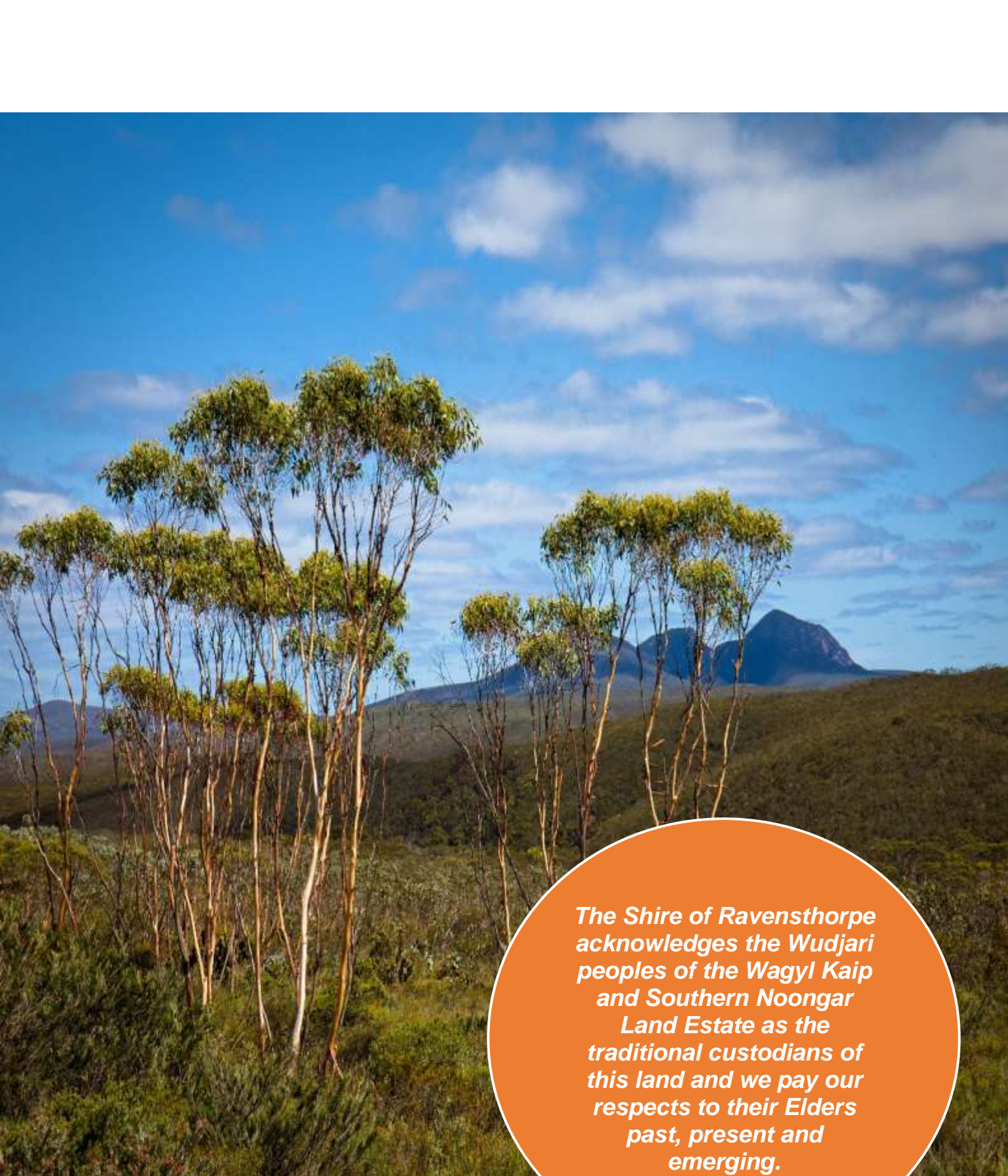




Annual Report

2020 - 2021

Shire of Ravensthorpe



The Shire of Ravensthorpe acknowledges the Wudjari peoples of the Wagyl Kaip and Southern Noongar Land Estate as the traditional custodians of this land and we pay our respects to their Elders past, present and emerging.

Shire of Ravensthorpe
65 Morgans Street
Ravensthorpe WA 6346
(08) 9839 0000

shire@ravensthorpe.wa.gov.au
www.ravensthorpe.wa.gov.au

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2020 – 2021 Elected Members

VISION

A GROWING COMMUNITY, THRIVING
AND RESILIENT,
SHARING OUR NATURAL
WONDERLAND WITH THE WORLD



Keith Dunlop, Shire President



Tom Major, Councillor



Julianne Belli, Deputy Shire President



Mark Mudie, Councillor



Ian Goldfinch, Councillor



Graham Richardson, Councillor



Sue Leighton, Councillor

2020 – 2021 Executive Team



Gavin Pollock, Chief Executive Officer



Les Mainwaring, Director Corporate and
Community Services



Graham Steel, Director Technical
Services

Council Meeting Attendance of Elected Members 2020-2021

Elected Members	Ordinary Council Meetings (11)	Special Council Meetings (4)	Audit Committee Meetings (1)
Shire President Keith Dunlop	11	4	1
Deputy Shire President Jules Belli	8	4	1
Cr Ian Goldfinch	9	3	1
Cr Sue Leighton	10	4	1
Cr Tom Major	11	4	1
Cr Mark Mudie	11	4	1
Cr Graham Richardson	9	3	0



Shire President's Message

As we come to the end of another busy and productive year, and look forward to the year ahead, I am pleased to present my message to the community for the 2020-2021 Annual Report.

May 2021 saw the publishing of the Shire's Integrated Planning Suite 2020 - 2030.

This comprehensive document suite outlines the Shire's Strategic Community Plan, Corporate Business Plan, Long Term Financial Plan, and the informing plans including Fleet, Asset Management, Work Force and Diversity Plans for 2020 - 2030.

Tourism was high on the community's agenda, which is driving key long-term priorities such as development of a Biosphere Discovery/ Interpretive Centre, upgrade of Hammersley Drive to the South Coast Highway and an upgrade of camping facilities.

There has been a great focus on community engagement, marketing and promotion this year and due to many hours of hard work and funding through the Drought Communities Program, the Shire of Ravensthorpe has been lucky enough to be featured on two national television programs. Network 7's "Our Town" and Network 9's "Destinations WA" have both recorded features which aim to promote and celebrate our wonderful shire as a must-see tourist destination as well as a great place to live and invest in.

In the shorter term, we are concentrating on the new cultural precinct in Ravensthorpe and a range of improvement projects across all areas in the Shire. This includes a focus on paths and trails, an increase in both the quality and standard of beach access points and enhancements to recreation facilities.

Community development and, in the longer term, aged care, are major priorities in the community area.

An important part of the plan is continuous improvement in community engagement. The clarity of this plan is testament to the value of community input.

This Suite will have a major review every four years with a minor review every two years to ensure we are working together with the Community for our shared plan.

Thank you to all the Councillors for their dedication, hard work and time they have devoted to our community. Your commitment to providing strong and thoughtful leadership is appreciated. Also thanks to all Shire staff, who have continued to provide exceptional service throughout the year. Your hard work and professionalism does not go unnoticed.

I look forward to the opportunities the New Year will bring as we strive to make the Shire of Ravensthorpe the best place to work, live and play.



Keith Dunlop
Shire President



Chief Executive Officer's Message

Due to the departure of Gavin Pollock, Chief Executive Officer, in late 2021, as the incoming Chief Executive Officer I am pleased to present the 2020-2021 Annual Report to the Shire of Ravensthorpe Community.

The 2020-2021 year saw the ongoing management of COVID-19 within our State. With State borders closed, the Shire saw an increase in visitors, with West Australians choosing to take to the road and explore, and holiday within our great State. It was a real opportunity for our Shire to showcase its attractions and uniqueness.

Throughout the early part of 2020, the Shire undertook an extensive Community Survey to enable Council to gain an understanding of the priorities and service satisfaction levels of the community. This was finalised in August 2020. It was pleasing and encouraging to see that 73% of the Community surveyed provided the Shire with a Good/Excellent scoring for Overall Performance.

The outcome of the survey was the Community Strategic Plan. This Plan highlights the top five performance areas the Community would like the Shire to concentrate on, being:

- Health and Medical Services;
- Ranger, Fire and Emergency Services;
- Roads, Bridges and Drainage;
- Community Engagement & Communications; and
- Community Grants.

This Plan forms the basis of the Shire's Integrated Planning Suite (IPR), which was released in May 2021.

The IPR in turn outlines the community's direction and how this will be achieved. Each component of the IPR has a unique role in achieving effective and sustainable integrated planning for the community.

The framework of the IPR recognises that planning for a local government is holistic in nature and driven by the Community.

It determines organisational and resource capabilities to meet the community's expectations. Successful outcomes are achieved by understanding the interdependencies of service levels and expectations with those budgets and human resources. The framework also allows local governments to adapt and respond to changes in those community service level requirements and expectations.

