual Transfer to	2020 Actual Transfer (from)	2020 Actual Closing Balance	2020 Budget Opening Balance	2020 Budget Transfer to	2020 Budget Transfer (from)	2020 Budget Closing Balance	2019 Actual Opening Balance	2019 Actual Transfer to	2019 Actual Transfer (from)	2019 Actual Closing Balance
(a) Leave Reserve	\$ 82,076	\$ 51,535	\$ (20,837)	\$ 112,774	\$ 82,100	\$ 52,200	\$ (52,700)	\$ 81,600	\$ 60,903	\$ 52,240	\$ (31,067)	\$ 82,076
(b) Plant Replacement Reserve	260,173	303,896	(239,681)	324,388	260,200	309,000	(387,700)	181,500	212,057	429,437	(381,321)	260,173
(c) Building Reserve	261,528	344,206	(250,000)	355,734	261,500	1,045,000	(958,300)	348,200	156,180	105,348	0	261,528
(d) Computer Reserve	42,739	10,662	0	53,401	42,700	11,000	0	53,700	31,796	10,943	0	42,739
(e) Tamb Rec Ground & Pavilion Reserve	51,616	5,737	0	57,353	51,600	6,200	0	57,800	45,400	6,216	0	51,616
(f) Bhill Rec Complex Reserve	86,052	9,832	0	95,884	86,100	10,600	0	96,700	75,429	10,623	0	86,052
(g) Building Maintenance Reserve	67,324	10,991	(56,000)	22,315	67,300	10,800	(40,000)	38,100	20,085	47,239	0	67,324
(h) Sandalwood Villas Reserve	82,086	11,190	0	93,276	82,100	12,000	0	94,100	70,174	11,912	0	82,086
(i) Bhill Synthetic Bowling Green Reserve	65,635	9,556	0	75,191	65,600	10,100	0	75,700	55,514	10,121	0	65,635
(j) Refuse Sites Post Closure Mgt Reserve	26,554	5,401	0	31,955	26,500	5,700	0	32,200	20,954	5,600	0	26,554
(k) Lavieville Lodge Reserve	69,746	11,024	0	80,770	69,700	11,700	0	81,400	58,140	11,606	0	69,746
(l) Townscape Plan Implementation Reserve	347,522	4,406	(79,234)	272,694	347,500	7,000	(200,000)	154,500	244,326	106,162	(2,966)	347,522
(m) Tamb Synthetic Bowling Green Reserve	15,296	7,770	0	23,066	15,300	7,800	0	23,100	7,500	7,796	0	15,296
(n) Tourism & Economic Development Reserve	30,000	20,576	0	50,576	30,000	20,300	(30,000)	20,300	0	30,000	0	30,000
	1,488,347	806,782	(645,752)	1,649,377	1,488,200	1,519,400	(1,668,700)	1,338,900	1,058,458	845,243	(415,354)	1,488,347

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

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

Name of Reserve	Anticipated date of use	Purpose of the reserve
(a) Leave Reserve	Ongoing	- to be used to meet the Councils Long Service Leave liability for its employees.
(b) Plant Replacement Reserve	Ongoing	- to be used for the purchase of plant and equipment in accordance with the Plant Replacement Program.
(c) Building Reserve	Ongoing	- to be used for finance replacement, major repair or construction of new Shire buildings, and costs associated with subdivision of land.
(d) Computer Reserve	Ongoing	- to be used for the replacement or upgrade of computer hardware and software.
(e) Tamb Rec Ground & Pavilion Reserve	Ongoing	- to be used to maintain and develop sport and recreational facilities at the Tambellup Recreation Ground and Pavilion.
(f) Bhill Rec Complex Reserve	Ongoing	- to be used for works at the Broomehill Recreation Complex in agreement with the Complex Management Committee.
(g) Building Maintenance Reserve	Ongoing	- to be used to fund building maintenance requirements for all Shire owned buildings.
(h) Sandalwood Villas Reserve	Ongoing	- to be utilised towards upgrade and maintenance of the 6 units at Sandalwood Villas.
(i) Bhill Synthetic Bowling Green Reserve	10+ years	- to be used for the future replacement of the synthetic bowling green at the Broomehill Recreational Complex.
(j) Refuse Sites Post Closure Mgt Reserve	20+ years	- to meet the financial requirements for the closure of the Broomehill and Tambellup landfill sites when their useful life expires.
(k) Lavieville Lodge Reserve	Ongoing	- to be utilised towards upgrade and maintenance of the 4 units at Lavieville Lodge.
(l) Townscape Plan Implementation Reserve	2019-2021	- to be used for implementation of the Townscape Plans for the Broomehill and Tambellup townsites.
(m) Tamb Synthetic Bowling Green Reserve	10+ years	- to be used for the future replacement of the synthetic bowling green at the Tambellup Sportsground.
(n) Tourism & Economic Development Reserve	Ongoing	- to be used to progress tourism and economic development opportunities in the Shire.

SHIRE OF BROOMEHILL-TAMBELLUP  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2020

## 5. TRADE AND OTHER RECEIVABLES

### Current

Rates receivable  
Trade and other receivables  
Contract Receivables

### Non-current

Pensioner's rates and ESL deferred  
Long Service Leave Debtors

2020	2019
\$	\$
290,568	252,396
93,870	600,130
154,237	0
538,675	852,526
35,586	39,457
25,266	25,266
60,852	64,723

### 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 22.

### 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.

**SHIRE OF BROOMEHILL-TAMBELLUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**6. INVENTORIES**

**Current**

Fuel and materials

**Non-current**

Land held for resale - cost

Cost of acquisition

The following movements in inventories occurred during the year:

**Carrying amount at beginning of period**

Additions to inventory

**Carrying amount at end of period**

2020	2019
\$	\$
32,540	26,158
32,540	26,158
216,000	216,000
216,000	216,000
242,158	242,158
6,382	
248,540	242,158

**SIGNIFICANT ACCOUNTING POLICIES**

**General**

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

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

**Land held for resale**

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

**Land held for resale (Continued)**

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

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

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

SHIRE OF BROOMEHILL-TAMBELLUP  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2020

