

# Annual Report 2020-2021



# Shire of Broomehill-Tambellup

## 2020-2021 Annual Report

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### FINANCIAL REPORT

Statement by the Chief Executive Officer

2020-2021 Financial Report

Independent Audit Report

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

## SHIRE PRESIDENT'S REPORT



I present the Annual Report for 2020-2021 later than your Council wishes. The Office of the Auditor General (OAG) now controls local government audits and this system is delaying many local governments audit finalisations. The OAG contracted auditors, Moore Australia, have a wide brief, including not only finance but also detailed examination of business processes. I am pleased to advise your Shire administration performed well.

Due to the time lapse in presenting this report, I thank Cr Mark Paganoni for his final year as Shire President and appreciation is extended to my fellow Councillors for their commitment to the Council. I wish to thank all for their ongoing support and advice.

To begin the financial year and as part of the COVID-19 response the Council resolved for 2020-2021 rate revenue to remain at 2019-2020 levels and Council set fees and charges were not increased.

The COVID pandemic continued during this period but the Shire has continued to operate and function as near to normal as possible. We have also dealt with external pressures such as tight supplies of goods and services. In the past year we have seen the completion of some great projects and others delayed for reasons as above. The Council is fully aware of this and has prioritized these projects.

The Council and staff have referred back to the Strategic Community Plan and Corporate Business Plan to guide them with the Budget to support the community's needs. With advice from State Government and still being able to aim for a balanced budget, no rate rise was achieved.

In this 2020/2021 financial year, like many other local governments throughout Australia, the Shire was very fortunate to receive COVID-19 stimulus funds from the Federal Government. The Shire was allocated a total of \$764,100 as part of the Local Roads and Community Infrastructure Program Phase 1 and 2; and \$1,000,000 from the Commonwealth Government's Drought Communities Extension Program.

The Council considered an array of projects, and allocated the funding towards the following major works and improvements to road infrastructure and community facilities:

### Drought Communities Program:

- Broomehill Recreational Complex oval accessibility upgrade;
- Holland Park Nature Play;
- Holland Track Interpretive Centre;
- Broomehill Town/Streetscape Works – Journal St/Great Southern Highway intersection;
- Tambellup Youth Centre Upgrades; and
- Water Efficiency Improvements.

### Local Roads and Community Infrastructure Program:

- Gravel re-sheeting on Beejenup Road, Birt Road, Paul Valley Road, Yetemerup Road, Stirling Access Road and Flat Rocks Road;
- Greenhills South Road – widen, reconstruct and reseal;
- Journal Street footpaths, kerbing and accessibility;
- Upgrade sections of kerbing on town streets;
- Broomehill Primary School carpark – improve safety and access;

- Broomehill Fire Shed carpark;
- Emergency Management - Incident Control Centre.

Other Projects completed during the 2020-2021 year:

- Broomehill Fire Shed – funded by Department of Fire and Emergency Services, Local Government Grants Scheme;
- Great Southern Housing Initiative - two houses in Broomehill nearing completion at this time to wind up this large project.

The Shires road funding through the Regional Road Group is a major part of the Annual Budget, which comes with a 2/3 State and 1/3 Shire contribution. The Shire continues to maintain a strong focus on improving its road network for all road users.

Some of these Projects were:

- Tambellup West Road - repair and reseal
- Toolbrunup Road - repair and reseal
- Broomehill-Kojonup Road - repair and reseal
- Gnowangerup-Tambellup Road - repair and reseal

Another road funding source is Black Spot funding through Main Roads WA. This is available to improve identified hazardous parts of the road network. The outside works team has done some great work in this space:

- Flat Rocks Road and Greenhills Road intersection
- Tieline Road and Moulyerup Road intersection

Thank you to the CEO and all the Staff who work hard to ensure that Broomehill-Tambellup's vision becomes a reality. Also a big thank you to the Shire's staff for having an open-door policy that provides a conduit to a successful relationship between the Council and Community. Council are very pleased to continue to support and be involved in our local community through many programs.

Thanks also to executive staff who managed their teams to achieve some great projects in a pretty frustrating year. It has been a larger than normal Budget to handle with an increased workload for many, all achieved through the uncertainty of the COVID-19 pandemic.

Michael White  
SHIRE PRESIDENT  
August 2022

## CHIEF EXECUTIVE OFFICER'S REPORT



I would like to start this report by paying tribute to Keith Williams, CEO of the Shire for this entire period under review. Nearly \$3.9m of capital expenditure was realised in 2020/2021 along with significant planning for future grant funded projects, all whilst handling the uncertainty of the COVID-19 worldwide pandemic.

The Great Southern Housing Initiative Housing project continued throughout the year, with all twelve (12) new dwellings either completed or nearing completion. This project included four (4) Independent Living Units (ILU's) for the well-aged in Broomehill being finalised this year, four (4) dwellings constructed in Tambellup last year and two (2) nearing completion in Broomehill. The final two dwellings involved the Installation of two (2) cabins at the Broomehill Caravan Park. Surely a once in a generation project!

Construction of the new Bush Fire Station in Broomehill was completed this year by RM Smith and Sons. The official opening of the Bush Fire Station was held on 13 November 2020, and now stands as a vital community facility.

Other notable achievements by both the Council and Shire Staff team included:

- Reviewed and commenced implementation of public water sources / standpipe infrastructure;
- Townscape Planning for both Broomehill and Tambellup town centres;
- \$720,000 upgrade to the Martinup Bridge;
- Commenced the review process into the Shire's local laws;
- Ongoing Footpath upgrades in both townsites;
- Entering into a memorandum of understanding with other Great Southern local governments for the Great Southern Treasures tourism promotion group and committed to funding for three years in accordance with the MOU;
- Endorsed the Great Southern Treasures Strategic Plan;
- Entering into a service agreement with Great Southern Centre for Outdoor Recreational Excellence for two years for the ongoing implementation of the Great Southern Regional Trails Master Plan 2020-2029 and financially contributed to the Regional Trails Master Plan branding strategy development;
- Renovated Unit 1 at Lavieville Lodge;
- Installed a Gazebo at the Broomehill Cemetery;
- Installed drinking fountains at the Tambellup Sporting Pavilion;
- Commenced the installation of stairs/universal access ramp between the Broomehill Pavilion and the Oval;
- Installed a sand pad for the cricket pavilion at the Broomehill Recreational Complex;
- Fencing and parking upgrades at the Tambellup Works Depot;
- Purchase of a new Grader and Backhoe; and
- Purchase of a trailer mounted generator.

Congratulations to everyone involved in a successful and busy period for the Shire of Broomehill-Tambellup.

Anthony Middleton  
 CHIEF EXECUTIVE OFFICER  
 August 2022

## 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.

<b>1144</b> Total number of residents	<b>272 km</b> Length of gravel roads	<b>548</b> Number of dwellings
<b>\$2,581,832</b> Rates levied	<b>0 %</b> Increase in rates raised	<b>2,813 km<sup>2</sup></b> Area of the Shire
<b>792</b> Number of rateable properties	<b>754 km</b> Length of sealed roads	<b>\$495</b> Minimum general rate and residential rate

The Shire has two towns, Broomehill Village and Tambellup, 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 Shire is:

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

The Council is based on strong traditions and is keen 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; and
- 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:**

Monday-Friday 9.00am – 4.00pm



*Gordon River, Tambellup*

## 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.

All newly and re-elected Councillors are required to complete a training package called Council Member Essentials. WALGA's Council Member Essentials encompasses all five of the required training courses. This training has been specifically developed to deliver the essential skills and knowledge required by an Elected Member to perform their role as defined in the Local Government Act 1995. The five courses are:

- Understanding Local Government;
- Conflicts of Interest;
- Serving on Council;
- Understanding Financial Reports and Budgets; and
- Meeting Procedures



**YOUR COUNCILLORS – During the year under review**



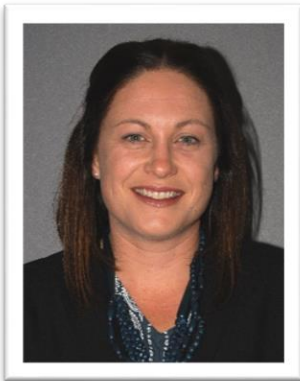
**PRESIDENT**  
Cr MC (Mark) Paganoni  
Term Expires 2021  
Phone: 0427 383 817



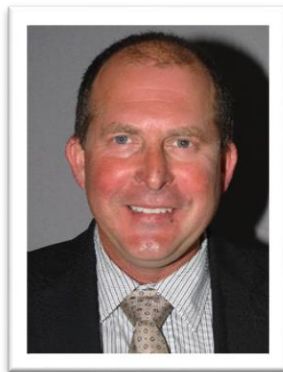
**DEPUTY PRESIDENT**  
Cr ME (Michael) White  
Term Expires 2023  
Phone: 0407 258 216