The top five outcomes from the IPR which the Shire will be focusing on in the coming years are:

- Economy
- Community
- Built Environment
- Natural Environment
- Governance and Leadership

I encourage the community to review the IPR suite which is available on the Shire's Website.

The 2020-2021 year also saw the WA Industrial Relation Commission approve the Shire of Ravensthorpe's first Enterprise Bargaining Agreement. This Agreement was endorsed by the majority of staff with a formalising of position descriptions and benefits.

Of note also were the number of projects commencing as a result of grants from the State and Federal Governments. Further information regarding these projects can be found through this report.

An extension of gratitude to the Shire's Councillors for their continued support and to the staff of the Shire of Ravensthorpe for the continued provision of essential services and infrastructure.

Matthew Bird
Chief Executive Officer
5 August 2022

Shire's Regional Profile

The Shire of Ravensthorpe is a Local Government Area in the Southern Goldfields-Esperance Region of Western Australia. It is about halfway between the City of Albany and the Shire of Esperance. We are approximately 530km southeast of Perth. The Shire covers an area of 13,551km², with the seat of government being in the town of Ravensthorpe.

The Ravensthorpe Ranges are covered by Salmon Gums which encircles the Ravensthorpe Town. The Shire is comprised of approximately two thirds natural bushland which includes the Fitzgerald River National Park.

The agricultural industry grew significantly in the 1950's and 60's and despite recessions and drought the industry has continued to be the mainstay of the district. Cereal growing has become the main focus, with sheep and cattle farming taking lessor prominence within the Shire.

The Shire is experiencing growth with the mining of nickel and lithium. Mining operations are providing continued growth and activity within our town sites and bring new business to the district.

The Shire's main town sites are Hopetoun (population 871, ABS 2016), Munglinup (population 192, ABS 2016) and Ravensthorpe (population 498, ABS 2016).

Hopetoun is on the south coast of the Shire and was established in 1900 as a coastal port servicing the Phillips River Mining District. The town site was named after the Seventh Earl of Hopetoun and first Governor General of Australia, John Hope. The town's population has continued to grow since the 2016 census with the reopening of mine sites within the Shire.

Munglinup is located along the South Coast Highway between Ravensthorpe and



Esperance and close to the Munglinup River. The name Munglinup is of Indigenous Australian origin and means 'where young people met their in-laws'. The name Munglinup first appeared on maps made by early settlers in 1868. The region was first opened up for farming in the late 1950's and by the early 1960's the community asked for a town site between Esperance and Ravensthorpe be considered. The town site was surveyed in 1961 and gazetted in 1962.

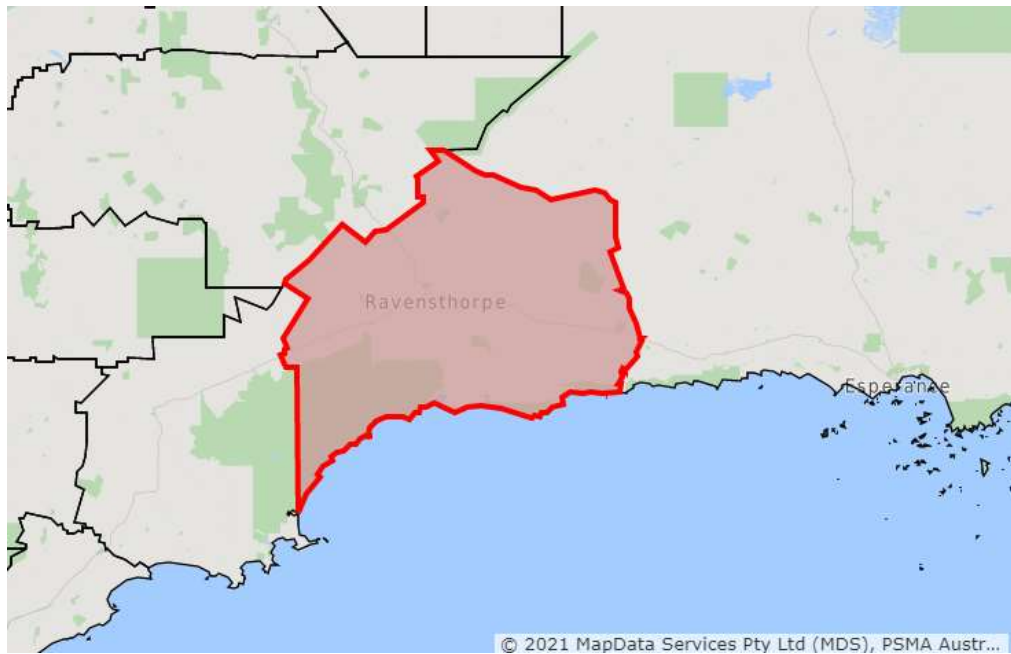
Ravensthorpe was surveyed by Surveyor General John Septimus Roe in 1848 and the town was named after the nearby Ravensthorpe Range.

Gold was discovered at Annabel Creek and more profitable copper discovered in 1900 which resulted in a boom for the area.

The population climbed to over 1,000 by 1901 when the government gazetted the Town of Ravensthorpe. The area has continued to prosper and the population grew accordingly. By 1909 the population was over 3,000. The prosperity was short-lived though and by 1918 the local copper smelter was closed and many of the copper and gold mines closed.

Today the Shire boasts industry in Ore Mining, grain growing, livestock and tourism.

Map of Shire of Ravensthorpe



RAVENSTHORPE TOWNSITE - SILOS



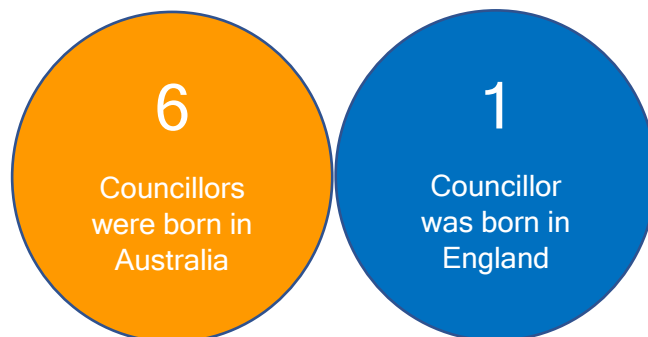
HOPETOUN TOWNSITE - FORESHORE

2020 – 2021 Councillor Demographic Data

Age Demographic



Country of Birth



Linguistic Background



Aboriginal or Torres Strait Islander



2020 – 2021 Demographic Data

1,558

Population

ABS - Regional Data 2016



49.3 Years Old
Median Age



Approximately 50% of all
Families are couples without
Children



18.1%
Households with Mortgages



37.1%
Households owned outright



40.8%
Households renting



\$817 Median weekly
household income



\$195 Median weekly rent



\$292 Median weekly
mortgage payment



1.8% population of
Aboriginal and Torres Strait
Islanders (2019*)

**All data sourced from ABS – 2016 unless otherwise noted.*

Projects and Grants – 2020 - 2021

Grants and Special Projects

Since September 2020, when the Australian Government executed the Building Better Regions Fund Agreement for the Shire of Ravensthorpe to proceed with the Cultural Precinct, the Shire has been awarded additional funding via the Drought Communities Program Grant, Local Roads and Infrastructure Rounds 1, 2 and 3 and several smaller State Government Grants, totalling some \$8,526,805.00. This funding was spread over 43 projects, covering all aspects of the Shire, and including a significant variety of works. For a remote, rural Shire covering over 13,551km² in area and with a relatively small population, completing these works

was always going to be a massive task. Throw into the mix Covid-19 with border closures, supply shortages, resource shortages, price increases, and relief packages that brought on a surge in the building industry, it has made the 2020-2021 year a demanding but ultimately rewarding time. Fortunately, the Australian Government has been apprised of the difficulties being faced by rural and regional communities and have allowed a number of extensions of time for projects that, through no fault of the Shire, were impossible to complete. The Shire is grateful to the local contractors that have stepped up and assisted throughout the completion of the works and provided support in meeting the milestones under the grant agreements.