7. OTHER FINANCIAL ASSETS

**Non-current**

Financial Assets through profit or loss

2020	2019
\$	\$
71,220	70,965
71,220	70,965
BKW Co-op shares	897
Local Government House Unit Trust	70,068
71,220	70,965

**SIGNIFICANT ACCOUNTING POLICIES**

**Financial assets at fair value through profit and loss**

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

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

**SHIRE OF BROOMEHILL-TAMBELLUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**8. PROPERTY, PLANT AND EQUIPMENT**

**(a) Movements in Carrying Amounts**

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

	Land - freehold land	Land - vested in and under the control of Council	Total land	Buildings - non-specialised	Buildings - specialised	Total buildings	Total land and buildings	Furniture and equipment	Plant and equipment	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2018</b>	1,179,271	7,400	1,186,671	1,934,980	9,091,397	11,026,377	12,213,048	59,556	3,540,877	15,813,481
Additions				15,827	0	15,827	15,827		1,235,164	1,250,991
(Disposals)	0	0	0	0	0	0	0	0	(883,071)	(883,071)
Revaluation increments / (decrements) transferred to revaluation surplus			0	(45,699)	(188,707)	(234,406)	0	(11,632)	35,198	23,566
Depreciation (expense)			0	0	0	0	(234,406)	(6,124)	(322,038)	(562,568)
<b>Carrying amount at 30 June 2019</b>	1,179,271	7,400	1,186,671	1,905,108	8,902,690	10,807,798	11,994,469	41,800	3,606,130	15,642,399
<b>Comprises:</b>										
Gross carrying amount at 30 June 2019	1,179,271	7,400	1,186,671	1,995,827	9,264,606	11,260,433	12,447,104	41,800	3,606,130	16,095,034
Accumulated depreciation at 30 June 2019	0	0	0	(90,719)	(361,916)	(452,635)	(452,635)	0	0	(452,635)
<b>Carrying amount at 30 June 2019</b>	1,179,271	7,400	1,186,671	1,905,108	8,902,690	10,807,798	11,994,469	41,800	3,606,130	15,642,399
Change in Accounting Policy	0	(7,400)	(7,400)	0	0	0	(7,400)	0	0	(7,400)
<b>Restated carrying amount at 1 July 2019</b>	1,179,271	0	1,179,271	1,905,108	8,902,690	10,807,798	11,987,069	41,800	3,606,130	15,634,999
Additions	0	0	0	4,385,319	305,191	4,690,510	4,690,510	0	703,295	5,393,805
(Disposals)	0	0	0	(113,201)	0	(113,201)	(113,201)	0	(513,647)	(626,848)
Depreciation (expense)	0	0	0	(45,298)	(188,707)	(234,005)	(234,005)	(3,530)	(284,424)	(521,959)
<b>Carrying amount at 30 June 2020</b>	1,179,271	0	1,179,271	6,131,928	9,019,174	15,151,102	16,330,373	38,270	3,511,354	19,879,997
<b>Comprises:</b>										
Gross carrying amount at 30 June 2020	1,179,271	0	1,179,271	6,261,145	9,569,797	15,830,942	17,010,213	41,800	3,764,548	20,816,561
Accumulated depreciation at 30 June 2020	0	0	0	(129,217)	(550,623)	(679,840)	(679,840)	(3,530)	(253,194)	(936,564)
<b>Carrying amount at 30 June 2020</b>	1,179,271	0	1,179,271	6,131,928	9,019,174	15,151,102	16,330,373	38,270	3,511,354	19,879,997



**SHIRE OF BROOMEHILL-TAMBELLUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**8. PROPERTY, PLANT AND EQUIPMENT (Continued)**

**(b) Fair Value Measurements**

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
<b>Land and buildings</b>					
Land - freehold land	2	Market approach using recent observable market data for similar properties / income approach using discounted cashflow methodology	Independent Registered Valuers	June 2017	Price per hectare / market borrowing rates
Buildings - non-specialised	2	Market approach using recent observable market data for similar properties / income approach using discounted cashflow methodology	Independent Registered Valuers	June 2017	Using market value and current condition, residual values and remaining useful life assessments
Buildings - specialised	2	Market approach using recent observable market data for similar properties / income approach using discounted cashflow methodology	Independent Registered Valuers	June 2017	Using market value and current condition, residual values and remaining useful life assessments
<b>Furniture and equipment</b>	2	Cost approach using depreciated replacement cost	Management Valuation	June 2019	Cost Approach
<b>Plant and equipment</b>	2	Cost approach using depreciated replacement cost	Management Valuation	June 2019	Cost Approach

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

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

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 is effective from 1 July 2019 and represents a change in accounting policy. Revaluations carried out previously were not reversed as it was deemed fair value approximates cost at the date of change.

**SHIRE OF BROOMEHILL-TAMBELLUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**9. INFRASTRUCTURE**

**(a) Movements in Carrying Amounts**

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

	Infrastructure -							
	Roads - earthworks & clearing	Infrastructure - Roads	Infrastructure - Footpaths	Infrastructure - Drainage	Infrastructure - Parks & Ovals	Infrastructure - Water Supply	Infrastructure - Other	Total Infrastructure
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2018</b>	46,828,590	64,951,606	727,022	786,609	2,262,700	58,499	505,989	116,120,995
Additions	394,499	2,379,569	24,268	0	30,026	0	24,222	2,852,584
Depreciation (expense)	0	(1,058,732)	(27,278)	(8,731)	(94,402)	(2,925)	(8,931)	(1,200,999)
<b>Carrying amount at 30 June 2019</b>	47,223,089	66,272,443	724,012	777,878	2,198,324	55,574	521,260	117,772,580
<b>Comprises:</b>								
Gross carrying amount at 30 June 2019	47,223,089	67,331,175	751,290	786,609	2,292,726	58,500	530,191	118,973,580
Accumulated depreciation at 30 June 2019	0	(1,058,732)	(27,278)	(8,731)	(94,402)	(2,926)	(8,931)	(1,201,000)
<b>Carrying amount at 30 June 2019</b>	47,223,089	66,272,443	724,012	777,878	2,198,324	55,574	521,260	117,772,580
<b>Additions</b>	484,201	1,184,302	116,306	0	118,828	0	0	1,903,637
Depreciation (expense)	0	(1,117,482)	(27,884)	(8,731)	(95,759)	(2,924)	(24,210)	(1,276,990)
<b>Carrying amount at 30 June 2020</b>	47,707,290	66,339,263	812,434	769,147	2,221,393	52,650	497,050	118,399,227
<b>Comprises:</b>								
Gross carrying amount at 30 June 2020	47,707,290	68,515,476	867,596	786,609	2,411,554	58,500	530,191	120,877,216
Accumulated depreciation at 30 June 2020	0	(2,176,213)	(55,162)	(17,462)	(190,161)	(5,850)	(33,141)	(2,477,989)
<b>Carrying amount at 30 June 2020</b>	47,707,290	66,339,263	812,434	769,147	2,221,393	52,650	497,050	118,399,227