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



Cr KJ (Kelly) Holzknicht  
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

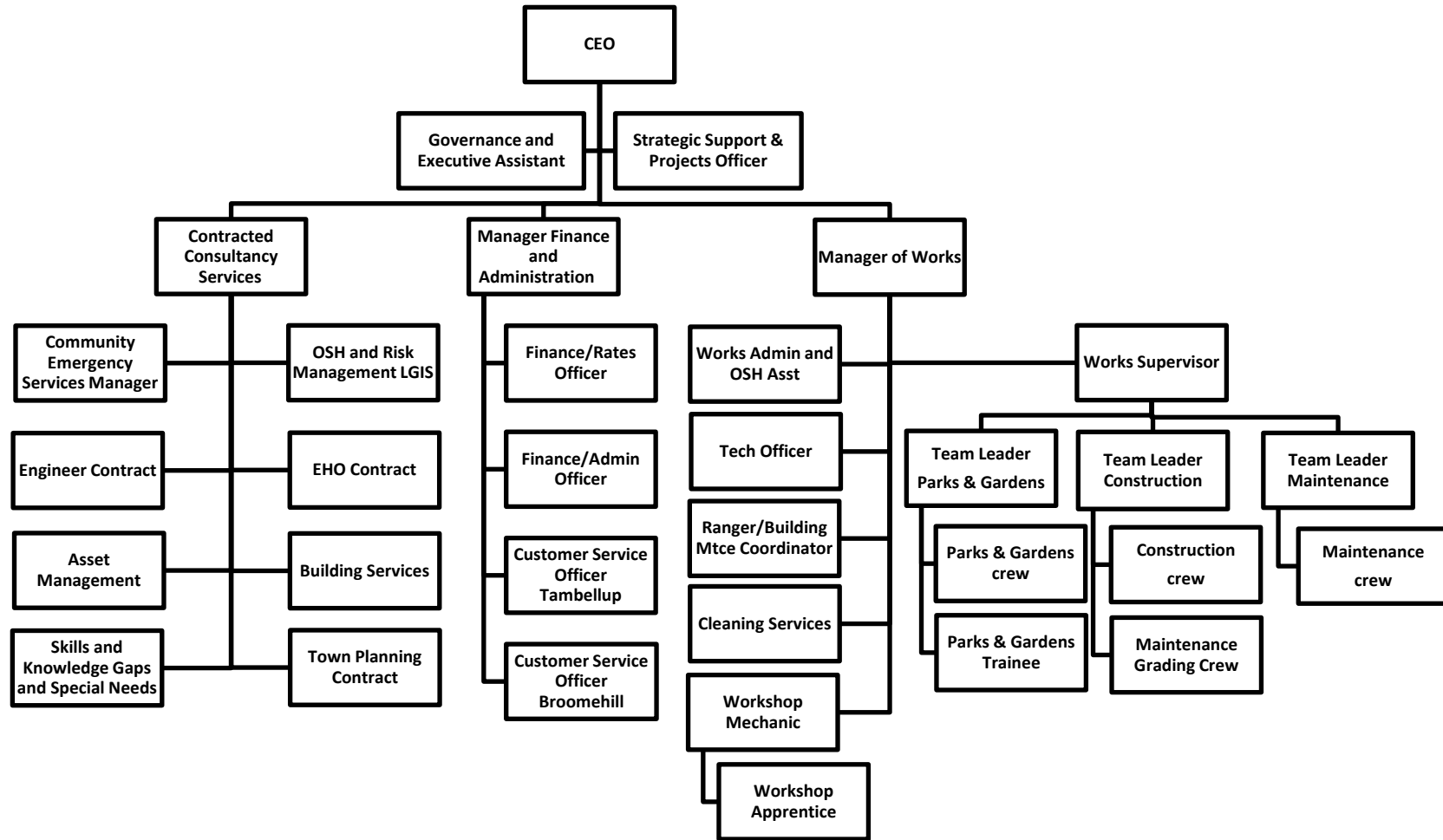


**COUNCIL STAFF (as at 30th June 2021)**

<b>Chief Executive Officer</b>	Keith Williams
<b>Manager of Works</b>	Peter Vlahov
<b>Manager Finance &amp; Administration</b>	Kay O'Neill
<b>Strategic Support and Projects Officer</b>	Pam Hull
<b>Executive Assistant</b>	Louise Cristinelli
<b>Rates/Finance Officer</b>	Natasha Korthuis
<b>Finance/Administration Officer</b>	Lesley Paskevicius
<b>Works Administration Officer (Part Time)</b>	Coral Green
<b>Administration Officer (Part Time)</b>	Marni Lloyd-Woods
<b>Customer Service Officer - Broomehill</b>	Jacinta Pink
<b>Customer Service Officer - Tambellup</b>	Samantha Dawes
<b>Works Supervisor</b>	John Farmer
<b>Ranger/Building Maintenance Coordinator</b>	Damon Powell
<b>Building Surveyor</b>	Darryle Baxter
<b>Works and Maintenance Crew</b>	Allan Hankinson
	Darryl Pickett
	Wayne Newnham (deceased)
	Stephen Ryan
	Derek Carr
	Owen Kay
	Foster Farmer
	Bevan Skinn
	Samuel Oclarit
	Barry Ford
	Luke Lennox
	William Gonzales
	Bryan Trezona
	Geraldine Merrick
	Maurice Hirjee
	Joshua Culbertson
	Brodie Wallam
<b>Cleaners</b>	Diane Olden
	Kelly Moir
	Rona Evangelista
<b>Cleaner/Caravan Park Caretaker</b>	Kimberley Thornborough



## 2021 ORGANISATIONAL STRUCTURE



## ADDITIONAL INFORMATION

### National Competition Policy

This policy was introduced by the Commonwealth Government in 1995 to promote competition for the benefit of business, consumers and the economy by removing what was considered to be 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.

The Shire of Broomehill-Tambellup reports on its responsibilities under to the National Competition Policy, as follows:

- No business enterprise of the Shire of Broomehill-Tambellup has been classified by the Australian Bureau of Statistics as either a Public Trading Enterprise or a Public Financial Enterprise.
- Competitive neutrality has not applied to any activities undertaken by the Shire in this reporting period.
- No allegations of non-compliance with the competitive neutrality principles have been made by any private entity.
- The principles of competitive neutrality will be implemented in respect of any relevant activity undertaken during the next financial reporting period.

### Employee Remuneration

The *Local Government (Administration) Regulations 1996* require the Shire to include the following information in its Annual Report:

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

Set out below, in bands of \$10,000, is the number of employees of the Shire entitled to an annual salary of \$130,000 or more for 2020-2021:

\$ From	\$ To	Number of Employees
130,000	139,000	0
140,000	and over	1

The total remuneration paid to the CEO including base salary, superannuation, motor vehicle, professional memberships, allowances and fringe benefits tax for 2020-2021 financial year was \$191,056.

### Councillor Meeting Attendance and Diversity Data

The council is currently made up of five male and two female Councillors in the following age ranges.

Councillor Age Range	
35-44	2
45-54	4
55-64	1
Over 64	0
<b>Total</b>	<b>7</b>

## Number of meetings attended by Elected Members

Councillors	Ordinary Council Meeting	Special Council Meeting	Audit Committee Meeting
Cr M Paganoni	11	2	2
Cr M White	11	2	2
Cr M Nazzari	7	1	1
Cr K Holzknacht	9	1	2
Cr C Letter	11	2	2
Cr S Penny	11	2	2
Cr D Barritt	11	2	2

## 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

The Council adopted 12 new local laws during the 2020-2021 financial year:

Activities in Thoroughfares and Public places and Trading	Removal of Refuse, Rubbish and Disused Material
Bush Fire Brigades	Health
Cemeteries	Local Government (Council Meetings)
Dogs	Local Government Property
Extractive Industries	Repeal
Fencing	Waste

At 30 June 2021 the Council was awaiting Parliamentary approval of the local laws.

## 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 2020-2021 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*.

Four (4) enquiries were received during the 2020-21 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:

	Objectives	Outcome
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.	<p>The Shire's libraries continued to support patrons with large print books available in specific, easily located areas in the libraries. Staff continue to promote alternative library access options, including online services provided by the regional consortium and State Library of WA.</p> <p>Community organisations utilising Council facilities for events are provided with an events checklist which incorporates accessibility considerations.</p> <p>The Shire's Strategic Community Plan includes an objective to 'ensure our community is safe, connected, harmonious and inclusive'. The Corporate Business Plan includes a strategy to promote inclusive community participation and engagement in Council and community events and activities.</p>
2.	People with disability have the same opportunities as other people to access the buildings and other facilities of the relevant public authority.	<p>The Council is committed to ensuring all Council buildings and facilities are able to be accessed by people with disability, and as budgets have allowed, modifications to improve accessibility have been made. Footpath replacement and maintenance continues to be a priority. Footpath upgrades in the Tambellup town centre have continued, including the installation of ramps at intersections.</p> <p>In November 2020 the Shire officially opened the new Broomehill Fire Station, which accommodates the Broomehill Central Bushfire Brigade, and is also available for community use by groups such as the Broomehill Mens Shed. As a community facility, the building features well-constructed concrete paths and a ramp leading to the building from the sealed car park, and accessible amenities.</p> <p>Planning commenced on the accessibility upgrade to be implemented at the Broomehill Recreational Complex.</p>
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.

4.	People with disability receive the same level and quality of service from the staff of the relevant public authority.	<p>The Shire's Customer Service Charter was promoted to all residents through Topics, and is available on the Shire's website. This includes a commitment to:</p> <ul style="list-style-type: none"> <li>• Progressively improve access to services to people with disability.</li> <li>• Make information available in alternative formats for people with specific requirements.</li> <li>• Ensure residents are able to provide customer feedback by a variety of means including: in person; by telephone, fax or email.</li> </ul> <p>A number of Shire staff members completed Mental Health First Aid training conducted by Mental Health First Aid Australia in 2021. As well as being of benefit in supporting co-workers experiencing mental health issues, those receiving the training will also be able to take this knowledge into their homes and families and the broader community.</p>
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 individual consultation where necessary. 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.	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 7 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 the Shire’s record keeping system.

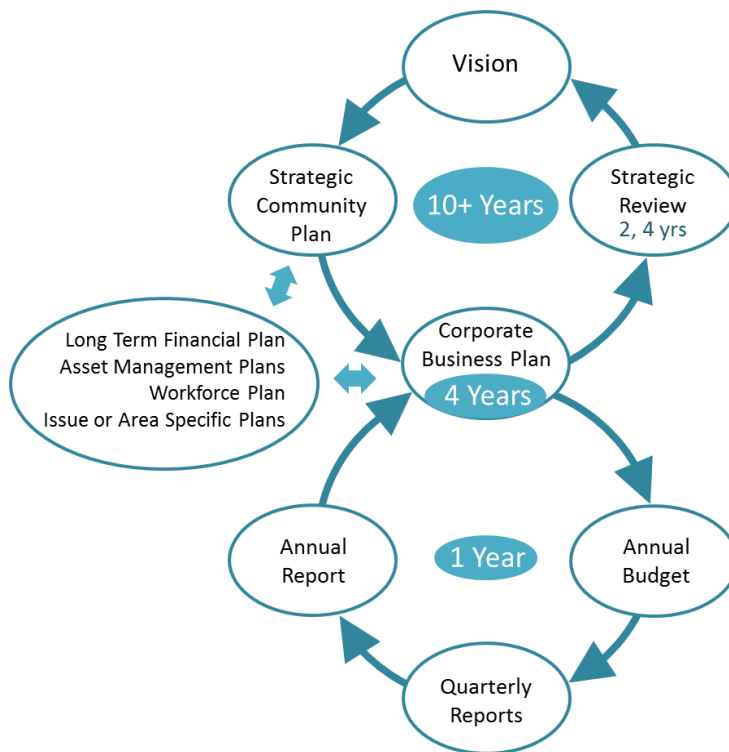
**INTEGRATED PLANNING & REPORTING: STRATEGIC COMMUNITY PLAN 2018-2028**

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.