The below table details the Grants and the respective funding;

Funding Source	Program/Initiative	Activity	Amount
Australian Government	Building Better Regions Fund (Round 4)	Ravensthorpe Cultural Precinct	\$5,275,800.00
Australian Government	Drought Communities Program	23 various projects	\$1,000,000.00
Australian Government	Local Roads and Community Infrastructure Phase 1	12 various projects	\$513,120.00
Australian Government	Local Roads and Community Infrastructure Phase 2	6 various projects	\$383,035.00
Australian Government	Local Roads and Community Infrastructure Phase 3	Ravensthorpe Cultural Precinct	\$1,026,240.00
Australian Government	Communities Combating Pest and Weed Impacts During Drought Program	Pest and Weed Control – 5 activities	\$94,468.00
WA State Government	Community Sport and Recreation Facility Fund	Hopetoun Oval Irrigation	\$94,142.00
WA State Government	Community Housing Organisation Maintenance Grants Program	Dunn St Seniors Structural repairs	\$20,000.00
WA State Government	Western Australian Planning Commission	Hopetoun CHRMAP	\$100,000.00
WA State Government	Small Grants Program	Ravensthorpe Information Bay upgrade	\$20,000.00
			\$8,526,805.00

The following table provides a list of the works undertaken within the guidelines of the various grants;

Grant	Projects	Status
BBRF and LRCI 3	Ravensthorpe Cultural Precinct	Complete by December 2022
Drought Communities Program	RRAC - In The House Program	Completed
	Ravensthorpe & Districts Arts Council	Completed
	Hopetoun Senior Citizens Centre Upgrade	Completed
	Two Mile Ablution Block – Hopetoun	Completed
	North Ravensthorpe Hall Painting	Completed
	Jerdacuttup Hall Ceiling Repair	Completed
	Fitzgerald Hall Water Supply Project	Completed
	Munglinup Community Centre Carpet Tiles	Completed
	Hopetoun – Bus Shelter	Complete by June 2022
	McCulloch Park Playground Upgrade - Hopetoun	Completed
	Basketball Hoops – Hopetoun	Completed
	Dual Irrigation - Hopetoun Ovals	Completed
	Maitland Street Park Playground Upgrade	Completed
	Skate Park Shade and Seating	Completed
	Hosking Street - Concrete Footpath Construction	Completed
	Street Furniture - Hopetoun	Complete by June 2022
	Hopetoun Information Bay	Completed
	Tourism Promotion And Branding	Complete by June 2022
	Hopetoun Roundabout And Entry Landscaping	Complete by June 2022
	Mason Bay – bay numbers	Completed
Starvation Bay – bay numbers and new ablution block	Complete by June 2022	
Illuminating Silo Art Work	Completed	
Local Roads and Community Infrastructure- Phase 1 (LRCI1)	Surgery Upgrade Ravensthorpe	Completed
	Surgery Upgrade - Hopetoun	Completed
	Little Barrens - Painting	Completed
	Hopetoun Foreshore - Beach Shelter	Completed
	Hopetoun Sports Pavilion - Kitchen	Complete by June 2022
	Hopetoun Sports Pavilion - Timber Sealing and Painting	Complete by June 2022
	Ravensthorpe Rec Centre - Hot Water System	Completed
	Hopetoun Sports Pavilion - Undercroft Ceiling replacement	Completed
	Fitzgerald Road Floodway Sealing	Completed
	Cowel Road Floodway Sealing	Completed
	Tamarine Road Patch And Seal Repairs	Completed
	Coxall Road 2X Culvert Replace	Completed

Grant	Projects	Status
Local Roads and Community Infrastructure – Phase 2 (LRCI2)	Munglinup - Enclose verandah	Complete by June 2022
	Munglinup Bowling Green -4 Rinks	Complete by June 2022
	Hopetoun Visitor Information Board Expanded for Tourism	Complete by June 2022
	Munglinup Rest Bay Upgrade	Complete by June 2022
	Munglinup Water Catchment Dam	Complete by June 2022
	Weed Eradication	Complete by June 2022
Communities Combating Pest and Weed Impacts During Drought Program	Pest flora and Fauna eradication	Completed
Community Sport and Recreation Facility Fund	Hopetoun Oval Irrigation and new water tanks	Completed
Community Housing Organisation Maintenance Grants Programme	Dunn St Seniors Structural repairs	Complete by December 2021
Western Australian Planning Commission	Hopetoun – Coastal Hazard and Risk Management Adaptation Plan	Complete by June 2023
Small Grants Program	Ravensthorpe Information Bay Upgrade	Complete by April 2022

This coming financial year, 2021 - 2022, will see the completion of almost all projects and a number of grants still awaiting final approval. The Shire is looking forward to completing more projects and working with local resources to continue to support and grow this great community.



Fire and Emergency Services

Hopetoun Rural Brigade was approved to build a new one bay facility, due to the Hopetoun appliance being written off due to safety concerns and rust. A high season appliance will be kept by the Brigade until the new facility and a new appliance is built.

COVID-19 arrived in the State in 2020 impacting the Local Emergency Management Committee (LEMC) activities. The Shire was in lockdown for a period during 2020. COVID-19 concerns only slightly impacted the Brigades' abilities to respond to incidents.

The Shire successfully applied for Mitigation Activity Funding for treatment of 98 Mitigation Activities.

Funding was approved from the 'All West Australians Reducing Emergencies (AWARE)' Program 2020-2021 to update the Local Emergency Management Arrangements (LEMA).

Applications were submitted through the State Government's WA Recovery Plan for strategic rainwater tanks due to several large fires in the Shire, including some in a Reserve near Laurina Road over the 2020 - 2021 New Year holiday period.

The Shire Bushfire Risk Planning Coordinator commenced a two-year contract on 14 September 2020 and planned several mitigation burns in the Shire, around Hopetoun, Mason Bay and Jerdacuttup. Further burns are planned for the following financial year.

Shire staff continued to assist Volunteer Bushfire Brigades on a number of occasions, by providing graders, loaders, dozer and watercarts as required.

Airport

The Airport saw some major changes across the 2020-2021 period. With the charter flight requirements rapidly increasing, there was a total of 14,370 passengers for the financial year as opposed to the 3,292 the previous financial year, and the numbers are increasing. With these fast changes, the Airport increased its operations with two full time staff. Skippers Aviation began using the Airport in addition to the smaller airport companies as well as Virgin Australia Regional Airlines who requires intensive airline specific training and reporting. The Airport is now back to servicing up to F100 Jets.

The Civil Aviation Safety Authority ('CASA') notified changes to the Manual of Standards which required a full review of compliance standards within the Airport. The Airport was able to retain their Tier 3 Security Controlled Status with the Department of Home Affairs.

A \$35,000 grant was approved by the Regional Airports Development Scheme for the implementation of a Wildlife Hazard Management Plan, the purchase and replacement of all low intensity runway lighting, the installation of CCTV and conducting an Annual Electrical Technical Inspection- all scheduled for the 2020- 2021 financial year.

The 35,000L water tank used by the DBCA water bombers was replaced with a 150,000L tank. The old tank was used to replace the 11,000L tank at the Terminal due to the increased usage.

The Airport is expected to get busier with passenger turnarounds and compliance requirements into the following year.

Childcare/Early Learning

In July 2020 'Little Barrens' Hopetoun opened an after school care room which was very beneficial to families of school aged children. July was also the month when mandated "free" childcare fees ended, as we were coming out of the first COVID19 restrictions.

In August 2020 Little Barrens received four new cots in response to an increasing demand for enrolled babies.

During 2020-2021 the Shire sought to maximise staff resources to expand Long Day Care at the Cub House in Ravensthorpe and Little Barrens in Hopetoun in order to satisfy the increases in demand, and utilise the licensed capacity of 19 places in Ravensthorpe and 80 places in Hopetoun. Unfortunately the challenges of maintaining staff to child ratios and continuing operations as an essential service during a growth phase had placed great pressures on staff resources and team wellbeing which appeared to have contributed to, or been exacerbated by, a high staff turnover. The fact that the childcare service was able to maintain a continuous service to the public during this growth and turnover period was a further testament to the resilience and perseverance of the Manager, Co-ordinators and staff.

The childcare sector is a heavily regulated environment, governed by the National Quality Framework and National Quality Standards, and the Shire has continued its commitment to the community to enable access to these essential services and strive for the delivery of a quality childcare services in both Ravensthorpe and Hopetoun, whilst providing work opportunities to attract and retain people to the area.

The Shire notes that during the COVID-19 pandemic the Federal Government provided Job Keeper and subsidies to Childcare Services across the country. Unfortunately this support was not made available to Local Governments and any

funding shortfall had to be absorbed by the Shire, as indicated in the financial report.

Tourism

The Shire recognised the continuing need to increase promotion and review the co-ordination of visitor servicing across the region in an attempt to improve the quality of visitor experiences. We continued to activate promotional networks through State and Regional tourism bodies, reinvigorated the Fitzgerald Coast website, encouraged local businesses, maintained a distribution network of promotional materials for local attractions and above all promoted the Fitzgerald Biosphere Coast brand for this local region.

The Fitzgerald Biosphere Coast name is gaining recognition for the area and is fast becoming the trade mark logo associated with the attractions of the Fitzgerald Biosphere and Ravensthorpe shire.

In August 2020 new signage was installed for visitor information to the approach to the Ravensthorpe Town site, indicating the direction to the Town Centre and pictures of facilities available.

In March 2021 the 'Our Town' film crew were in Ravensthorpe and Hopetoun showcasing what the towns have to offer in terms of livability and workability for families that may intend to relocate to the local area. This initiative was partnered with the local mines Medallion Metals, FQM and Galaxy.