**SHIRE OF BROOMEHILL-TAMBELLUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**9. INFRASTRUCTURE (Continued)**

**(b) Fair Value Measurements**

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Infrastructure - Roads - earthworks & ci	3	Cost approach using depreciated replacement cost	Management Valuation	June 2018	Construction costs and current condition (Level 2) Residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - Roads	3	Cost approach using depreciated replacement cost	Management Valuation	June 2018	Construction costs and current condition (Level 2) Residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - Footpaths	3	Cost approach using depreciated replacement cost	Management Valuation	June 2018	Construction costs and current condition (Level 2) Residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - Drainage	3	Cost approach using depreciated replacement cost	Management Valuation	June 2018	Construction costs and current condition (Level 2) Residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - Parks & Ovals	3	Cost approach using depreciated replacement cost	Management Valuation	June 2018	Construction costs and current condition (Level 2) Residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - Water Supply	3	Cost approach using depreciated replacement cost	Management Valuation	June 2018	Construction costs and current condition (Level 2) Residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - Other	3	Cost approach using depreciated replacement cost	Independent Valuation	June 2018	Construction costs and current condition (Level 2) Residual values and remaining useful life assessments (Level 3) inputs

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

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

**SHIRE OF BROOMEHILL-TAMBELLUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**10. FIXED ASSETS**

**SIGNIFICANT ACCOUNTING POLICIES**

**Fixed assets**

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

ROU assets are measured at cost. This means that all ROU assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost (ie not included in the balance sheet). The exception is vested improvements on concessionary land leases such as roads, buildings or other infrastructure which are reported at fair value.

**Initial recognition and measurement between mandatory revaluation dates**

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

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

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

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

**Revaluation**

The fair value of land, buildings and infrastructure is determined every five years in accordance with the regulatory framework. This includes buildings and infrastructure items which were pre-existing improvements (ie vested improvements) on vested land acquired by the Shire. At the end of each period the valuation is reviewed and where appropriate the fair value is updated to reflect current market conditions. This process is considered to be in accordance with the *Local Government (Financial Management) Regulation 17A(2)* which requires land, buildings, infrastructure, and vested improvements to be shown at fair value.

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

**AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY**

**Land under control prior to 1 July 2019**

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

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

**Land under roads prior to 1 July 2019**

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

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

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

Whilst such treatment is inconsistent with the requirements of *AASB 1051, Local Government (Financial Management) Regulation 4(2)* provides, in the event of such an inconsistency, the *Local Government (Financial Management) Regulations* prevail.

Consequently, any land under roads acquired on or after 1 July 2008 is not included as an asset of the Shire.

**Land under roads from 1 July 2019**

As a result of amendments to the *Local Government (Financial Management) Regulations 1996*, effective from 1 July 2019, vested land, including land under roads, are treated as ROU 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 balance sheet.

The Shire has accounted for the removal of vested land values associated with the Broomehill golf course by removing the land value and associated revaluation reserve as at 1 July 2019. The comparatives have not been restated.

**Vested Improvements from 1 July 2019**

The measurement of vested improvements at fair value in accordance is a departure from AASB 16 which would have required the Shire to measure the vested improvements as part of the related ROU assets at zero cost.

**SHIRE OF BROOMEHILL-TAMBELLUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**10. FIXED ASSETS**

**(a) Disposals of Assets**

	2020 Actual Net Book Value	2020 Actual Sale Proceeds	2020 Actual Profit	2020 Actual Loss	2020 Budget Net Book Value	2020 Budget Sale Proceeds	2020 Budget Profit	2020 Budget Loss	2019 Actual Net Book Value	2019 Actual Sale Proceeds	2019 Actual Profit	2019 Actual Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Land - freehold land	0	0	0	0	135,000	135,000	0	0	0	0	0	0
Buildings - non-specialised	113,201	241,000	127,799	0	250,400	805,000	554,600	0	0	0	0	0
Plant and equipment	513,647	435,296	11,749	(90,100)	926,300	856,700	2,200	(71,800)	883,071	862,552	18,177	(38,696)
	626,848	676,296	139,548	(90,100)	1,311,700	1,796,700	556,800	(71,800)	883,071	862,552	18,177	(38,696)

The following assets were disposed of during the year.

	2020 Actual Net Book Value	2020 Actual Sale Proceeds	2020 Actual Profit	2020 Actual Loss
<b>Plant and Equipment</b>				
<b>Governance</b>	\$	\$	\$	\$
Ford Everest Wagon BH000	38,847	48,378	9,531	0
Ford Everest Wagon BH000	46,852	39,563	0	(7,289)
<b>Housing</b>				
1 Janus St Broomehill	113,201	241,000	127,799	0
<b>Transport</b>				
Isuzu FRR truck TA386	51,823	27,727	0	(24,096)
Ford Ranger TA001	46,247	42,970	0	(3,277)
Ford Ranger TA001	46,747	43,324	0	(3,423)
Ford Ranger TA052	35,147	31,818	0	(3,329)
Ford Ranger 1TA	36,997	38,000	1,003	0
Ford Ranger 1TA	44,096	38,182	0	(5,914)
Isuzu NLR55 truck BH009	48,499	24,545	0	(23,953)
Ford Ranger BH00	36,997	27,273	0	(9,725)
Ford Ranger BH003	35,147	36,364	1,216	0
Ford Ranger TA005	32,373	32,123	0	(249)
John Deere Gator	13,874	5,029	0	(8,845)
	626,848	676,296	139,548	(90,100)