*Integrated Planning and Reporting Cycle*

**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.



Key Result Areas

**Progress 2020-2021**

The following provides an overview of 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.*

	Objectives	Outcome
1.1	Our community is safe, connected, harmonious and inclusive	<ul style="list-style-type: none"> <li>• A variety of methods were used to inform the community, including Topics, website, Facebook, mailed flyers, noticeboards, and SMS.</li> <li>• Disability Access and Inclusion Plan was reviewed and a new five year implementation plan developed.</li> <li>• Broomehill Recreational Complex oval access upgrade commenced.</li> <li>• Ongoing support and promotion of youth activities delivered by agencies including the Tambellup CRC, South Coast NRM (Strong and Proud Program), Great Southern Aboriginal Health, Great Southern Mental Health, and Relationships Australia.</li> <li>• Construction of the new Broomehill Central Volunteer Bush Fire Brigade station.</li> <li>• Purchase of trailer mounted generator for emergency use at Tambellup Community pavilion, Broomehill Recreational Complex and Shire works depots.</li> </ul>

1.2	Our community has services and facilities that meet our needs and expectations	<ul style="list-style-type: none"> <li>• Participation on the Interagency Group, which considers issues including agency provision of social support and welfare services, housing, youth programs, education.</li> <li>• Partnership with Albany Youth Support Association to deliver a part time 0.6FTE Youth Worker position in Tambellup.</li> <li>• Fixed satellite NBN services installed at Broomehill Recreational Complex and Tambellup Community Pavilion, for use during emergencies.</li> </ul>
1.3	Our community provides opportunities to enhance local employment	<ul style="list-style-type: none"> <li>• Shared administration trainee position with the Tambellup CRC.</li> </ul>
1.4	Organisations in our community demonstrate strong leadership and commitment	<ul style="list-style-type: none"> <li>• Local organisations supported to deliver programs and activities, including Broomehill Primary School, Broomehill P &amp; C, Tambellup Primary School, Tambellup CRC, Broomehill Heritage Group, Broomehill Central Volunteer Bush Fire Brigade, Tambellup Golf Club, Tambellup Aboriginal Progress Association.</li> <li>• Community and sporting facilities maintained to a high standard.</li> </ul>
1.5	Our Shire demonstrates strong leadership, effective governance and efficient service delivery to our community	<ul style="list-style-type: none"> <li>• Ongoing participation in a range of regional forums, including Southern Link VROC, WALGA Great Southern Zone, Great Southern Housing Initiative, Great Southern Treasures, Regional Roads Group, Great Southern Recreational Advisory Group, Trails Working Grup, COVID-19 response forums.</li> <li>• Elected member and staff training coordinated and delivered as required.</li> <li>• Legislative activities completed within statutory timeframes.</li> <li>• Local laws were reviewed and adopted.</li> </ul>

## 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, business and population retention and growth.*

	Objectives	Outcome
2.1	Our community provides a unique tourism and visitor experience	<ul style="list-style-type: none"> <li>• New information signs installed at Great Southern Highway intersections in Tambellup.</li> <li>• Two new cabins constructed at Broomehill Caravan Park.</li> <li>• Ongoing support of Great Southern Treasures and Bloom Festival, with local events conducted and supported.</li> </ul>
2.2	A stable population base is important to the sustainability of our community	<ul style="list-style-type: none"> <li>• Great Southern Housing Initiative – four houses completed and tenanted in Tambellup – one for Shire staff, three leased to State Government for employee housing.</li> <li>• Four independent living units completed in Broomehill.</li> <li>• Housing and Land Strategy implementation ongoing, with two Shire houses sold.</li> <li>• Ongoing in kind support to the Broomehill and Tambellup Primary Schools, and HR support to A Smart Start Great Southern.</li> <li>• Funding allocated for construction of 'Kiss and Drop' zone at the Broomehill Primary School.</li> </ul>

2.3	Our Shire actively supports existing local businesses and encourages new business initiatives	<ul style="list-style-type: none"> <li>• Support and assistance for new daycare service in Tambellup.</li> <li>• Rates concession and committee delegate to Tambellup Business Centre.</li> <li>• Liaison with internet provider Superloop to secure access to infrastructure in Tambellup.</li> </ul>
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### 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.*

	<b>Objectives</b>	<b>Outcome</b>
3.1	The history, heritage and culture of our communities is reflected in attractive townscapes	<ul style="list-style-type: none"> <li>• Ongoing support of Broomehill Heritage Group and Tambellup Cornershop Museum.</li> <li>• Planning commenced for Holland Track Interpretive Centre and town walk trail in Broomehill.</li> <li>• The Shire partnered with Outdoors Great Southern for the implementation of the Regional Trails Masterplan, which includes planning for Tambellup Heritage Trail interpretation, and a contribution towards the regional trails brand development.</li> </ul>
3.2	Our community and Council are environmentally aware and engaged	<ul style="list-style-type: none"> <li>• Drum Muster coordinated by Tambellup P &amp; C Association, with 3,798 containers processed for recycling.</li> <li>• New water tanks installed at Broomehill Town Dam and Broomehill Central Brigade Fire Station.</li> <li>• Undersurface reticulation installed to gardens at Holland Court Independent Living Units due to low water pressure.</li> <li>• Roadside vegetation pruning and weed control completed on Shire roads.</li> </ul>
3.3	Our transport networks are safe and efficient	<ul style="list-style-type: none"> <li>• Regional Roads Group, Roads to Recovery and Blackspot projects completed on Tambellup West Rd, Pootenup Rd, Toolbrunup Rd, Broomehill-Kojonup Rd, Gnowangerup-Tambellup Rd, Flat Rocks Rd, Tieline Rd, Pallinup Rd and Warrenup Rd.</li> <li>• Local Roads and Community Infrastructure Program Phase 1 road projects commenced.</li> <li>• Major upgrade to Martinup Rd bridge completed.</li> <li>• Continuation of footpath replacement program in Tambellup town centre.</li> </ul>
3.4	Our Council facilities and infrastructure are managed sustainably to meet current and future needs	<ul style="list-style-type: none"> <li>• Renovated Unit 1 at Lavieville Lodge.</li> <li>• Installed a gazebo at the Broomehill Cemetery.</li> <li>• Installed drinking fountains at the Tambellup Sporting Pavillion.</li> <li>• Fencing and parking upgrades at the Tambellup Works Depot.</li> <li>• Purchase of a new grader and backhoe in line with the 10 Year Plant Replacement Program.</li> </ul>



**Great Southern Housing Initiative**



**Great Southern Housing Initiative**  
*Broomehill Caravan Park*



**DFES - Broomehill Central Brigade Fire Station**



**Opening Broomehill Central Brigade Fire Station November 2020**



**Great Southern Housing Initiative  
Independent Living Units Broomehill**



**Kitchen Independent Living Units Broomehill**



**SHIRE OF BROOMEHILL-TAMBELLUP**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2021**

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**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

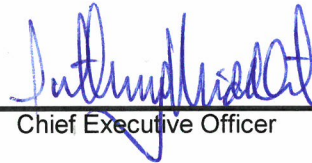
**SHIRE OF BROOMEHILL-TAMBELLUP  
FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2021**

*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 2021 is based on proper accounts and records to present fairly the financial position of the Shire of Broomehill-Tambellup at 30 June 2021 and the results of the operations for the financial year then ended in accordance with the Local Government Act 1995 and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.

Signed on the 01 day of August 2022



Chief Executive Officer

Anthony Middleton

Name of Chief Executive Officer



**SHIRE OF BROOMEHILL-TAMBELLUP**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY NATURE OR TYPE**  
**FOR THE YEAR ENDED 30 JUNE 2021**

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
<b>Revenue</b>				
Rates	25(a)	2,581,832	2,582,700	2,503,764
Operating grants, subsidies and contributions	2(a)	2,483,999	1,364,400	2,470,027
Fees and charges	2(a)	342,512	387,400	271,611
Interest earnings	2(a)	22,926	42,400	52,057
Other revenue	2(a)	85,522	99,200	102,826
		5,516,791	4,476,100	5,400,285
<b>Expenses</b>				
Employee costs		(2,038,219)	(2,077,800)	(2,021,983)
Materials and contracts		(1,696,396)	(1,888,000)	(1,603,409)
Utility charges		(220,895)	(294,600)	(310,262)
Depreciation on non-current assets	10(b)	(1,973,028)	(1,855,000)	(1,798,949)
Interest expenses	2(b)	(75,403)	(62,000)	(68,215)
Insurance expenses		(165,224)	(175,100)	(151,949)
Other expenditure		(76,181)	(92,000)	(93,348)
		(6,245,346)	(6,444,500)	(6,048,115)
		(728,555)	(1,968,400)	(647,830)
Non-operating grants, subsidies and contributions	2(a)	2,248,303	2,963,900	4,005,592
Profit on asset disposals	10(a)	0	358,500	139,548
(Loss) on asset disposals	10(a)	(101,024)	(114,100)	(90,100)
Fair value adjustments to financial assets at fair value through profit or loss		2,588	0	1,152
		2,149,867	3,208,300	4,056,192
<b>Net result for the period</b>		<b>1,421,312</b>	<b>1,239,900</b>	<b>3,408,362</b>
<b>Total other comprehensive income for the period</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>Total comprehensive income for the period</b>		<b>1,421,312</b>	<b>1,239,900</b>	<b>3,408,362</b>

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



**SHIRE OF BROOMEHILL-TAMBELLUP**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY PROGRAM**  
**FOR THE YEAR ENDED 30 JUNE 2021**

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
<b>Revenue</b>				
	2(a)			
Governance		65,134	62,000	38,580
General purpose funding		4,476,927	3,488,500	4,436,146
Law, order, public safety		167,413	150,900	148,367
Health		1,035	2,900	2,416
Education and welfare		94,226	38,800	79,453
Housing		199,681	180,500	121,400
Community amenities		80,763	85,400	77,290
Recreation and culture		49,795	44,700	44,309
Transport		191,015	184,000	185,591
Economic services		137,674	172,700	195,278
Other property and services		53,128	65,700	71,455
		<b>5,516,791</b>	<b>4,476,100</b>	<b>5,400,285</b>
<b>Expenses</b>				
	2(b)			
Governance		(643,420)	(571,300)	(566,500)
General purpose funding		(306,222)	(272,500)	(273,651)
Law, order, public safety		(293,481)	(297,400)	(270,941)
Health		(41,925)	(53,100)	(33,873)
Education and welfare		(46,341)	(95,100)	(46,684)
Housing		(270,516)	(170,400)	(138,500)
Community amenities		(429,151)	(449,500)	(437,164)
Recreation and culture		(1,083,787)	(1,346,200)	(1,128,309)
Transport		(2,718,378)	(2,727,900)	(2,539,533)
Economic services		(314,910)	(360,200)	(358,801)
Other property and services		(21,812)	(38,900)	(185,944)
		<b>(6,169,943)</b>	<b>(6,382,500)</b>	<b>(5,979,900)</b>
<b>Finance Costs</b>				
	2(b)			
Governance		(3,799)	(3,500)	(5,072)
Housing		(24,313)	(17,700)	(13,826)
Recreation and culture		(47,291)	(40,800)	(49,317)
		<b>(75,403)</b>	<b>(62,000)</b>	<b>(68,215)</b>
		<b>(728,555)</b>	<b>(1,968,400)</b>	<b>(647,830)</b>
Non-operating grants, subsidies and contributions	2(a)	2,248,303	2,963,900	4,005,592
Profit on disposal of assets	10(a)	0	358,500	139,548
(Loss) on disposal of assets	10(a)	(101,024)	(114,100)	(90,100)
Fair value adjustments to financial assets at fair value through profit or loss		2,588	0	1,152
		<b>2,149,867</b>	<b>3,208,300</b>	<b>4,056,192</b>
<b>Net result for the period</b>		<b>1,421,312</b>	<b>1,239,900</b>	<b>3,408,362</b>
<b>Total other comprehensive income for the period</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>Total comprehensive income for the period</b>		<b>1,421,312</b>	<b>1,239,900</b>	<b>3,408,362</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 2021**