In April 2021 Cr Sue Leighton did a pre-recorded interview with presenter Jenny Seaton as part of the Shire's cooperative marketing with Australia's Golden Outback (AGO) and Curtin FM radio. The campaign was targeting the Perth market as part of AGO's 'Road Trip Country' campaign through TV and digital promotions.

In May and June 2021 Guru Productions were in Ravensthorpe and Hopetoun filming two local stories for the Destinations WA television series.

In June 2020 work had commenced on development of a new self-serve touch-screen tourism interactive located in the Hopetoun Community Resource Centre. This formed the centrepiece of the new Visitor Centre Information area in the upper foyer area.

There is plenty to look forward to in further developing our tourism strategy and branding, together with the development of the new visitor servicing area in the Ravensthorpe Cultural Precinct.

Libraries

The two-tiered library approach has led to a revised small grant funding system which was rolled out in 2020-2021. The Ravensthorpe and Hopetoun Libraries were successful in receiving a \$4,860 small initiative towards the continuation of the Fitzy Unearthed/Fitzy Files project.

The Libraries decided on a replacement for the outgoing Amlib integrated library system, which allowed for collaboration opportunities with neighboring Shires, and hopes of enabling this funding to continue during the 2020-2021 financial year.

Our great appreciation is extended to the managers and staff of the Hopetoun and Ravensthorpe Community Resource Centres for delivering our accessible library services, programs and resources.

Freedom of Information

The Shire of Ravensthorpe welcomes any enquiries for information held by Council.

If any 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 cannot be copied which would breach the Copyright Act, and some documents are of such a confidential nature that as a matter of broader public interest they cannot be viewed or released.

One enquiry was received during the 2020/2021 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*.

State Records Act 2000

The Shire of Ravensthorpe previously reviewed its Recordkeeping Plan in 2015, which was subsequently accepted by the State Records Office.

The Recordkeeping Plan details all recordkeeping practices across the organisation and incorporates legal requirements imposed by the State Records Office.

Synergy Soft is the Shire's record keeping system. The Shire's Records Staff undertake recordkeeping training on an as needs basis provided by a third party training provider, following a formal induction process.

The Shire inducts every new staff member to become familiar with the Recordkeeping system and procedures of Ravensthorpe.

Records Staff undertake ongoing, ad-hoc reviews of Records practices across the organisation, which highlights any additional training requirements for staff.

Disability Services Plan

Council updates its Disability Access and Inclusion Plan every 5 years, with the last update being conducted in December 2019.

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

1. People with a disability have the same opportunities as other people to access the services of, and any events organised by, the relevant public authority.
2. Council organised community events are held in appropriate venues with facilities which allow for ease of access by people with disability. Improvements to footpaths, in both town sites, include disabled access.
3. People with disability have the same opportunities as other people to access the buildings and other facilities of the relevant public authority.
4. Council is committed to ensuring all Council buildings are able to be accessed by people with disability.
5. 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.
6. 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.
7. People with disability receive the same level and quality of service from the staff of the relevant public authority.
8. The Shire of Ravensthorpe will encourage community engagement practices and effective advocacy by creating partnerships with relevant external stakeholders and service providers.

Customer Service

Council's Customer Service Charter outlines a commitment to providing a high standard of service to all customers of the Shire through all avenues of contact including in-person, over the telephone and through written correspondence.

Roads

Road Re-sheeting

Works and Services completed the following road re-sheeting projects during the 2020-2021 financial year. The gravel re-sheeting program for the year was undertaken as part of an ongoing road rehabilitation works.

- West River Road \$239,000
- Mallee Road \$348,000

The Works and Services team, along with contractors, carried out the following projects to the sealed road network during the 2020-2021 year:

- Tamarine Road pavement and seal repairs \$ 76,000
- Hamersley Drive bitumen reseal \$155,000
- Springdale Road bitumen reseal \$102,000
- Jerdacuttup Road bitumen reseal \$217,000

Ravensthorpe

Intersection improvements to facilitate RV vehicle access was undertaken at:

- Colman Street Intersection asphalt seal.

Hopetoun

In addition to community projects; the following was undertaken during the 2020- 2021 period:

- Hopetoun entry artwork; and
- Culham Inlet Carpark, works were completed.

Maintenance

A large portion of Council's budget is expended on the maintenance of existing facilities and services such as:

- Recreation Grounds \$129,000
- Sporting Pavilions & Clubs \$183,000

- Public Toilets \$180,000
- Parks and Gardens \$104,000
- Cemeteries \$ 28,000
- Effluent Scheme \$ 90,000
- Street Lighting \$ 62,000
- Household refuse \$905,000
- Airport \$400,000
- Road Maintenance \$1,410,000

Street sweeping and storm water drains were cleaned in Hopetoun, Munglinup and Ravensthorpe during the financial year.

Environmental Health

All access chambers in the Ravensthorpe Effluent Scheme were inspected and cleaned during this period in accordance with the licence conditions. A number of access chambers were replaced where needed. Compliance reports were submitted to the Department of Health and the Department of Water and Environmental Regulation as per conditions of licence.

Drainage

Culvert installation and maintenance works to the road network were undertaken as part of an ongoing works program; with culvert clearing and in some cases, drainage installation done on Belli Road during the year.

As well, the following works were also completed:-

- Cowell Road Floodway bitumen sealing \$14,000;
and
- Fitzgerald Road Floodway bitumen sealing \$38,000.

All of the above drainage works was undertaken to keep these particular areas well drained and to protect the road pavement.

Parks and Gardens/ Town Maintenance

Ongoing maintenance works of the three town sites continues to a high standard.

Plant Replacement

During the 2020-2021 year the following plant and equipment were replaced:-

- Prime Mover;
- Multi Tyre Roller;
- Zero-turn Mower;
- Parks Water Tank Trailer; and
- a number of light vehicles.

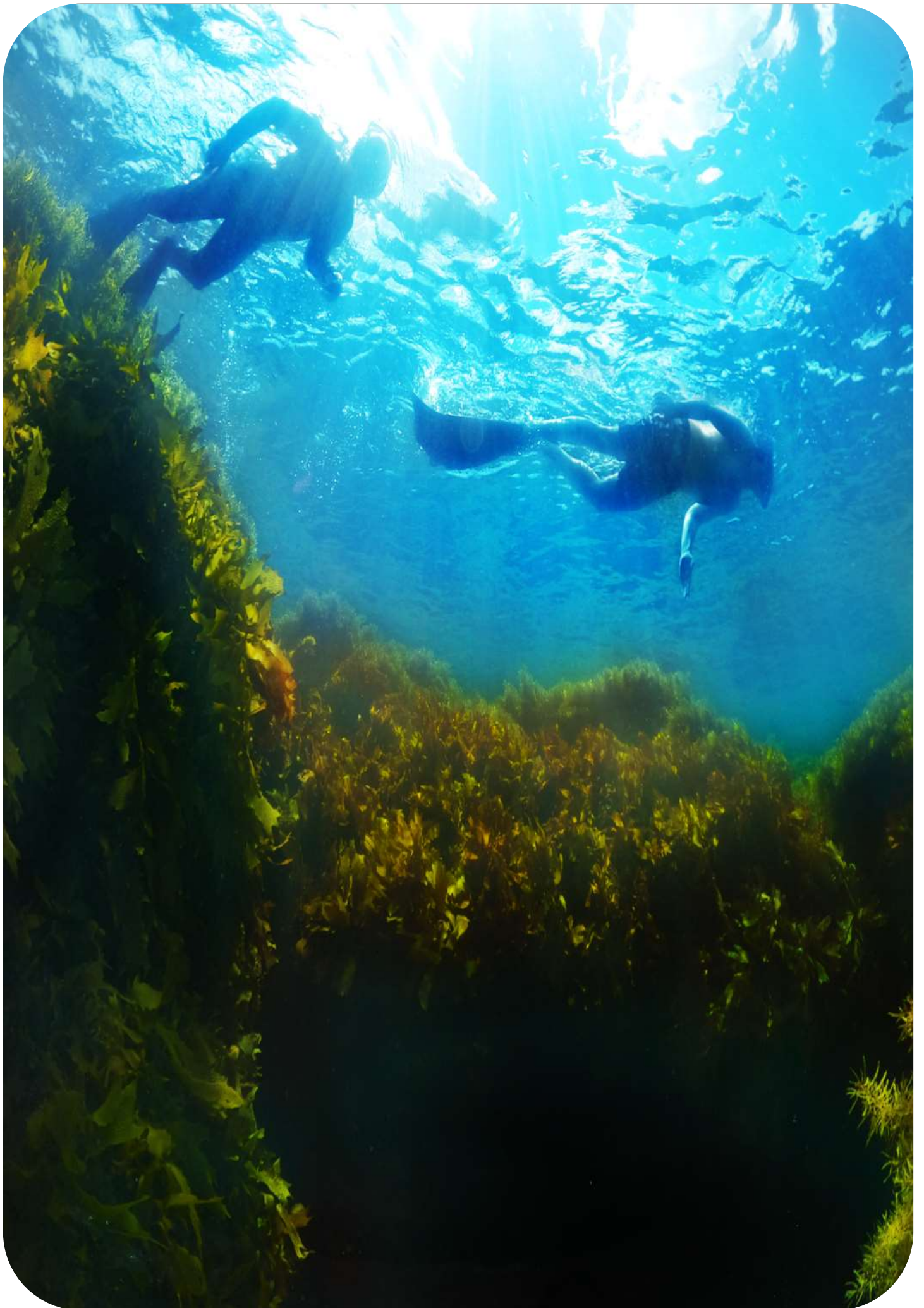
The approximate cost of replacement of all vehicles was;

- Purchase - \$701,000
- Disposal \$352,000
- Net changeover - \$349,000

Note: there was a significant increase in disposal proceeds for the 2020-2021 year.