**SHIRE OF BROOMEHILL-TAMBELLUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**10. FIXED ASSETS**

**(b) Depreciation**

	2020 Actual	2020 Budget	2019 Actual
	\$	\$	\$
Buildings - non-specialised	45,298	46,000	45,699
Buildings - specialised	188,707	189,100	188,707
Furniture and equipment	3,530	7,200	6,124
Plant and equipment	284,424	332,700	322,038
Infrastructure - Roads	1,117,482	1,060,100	1,058,732
Infrastructure - Footpaths	27,884	27,200	27,278
Infrastructure - Drainage	8,731	8,800	8,731
Infrastructure - Parks & Ovals	95,759	96,000	94,402
Infrastructure - Water Supply	2,924	3,000	2,925
Infrastructure - Other	24,210	10,600	8,931
	1,798,949	1,780,700	1,763,567

**Revision of useful lives of plant and equipment**

**SIGNIFICANT ACCOUNTING POLICIES**

**Depreciation**

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

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

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

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

**Depreciation rates**

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

Asset Class	Useful life
Buildings	40 to 50 years
Furniture and equipment	5 to 10 years
Plant and equipment	1 to 15 years
Sealed roads and streets	
formation	not depreciated
pavement	50 years
seal	
- bituminous seals	20 years
- asphalt surfaces	25 years
Gravel roads	
formation	not depreciated
pavement	50 years
Footpaths - slab	20 years
Water supply piping and drainage systems	75 years

**Depreciation on revaluation**

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

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

**Amortisation**

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

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

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

**SHIRE OF BROOMEHILL-TAMBELLUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**11. REVALUATION SURPLUS**

	2020			2020			2019		
	Opening Balance	Revaluation Increment	Revaluation (Decrement)	Total Movement on Revaluation	Closing Balance		Opening Balance	Revaluation Increment	Revaluation (Decrement)
	\$	\$	\$	\$	\$		\$	\$	\$
Revaluation surplus - Land & Buildings	4,950,234	0	(7,400)	(7,400)	4,942,834		4,950,234	0	0
Revaluation surplus - Plant and equipment	41,999	0	0	0	41,999		18,433	23,566	0
Revaluation surplus - Infrastructure	92,708,910	0	0	0	92,708,910		92,708,910	0	0
Revaluation surplus - Local Govt House Unit Trust	62,139	0	(62,139)	(62,139)	0		62,139	0	0
	97,763,282	0	(69,539)	(69,539)	97,693,743		97,739,716	23,566	0
								23,566	0
									23,566
									97,763,282

Movements on revaluation of property, plant and equipment (including infrastructure) are not able to be reliably attributed to a program as the assets were revalued by class as provided for by AASB 116 Aus 40.1.



**SHIRE OF BROOMEHILL-TAMBELLUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**12. TRADE AND OTHER PAYABLES**

**Current**

Sundry creditors
Prepaid rates
Accrued salaries and wages
ATO liabilities
Accrued Interest on long term borrowings
Accrued Expenses
Income Received in Advance
Long Service Leave Creditors
Other Payables

**Non Current**

Long Service Leave Creditors
------------------------------

2020	2019
\$	\$
184,301	344,611
33,591	22,442
43,960	34,637
45,156	0
22,929	19,602
64,472	27,906
12,481	12,699
3,056	0
0	184,421
409,946	646,318
0	3056
0	3056

**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.

### 13. CONTRACT LIABILITIES

#### Current

Contract liabilities from contracts with customers

2020	2019
\$	\$
2,292,980	-
2,292,980	0

#### SIGNIFICANT ACCOUNTING POLICIES

##### Contract Liabilities

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

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

SHIRE OF BROOMEHILL-TAMBELLUP  
NOTES TO AND FORMING PART OF THE  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020

## 14. INFORMATION ON BORROWINGS

	2020	2019
(a) Borrowings	\$	\$
Current	123,506	62,001
Non-current	1,941,696	1,098,431
	2,065,202	1,160,432

### (b) Repayments - Borrowings

[illegible]

\* WA Treasury Corporation

**SHIRE OF BROOMEHILL-TAMBELLUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**14. INFORMATION ON BORROWINGS (Continued)**

**(c) New Borrowings - 2019/20**

Particulars/Purpose	Institution	Loan Type	Term Years	Interest Rate	Amount Borrowed		Amount (Used)		Total Interest & Charges	Actual Balance Unspent
					2020 Actual	2020 Budget	2020 Actual	2020 Budget		
				%	\$	\$	\$	\$	\$	\$
GROH Housing	WATC*	Debenture	15	1.86%	995,700	995,700	995,700	955,700	149,944	0
* WA Treasury Corporation					995,700	995,700	995,700	955,700	149,944	0

**(d) Undrawn Borrowing Facilities**

	2020	2019
	\$	\$
<b>Credit Standby Arrangements</b>		
Bank overdraft limit	500,000	500,000
Bank overdraft at balance date	0	0
Credit card limit	14,000	14,000
Credit card balance at balance date	(210)	(368)
<b>Total amount of credit unused</b>	<b>513,790</b>	<b>513,632</b>

**Loan facilities**

Loan facilities - current	123,506	62,001
Loan facilities - non-current	1,941,696	1,098,431
<b>Total facilities in use at balance date</b>	<b>2,065,202</b>	<b>1,160,432</b>

<b>Unused loan facilities at balance date</b>	<b>0</b>	<b>0</b>
---	----------	----------

**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 22.

## 15. EMPLOYEE RELATED PROVISIONS

### (a) Employee Related Provisions

	Provision for Annual Leave \$	Provision for Long Service Leave \$	Total \$
<b>Opening balance at 1 July 2019</b>			
Current provisions	168,059	193,163	361,222
Non-current provisions	0	70,009	70,009
	168,059	263,172	431,231
Additional provision	149,250	58,557	207,807
Amounts used	(133,431)	(20,838)	(154,269)
<b>Balance at 30 June 2020</b>	183,878	300,891	484,769
<b>Comprises</b>			
Current	183,878	247,824	431,702
Non-current	0	53,067	53,067
	183,878	300,891	484,769
	<b>2020</b>	<b>2019</b>	
<b>Amounts are expected to be settled on the following basis:</b>	\$	\$	
Less than 12 months after the reporting date	195,899	194,225	
More than 12 months from reporting date	263,604	211,740	
Expected reimbursements from other WA local governments	25,266	25,266	
	484,769	431,231	

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

##### 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

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

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.