	NOTE	2021	2020
		\$	\$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	2,899,659	4,285,420
Trade and other receivables	6	2,516,768	538,675
Other financial assets	5(a)	1,634,581	0
Inventories	7	15,817	32,540
<b>TOTAL CURRENT ASSETS</b>		<b>7,066,825</b>	<b>4,856,635</b>
<b>NON-CURRENT ASSETS</b>			
Trade and other receivables	6	64,950	60,852
Other financial assets	5(b)	73,808	71,220
Inventories	7	216,000	216,000
Property, plant and equipment	8	20,111,273	19,879,997
Infrastructure	9	119,469,748	118,399,227
<b>TOTAL NON-CURRENT ASSETS</b>		<b>139,935,779</b>	<b>138,627,296</b>
<b>TOTAL ASSETS</b>		<b>147,002,604</b>	<b>143,483,931</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	3,774,849	409,946
Other liabilities	13	1,148,349	2,292,980
Borrowings	14(a)	127,575	123,506
Employee related provisions	15	462,996	431,702
<b>TOTAL CURRENT LIABILITIES</b>		<b>5,513,769</b>	<b>3,258,134</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	14(a)	1,814,121	1,941,696
Employee related provisions	15	22,368	53,067
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>1,836,489</b>	<b>1,994,763</b>
<b>TOTAL LIABILITIES</b>		<b>7,350,258</b>	<b>5,252,897</b>
<b>NET ASSETS</b>		<b>139,652,346</b>	<b>138,231,034</b>
<b>EQUITY</b>			
Retained surplus		40,324,022	38,887,914
Reserves - cash/financial asset backed	4	1,634,581	1,649,377
Revaluation surplus	11	97,693,743	97,693,743
<b>TOTAL EQUITY</b>		<b>139,652,346</b>	<b>138,231,034</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 2021**

		<b>RESERVES</b>			
		<b>RETAINED</b>	<b>CASH/FINANCIAL</b>	<b>REVALUATION</b>	<b>TOTAL</b>
	<b>NOTE</b>	<b>SURPLUS</b>	<b>ASSET</b>	<b>SURPLUS</b>	<b>EQUITY</b>
		\$	\$	\$	\$
<b>Balance as 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
Transfers from reserves	4	645,752	(645,752)	0	0
Transfers to reserves	4	(806,782)	806,782	0	0
Reclassification of Financial Assets		62,139	0	(62,139)	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>
Comprehensive income					
Net result for the period		1,421,312	0	0	1,421,312
Total comprehensive income		1,421,312	0	0	1,421,312
Transfers from reserves	4	478,784	(478,784)	0	0
Transfers to reserves	4	(463,988)	463,988	0	0
<b>Balance as at 30 June 2021</b>		<b>40,324,022</b>	<b>1,634,581</b>	<b>97,693,743</b>	<b>139,652,346</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 2021**

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Rates		2,646,501	2,547,700	2,480,612
Operating grants, subsidies and contributions		1,997,914	1,684,100	5,089,413
Fees and charges		345,690	387,400	271,611
Interest received		22,926	42,400	52,057
Goods and services tax received		492,595	462,000	438,235
Other revenue		85,522	99,200	102,826
		5,591,148	5,222,800	8,434,754
<b>Payments</b>				
Employee costs		(2,024,836)	(2,077,800)	(1,913,966)
Materials and contracts		(1,021,353)	(1,999,000)	(1,918,174)
Utility charges		(220,895)	(294,600)	(310,262)
Interest expenses		(76,614)	(71,000)	(64,888)
Insurance paid		(165,224)	(175,100)	(151,949)
Goods and services tax paid		(506,173)	(540,000)	(412,618)
Other expenditure		(76,181)	(92,000)	(92,451)
		(4,091,276)	(5,249,500)	(4,864,308)
<b>Net cash provided by / (used in) operating activities</b>	16	1,499,872	(26,700)	3,570,446
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for purchase of property, plant & equipment	8(a)	(1,502,633)	(1,897,500)	(5,393,805)
Payments for construction of infrastructure	9(a)	(2,389,398)	(2,989,300)	(1,903,637)
Non-operating grants, subsidies and contributions	2(a)	2,248,303	2,963,900	4,005,592
Proceeds for financial assets at amortised cost		(1,634,581)	0	0
Proceeds from sale of property, plant & equipment	10(a)	516,182	1,227,000	676,296
<b>Net cash provided by / (used in) investment activities</b>		(2,762,127)	(695,900)	(2,615,554)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of borrowings	14(b)	(123,506)	(123,500)	(90,930)
Proceeds from new borrowings	14(b)	0	0	995,700
<b>Net cash provided by / (used in) financing activities</b>		(123,506)	(123,500)	904,770
<b>Net increase (decrease) in cash held</b>		(1,385,761)	(846,100)	1,859,662
Cash at beginning of year		4,285,420	2,146,400	2,425,758
<b>Cash and cash equivalents at the end of the year</b>	16	2,899,659	1,300,300	4,285,420

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 2021**

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
<b>OPERATING ACTIVITIES</b>				
<b>Net current assets at start of financial year - surplus</b>	26 (b)	504,332	582,200	1,259,156
		504,332	582,200	1,259,156
<b>Revenue from operating activities (excluding rates)</b>				
Governance		65,134	67,800	48,110
General purpose funding		1,974,063	984,700	1,932,382
Law, order, public safety		167,413	150,900	148,367
Health		1,035	2,900	2,416
Education and welfare		94,226	38,800	79,453
Housing		199,681	511,500	249,199
Community amenities		80,763	85,400	77,290
Recreation and culture		49,795	44,700	44,309
Transport		191,015	184,000	187,810
Economic services		137,674	172,700	195,278
Other property and services		55,716	87,400	72,607
		3,016,515	2,330,800	3,037,221
<b>Expenditure from operating activities</b>				
Governance		(659,503)	(581,600)	(578,861)
General purpose funding		(306,222)	(272,500)	(273,651)
Law, order, public safety		(293,481)	(297,400)	(270,941)
Health		(41,925)	(53,100)	(33,873)
Education and welfare		(46,341)	(95,100)	(46,684)
Housing		(294,829)	(188,100)	(152,326)
Community amenities		(429,151)	(449,500)	(437,164)
Recreation and culture		(1,131,078)	(1,387,000)	(1,177,626)
Transport		(2,807,118)	(2,835,200)	(2,622,344)
Economic services		(314,910)	(360,200)	(358,801)
Other property and services		(21,812)	(38,900)	(185,944)
		(6,346,370)	(6,558,600)	(6,138,215)
Non-cash amounts excluded from operating activities	26(a)	2,067,961	1,610,600	1,714,220
<b>Amount attributable to operating activities</b>		(757,562)	(2,035,000)	(127,618)
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions	2(a)	2,248,303	2,963,900	4,005,592
Proceeds from disposal of assets	10(a)	516,182	1,227,000	676,296
Purchase of property, plant and equipment	8(a)	(1,502,633)	(1,897,500)	(5,393,805)
Purchase and construction of infrastructure	9(a)	(2,389,398)	(2,989,300)	(1,903,637)
<b>Amount attributable to investing activities</b>		(1,127,546)	(695,900)	(2,615,554)
<b>FINANCING ACTIVITIES</b>				
Repayment of borrowings	14(b)	(123,506)	(123,500)	(90,930)
Proceeds from borrowings	14(c)	0	0	995,700
Transfers to reserves (restricted assets)	4	(463,988)	(534,100)	(806,782)
Transfers from reserves (restricted assets)	4	478,784	884,700	645,752
<b>Amount attributable to financing activities</b>		(108,710)	227,100	743,740
<b>Surplus/(deficit) before imposition of general rates</b>		(1,993,818)	(2,503,800)	(1,999,432)
<b>Total amount raised from general rates</b>	25(a)	2,502,864	2,503,800	2,503,764
<b>Surplus/(deficit) after imposition of general rates</b>	26(b)	<b>509,046</b>	<b>0</b>	<b>504,332</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 2021**

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## 1. BASIS OF PREPARATION

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

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

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

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

### THE LOCAL GOVERNMENT REPORTING ENTITY

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

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 28 to these financial statements.

### INITIAL APPLICATION OF ACCOUNTING STANDARDS

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

These were:

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

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

### NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE YEARS

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

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

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

### CRITICAL ACCOUNTING ESTIMATES

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

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

The balances, transactions and disclosures impacted by accounting estimates are as follows:

- Employee expenses
- Land held for resale
- Other financial assets
- Property, Plant and Equipment
- Infrastructure
- Intangible assets
- Right-of-use assets
- Lease liabilities
- Borrowing liabilities
- Provisions

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

**2. REVENUE AND EXPENSES**

**(a) Grant revenue**

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

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
<b>Operating grants, subsidies and contributions</b>			
Governance	63,984	62,000	38,557
General purpose funding	1,867,982	860,900	1,878,581
Law, order, public safety	89,682	72,100	72,231
Education and welfare	94,225	38,800	79,453
Housing	34,365	13,500	49,097
Community amenities	4,529	5,900	2,305
Recreation and culture	35,277	25,000	28,003
Transport	158,167	153,800	153,799
Economic services	88,161	81,700	118,061
Other property and services	47,627	50,700	49,940
	2,483,999	1,364,400	2,470,027
<b>Non-operating grants, subsidies and contributions</b>			
Law, order, public safety	143,153	143,000	256,847
Education and welfare	0	80,000	0
Housing	21,083	40,000	2,384,163
Recreation and culture	41,704	549,000	7,994
Transport	2,029,441	1,859,400	1,288,167
Economic services	12,922	292,500	68,421
	2,248,303	2,963,900	4,005,592
<b>Total grants, subsidies and contributions</b>	4,732,302	4,328,300	6,475,619
<b>Fees and charges</b>			
Governance	1,150	0	22
General purpose funding	5,147	3,500	3,130
Law, order, public safety	5,766	6,800	5,561
Health	1,035	2,900	2,416
Housing	165,317	167,000	72,303
Community amenities	76,234	79,500	74,986
Recreation and culture	14,517	19,700	16,306
Transport	18,185	12,200	18,213
Economic services	49,360	90,800	76,954
Other property and services	5,801	5,000	1,720
	342,512	387,400	271,611

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

**SIGNIFICANT ACCOUNTING POLICIES**

**Grants, subsidies and contributions**

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

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

**Fees and Charges**

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

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

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

**(a) Revenue (Continued)**

**Contracts with customers and transfers for recognisable non-financial assets**

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

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Operating grants, subsidies and contributions	234,188	211,300	196,780
Fees and charges	320,902	360,900	200,569
Other revenue	85,522	99,200	172,298
Non-operating grants, subsidies and contributions	2,248,303	2,963,900	4,005,592
	2,888,915	3,635,300	4,575,239