KOMATSU – GD655 GRADER





Auditor General

Independent Auditors Report

SHIRE OF RAVENSTHORPE

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



Auditor General

INDEPENDENT AUDITOR'S REPORT 2021 Shire of Ravensthorpe

To the Councillors of the Shire of Ravensthorpe

Report on the audit of the annual financial report

Opinion

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

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

Basis for opinion

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

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

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

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

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

Auditor's responsibility for the audit of the financial report

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

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

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

Report on other legal and regulatory requirements

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

- (i) In my opinion, the following material matter indicates a significant adverse trend in the financial position of the Shire:
 - a) The Operating Surplus Ratio has been below the Department of Local Government, Sport and Cultural Industries (DLGSCI) standard for the past three years.
- (ii) The following material matters indicating non-compliance with Part 6 of the Act, the Regulations or applicable financial controls of any other relevant written law were identified during the course of my audit:
 - a) During our review of internal controls, we noted that there was evidence of management override of controls resulting in serious misconduct by the former CEO of the Shire. Management override of controls causes a breakdown and undermines the effectiveness of the controls, such as segregation of duties implemented within the Shire that are there to provide a safeguard against the misuse of resources.
 - b) The Shire's Procurement Policy does state a commitment to probity and integrity, including the avoidance of bias and of perceived and actual conflicts of interest. However, controls to ensure declarations of conflict of interest are performed prior to the evaluation of the tender process could not be evidenced increasing the risk of any actual or perceived conflicts of interest being adequately identified and managed by the Shire.
 - c) During our review of purchases, specifically, those incurred on credit cards, we noted some transactions that may not be in accordance with the Shire's purchasing policy, relate to valid business expenditure and or represent value for money.
 - d) We noted a large number of transactions relating to property expenditure and repairs and maintenance via credit card usage. The Shire's Credit Card agreement states that credit cards should only be used where the procurement of goods is impractical or inefficient by a purchase order. Some of this expenditure was incurred through the shared use of a credit card. There is the heightened risk these purchases may not be legitimate expenses to the Shire.
 - e) Review of transactions identified the former CEO had directed staff to enter in purchase order and invoice details. Directing staff to enter invoices and purchase orders within the system constitutes management override of controls and makes the review of unauthorised changes difficult.
 - f) We noted that there was no evidence that additions and changes to the Supplier Master File are independently reviewed. Without evidence of review there is an increased risk that unauthorised changes made to the Supplier Master File may not be detected should the review of changes made to the Supplier Master File as part of the creditor's payment run not be performed.
- (iii) All required information and explanations were obtained by me.
- (iv) All audit procedures were satisfactorily completed.
- (v) In my opinion, the Asset Consumption Ratio and the Asset Renewal Funding Ratio included in the financial report were supported by verifiable information and reasonable assumptions.

Other information

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

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

Matters relating to the electronic publication of the audited financial report

This auditor's report relates to the financial report of the Shire of Ravensthorpe 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
28 July 2022



Shire of
Ravensthorpe

Annual Financial Report 2020 – 2021



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

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COMMUNITY VISION

'Growing our Community'

Principal place of business:
65 Morgans Street
RAVENSTHORPE WA 6346

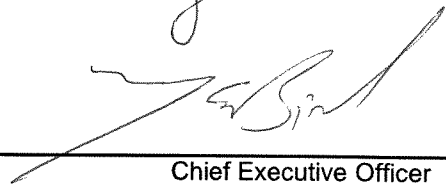
**SHIRE OF RAVENSTHORPE
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021**

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire of Ravensthorpe 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 Ravensthorpe 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 27th day of July 2022



Chief Executive Officer

Matthew Bird

Name of Chief Executive Officer



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

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
Revenue				
Rates	27(a)	4,585,295	4,503,933	4,554,260
Operating grants, subsidies and contributions	2(a)	3,354,082	2,011,246	4,154,628
Fees and charges	2(a)	2,094,179	2,137,072	1,078,853
Interest earnings	2(a)	61,239	78,300	103,066
Other revenue	2(a)	710,925	576,247	414,507
		10,805,720	9,306,798	10,305,313
Expenses				
Employee costs		(4,750,882)	(4,287,386)	(4,119,179)
Materials and contracts		(2,783,456)	(3,494,094)	(3,265,524)
Utility charges		(250,566)	(219,758)	(236,160)
Depreciation on non-current assets	10(b)	(4,744,964)	(4,902,716)	(4,588,500)
Interest expenses	2(b)	(84,601)	(90,968)	(91,063)
Insurance expenses		(322,740)	(225,393)	(223,390)
Other expenditure		(412,333)	(355,930)	(626,961)
		(13,349,542)	(13,576,245)	(13,150,778)
		(2,543,822)	(4,269,447)	(2,845,465)
Non-operating grants, subsidies and contributions	2(a)	2,427,893	9,166,318	884,406
Profit on asset disposals	10(a)	5,378	49,500	23,036
(Loss) on asset disposals	10(a)	(66,112)	(227,000)	(95,046)
		2,367,159	8,988,818	812,395
Net result for the period		(176,663)	4,719,371	(2,033,070)
Total other comprehensive income for the period		0	0	0
Total comprehensive income for the period		(176,663)	4,719,371	(2,033,070)

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



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

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
Revenue				
Governance		38,941	20,000	26,350
General purpose funding		6,533,506	5,504,055	6,580,571
Law, order, public safety		660,882	377,790	481,996
Health		5,200	15,500	16,559
Education and welfare		683,816	1,084,965	442,532
Housing		5,700	5,200	5,400
Community amenities		777,116	704,474	674,353
Recreation and culture		392,677	473,001	129,075
Transport		970,061	313,000	1,622,552
Economic services		380,595	341,468	192,208
Other property and services		357,226	467,345	133,717
		10,805,720	9,306,798	10,305,313
Expenses				
Governance		(936,216)	(965,894)	(776,593)
General purpose funding		(264,572)	(297,378)	(258,953)
Law, order, public safety		(1,056,293)	(859,274)	(1,049,077)
Health		(284,441)	(310,386)	(307,973)
Education and welfare		(1,067,497)	(1,082,697)	(818,705)
Housing		(210,120)	(237,151)	(233,575)
Community amenities		(1,426,088)	(1,618,187)	(1,300,561)
Recreation and culture		(1,861,094)	(1,902,641)	(1,607,071)
Transport		(4,945,497)	(5,094,362)	(5,098,604)
Economic services		(519,920)	(709,314)	(704,755)
Other property and services		(693,203)	(407,993)	(903,848)
		(13,264,941)	(13,485,277)	(13,059,715)
Finance Costs				
Law, order, public safety		(345)	(345)	(456)
Housing		(13,418)	(14,072)	(13,536)
Community amenities		(25,891)	(25,891)	(28,971)
Recreation and culture		(11,428)	(11,080)	(10,893)
Transport		(33,519)	(39,580)	(37,207)
	2(b)	(84,601)	(90,968)	(91,063)
		(2,543,822)	(4,269,447)	(2,845,465)
Non-operating grants, subsidies and contributions	2(a)	2,427,893	9,166,318	884,406
Profit on disposal of assets	10(a)	5,378	49,500	23,036
(Loss) on disposal of assets	10(a)	(66,112)	(227,000)	(95,046)
		2,367,159	8,988,818	812,395
Net result for the period		(176,663)	4,719,371	(2,033,070)
Total other comprehensive income for the period		0	0	0
Total comprehensive income for the period		(176,663)	4,719,371	(2,033,070)