## 16. 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:

	2020 Actual	2020 Budget	2019 Actual
	\$	\$	\$
Cash and cash equivalents	4,285,420	1,340,400	2,425,758
<b>Reconciliation of Net Cash Provided By Operating Activities to Net Result</b>			
Net result	3,408,362	2,940,700	1,265,495
Non-cash flows in Net result:			
Adjustments to fair value of financial assets at fair value through profit and loss	(1,152)	0	0
Depreciation on non-current assets	1,798,949	1,780,700	1,763,567
(Profit)/loss on sale of asset	(49,448)	(485,000)	20,520
Changes in assets and liabilities:			
(Increase)/decrease in receivables	317,722	622,100	217,179
(Increase)/decrease in inventories	(6,382)	(35,000)	(10,465)
Increase/(decrease) in payables	(238,531)	(208,000)	179,977
Increase/(decrease) in provisions	53,538	96,300	46,918
Increase/(decrease) in contract liabilities	2,292,980	0	0
Non-operating grants, subsidies and contributions	(4,005,592)	(4,362,700)	(1,756,937)
Net cash from operating activities	3,570,446	349,100	1,726,254

SHIRE OF BROOMEHILL-TAMBELLUP  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
 FOR THE YEAR ENDED 30 JUNE 2020

17. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2020	2019
	\$	\$
Governance	1,620,941	1,637,000
Law, order, public safety	729,137	463,805
Health	103,410	105,900
Housing	6,319,914	2,084,281
Community amenities	495,842	521,270
Recreation and culture	8,153,521	8,194,835
Transport	119,470,978	119,012,424
Economic services	566,206	568,794
Other property and services	1,042,671	1,042,671
Unallocated	4,981,311	3,440,129
	143,483,931	137,071,109



SHIRE OF BROOMEHILL-TAMBELLUP  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2020

## 18. CAPITAL COMMITMENTS

### (a) Capital Expenditure Commitments

Contracted for:

- capital expenditure projects

	2020	2019
	\$	\$
	485,380	4,330,000
	<u>485,380</u>	<u>4,330,000</u>
	485,380	4,330,000

Payable:

- not later than one year

The Shire is a participant in the Great Southern Housing Initiative which will deliver Independent Living Seniors and Key Worker accommodation across 7 Shires. The Shire has constructed 4 seniors units and 4 houses, with 2 cabins at the Broomehill Caravan Park and 2 houses due for completion by December 2020

The Shire has also commenced construction of a Fire Station in Broomehill, with an estimated completion date of October 2020.

## 19. RELATED PARTY TRANSACTIONS

### Elected Members Remuneration

The following fees, expenses and allowances were paid to council members and/or the President.

	2020 Actual	2020 Budget	2019 Actual
	\$	\$	\$
Meeting fees	52,000	55,000	52,000
President's allowance	2,000	2,000	2,000
Deputy President's allowance	500	500	500
Travelling expenses	0	1,000	0
Telecommunications allowance	3,500	3,500	3,500
	58,000	62,000	58,000

### Key Management Personnel (KMP) Compensation Disclosure

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

	2020 Actual	2019 Actual
	\$	\$
Short-term employee benefits	434,761	411,366
Post-employment benefits	49,632	46,295
Other long-term benefits	8,758	8,427
	493,151	466,088

#### Short-term employee benefits

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

#### Post-employment benefits

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

#### Other long-term benefits

These amounts represent long service benefits accruing during the year.

## 19. RELATED PARTY TRANSACTIONS (Continued)

### Transactions with related parties

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

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

	2020 Actual	2019 Actual
The following transactions occurred with related parties:	\$	\$
Purchase of goods and services	15,775	44,666
<b>Amounts payable to related parties:</b>		
Trade and other payables	15,775	44,666

### Related Parties

#### The Shire's main related parties are as follows:

##### i. Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any elected member, are considered key management personnel.

##### ii. Other Related Parties

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

##### iii. Entities subject to significant influence by the Shire

An entity that has the power to participate in the financial and operating policy decisions of an entity, but does not have control over those policies, is an entity which holds significant influence. Significant influence may be gained by share ownership, statute or agreement.

**SHIRE OF BROOMEHILL-TAMBELLUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**20. RATING INFORMATION**

**(a) Rates**

**RATE TYPE**  
**Differential general rate / general rate**

**Gross rental valuations**

Residential

Commercial

**Unimproved valuations**

Rural

Mining

**Sub-Total**

**Minimum payment**

**Gross rental valuations**

Residential

Commercial

**Unimproved valuations**

Rural

Mining

**Sub-Total**

Discounts (Note 20(b))

**Total amount raised from general rate**

Concessions (Note 20(b))

**Totals**

Rate in \$	Number of Properties	2019/20 Actual Rateable Value \$	2019/20 Actual Rate \$	2019/20 Actual Revenue \$	2019/20 Actual Interim Rates \$	2019/20 Actual Back Rates \$	2019/20 Actual Total Revenue \$	2019/20 Budget Rate \$	2019/20 Budget Interim Rate \$	2019/20 Budget Back Rate \$	2019/20 Budget Total Revenue \$	2018/19 Actual Total Revenue \$
0.106582	243	2,093,832	223,165	0	0	0	223,165	222,700	0	0	222,700	214,025
0.106582	13	181,648	19,360	0	0	0	19,360	19,400	0	0	19,400	20,057
0.008874	373	256,673,000	2,277,716	369	0	0	2,278,085	2,277,100	0	0	2,277,100	2,203,209
0.008874	0	0	0	0	0	0	0	0	0	0	0	
Minimum \$	629	258,948,480	2,520,241	369	0	0	2,520,610	2,519,200	0	0	2,519,200	2,437,291
495	122	114,193	60,390	0	0	0	60,390	60,400	0	0	60,400	57,475
495	2	3,688	990	0	0	0	990	1,000	0	0	1,000	1,425
495	32	1,062,400	15,840	0	0	0	15,840	15,800	0	0	15,800	12,350
495	3	12,506	1,485	0	0	0	1,485	1,500	0	0	1,500	1,424
	159	1,192,787	78,705	0	0	0	78,705	78,700	0	0	78,700	72,674
	788	260,141,267	2,598,946	369	0	0	2,599,315	2,597,900	0	0	2,597,900	2,509,965
							(92,375)				(100,000)	(101,982)
							2,506,940				2,497,900	2,407,983
							(3,176)				(4,000)	(3,470)
							2,503,764				2,493,900	2,404,513