Revenue from contracts with customers and transfers to enable the acquisition or construction of recognisable non-financial assets to be controlled by the Shire is comprised of:

Revenue from contracts with customers included as a contract liability at the start of the period	2,292,980	0	0
Revenue from contracts with customers recognised during the year	(1,652,368)	671,400	569,647
Revenue from transfers intended for acquiring or constructing recognisable non financial assets during the year	2,248,303	2,963,900	4,005,592
	2,888,915	3,635,300	4,575,239

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	2,130,981		90,603
Contract liabilities from contracts with customers	(1,148,349)		(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 2021**

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

**(a) Revenue (Continued)**

**Revenue from statutory requirements**

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

General rates	2,502,864	2,503,800	2,503,764
Statutory permits and licences	18,122	22,300	31,932
Fines	3,488	4,200	3,589
	<u>2,524,474</u>	<u>2,530,300</u>	<u>2,539,285</u>

**Other revenue**

Other	85,522	99,200	102,826
	<u>85,522</u>	<u>99,200</u>	<u>102,826</u>

**Interest earnings**

Interest on reserve funds	4,290	24,400	21,082
Rates instalment and penalty interest (refer Note 25(c))	18,636	18,000	30,975
	<u>22,926</u>	<u>42,400</u>	<u>52,057</u>

**SIGNIFICANT ACCOUNTING POLICIES**

**Interest earnings**

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

**Interest earnings (continued)**

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

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

**(b) Expenses**

**Auditors remuneration**

- Audit of the Annual Financial Report	38,500	18,000	18,373
- Other services	1,396	2,000	2,226
	<u>39,896</u>	<u>20,000</u>	<u>20,599</u>

**Interest expenses (finance costs)**

Borrowings	75,403	62,000	68,215
	<u>75,403</u>	<u>62,000</u>	<u>68,215</u>
	<u>76,181</u>	<u>92,000</u>	<u>93,348</u>

Note	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
	38,500	18,000	18,373
	1,396	2,000	2,226
	<u>39,896</u>	<u>20,000</u>	<u>20,599</u>
14(b)	75,403	62,000	68,215
	<u>75,403</u>	<u>62,000</u>	<u>68,215</u>
	<u>76,181</u>	<u>92,000</u>	<u>93,348</u>



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

**2. REVENUE AND EXPENSES**

**REVENUE RECOGNITION POLICY**

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Timing of revenue recognition
Rates	General Rates	Over time	Payment dates adopted by Council during the year	None	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
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 2021**

**3. CASH AND CASH EQUIVALENTS**

	NOTE	2021 \$	2020 \$
Cash at bank and on hand		2,899,659	4,285,420
<b>Total cash and cash equivalents</b>		<b>2,899,659</b>	<b>4,285,420</b>
<b>Restrictions</b>			
The following classes of assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:			
- Cash and cash equivalents		1,269,019	3,942,357
- Financial assets at amortised cost	5	1,634,581	0
		<b>2,903,600</b>	<b>3,942,357</b>
The restricted assets are a result of the following specific purposes to which the assets may be used:			
Bonds and deposits	12	120,670	0
Reserves - cash/financial asset backed	4	1,634,581	1,649,377
Contract liabilities from contracts with customers	13	1,148,349	2,292,980
<b>Total restricted assets</b>		<b>2,903,600</b>	<b>3,942,357</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**  
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**4. RESERVES - CASH/FINANCIAL ASSET BACKED**

	2021 Actual Opening Balance	2021 Actual Transfer to	2021 Actual Transfer (from)	2021 Actual Closing Balance	2021 Budget Opening Balance	2021 Budget Transfer to	2021 Budget Transfer (from)	2021 Budget Closing Balance	2020 Actual Opening Balance	2020 Actual Transfer to	2020 Actual Transfer (from)	2020 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Leave Reserve	112,774	50,293	(51,350)	111,717	112,774	51,800	(82,700)	81,874	82,076	51,535	(20,837)	112,774
(b) Plant Replacement Reserve	324,388	300,844	(427,434)	197,798	324,388	304,000	(455,000)	173,388	260,173	303,896	(239,681)	324,388
(c) Building Reserve	355,734	925	0	356,659	355,734	55,000	0	410,734	261,528	344,206	(250,000)	355,734
(d) IT Reserve	53,401	10,139	0	63,540	53,401	10,900	(12,000)	52,301	42,739	10,662	0	53,401
(e) Tamb Rec Ground & Pavilion Reserve	57,353	5,149	0	62,502	57,353	5,900	0	63,253	51,616	5,737	0	57,353
(f) Bhill Rec Complex Reserve	95,884	8,849	0	104,733	95,883	10,100	0	105,983	86,052	9,832	0	95,884
(g) Building Maintenance Reserve	22,315	22,058	0	44,373	22,315	23,000	0	45,315	67,324	10,991	(56,000)	22,315
(h) Sandalwood Villas Reserve	93,276	10,243	0	103,519	93,276	11,200	0	104,476	82,086	11,190	0	93,276
(i) Bhill Synthetic Bowling Green Reserve	75,191	8,795	0	83,986	75,191	9,600	0	84,791	65,635	9,556	0	75,191
(j) Refuse Sites Post Closure Mgt Reserve	31,955	5,083	0	37,038	31,955	5,500	0	37,455	26,554	5,401	0	31,955
(k) Lavieville Lodge Reserve	80,770	10,210	0	90,980	80,770	11,100	(25,000)	66,870	69,746	11,024	0	80,770
(l) Townscape Plan Implementation Reserve	272,694	23,708	0	296,402	272,694	27,500	(300,000)	194	347,522	4,406	(79,234)	272,694
(m) Tamb Synthetic Bowling Green Reserve	23,066	7,560	0	30,626	23,066	7,800	0	30,866	15,296	7,770	0	23,066
(n) Tourism & Economic Development Reserve	50,576	132	0	50,708	50,576	700	(10,000)	41,276	30,000	20,576	0	50,576
	1,649,377	463,988	(478,784)	1,634,581	1,649,376	534,100	(884,700)	1,298,776	1,488,347	806,782	(645,752)	1,649,377

All reserves are supported by cash and cash equivalents and financial assets at amortised cost and are restricted within equity as Reserves - cash/financial assets backed.

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

Name of Reserve	Anticipated date of use	Purpose of the reserve
(a) 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 to finance replacement, major repair or construction of new Shire buildings, and costs associated with subdivision of land.
(d) IT 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 agreeance 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.

## 5. OTHER FINANCIAL ASSETS

### (a) Current assets

Financial assets at amortised cost

2021	2020
\$	\$
1,634,581	0
1,634,581	0

### Other financial assets at amortised cost

Term deposits

1,634,581	0
1,634,581	0

### (b) Non-current assets

Financial assets at fair value through profit and loss

73,808	71,220
73,808	71,220

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

Units in Local Government House Trust

73,808	71,220
73,808	71,220

## SIGNIFICANT ACCOUNTING POLICIES

### Other financial assets at amortised cost

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

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

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

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

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

### Impairment and risk

Information regarding impairment and exposure to risk can be found at Note 27.

## 6. TRADE AND OTHER RECEIVABLES

### Current

Rates receivable	
Trade and other receivables	
Accrued Income	
Contract Receivables	

### Non-current

Pensioner's rates and ESL deferred	
Long Service Leave Debtors	

	2021	2020
	\$	\$
	234,728	290,568
	2,130,981	90,603
	151,059	3,267
	0	154,237
	2,516,768	538,675
	39,684	35,586
	25,266	25,266
	64,950	60,852

### 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 27.

### SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Classification and subsequent measurement

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

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

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

## 7. INVENTORIES

### Current

Fuel and materials

### Non-current

Land held for resale - cost

Cost of acquisition

The following movements in inventories occurred during the year:

### Balance at beginning of year

Inventories expensed during the year

Additions to inventory

### Balance at end of year

	2021	2020
	\$	\$
	15,817	32,540
	15,817	32,540
	216,000	216,000
	216,000	216,000
	248,540	242,158
	(163,597)	0
	146,874	6,382
	231,817	248,540

## SIGNIFICANT ACCOUNTING POLICIES

### General

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

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

### Land held for resale

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

### Land held for resale (Continued)

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

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

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

## 8. PROPERTY, PLANT AND EQUIPMENT

### (a) Movements in Balances

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

	Land	Buildings - non-specialised	Buildings - specialised	Total land and buildings	Furniture and equipment	Plant and equipment	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2019</b>	1,179,271	1,905,108	8,902,690	11,987,069	41,800	3,606,130	15,634,999
Additions	0	4,385,319	305,191	4,690,510	0	703,295	5,393,805
(Disposals)	0	(113,201)	0	(113,201)	0	(513,647)	(626,848)
Depreciation (expense)	0	(45,298)	(188,707)	(234,005)	(3,530)	(284,424)	(521,959)
<b>Balance at 30 June 2020</b>	1,179,271	6,131,928	9,019,174	16,330,373	38,270	3,511,354	19,879,997
<b>Comprises:</b>							
Gross balance amount at 30 June 2020	1,179,271	6,261,145	9,569,797	17,010,213	41,800	3,764,548	20,816,561
Accumulated depreciation at 30 June 2020	0	(129,217)	(550,623)	(679,840)	(3,530)	(253,194)	(936,564)
<b>Balance at 30 June 2020</b>	1,179,271	6,131,928	9,019,174	16,330,373	38,270	3,511,354	19,879,997
Additions	0	84,514	454,112	538,626	0	964,007	1,502,633
(Disposals)	0	0	0	0	0	(617,206)	(617,206)
Depreciation (expense)	0	(134,786)	(193,882)	(328,668)	(3,530)	(321,953)	(654,151)
<b>Balance at 30 June 2021</b>	1,179,271	6,081,656	9,279,404	16,540,331	34,740	3,536,202	20,111,273
<b>Comprises:</b>							
Gross balance amount at 30 June 2021	1,179,271	6,345,661	10,023,908	17,548,840	41,800	4,059,390	21,650,030
Accumulated depreciation at 30 June 2021	0	(264,005)	(744,504)	(1,008,509)	(7,060)	(523,188)	(1,538,757)
<b>Balance at 30 June 2021</b>	1,179,271	6,081,656	9,279,404	16,540,331	34,740	3,536,202	20,111,273



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

### (b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
<b>(i) Fair Value</b>					
<b>Land and buildings</b>					
Land	2	Market approach using recent observable market data for similar properties	Independent Registered Valuers	June 2017	Price per hectare
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>(ii) Cost</b>					
<b>Furniture and equipment</b>	2	Cost	Cost		Purchase Cost
<b>Plant and equipment</b>	2	Cost	Cost		Purchase Cost