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

	NOTE	2021	2020
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	3	4,774,669	3,456,545
Trade and other receivables	6	1,548,485	2,128,749
Other financial assets	5(a)	1,000,000	1,000,000
Inventories	7	25,554	2,358
TOTAL CURRENT ASSETS		7,348,708	6,587,652
NON-CURRENT ASSETS			
Trade and other receivables	6	11,317	11,931
Property, plant and equipment	8	32,970,155	32,355,830
Infrastructure	9	122,213,484	123,297,752
Right-of-use assets	11(a)	792,451	921,543
TOTAL NON-CURRENT ASSETS		155,987,407	156,587,056
TOTAL ASSETS		163,336,115	163,174,708
CURRENT LIABILITIES			
Trade and other payables	13	945,177	1,040,738
Other liabilities	14	701,771	345,384
Lease liabilities	15(a)	124,397	121,001
Borrowings	16(a)	426,653	218,282
Employee related provisions	17	520,534	437,159
TOTAL CURRENT LIABILITIES		2,718,532	2,162,564
NON-CURRENT LIABILITIES			
Lease liabilities	15(a)	701,095	825,493
Borrowings	16(a)	839,634	1,266,287
Employee related provisions	17	70,781	81,660
Other provisions	18	344,032	0
TOTAL NON-CURRENT LIABILITIES		1,955,542	2,173,440
TOTAL LIABILITIES		4,674,074	4,336,004
NET ASSETS		158,662,041	158,838,704
EQUITY			
Retained surplus		36,739,134	37,482,189
Reserves - cash/financial asset backed	4	4,014,299	3,447,907
Revaluation surplus	12	117,908,608	117,908,608
TOTAL EQUITY		158,662,041	158,838,704

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



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

		RESERVES CASH/FINANCIAL			
	NOTE	RETAINED SURPLUS	ASSET BACKED	REVALUATION SURPLUS	
		\$	\$	\$	
				TOTAL EQUITY	
		\$		\$	
Balance as at 1 July 2019		39,549,395	3,413,771	117,908,608	160,871,775
Comprehensive income					
Net result for the period		(2,033,070)	0	0	(2,033,070)
Total comprehensive income		(2,033,070)	0	0	(2,033,070)
Transfers from reserves	4	1,964,669	(1,964,669)	0	0
Transfers to reserves	4	(1,998,806)	1,998,806	0	0
Balance as at 30 June 2020		37,482,189	3,447,907	117,908,608	158,838,704
Comprehensive income					
Net result for the period		(176,663)	0	0	(176,663)
Total comprehensive income		(176,663)	0	0	(176,663)
Transfers from reserves	4	951,393	(951,393)	0	0
Transfers to reserves	4	(1,517,785)	1,517,785	0	0
Balance as at 30 June 2021		36,739,134	4,014,299	117,908,608	158,662,041

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

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		4,657,108	4,666,433	4,471,424
Operating grants, subsidies and contributions		4,136,074	2,458,423	6,776,792
Fees and charges		2,094,177	2,137,072	1,078,853
Interest received		61,239	78,300	103,066
Goods and services tax received		988,606	752,742	811,492
Other revenue		710,925	576,247	414,507
		12,648,129	10,669,217	13,656,133
Payments				
Employee costs		(4,678,386)	(4,287,386)	(4,095,702)
Materials and contracts		(2,902,213)	(2,768,981)	(4,166,230)
Utility charges		(250,566)	(219,758)	(236,160)
Interest expenses		(84,601)	(90,968)	(91,063)
Insurance paid		(322,740)	(225,393)	(223,390)
Goods and services tax paid		(905,146)	(752,742)	(770,998)
Other expenditure		(412,333)	(355,930)	(626,961)
		(9,555,985)	(8,701,158)	(10,210,505)
Net cash provided by (used in) operating activities	19	3,092,144	1,968,059	3,445,629
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	8(a)	(2,327,771)	(9,081,671)	(1,023,484)
Payments for construction of infrastructure	9(a)	(2,116,635)	(4,231,049)	(1,828,354)
Non-operating grants, subsidies and contributions	2(a)	2,771,925	9,166,318	884,406
Proceeds from financial assets at amortised cost - term deposits		0	0	(1,000,000)
Proceeds from sale of property, plant & equipment	10(a)	237,743	393,500	279,800
Net cash provided by (used in) investment activities		(1,434,738)	(3,752,902)	(2,687,632)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	16(b)	(218,282)	(218,282)	(209,799)
Payments for principal portion of lease liabilities	15(b)	(121,000)	(121,000)	(117,700)
Net cash provided by (used in) financing activities		(339,282)	(339,282)	(327,499)
Net increase (decrease) in cash held		1,318,124	(2,124,125)	430,497
Cash at beginning of year		3,456,545	4,456,545	3,026,048
Cash and cash equivalents at the end of the year	19	4,774,669	2,332,420	3,456,545

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

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)	28 (b)	1,753,621	1,739,505	2,112,293
		1,753,621	1,739,505	2,112,293
Revenue from operating activities (excluding rates)				
Governance		38,941	20,000	26,350
General purpose funding		2,070,202	1,049,356	2,099,069
Law, order, public safety		660,882	377,790	498,501
Health		5,200	15,500	16,559
Education and welfare		683,816	1,084,965	442,532
Housing		5,700	5,200	5,400
Community amenities		777,116	704,474	674,353
Recreation and culture		392,677	474,001	129,075
Transport		970,061	358,500	1,622,552
Economic services		380,595	341,468	192,208
Other property and services		362,604	470,345	140,248
		6,347,794	4,901,599	5,846,846
Expenditure from operating activities				
Governance		(936,216)	(965,894)	(776,593)
General purpose funding		(264,572)	(297,378)	(258,953)
Law, order, public safety		(1,065,400)	(859,619)	(1,060,659)
Health		(284,441)	(325,386)	(307,973)
Education and welfare		(1,067,497)	(1,082,697)	(818,705)
Housing		(223,538)	(251,223)	(247,111)
Community amenities		(1,451,979)	(1,644,078)	(1,329,532)
Recreation and culture		(1,872,522)	(1,962,721)	(1,617,964)
Transport		(5,036,366)	(5,209,942)	(5,214,045)
Economic services		(519,920)	(709,314)	(710,441)
Other property and services		(693,203)	(494,993)	(903,848)
		(13,415,654)	(13,803,245)	(13,245,823)
Non-cash amounts excluded from operating activities	28(a)	5,222,840	4,722,825	4,559,130
Amount attributable to operating activities		(91,399)	(2,439,316)	(727,555)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	2(a)	2,427,893	9,166,318	884,406
Proceeds from disposal of assets	10(a)	237,743	393,500	279,800
Purchase of property, plant and equipment	8(a)	(2,327,771)	(9,081,671)	(1,023,487)
Purchase and construction of infrastructure	9(a)	(2,116,635)	(4,231,049)	(1,828,354)
Amount attributable to investing activities		(1,778,770)	(3,752,902)	(1,687,637)
FINANCING ACTIVITIES				
Repayment of borrowings	16(b)	(218,282)	(218,282)	(209,799)
New lease arrangements		0	0	48,946
Payments for principal portion of lease liabilities	15(b)	(121,000)	(121,000)	(117,700)
Transfers to reserves (restricted assets)	4	(1,517,785)	(1,530,000)	(1,998,806)
Transfers from reserves (restricted assets)	4	951,393	3,249,410	1,964,669
Amount attributable to financing activities		(905,674)	1,380,128	(312,690)
Surplus/(deficit) before imposition of general rates		(2,775,843)	(4,812,090)	(2,727,881)
Total amount raised from general rates	27(a)	4,463,304	4,454,699	4,432,269
Surplus/(deficit) after imposition of general rates	28(b)	1,687,461	(357,391)	1,704,388

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

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1. BASIS OF PREPARATION

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

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

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

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

THE LOCAL GOVERNMENT REPORTING ENTITY

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

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

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.

2. REVENUE AND EXPENSES

REVENUE RECOGNITION POLICY

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Timing of revenue recognition
Rates	General Rates	Over time	Payment dates adopted by Council during the year	None	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Specified area rates	Rates charge for specific defined purpose	Over time	Payment dates adopted by Council during the year	Refund in event monies are unspent	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Service charges	Charge for specific service	Over time	Payment dates adopted by Council during the year	Refund in event monies are unspent	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Grant contracts with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants, subsidies or contributions for the construction of non-financial assets	Construction or acquisition of recognisable non-financial assets to be controlled by the local government	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants with no contract commitments	General appropriations and contributions with no reciprocal commitment	No obligations	Not applicable	Not applicable	Cash received	On receipt of funds	Not applicable	When assets are controlled
Licences/ Registrations/ Approvals	Building, planning, development and animal management, having the same nature as a licence regardless of naming.	Single point in time	Full payment prior to issue	None	Set by State legislation or limited by legislation to the cost of provision	Based on timing of issue of the associated rights	No refunds	On payment and issue of the licence, registration or approval
Pool inspections	Compliance safety check	Single point in time	Equal proportion based on an equal annually fee	None	Set by State legislation	Apportioned equally across the inspection cycle	No refunds	After inspection complete based on a 4 year cycle
Other inspections	Regulatory Food, Health and Safety	Single point in time	Full payment prior to inspection	None	Set by State legislation or limited by legislation to the cost of provision	Applied fully on timing of inspection	Not applicable	Revenue recognised after inspection event occurs
Waste management collections	Kerbside collection service	Over time	Payment on an annual basis in advance	None	Adopted by council annually	Apportioned equally across the collection period	Not applicable	Output method based on regular weekly and fortnightly period as proportionate to collection service
Waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	Adopted by council annually	Based on timing of entry to facility	Not applicable	On entry to facility
Airport landing charges	Permission to use facilities and runway	Single point in time	Monthly in arrears	None	Adopted by council annually	Applied fully on timing of landing/take-off	Not applicable	On landing/departure event
Property hire and entry	Use of halls and facilities	Single point in time	In full in advance	Refund if event cancelled within 7 days	Adopted by council annually	Based on timing of entry to facility	Returns limited to repayment of transaction price	On entry or at conclusion of hire
Memberships	Gym and pool membership	Over time	Payment in full in advance	Refund for unused portion on application	Adopted by council annually	Apportioned equally across the access period	Returns limited to repayment of transaction price	Output method Over 12 months matched to access right
Fees and charges for other goods and services	Cemetery services, library fees, reinstatements and private works	Single point in time	Payment in full in advance	None	Adopted by council annually	Applied fully based on timing of provision	Not applicable	Output method based on provision of service or completion of works
Sale of stock	Aviation fuel, kiosk and visitor centre stock	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	Adopted by council annually, set by mutual agreement	Applied fully based on timing of provision	Returns limited to repayment of transaction price	Output method based on goods
Commissions	Commissions on licencing and ticket sales	Over time	Payment in full on sale	None	Set by mutual agreement with the customer	On receipt of funds	Not applicable	When assets are controlled
Reimbursements	Insurance claims	Single point in time	Payment in arrears for claimable event	None	Set by mutual agreement with the customer	When claim is agreed	Not applicable	When claim is agreed