**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.

**SHIRE OF BROOMEHILL-TAMBELLUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**20. RATING INFORMATION (Continued)**

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

**Rates Discounts**

Rate or Fee Discount Granted	Discount	2020 Actual	2020 Budget	2019 Actual	Circumstances in which Discount is Granted
General Rates	5.00%	\$ 92,375	\$ 100,000	\$ 101,982	Rates & charges paid in full within 28 days from date of issue of rates notice
Waivers or Concessions		92,375	100,000	101,982	
Rate or Fee and Charge to which the Waiver or Concession is Granted	Type	2020 Actual	2020 Budget	2019 Actual	
General Rates - GRV	Concession	\$ 3,176	\$ 4,000	\$ 3,470	
		3,176	4,000	3,470	
Total discounts/concessions (Note 20(a))		95,551	104,000	105,452	

Rate or Fee and Charge to which the Waiver or Concession is Granted	Circumstances in which the Waiver or Concession is Granted and to whom it was available	Objects of the Waiver or Concession	Reasons for the Waiver or Concession
General Rates - GRV	Community organisations apply annually for a rate concession	To support the Tambellup Business Centre and Tambellup Golf Club	Both facilities are owned by local not for profit community organisations and are available for use year round by the entire community.

SHIRE OF BROOMEHILL-TAMBELLUP  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2020

20. RATING INFORMATION (Continued)

(c) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
<b>Option One</b>				
Single payment in full within 28 days of issue - with 5% discount	11/09/2019	0.00	0.00%	11.00%
<b>Option Two</b>				
Single payment in full	18/09/2019	0.00	0.00%	11.00%
<b>Option Three</b>				
First instalment	18/09/2019	0.00	5.50%	11.00%
Second instalment	18/01/2020	10.00	5.50%	11.00%
<b>Option Four</b>				
First instalment	18/09/2019	0.00	5.50%	11.00%
Second instalment	18/11/2019	10.00	5.50%	11.00%
Third instalment	18/01/2020	10.00	5.50%	11.00%
Fourth instalment	18/03/2020	10.00	5.50%	11.00%

	2020 Actual \$	2020 Budget \$	2019 Actual \$
Interest on unpaid rates	27,938	22,600	22,217
Interest on instalment plan	3,037	3,000	2,486
Charges on instalment plan	1,480	2,000	1,640
	32,455	27,600	26,343

**SHIRE OF BROOMEHILL-TAMBELLUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**21. RATE SETTING STATEMENT INFORMATION**

		2019/20 Budget	2019/20	2018/19
		(30 June 2020)	(1 July 2019)	(30 June 2019)
		Carried Forward)	Brought Forward)	Carried Forward
Note		\$	\$	\$
<b>(a) Non-cash amounts excluded from operating activities</b>				
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .				
<b>Adjustments to operating activities</b>				
Less: Profit on asset disposals	10(a)	(139,548)	(556,800)	(18,177)
Less: Fair value adjustments to financial assets at fair value through profit and loss		897	0	0
Movement in pensioner deferred rates (non-current)		3,871	0	(2,270)
Movement in employee benefit provisions (non-current)		62,861	0	45,838
Movement in other provisions		14,259	0	3,743
Add: Loss on disposal of assets	10(a)	90,100	71,800	38,697
Add: Depreciation on non-current assets	10(b)	1,798,949	1,780,700	1,763,567
<b>Non cash amounts excluded from operating activities</b>		<b>1,831,389</b>	<b>1,295,700</b>	<b>1,831,398</b>
<b>(b) Surplus/(deficit) after imposition of general rates</b>				
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.				
<b>Adjustments to net current assets</b>				
Less: Reserves - cash backed	4	(1,649,377)	(1,338,900)	(1,488,347)
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings	14(a)	123,506	64,900	62,001
- Payables		116,017	89,380	89,380
- Employee benefit provisions		431,702	361,222	361,222
<b>Total adjustments to net current assets</b>		<b>(978,152)</b>	<b>(1,274,000)</b>	<b>(975,744)</b>
<b>Net current assets used in the Rate Setting Statement</b>				
Total current assets		4,856,635	1,655,900	3,304,441
Less: Total current liabilities		(3,258,134)	(381,900)	(1,069,541)
Less: Total adjustments to net current assets		(978,152)	(1,274,000)	(975,744)
<b>Net current assets used in the Rate Setting Statement</b>		<b>620,349</b>	<b>0</b>	<b>1,259,156</b>
<b>(c) Adjustments to current assets and liabilities at 1 July 2019 on application of new accounting standards</b>				
<b>Total current assets at 30 June 2019</b>				<b>3,304,441</b>
- Contract assets	23(a)			<b>0</b>
<b>Total current assets at 1 July 2019</b>				<b>3,304,441</b>
<b>Total current liabilities at 30 June 2019</b>				<b>(1,069,541)</b>
<b>Total current liabilities at 1 July 2019</b>				<b>(1,069,541)</b>



**SHIRE OF BROOMEHILL-TAMBELLUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

## 22. 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
<b>Market risk - interest rate</b>	Long term borrowings at variable rates	Sensitivity analysis	Utilise fixed interest rate borrowings
<b>Credit risk</b>	Cash and cash equivalents, trade receivables, financial assets and	Aging analysis Credit analysis	Diversification of bank deposits, credit limits. Investment policy
<b>Liquidity risk</b>	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

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

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

### (a) Interest rate risk

#### Cash and cash equivalents

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

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

	Weighted Average Interest Rate	Carrying Amounts	Fixed Interest Rate	Variable Interest Rate	Non Interest Bearing
	%	\$	\$	\$	\$
<b>2020</b>					
Cash and cash equivalents	0.60%	4,285,420	0	4,285,420	0
<b>2019</b>					
Cash and cash equivalents	1.90%	2,425,758	0	2,425,758	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.