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

**SHIRE OF BROOMEHILL-TAMBELLUP**  
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**9. INFRASTRUCTURE**

**(a) Movements in Balances**

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

	Infrastructure - Roads - Earthworks & clearing	Infrastructure - Roads	Infrastructure - Footpaths	Infrastructure - Drainage	Infrastructure - Parks & Ovals	Infrastructure - Water Supply	Infrastructure - Other	Total Infrastructure
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2019</b>	47,223,089	66,272,443	724,012	777,878	2,198,324	55,574	521,260	117,772,580
Additions	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>Balance 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 balance 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>Balance 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
Additions	626,923	1,617,304	83,600	0	29,160	22,807	9,604	2,389,398
Depreciation (expense)	0	(1,153,490)	(30,792)	(8,732)	(98,730)	(2,924)	(24,209)	(1,318,877)
<b>Balance at 30 June 2021</b>	48,334,213	66,803,077	865,242	760,415	2,151,823	72,533	482,445	119,469,748
<b>Comprises:</b>								
Gross balance at 30 June 2021	48,334,213	70,132,780	951,196	786,609	2,440,714	81,307	539,795	123,266,614
Accumulated depreciation at 30 June 2021	0	(3,329,703)	(85,954)	(26,194)	(288,891)	(8,774)	(57,350)	(3,796,866)
<b>Balance at 30 June 2021</b>	48,334,213	66,803,077	865,242	760,415	2,151,823	72,533	482,445	119,469,748

**SHIRE OF BROOMEHILL-TAMBELLUP**  
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**9. INFRASTRUCTURE (Continued)**

**(b) Carrying Value Measurements**

<b>Asset Class</b>	<b>Fair Value Hierarchy</b>	<b>Valuation Technique</b>	<b>Basis of Valuation</b>	<b>Date of Last Valuation</b>	<b>Inputs Used</b>
<b>(i) Fair Value</b>					
<b>Infrastructure - Roads - Earthworks &amp; clearing</b>	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
<b>Infrastructure - Roads</b>	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
<b>Infrastructure - Footpaths</b>	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
<b>Infrastructure - Drainage</b>	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
<b>Infrastructure - Parks &amp; Ovals</b>	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
<b>Infrastructure - Water Supply</b>	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
<b>Infrastructure - Other</b>	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

## 10. FIXED ASSETS

### SIGNIFICANT ACCOUNTING POLICIES

#### Fixed assets

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

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

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

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

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

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

#### Revaluation

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

### AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY

#### Revaluation (Continued)

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

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

#### Land under roads from 1 July 2019

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

#### Vested improvements from 1 July 2019

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

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**10. FIXED ASSETS**

**(a) Disposals of Assets**

	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss	2021 Budget Net Book Value	2021 Budget Sale Proceeds	2021 Budget Profit	2021 Budget Loss	2020 Actual Net Book Value	2020 Actual Sale Proceeds	2020 Actual Profit	2020 Actual Loss
Land - freehold land	\$ 0	\$ 0	\$ 0	\$ 0	\$ 28,300	\$ 50,000	\$ 21,700	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Buildings - non-specialised	0	0	0	0	269,000	600,000	331,000	0	113,201	241,000	127,799	0
Plant and equipment	617,206	516,182		(101,024)	685,300	577,000	5,800	(114,100)	513,647	435,296	11,749	(90,100)
	617,206	516,182	0	(101,024)	982,600	1,227,000	358,500	(114,100)	626,848	676,296	139,548	(90,100)

The following assets were disposed of during the year.

	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss
<b>Plant and Equipment</b>				
<b>Governance</b>	\$	\$	\$	\$
Ford Everest BH000	45,957	42,727	0	(3,230)
Ford Everest BH000	51,781	42,727	0	(9,054)
<b>Transport</b>				
Ford Ranger Wildtrak TA001	42,673	41,818	0	(855)
Ford Ranger Wildtrak TA001	46,323	43,182	0	(3,141)
Caterpillar Grader BH006	183,962	125,000	0	(58,962)
Ford Ranger XLT 1TA	44,627	36,364	0	(8,263)
Ford Ranger XL BH00	33,338	27,273	0	(6,065)
Ford Ranger XLT BH003	42,679	38,182	0	(4,497)
Ford Ranger extra cab BH014	34,302	30,909	0	(3,393)
Caterpillar 444F Backhoe	91,564	88,000	0	(3,564)
	617,206	516,182	0	(101,024)
	617,206	516,182	0	(101,024)

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**10. FIXED ASSETS**

**(b) Depreciation**

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Buildings - non-specialised	134,786	93,400	45,298
Buildings - specialised	193,882	188,800	188,707
Furniture and equipment	3,530	3,500	3,530
Plant and equipment	321,953	288,800	284,424
Infrastructure - Roads	1,153,490	1,118,200	1,117,482
Infrastructure - Footpaths	30,792	28,000	27,884
Infrastructure - Drainage	8,732	8,800	8,731
Infrastructure - Parks & Ovals	98,730	98,000	95,759
Infrastructure - Water Supply	2,924	3,000	2,924
Infrastructure - Other	24,209	24,500	24,210
	1,973,028	1,855,000	1,798,949

**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:  
 Land is not depreciated.

Asset Class	Useful life
Buildings - non specialised	40 to 50 years
Buildings - specialised	50 to 80 years
Furniture and equipment	4 to 10 years
Plant and equipment	4 to 15 years
Infrastructure - roads	20 to 90 years
Infrastructure - footpaths	20 years
Infrastructure - drainage	80 years
Infrastructure - parks & ovals	20 to 75 years
Infrastructure - water supply	10 to 75 years
Infrastructure - other	10 to 50 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.

## 11. REVALUATION SURPLUS

	2021 Opening Balance	2021 Closing Balance	2020 Opening Balance	2020 Revaluation (Decrement)	Total Movement on Revaluation	2020 Closing Balance
	\$	\$	\$	\$	\$	\$
Revaluation Surplus - Land and Buildings	4,942,834	4,942,834	4,942,834	0	0	4,942,834
Revaluation surplus - Plant and equipment	41,999	41,999	41,999	0	0	41,999
Revaluation Surplus - Infrastructure	92,708,910	92,708,910	92,708,910	0	0	92,708,910
Revaluation Surplus - Local Govt House Unit Trust	0	0	62,139	(62,139)	(62,139)	0
	97,693,743	97,693,743	97,755,882	(62,139)	(62,139)	97,693,743

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 by AASB116 Aus40.1



## 12. TRADE AND OTHER PAYABLES

### Current

Sundry creditors	
Prepaid rates	
Accrued salaries and wages	
ATO liabilities	
Accrued Interest on Borrowings	
Accrued Expenses	
Income Received in Advance	
Long Service Leave Creditors	
Bonds and deposits	
Other Payables	

2021	2020
\$	\$
736,948	184,301
46,518	33,591
56,748	43,960
31,578	45,156
21,718	22,929
64,289	64,472
12,815	12,481
3,056	3,056
120,670	0
2,680,509	0
3,774,849	409,946

### SIGNIFICANT ACCOUNTING POLICIES

#### Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Shire prior to the end of the financial year that are unpaid and arise when the Shire becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are normally paid within 30 days of recognition

#### Prepaid rates

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

### 13. OTHER LIABILITIES

#### Current

Contract liabilities

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

Less than 1 year

#### SIGNIFICANT ACCOUNTING POLICIES

##### Contract liabilities

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

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

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

2021	2020
\$	\$
1,148,349	2,292,980
1,148,349	2,292,980

#### Contract liabilities

\$
1,148,349
1,148,349

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**14. INFORMATION ON BORROWINGS**

(a) Borrowings

	2021	2020
	\$	\$
Current	127,575	123,506
Non-current	1,814,121	1,941,696
	1,941,696	2,065,202

(b) Repayments - Borrowings

Particulars	Loan Number	Institution	Interest Rate	Actual	30 June 2021	30 June 2021	30 June 2021	Budget	30 June 2021	30 June 2021	30 June 2021	Actual	30 June 2020	30 June 2020	30 June 2020	30 June 2020
				Principal	Actual	Actual	Actual	Principal	Budget	Budget	Budget	Principal	Actual	Actual	Actual	Actual
				1 July 2020	Principal repayments	Interest repayments	Principal outstanding	1 July 2020	Principal repayments	Interest repayments	Principal outstanding	1 July 2019	New Loans	Principal repayments	Interest repayments	Principal outstanding
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Governance</b>																
Tambellup Admin Building	95	WATC	5.58%	68,417	(21,562)	(3,799)	46,855	68,418	(21,600)	(3,500)	46,818	88,826	0	(20,409)	(5,071)	68,417
<b>Housing</b>																
GROH Housing	100	WATC	1.86%	966,772	(58,666)	(24,313)	908,106	966,772	(58,600)	(17,700)	908,172	0	995,700	(28,928)	(13,827)	966,772
<b>Recreation and culture</b>																
Tambellup Pavilion	99	WATC	4.01%	1,030,013	(43,278)	(47,291)	986,735	1,030,012	(43,300)	(40,800)	986,712	1,071,606	0	(41,593)	(49,317)	1,030,013
				2,065,202	(123,506)	(75,403)	1,941,696	2,065,202	(123,500)	(62,000)	1,941,702	1,160,432	995,700	(90,930)	(68,215)	2,065,202

\* WA Treasury Corporation

All loan repayments were financed by general purpose revenue.

**SHIRE OF BROOMEHILL-TAMBELLUP**  
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**14. INFORMATION ON BORROWINGS (Continued)**

	2021	2020
	\$	\$
<b>(c) Undrawn Borrowing Facilities</b>		
<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	(655)	(210)
<b>Total amount of credit unused</b>	<b>513,345</b>	<b>513,790</b>
<b>Loan facilities</b>		
Loan facilities - current	127,575	123,506
Loan facilities - non-current	1,814,121	1,941,696
<b>Total facilities in use at balance date</b>	<b>1,941,696</b>	<b>2,065,202</b>
<b>Unused loan facilities at balance date</b>	<b>NIL</b>	<b>NIL</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 27.

## 15. EMPLOYEE RELATED PROVISIONS

### (a) Employee Related Provisions

#### Opening balance at 1 July 2020

Current provisions  
 Non-current provisions

Additional provision  
 Amounts used

#### Balance at 30 June 2021

#### Comprises

Current  
 Non-current

	Provision for Annual Leave \$	Provision for Long Service Leave \$	Total \$
Opening balance at 1 July 2020			
Current provisions	183,878	247,824	431,702
Non-current provisions	0	53,067	53,067
	183,878	300,891	484,769
Additional provision	141,192	57,324	198,516
Amounts used	(146,570)	(51,351)	(197,921)
Balance at 30 June 2021	178,500	306,864	485,364
Comprises			
Current	178,500	284,496	462,996
Non-current	0	22,368	22,368
	178,500	306,864	485,364

#### Amounts are expected to be settled on the following basis:

Less than 12 months after the reporting date  
 More than 12 months from reporting date  
 Expected reimbursements from other WA local governments

	2021 \$	2020 \$
Less than 12 months after the reporting date	219,445	195,899
More than 12 months from reporting date	240,653	263,604
Expected reimbursements from other WA local governments	25,266	25,266
	485,364	484,769

Timing of the payment of current leave liabilities is difficult to determine as it is dependent on future decisions of employees. Expected settlement timings are based on information obtained from employees and historical leave trends and assumes no events will occur to impact on these historical trends.