2. REVENUE AND EXPENSES

(a) Grant revenue

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

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Operating grants, subsidies and contributions			
Governance	0	0	25,000
General purpose funding	1,908,641	890,822	1,971,981
Law, order, public safety	621,192	328,905	446,516
Health	0	0	10,000
Education and welfare	90,276	94,050	94,050
Community amenities	10,601	0	0
Recreation and culture	350,991	419,001	51,517
Transport	183,610	181,000	1,491,740
Economic services	98,968	94,468	55,000
Other property and services	89,803	3,000	8,824
	3,354,082	2,011,246	4,154,628
Non-operating grants, subsidies and contributions			
General purpose funding	100,000	0	0
Law, order, public safety	0	0	(20,340)
Education and welfare	0	180,000	28,811
Community amenities	0	250,000	0
Recreation and culture	1,513,420	6,794,966	0
Transport	794,837	1,941,352	820,935
Economic services	0	0	55,000
Other property and services	19,636	0	0
	2,427,893	9,166,318	884,406
Total grants, subsidies and contributions	5,781,975	11,177,564	5,039,034
Fees and charges			
General purpose funding	28,400	22,000	21,892
Law, order, public safety	39,641	31,500	31,889
Health	5,200	15,500	6,559
Education and welfare	252,480	990,915	123,021
Housing	5,700	5,200	5,400
Community amenities	625,222	613,957	520,287
Recreation and culture	41,687	54,000	77,558
Transport	778,269	132,000	130,767
Economic services	281,627	247,000	137,208
Other property and services	35,953	25,000	24,272
	2,094,179	2,137,072	1,078,853

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.

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)	2021 Actual \$	2021 Budget \$	2020 Actual \$
Contracts with customers and transfers for recognisable non-financial assets			
Revenue from contracts with customers and transfers to enable the acquisition or construction of recognisable non-financial assets to be controlled by the Shire was recognised during the year for the following nature or types of goods or services:			
Operating grants, subsidies and contributions	1,109,103	930,488	1,907,161
Fees and charges	2,077,314	2,123,572	1,069,263
Other revenue	51,561	121,545	164,225
Non-operating grants, subsidies and contributions	2,427,893	9,166,318	884,406
	5,665,871	12,341,923	4,025,055
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	345,384	0	105,936
Revenue from contracts with customers recognised during the year	2,892,594	3,175,605	3,140,650
Revenue from transfers intended for acquiring or constructing recognisable non financial assets during the year	2,427,893	9,166,318	778,470
	5,665,871	12,341,923	4,025,055
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	1,157,473	0	1,637,929
Contract liabilities from contracts with customers	(701,771)	0	(345,384)

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

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

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

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

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

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)	2021 Actual \$	2021 Budget \$	2020 Actual \$
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	4,463,304	4,454,699	4,481,503
Specified area rates	72,757	72,757	72,757
Statutory permits and licences	5,055	6,000	6,394
Fines	11,810	7,500	9,589
	<u>4,552,926</u>	<u>4,540,956</u>	<u>4,570,243</u>
Other revenue			
Reimbursements and recoveries	659,364	454,702	122,216
Other	51,561	121,545	292,291
	<u>710,925</u>	<u>576,247</u>	<u>414,507</u>
Interest earnings			
Interest on reserve funds	17,784	30,000	28,806
Rates instalment and penalty interest (refer Note 27(d))	31,782	42,000	67,124
Other interest earnings	11,673	6,300	7,136
	<u>61,239</u>	<u>78,300</u>	<u>103,066</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.

(b) Expenses	Note	2021 Actual \$	2021 Budget \$	2020 Actual \$
Auditors remuneration				
- Audit of the Annual Financial Report		30,000	32,000	62,000
- Other services		0	0	900
		<u>30,000</u>	<u>32,000</u>	<u>62,900</u>
Interest expenses (finance costs)				
Borrowings	16(b)	58,365	64,732	61,636
Lease liabilities	15(b)	26,236	26,236	29,427
		<u>84,601</u>	<u>90,968</u>	<u>91,063</u>
Other expenditure				
Impairment loss on trade and other receivables		287	8,000	199
Sundry expenses		412,046	347,930	626,762
		<u>412,333</u>	<u>355,930</u>	<u>626,961</u>

3. CASH AND CASH EQUIVALENTS

NOTE	2021	2020
	\$	\$
Cash at bank and on hand	4,774,669	1,008,637
Term deposits	0	2,447,908
Total cash and cash equivalents	4,774,669	3,456,545

Restrictions

The following classes of assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:

- Cash and cash equivalents	3,839,774	2,919,634
- Financial assets at amortised cost	1,000,000	1,000,000
	4,839,774	3,919,634

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

Reserves - cash/financial asset backed	4	4,014,299	3,447,907
Contract liabilities from contracts with customers	14	701,771	345,384
Bonds and Deposits held		123,704	126,343
Total restricted assets		4,839,774	3,919,634

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.

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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	42,686	220	0	42,906	42,686	371	0	43,057	42,329	357	0	42,686
(b) Plant And Vehicle Reserve	900,487	954,645	(817,067)	1,038,065	900,487	957,835	(1,569,500)	288,822	434,818	903,669	(438,000)	900,487
(c) Road And Footpath Reserve	395,961	102,042	0	498,003	395,961	103,445	0	499,406	426,545	3,600	(34,184)	395,961
(d) State Barrier Fence Reserve	0	0	0	0	0	0	0	0	216,016	1,823	(217,839)	0
(e) Airport Reserve	379,993	1,960	0	381,953	379,993	3,306	(18,050)	365,249	388,956	3,282	(12,244)	379,993
(f) Building Reserve	1,386,509	457,151	(122,491)	1,721,169	1,386,509	462,065	(1,630,000)	218,574	1,532,899	1,082,935	(1,229,325)	1,386,509
(g) Waste And Sewerage Reserve	285,161	1,472	(11,835)	274,798	285,162	2,481	(31,860)	255,783	300,702	2,536	(18,077)	285,161
(h) Swimming Pool Upgrade Reserve	44,909	232	0	45,141	44,909	391	0	45,300	44,533	376	0	44,909
(i) Emergency Farm Water Reserve	12,201	63	0	12,264	12,201	106	0	12,307	26,973	228	(15,000)	12,201
	3,447,907	1,517,785	(951,393)	4,014,299	3,447,908	1,530,000	(3,249,410)	1,728,498	3,413,771	1,998,806	(1,964,669)	3,447,907

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 fund long service leave and non-current annual leave requirements.
(b) Plant And Vehicle Reserve	Ongoing	- To be used to assist in the purchasing of major plant and machinery.
(c) Road And Footpath Reserve	Ongoing	- To be used for the construction, rejuvenation, resealing or repair to the road & footpath network.
(d) State Barrier Fence Reserve	Ongoing	- To be used for the extension of the State Barrier Fence from Ravensthorpe to Esperance.
(e) Airport Reserve	Ongoing	- To be used for the construction, reconstruction, repairs or modifications of activities including: buildings, tarmac, airstrip and associated infrastructure at the Ravensthorpe Airport.
(f) Building Reserve	Ongoing	- To be used for the construction, refurbishment, modification or renovation of all buildings.
(g) Waste And Sewerage Reserve	Ongoing	- To be used for the repair and/or construction of waste and sewerage facilities.
(h) Swimming Pool Upgrade Reserve	Ongoing	- To be used towards any major repairs or renovations of the Ravensthorpe Swimming Pool.
(i) Emergency Farm Water Reserve	Ongoing	- To be used for the repair and/or construction of emergency farm water supplies.