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

	2020	2019
	\$	\$
	42,854	24,258

\* Holding all other variables constant

#### Borrowings

Borrowings are subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs. The Shire manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation. The Shire does not consider there to be any interest rate risk in relation to borrowings. Details of interest rates applicable to each borrowing may be found at Note 14(b).

## 22. 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. The Shire is also able to charge interest on overdue rates and annual charges at higher than market rates, which further encourages payment.

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

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

The expected loss rates are based on the payment profiles of rates and fees and charges over a period of 36 months before 1 July 2019 or 1 July 2020 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as the ability of ratepayers and residents to settle the receivables. Housing prices and unemployment rates have been identified as the most relevant factor in repayment rates, and accordingly adjustments are made to the expected credit loss rate based on these factors. There are no material receivables that have been subject to a re-negotiation of repayment terms. The loss allowance as at 30 June 2020 and 30 June 2019 was determined as follows for trade receivables.

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
<b>30 June 2020</b>					
Trade and other receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	22,423	44,360	320	10,950	78,053
Loss allowance	0	0	0	0	0
<b>30 June 2019</b>					
Trade and other receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	483,761	1,121	1,029	15,144	501,055
Loss allowance	0	0	0	0	0

## 22. 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 12(c).

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

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
<b>2020</b>					
Payables	270,872	0	0	270,872	270,872
Borrowings	185,612	692,280	1,735,398	2,613,290	2,065,202
	456,484	692,280	1,735,398	2,884,162	2,336,074
<b>2019</b>					
Payables	449,198	3,056	0	452,254	452,254
Borrowings	109,236	411,858	1,093,976	1,615,070	1,160,432
	558,434	414,914	1,093,976	2,067,324	1,612,686

**SHIRE OF BROOMEHILL-TAMBELLUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**23. INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS**

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

The Shire adopted AASB 15 Revenue from Contracts with Customers (issued December 2014) on 1 July 2019 resulting in changes in accounting policies. In accordance with the transition provisions AASB 15, the Shire adopted the new rules retrospectively with the cumulative effect of initially applying these rules recognised on 1 July 2019. There were no adjustments required to amounts recognised in the balance sheet at the date of initial application (1 July 2019).

The Shire adopted AASB 1058 Income for Not-for-Profit Entities (issued December 2016) on 1 July 2019 which will result in changes in accounting policies. In accordance with the transition provisions AASB 1058, the Shire adopted the new rules retrospectively with the cumulative effect of initially applying AASB 1058 recognised at 1 July 2019. Comparative information for prior reporting periods was not restated in accordance with AASB 1058 transition requirements.

Prepaid rates are, until the taxable event for the rates has occurred, refundable at the request of the ratepayer. Therefore the rates received in advance gave rise to a financial liability that is within the scope of AASB 9. On 1 July 2019 the prepaid rates were recognised as a financial asset and a related amount recognised as a financial liability and no income recognised by the Shire. When the taxable event occurred, the financial liability was extinguished and the Shire recognised income for the prepaid rates that have not been refunded. Therefore the initial application of AASB 1058 on 1 July 2019 will not have any impact on the recognition or classification of prepaid rates.

Assets that were acquired for consideration, that were significantly less than fair value principally to enable the Shire to further its objectives, may have been measured on initial recognition under other Australian Accounting Standards at a cost that was significantly less than fair value. Such assets are not required to be remeasured at fair value.

**SHIRE OF BROOMEHILL-TAMBELLUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**23. INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS (Continued)**

The table below provides details of the amount by which each financial statement line item is affected in the current reporting period by the application of this Standard as compared to AASB 118 and 1004 and related Interpretations that were in effect before the change.

		2020 \$	Adjustment due to application of AASB 15 and AASB 1058	2020 \$ Compared to AASB 118 and AASB 1004
<b>Statement of Comprehensive Income</b>				
<b>Revenue</b>				
Rates	20(a)	2,503,764	0	2,503,764
Operating grants, subsidies and contributions	2(a)	2,470,027	0	2,470,027
Fees and charges	2(a)	271,611	0	271,611
Non-operating grants, subsidies and contributions	2(a)	4,005,592	0	4,005,592
Net result		3,408,362	0	3,408,362
<b>Statement of Financial Position</b>				
Trade and other payables	12	409,946	0	409,946
Contract liabilities	13	2,292,980	0	2,292,980
		0		
Net assets		138,231,034	0	138,231,034
<b>Statement of Changes in Equity</b>				
Net result		3,408,362	0	3,408,362
Retained surplus		38,887,914	0	38,887,914

Refer to Note 2(a) for new revenue recognition accounting policies as a result of the application of AASB 15 and AASB 1058. The Shire adopted AASB 16 retrospectively from 1 July 2019 which resulted in changes in accounting policies. In accordance with the transition provisions of AASB 16, the Shire has applied this Standard to its leases retrospectively, with the cumulative effect of initially applying AASB16 recognised on 1 July 2019. In applying AASB 16, under the specific transition provisions chosen, the Shire will not restate comparatives for prior reporting periods.

In applying AASB 16 for the first time, the Shire will use the following practical expedient permitted by the standard.  
- The exclusion of initial direct costs from the measurement of the right-of-use asset at the date of initial application.

**(a) Impact of New Accounting Standards on Retained Surplus**

The impact on the Shire's retained surplus due to the adoption of AASB 15, AASB 1058 and AASB 16 as at 1 July 2019 was as follows:

	Note	Adjustments	2019 \$
Retained surplus - 30 June 2019			35,578,443
Retained surplus - 1 July 2019			35,578,443

SHIRE OF BROOMEHILL-TAMBELLUP  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
 FOR THE YEAR ENDED 30 JUNE 2020

## 24. 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 2019	Amounts Received	Amounts Paid	30 June 2020
	\$	\$	\$	\$
Broomehill Liaison Group	1,244	0	0	1,244
Fire Prevention	4,834	1,000	0	5,834
Youth Support Donations	130	0	0	130
Tourism Donations	44	0	0	44
Roadwise	329	0	0	329
Building Retention Bonds	2,456	0	(2,456)	0
Broomehill Dramatic Society	3,418	0	0	3,418
Rates - held upon sale of property	4,149	0	0	4,149
Unclaimed monies (2003)	1,566	0	(1,566)	0
	18,170	1,000	(4,022)	15,148

**SHIRE OF BROOMEHILL-TAMBELLUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**25. 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 regularity to ensure the carrying value does not differ materially from that which would be determined using fair value at the ends of the reporting period.