### SIGNIFICANT ACCOUNTING POLICIES

#### Employee benefits

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

#### Short-term employee benefits

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

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

#### Other long-term employee benefits

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

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

service and employee departures and are discounted at 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:

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Cash and cash equivalents	2,899,659	1,300,300	4,285,420
<b>Reconciliation of Net Cash Provided By Operating Activities to Net Result</b>			
Net result	1,421,312	1,239,900	3,408,362
Non-cash flows in Net result:			
Fair Value adjustments to financial assets at fair value through profit and loss	(2,588)	0	(1,152)
Depreciation on non-current assets	1,973,028	1,855,000	1,798,949
(Profit)/loss on sale of asset	101,024	(244,400)	(49,448)
Changes in assets and liabilities:			
(Increase)/decrease in receivables	(1,982,191)	313,200	317,722
(Increase)/decrease in inventories	16,723	(32,000)	(6,382)
Increase/(decrease) in payables	3,364,903	(143,000)	(238,531)
Increase/(decrease) in employee provisions	595	0	53,538
Increase/(decrease) in other liabilities	(1,144,631)	(51,500)	2,292,980
Non-operating grants, subsidies and contributions	(2,248,303)	(2,963,900)	(4,005,592)
Net cash from operating activities	1,499,872	(26,700)	3,570,446

## 17. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2021	2020
	\$	\$
Governance	1,579,159	1,620,941
Law, order, public safety	878,105	729,137
Health	100,920	103,410
Housing	6,269,644	6,319,914
Community amenities	486,245	495,842
Recreation and culture	7,916,955	8,153,521
Transport	120,679,961	119,470,978
Economic services	799,453	566,206
Other property and services	1,035,271	1,042,671
Unallocated	7,256,891	4,981,311
	<u>147,002,604</u>	<u>143,483,931</u>



## 18. CAPITAL COMMITMENTS

### (a) Capital Expenditure Commitments

Contracted for:

- capital expenditure projects

Payable:

- not later than one year

	2021	2020
	\$	\$
	96,000	485,380
	96,000	485,380
	96,000	485,380

In 2021 and 2020 the Shire is a participant in the Great Southern Housing Initiative which delivered Key Worker Housing and Independent Living Seniors units across 7 Shires. The Shire has completed 4 seniors units, 4 houses and 2 cabins at the caravan park as part of this project; and 2 houses remain to be for completed by October/November 2021.

## 19. ELECTED MEMBERS REMUNERATION

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
<b>Elected member - Cr MC Paganoni</b>			
President's annual allowance	2,000	2,000	2,000
Meeting attendance fees	13,000	13,000	13,000
Annual allowance for ICT expenses	500	500	500
Travel and accommodation expenses	0	250	0
	15,500	15,750	15,500
<b>Elected member - Cr ME White</b>			
Deputy President's annual allowance	500	500	500
Meeting attendance fees	6,500	6,500	6,500
Annual allowance for ICT expenses	500	500	500
Travel and accommodation expenses	0	250	0
	7,500	7,750	7,500
<b>Elected member - Cr DT Barritt</b>			
Meeting attendance fees	6,500	6,500	6,500
Annual allowance for ICT expenses	500	500	500
Travel and accommodation expenses	0	100	0
	7,000	7,100	7,000
<b>Elected member - Cr KJ Holzknicht</b>			
Meeting attendance fees	6,500	6,500	6,500
Annual allowance for ICT expenses	500	500	500
Travel and accommodation expenses	0	100	0
	7,000	7,100	7,000
<b>Elected member - Cr CJ Letter</b>			
Meeting attendance fees	6,500	6,500	6,500
Annual allowance for ICT expenses	500	500	500
Travel and accommodation expenses	0	100	0
	7,000	7,100	7,000
<b>Elected member - Cr MC Nazzari</b>			
Meeting attendance fees	6,500	6,500	6,500
Annual allowance for ICT expenses	500	500	500
Travel and accommodation expenses	0	100	0
	7,000	7,100	7,000
<b>Elected member - Cr SH Penny</b>			
Meeting attendance fees	6,500	6,500	6,500
Annual allowance for ICT expenses	500	500	500
Travel and accommodation expenses	0	100	0
	7,000	7,100	7,000
	58,000	59,000	58,000
Fees, expenses and allowances to be paid or reimbursed to elected council members.			
President's allowance	2,000	2,000	2,000
Deputy President's allowance	500	500	500
Meeting attendance fees	52,000	52,000	52,000
Annual allowance for ICT expenses	3,500	3,500	3,500
Travel and accommodation expenses	0	1,000	0
	58,000	59,000	58,000

**SHIRE OF BROOMEHILL-TAMBELLUP**  
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**20. RELATED PARTY TRANSACTIONS**

**Key Management Personnel (KMP) Compensation Disclosure**

	<b>2021 Actual</b>	<b>2020 Actual</b>
The total of remuneration paid to KMP of the Shire during the year are as follows:	\$	\$
Short-term employee benefits	446,595	434,761
Post-employment benefits	50,158	49,632
Other long-term benefits	8,945	8,758
	<b>505,698</b>	<b>493,151</b>

*Short-term employee benefits*

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

*Post-employment benefits*

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

*Other long-term benefits*

These amounts represent long service benefits accruing during the year.

**SHIRE OF BROOMEHILL-TAMBELLUP**  
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**20. RELATED PARTY TRANSACTIONS (Continued)**

**Transactions with related parties**

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

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

The following transactions occurred with related parties:	2021 Actual	2020 Actual
Purchase of goods and services	\$ 32,203	\$ 15,775
<b>Amounts payable to related parties:</b>		
Trade and other payables	32,203	15,775

**Related Parties**

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

*i. Key management personnel*

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

*ii. Other Related Parties*

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

Any entity that is controlled by or over which KMP, or close family members of KMP, have authority and responsibility for planning, directing and controlling the activity of the entity, directly or indirectly, are considered related parties in relation to the Shire.

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

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

## **21. INVESTMENT IN ASSOCIATE AND JOINT ARRANGEMENTS**

The Shire had no investment in associate and joint arrangements as at 30 June 2021 and 30 June 2020.

## **22. MAJOR LAND TRANSACTIONS**

The Shire was not party to any major land transactions during the financial year ended 30 June 2021 and 30 June 2020.

## **23. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS**

The Shire did not participate in any major trading undertakings during the financial year ended 30 June 2021 and 30 June 2020.

## **24. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD**

There were no events after balance sheet date that require disclosure.

**SHIRE OF BROOMEHILL-TAMBELLUP**  
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**25. RATING INFORMATION**

(a) Rates

<b>RATE TYPE</b>	<b>Rate in \$</b>	<b>Number of Properties</b>	<b>2020/21 Actual Rateable Value \$</b>	<b>2020/21 Actual Rate Revenue \$</b>	<b>2020/21 Actual Interim Rates \$</b>	<b>2020/21 Actual Back Rates \$</b>	<b>2020/21 Actual Total Revenue \$</b>	<b>2020/21 Budget Rate Revenue \$</b>	<b>2020/21 Budget Interim Rate \$</b>	<b>2020/21 Budget Back Rate \$</b>	<b>2020/21 Budget Total Revenue \$</b>	<b>2019/20 Actual Total Revenue \$</b>
<b>General rate</b>												
<b>Gross rental valuations</b>												
GRV - Residential	0.106582	243	2,095,652	223,359	455	0	223,814	223,200	0	0	223,200	223,165
GRV - Commercial	0.106582	13	181,648	19,360	0	0	19,360	19,400	0	0	19,400	19,360
<b>Unimproved valuations</b>												
UV - Rural	0.008328	364	273,920,500	2,281,210	0	0	2,281,210	2,279,000	0	0	2,279,000	2,278,085
UV - Mining	0.008328	0	0	0	0	0	0	0	0	0	0	0
<b>Sub-Total</b>		620	276,197,800	2,523,929	455	0	2,524,384	2,521,600	0	0	2,521,600	2,520,610
<b>Minimum payment</b>												
<b>Gross rental valuations</b>												
GRV - Residential	495	122	114,193	60,390	0	0	60,390	60,400	0	0	60,400	60,390
GRV - Commercial	495	2	3,688	990	0	0	990	1,000	0	0	1,000	990
<b>Unimproved valuations</b>												
UV - Rural	495	32	1,138,500	15,840	0	0	15,840	15,800	0	0	15,800	15,840
UV - Mining	495	3	12,690	1,485	839	0	2,324	1,500	0	0	1,500	1,485
<b>Sub-Total</b>		159	1,269,071	78,705	839	0	79,544	78,700	0	0	78,700	78,705
		779	277,466,871	2,602,634	1,294	0	2,603,928	2,600,300	0	0	2,600,300	2,599,315
Discounts/concessions (Note 25(b))							(101,064)				(96,500)	(95,551)
<b>Total amount raised from general rate</b>							2,502,864				2,503,800	2,503,764
Ex-gratia rates							78,968				78,900	0
<b>Totals</b>							2,581,832				2,582,700	2,503,764

**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**  
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**25. RATING INFORMATION (Continued)**

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

**Rates Discounts**

Rate or Fee Discount Granted	Discount	Discount	2021 Actual	2021 Budget	2020 Actual	Circumstances in which Discount is Granted
	%	\$	\$	\$	\$	
General Rate	5.00%		97,866	92,500	92,375	Rates and charges paid in full within 28 days from date of issue of rate notice
			97,866	92,500	92,375	

**Waivers or Concessions**

Rate or Fee and Charge to which the Waiver or Concession is Granted	Type	Discount	Discount	2021 Actual	2021 Budget	2020 Actual
		%	\$	\$	\$	\$
General Rates - GRV	Concession	100.00%		3,198	4,000	3,176
				3,198	4,000	3,176
Total discounts/concessions (Note 25(a))				101,064	96,500	95,551

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

## 25. RATING INFORMATION (Continued)

### (c) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
<b>Option One</b>				
Single full payment within 28 days of issue with 5% discount	4/09/2020	0.00	0.00%	8.00%
<b>Option Two</b>				
Single full payment	11/09/2020	0.00	0.00%	8.00%
<b>Option Three</b>				
First instalment	11/09/2020	0.00	5.50%	8.00%
Second instalment	11/01/2021	10.00	5.50%	8.00%
<b>Option Four</b>				
First instalment	11/09/2020	0.00	5.50%	8.00%
Second instalment	11/11/2020	10.00	5.50%	8.00%
Third instalment	11/01/2021	10.00	5.50%	8.00%
Fourth instalment	11/03/2021	10.00	5.50%	8.00%

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Interest on unpaid rates	15,337	16,500	27,938
Interest on instalment plan	3,299	1,500	3,037
Charges on instalment plan	1,380	1,500	1,480
	20,016	19,500	32,455



SHIRE OF BROOMEHILL-TAMBELLUP  
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26. RATE SETTING STATEMENT INFORMATION

	2020/21 (30 June 2021 Carried Forward)	2020/21 Budget (30 June 2021 Carried Forward)	2019/20 (30 June 2020 Carried Forward)
Note	\$	\$	\$
<b>(a) Non-cash amounts excluded from operating activities</b>			
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .			
<b>Adjustments to operating activities</b>			
Less: Profit on asset disposals	10(a) 0	(358,500)	(139,548)
Less: Fair value adjustments to financial assets at fair value through profit and loss	(2,588)	0	(255)
Movement in pensioner deferred rates (non-current)	(4,098)	0	3,871
Movement in employee benefit provisions	595	0	(35,841)
Movement in trade and other payables (non current)	0	0	(3,056)
Add: Loss on disposal of assets	10(a) 101,024	114,100	90,100
Add: Depreciation on non-current assets	10(b) 1,973,028	1,855,000	1,798,949
<b>Non cash amounts excluded from operating activities</b>	<b>2,067,961</b>	<b>1,610,600</b>	<b>1,714,220</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/financial asset backed	4 (1,634,581)	(1,298,800)	(1,649,377)
Add: Current liabilities not expected to be cleared at end of year			
- Current portion of borrowings	14(a) 127,575	123,600	123,506
- Employee benefit provisions	462,996	0	431,702
<b>Total adjustments to net current assets</b>	<b>(1,044,010)</b>	<b>(1,175,200)</b>	<b>(1,094,169)</b>
<b>Net current assets used in the Rate Setting Statement</b>			
Total current assets	7,066,825	1,560,300	4,856,635
Less: Total current liabilities	(5,513,769)	(385,100)	(3,258,134)
Less: Total adjustments to net current assets	(1,044,010)	(1,175,200)	(1,094,169)
<b>Net current assets used in the Rate Setting Statement</b>	<b>509,046</b>	<b>0</b>	<b>504,332</b>

## 27. 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>2021</b>					
Cash and cash equivalents	0.25%	2,899,659	0	2,898,159	1,500
Financial assets at amortised cost - term deposits	0.25%	1,634,581	1,634,581	0	0
<b>2020</b>					
Cash and cash equivalents	0.60%	4,285,420	0	4,283,920	1,500

#### 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\*

	2021	2020
	\$	\$
	28,982	42,839

\* 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).

## 27. FINANCIAL RISK MANAGEMENT (Continued)

### (b) Credit risk

#### **Trade and Other Receivables**

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

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

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

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

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

The loss allowance as at 30 June 2021 and 30 June 2022 for rates receivable was determined as follows:

	Current	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total
<b>30 June 2021</b>					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	57,757	87,896	26,720	102,039	274,412
Loss allowance	0	0	0	0	0

#### **30 June 2020**

Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	71,651	72,099	40,782	124,295	308,827
Loss allowance	0	0	0	0	0

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

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
<b>30 June 2021</b>					
Trade and other receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	2,105,880	904	6,015	18,182	2,130,981
Loss allowance	0	0	0	0	0

#### **30 June 2020**

Trade and other receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	22,423	44,360	320	23,500	90,603
Loss allowance	0	0	0	0	0

## 27. 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 14(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>2021</b>					
Payables	3,774,849	0	0	3,774,849	3,774,849
Borrowings	185,612	667,196	1,574,870	2,427,678	1,941,696
Contract liabilities	1,148,349	0	0	1,148,349	1,148,349
	<u>5,108,810</u>	<u>667,196</u>	<u>1,574,870</u>	<u>7,350,876</u>	<u>6,864,894</u>
<b>2020</b>					
Payables	409,946	0	0	409,946	409,946
Borrowings	185,612	692,280	1,735,398	2,613,290	2,065,202
Contract Liabilities	2,292,980	0	0	2,292,980	2,292,980
	<u>2,888,538</u>	<u>692,280</u>	<u>1,735,398</u>	<u>5,316,216</u>	<u>4,768,128</u>

## 28. TRUST FUNDS

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

	1 July 2020	Amounts Received	Amounts Paid	30 June 2021
	\$	\$	\$	\$
Broomehill Liason Group	1,244	0	(1,244)	0
Fire Prevention	5,834	0	(5,834)	0
Youth Support Donations	130	0	(130)	0
Tourism Donations	44	0	(44)	0
Roadwise	329	0	(329)	0
Broomehill Dramatic Society	3,418	0	(3,418)	0
Rates - held upon sale of property	4,149	0	(4,149)	0
	15,148	0	(15,148)	0

# SHIRE OF BROOMEHILL-TAMBELLUP

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

### 29. OTHER SIGNIFICANT ACCOUNTING POLICIES

#### a) Goods and services tax (GST)

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

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

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

#### b) Current and non-current classification

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

#### c) Rounding off figures

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

#### d) Comparative figures

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

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

#### e) Budget comparative figures

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

#### f) Superannuation

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

#### g) Fair value of assets and liabilities

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

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

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

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

#### h) Fair value hierarchy

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

##### Level 1

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

##### Level 2

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

##### Level 3

Measurements based on unobservable inputs for the asset or liability.

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

#### Valuation techniques

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

##### Market approach

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

##### Income approach

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

##### Cost approach

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

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

#### i) Impairment of assets

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

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

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

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

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**30. ACTIVITIES/PROGRAMS**

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

<b>PROGRAM NAME AND OBJECTIVES</b>	<b>ACTIVITIES</b>
<p><b>GOVERNANCE</b></p> <p>To provide a decision making process for the efficient allocation of scarce resources</p>	<p>Includes the activities of elected members of Council and the administration 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.</p>
<p><b>GENERAL PURPOSE FUNDING</b></p> <p>To collect revenue to allow for the provision of services</p>	<p>Rates, general purpose grants and interest revenue</p>
<p><b>LAW, ORDER, PUBLIC SAFETY</b></p> <p>To provide services to help ensure a safer and environmentally concious community</p>	<p>Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety, including emergency services</p>
<p><b>HEALTH</b></p> <p>To provide an operational framework for environmental and community health</p>	<p>Inspection of food outlets and their control, mosquito control and maintenance of the Infant Health Clinic in Tambellup</p>
<p><b>EDUCATION AND WELFARE</b></p> <p>To provide services to the elderly, children and youth</p>	<p>Assistance to the Broomehill and Tambellup Primary Schools, support of "A Smart Start" program</p>
<p><b>HOUSING</b></p> <p>To provide quality staff housing, accommodation for independently living seniors in the community and GROH housing for Police and Teachers</p>	<p>Provision and maintenance of staff housing, GROH housing for Police and Teachers and the independently living seniors units in Broomehill and Tambellup.</p>
<p><b>COMMUNITY AMENITIES</b></p> <p>To provide essential services required by the community</p>	<p>Includes rubbish collection services, operation of the tip sites and waste transfer stations; administration of the Town Planning Schemes; maintenance of the cemeteries at Broomehill, Pindellup and Tambellup; maintenance of public conveniences; co-ordination of Drummuster collections and protection of the environment</p>
<p><b>RECREATION AND CULTURE</b></p> <p>To establish and effectively manage infrastructure and resources which will assist with the social wellbeing of the community</p>	<p>Maintenance of public halls, recreation grounds, parks, gardens, reserves and playgrounds; operation of the Broomehill Library and support to the Tambellup CRC to manage the Tambellup Library; museums and other cultural facilities.</p>
<p><b>TRANSPORT</b></p> <p>To provide safe, effective and efficient transport services to the community</p>	<p>Construction and maintenance of streets, roads and bridges; cleaning and lighting of streets; maintenance of the Broomehill and Tambellup works depots; provision of Department of Transport licensing services to the community</p>
<p><b>ECONOMIC SERVICES</b></p> <p>To assist in promoting the Shire and its economic wellbeing</p>	<p>Tourism and area promotion; operation of the Broomehill caravan park; provision of rural services including noxious weed and vermin control; maintenance of standpipes and water supplies throughout the Shire; provision of building services</p>
<p><b>OTHER PROPERTY AND SERVICES</b></p> <p>To monitor and control operating accounts</p>	<p>Private works operations; public works overhead costs; plant operation costs and unclassified items.</p>

### 31. FINANCIAL RATIOS

	2021 Actual	2020 Actual	2019 Actual
Current ratio	1.01	1.07	1.97
Asset consumption ratio	0.96	0.64	0.64
Asset renewal funding ratio	2.85	1.83	1.99
Asset sustainability ratio	1.43	1.20	1.75
Debt service cover ratio	6.14	7.97	11.37
Operating surplus ratio	(0.25)	(0.18)	(0.16)
Own source revenue coverage ratio	0.51	0.54	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 2021 Shire of Broomehill-Tambellup

To the Councillors of the Shire of Broomehill-Tambellup

### Report on the audit of the annual financial report

#### Opinion

I have audited the financial report of the Shire of Broomehill-Tambellup (Shire) which comprises:

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

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

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

#### Basis for opinion

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

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

The Chief Executive Officer (CEO) of the Shire is responsible for the preparation and fair presentation of the financial report in accordance with the requirements of the Act, the Regulations and Australian Accounting Standards. The CEO is also responsible for managing internal control (as required by the CEO) to ensure the financial report is free from material misstatement, whether due to fraud or error.

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

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

## **Auditor's responsibility for the audit of the financial report**

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

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

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

## **Report on other legal and regulatory requirements**

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

- (i) In my opinion, the following material matter indicates a significant adverse trend in the financial position of the Shire:
  - a) The operating surplus ratio as reported in Note 31 of the annual financial report has been below the Department of Local Government, Sport and Cultural Industries' standard for past three years.
- (ii) The following material matter(s) indicating non-compliance with Part 6 of the Act, the Regulations or applicable financial controls of any other relevant written law were identified during the course of my audit:
  - a) Month end reconciliations for bank, sundry debtors, rates debtors, sundry creditors, fixed assets and payroll had not been performed in a timely manner during the year. In addition, manual rates rolling reconciliations had not performed regularly during the year. Reconciliations form a key control for ensuring the completeness and accuracy of financial data within the general ledger from which financial statements are derived. Without these reconciliations being performed on a regular basis there is an increased risk of fraud and or errors going undetected.

- (iii) All required information and explanations were obtained by me.
- (iv) All audit procedures were satisfactorily completed.
- (v) In my opinion, the Asset Consumption Ratio and the Asset Renewal Funding Ratio included in the financial report were supported by verifiable information and reasonable assumptions.

### **Other matter**

The financial ratios for 2019 in Note 31 of the financial report were audited by another auditor when performing their audit of the Shire for the year ending 30 June 2019. The auditor expressed an unmodified opinion on the financial report for that year.

### **Other information**

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

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

### **Matters relating to the electronic publication of the audited financial report**

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

Grant Robinson  
Assistant Auditor General Financial Audit  
Delegate of the Auditor General for Western Australia  
Perth, Western Australia  
2 August 2022