**SHIRE OF BROOMEHILL-TAMBELLUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**26. ACTIVITIES/PROGRAMS**

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

**PROGRAM NAME AND OBJECTIVES**

**GOVERNANCE**

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

**ACTIVITIES**

Includes the activities of members of Council and the administrative support available to the Council for provision of governance of the district. Costs relating to the task of assisting elected members and ratepayers on matters which do not concern specific Shire services

**GENERAL PURPOSE FUNDING**

To collect revenue to allow for the provision of services

Rates, general purpose 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, mosquito control and maintenance of the Infant Health Clinic in Tambellup

**EDUCATION AND WELFARE**

To provide services to the elderly, children and youth

Assistance to the Broomehill and Tambellup Primary Schools, support of the 'A Smart Start' program

**HOUSING**

To provide and maintain staff housing and accommodation for 'well aged' seniors in the community

Provision and maintenance of staff housing and Independent Living Seniors Accommodation Units

**COMMUNITY AMENITIES**

To provide services required by the community

Rubbish collection services, operation of the tip sites and waste transfer stations, administration of the Town Planning Schemes, cemetery maintenance, public conveniences and protection of the environment

**RECREATION AND CULTURE**

To establish and effectively manage infrastructure and resources which will assist with the social well-being of the community

Maintenance of public halls, recreation grounds, parks, gardens, reserves and playgrounds. Operation of the Broomehill library and support for the Tambellup CRC for management of the Tambellup library. Museums and other cultural activities.

**TRANSPORT**

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

Construction and maintenance of streets, roads and bridges. Cleaning and lighting of streets, maintenance of the Broomehill and Tambellup works depots. Provision of the Department of Transport licensing services to the community.

**ECONOMIC SERVICES**

To assist in promoting the Shire and its economic wellbeing

Tourism and area promotion, including operation of the Broomehill Caravan Park. Provision of rural services including noxious weed control, vermin control and standpipes. Provision of building services.

**OTHER PROPERTY AND SERVICES**

To monitor and control the Shire's works overheads operating accounts

Private works operations, public works overhead costs, plant operation costs and unclassified items.



## 27. FINANCIAL RATIOS

	2020 Actual	2019 Actual	2018 Actual
Current ratio	1.07	1.97	2.08
Asset consumption ratio	0.64	0.64	0.63
Asset renewal funding ratio	1.83	1.99	0.90
Asset sustainability ratio	1.20	1.75	2.33
Debt service cover ratio	7.97	11.37	5.95
Operating surplus ratio	(0.18)	(0.16)	(0.12)
Own source revenue coverage ratio	0.54	0.43	0.43

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

To the Councillors of the Shire of Broomehill-Tambellup

#### Report on the Audit of the Financial Report

##### **Opinion**

I have audited the annual financial report of the Shire of Broomehill-Tambellup which comprises the Statement of Financial Position as at 30 June 2020, and 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, as well as notes comprising a summary of significant accounting policies and other explanatory information, and the Statement by the Chief Executive Officer.

In my opinion the annual financial report of the Shire of Broomehill-Tambellup:

- (i) is based on proper accounts and records; and
- (ii) fairly represents, in all material respects, the results of the operations of the Shire for the year ended 30 June 2020 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 for the Audit of the Financial Report* section of my report. I am independent of the Shire in accordance with the *Auditor General Act 2006* and the relevant ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the annual 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.

##### **Emphasis of Matter – Basis of Accounting**

I draw attention to Notes 1 and 10 to the annual financial report, which describe the basis of accounting. The annual financial report has been prepared for the purpose of fulfilling the Shire's financial reporting responsibilities under the Act, including the Local Government (Financial Management) Regulations 1996 (Regulations). My opinion is not modified in respect of these matters:

- (i) Regulation 17A of the Regulations requires a local government to measure vested improvements at fair value and the associated vested land at zero cost. This is a departure from AASB 16 *Leases* which would have required the entity to measure the vested improvements also at zero cost.
- (ii) In respect of the comparatives for the previous year ended 30 June 2019, Regulation 16 of the Regulations did not allow a local government to recognise some categories of land, including land under roads, as assets in the annual financial report.

**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 annual financial report in accordance with the requirements of the Act, the Regulations and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards. The CEO is also responsible for such internal control as the CEO determines is necessary to enable the preparation of the annual financial report that is free from material misstatement, whether due to fraud or error.

In preparing the annual 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**

The objectives of my audit are to obtain reasonable assurance about whether the annual 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 annual financial report.

A further description of my responsibilities for the audit of the annual financial report is located on the Auditing and Assurance Standards Board website at [https://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This description forms part of my auditor's report.

**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 significant adverse trends in the financial position of the Shire:
  - a. The Operating Surplus Ratio has been below the Department of Local Government, Sport and Cultural Industries' standard for the past 3 years.  
The financial ratios are reported in Note 27 of the annual financial report.
- (ii) All required information and explanations were obtained by me.
- (iii) All audit procedures were satisfactorily completed.
- (iv) In my opinion, the Asset Consumption Ratio and the Asset Renewal Funding Ratio included in the annual financial report were supported by verifiable information and reasonable assumptions.

**Other Matter**

The annual financial reports of the Shire for the years ended 30 June 2018 and 30 June 2019 were audited by another auditor who expressed an unmodified opinion on those annual financial reports. The financial ratios for 2018 and 2019 in Note 27 of the audited annual financial report were included in the supplementary information and/or audited annual financial report for those years.

**Matters Relating to the Electronic Publication of the Audited Financial Report**

This auditor's report relates to the annual financial report of the Shire of Broomehill-Tambellup for the year ended 30 June 2020 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 annual financial report described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this annual financial report. If users of the annual 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 annual audited financial report to confirm the information contained in this website version of the annual financial report.



KELLIE TONICH  
SENIOR DIRECTOR FINANCIAL AUDIT  
Delegate of the Auditor General for Western Australia  
Perth, Western Australia  
24 March 2021