5. OTHER FINANCIAL ASSETS

(a) Current assets

Financial assets at amortised cost

Other financial assets at amortised cost

Term deposits

	2021	2020
	\$	\$
Financial assets at amortised cost	1,000,000	1,000,000
Other financial assets at amortised cost		
Term deposits	1,000,000	1,000,000

SIGNIFICANT ACCOUNTING POLICIES

Other financial assets at amortised cost

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

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

Financial assets at fair value through profit and loss

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

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

Impairment and risk

Information regarding impairment and exposure to risk can be found at Note 29.

6. TRADE AND OTHER RECEIVABLES

Current

Rates receivable
 Trade and other receivables
 GST receivable
 Other receivables (See note*)
 Payments in advance

Non-current

Pensioner's rates and ESL deferred

	2021	2020
	\$	\$
	236,264	307,463
	313,349	205,584
	99,898	183,358
	54,850	0
	844,124	1,432,345
	1,548,485	2,128,749
	11,317	11,931
	11,317	11,931

SIGNIFICANT ACCOUNTING POLICIES

Trade and other receivables

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

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

Impairment and risk exposure

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 29.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Classification and subsequent measurement

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

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

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

7. INVENTORIES

Current

Fuel and materials

The following movements in inventories occurred during the year:

Balance at beginning of year

Inventories expensed during the year

Additions to inventory

Balance at end of year

	2021	2020
	\$	\$
	25,554	2,358
	25,554	2,358
	2,358	2,704
	(192,593)	(312,297)
	215,789	311,951
	25,554	2,358

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.

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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 - Freehold Land	Buildings - non specialised	Buildings - specialised	Total Land and Buildings	Furniture and Equipment	Plant and Equipment	Total Property, Plant and Equipment
	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2019	2,107,500	2,270,472	23,472,555	27,850,527	306,861	4,866,739	33,024,126
Additions	0	167,819	15,191	183,010	139,930	700,548	1,023,487
(Disposals)	0	0	0	0	0	(351,810)	(351,810)
Depreciation (expense)	0	(33,593)	(616,232)	(649,825)	(51,520)	(640,055)	(1,341,399)
Transfers	0	0	0	0	1,424	0	1,424
Balance at 30 June 2020	2,107,500	2,404,698	22,871,514	27,383,712	396,695	4,575,422	32,355,829
Comprises:							
Gross balance amount at 30 June 2020	2,107,500	2,505,048	24,706,675	29,319,222	529,737	6,611,505	36,460,464
Accumulated depreciation at 30 June 2020	0	(100,350)	(1,835,160)	(1,935,510)	(133,042)	(2,036,082)	(4,104,634)
Balance at 30 June 2020	2,107,500	2,404,698	22,871,514	27,383,712	396,695	4,575,423	32,355,830
Additions	82,491	0	1,070,296	1,152,787	32,060	1,142,924	2,327,771
(Disposals)	0	0	0	0	0	(298,477)	(298,477)
Depreciation (expense)	0	(36,212)	(616,453)	(652,665)	(102,585)	(659,719)	(1,414,969)
Balance at 30 June 2021	2,189,991	2,368,486	23,325,357	27,883,834	326,170	4,760,151	32,970,155
Comprises:							
Gross balance amount at 30 June 2021	2,189,991	2,505,048	25,776,970	30,472,009	560,371	7,260,290	38,292,670
Accumulated depreciation at 30 June 2021	0	(136,562)	(2,451,613)	(2,588,175)	(234,201)	(2,500,139)	(5,322,515)
Balance at 30 June 2021	2,189,991	2,368,486	23,325,357	27,883,834	326,170	4,760,151	32,970,155

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
(i) Fair Value					
Land and buildings					
Land - freehold land	2	Market approach using recent or estimated observable market data for similar properties	Independent Valuation	June 2017	Price per square metre/market borrowing rate
Buildings - non-specialised	2	Market approach using recent or estimated observable market data for similar properties	Independent Valuation	June 2017	Price per square metre/market borrowing rate
Buildings - specialised	3	Cost approach using depreciated replacement cost (Net Revaluation method)	Management Valuation	June 2017	Construction costs (Level 2) and current condition, residual values and remaining useful life assessments (Level 3) inputs.
Furniture & Equipment	3	Cost approach using depreciated replacement cost (Net Revaluation method)	Management Valuation	June 2016	Construction costs (Level 2) and current condition, residual values and remaining useful life assessments (Level 3) inputs.
Plant & Equipment	3	Cost approach using depreciated replacement cost (Net Revaluation method)	Independent Valuation	June 2016	Purchase costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs.

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

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

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

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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	Infrastructure Foothpaths	Infrastructure - Drainage	Infrastructure Parks & Ovals	Infrastructure Airport	Infrastructure Other	Total Infrastructure
	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2019	95,820,756	1,187,981	17,748,680	3,449,394	1,808,025	4,576,771	124,591,608
Additions	1,591,186	34,184	10,768	67,800	30,296	94,119	1,828,354
Depreciation (expense)	(2,300,500)	(109,997)	(372,382)	(126,290)	(78,295)	(133,323)	(3,120,786)
Transfers	0	0	0	(1,424)	0	0	(1,424)
Balance at 30 June 2020	95,111,443	1,112,168	17,387,066	3,389,480	1,760,027	4,537,567	123,297,752
Comprises:							
Gross balance at 30 June 2020	138,768,772	2,234,123	28,009,253	3,674,971	1,883,862	5,165,976	179,736,958
Accumulated depreciation at 30 June 2020	(43,657,330)	(1,121,955)	(10,622,187)	(285,491)	(123,835)	(628,409)	(56,439,206)
Balance at 30 June 2020	95,111,443	1,112,168	17,387,066	3,389,480	1,760,027	4,537,567	123,297,752
Additions	1,312,070	0	16,037	431,020	(14,749)	372,258	2,116,635
Depreciation (expense)	(2,340,279)	(111,706)	(372,477)	(127,132)	(78,907)	(170,402)	(3,200,903)
Balance at 30 June 2021	94,083,234	1,000,462	17,030,626	3,693,368	1,666,371	4,739,423	122,213,484
Comprises:							
Gross balance at 30 June 2021	140,080,843	2,234,123	28,025,290	4,107,416	1,869,113	5,538,234	181,855,019
Accumulated depreciation at 30 June 2021	(45,997,609)	(1,233,661)	(10,994,664)	(414,048)	(202,742)	(798,811)	(59,641,535)
Balance at 30 June 2021	94,083,234	1,000,462	17,030,626	3,693,368	1,666,371	4,739,423	122,213,484

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 FOR THE YEAR ENDED 30 JUNE 2021

9. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Infrastructure - Roads	3	Cost approach using depreciated replacement cost (Gross Revaluation method)	Independent Valuation	June 2019	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (level 3) inputs
Infrastructure - Footpaths	3	Cost approach using depreciated replacement cost (Gross Revaluation method)	Independent Valuation	June 2019	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (level 3) inputs
Infrastructure - Drainage	3	Cost approach using depreciated replacement cost (Gross Revaluation method)	Independent Valuation	June 2019	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (level 3) inputs
Infrastructure - Parks & Ovals	3	Cost approach using depreciated replacement cost (Gross Revaluation method)	Management Valuation	June 2019	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (level 3) inputs
Other infrastructure	3	Cost approach using depreciated replacement cost (Gross Revaluation method)	Management Valuation	June 2019	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (level 3) inputs
Infrastructure - Airports	3	Cost approach using depreciated replacement cost (Gross Revaluation method)	Management Valuation	June 2019	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (level 3) inputs

SHIRE OF RAVENSTHORPE
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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
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Plant and Equipment	298,477	237,743	5,378	(66,112)	571,000	393,500	49,500	(227,000)	351,810	279,800	23,036	(95,046)
	298,477	237,743	5,378	(66,112)	571,000	393,500	49,500	(227,000)	351,810	279,800	23,036	(95,046)

The following assets were disposed of during the year.

	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2020 Actual Loss
Plant and Equipment				
Transport				
Komatsu Grader RA670	135,857	98,000	0	(37,857)
Toro GM360 2wd w/Canopy	11,941	9,140	0	(2,801)
Toyota Fortuner DCCS	37,843	42,727	4,884	0
Ammann AP240 Multi Tyre Roller	18,587	18,000	0	(587)
DTS Kluger AWD Wagon	51,200	51,694	494	0
Prime Mover DAF FTT CF 85-460	34,287	18,182	0	(16,106)
Ford Ranger Super Cab	8,762	0	0	(8,762)
	298,477	237,743	5,378	(66,112)
	298,477	237,743	5,378	(66,112)

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.

Refer to Note 11 that details the significant accounting policies applying to leases (including right-of-use assets).

10. FIXED ASSETS

(b) Depreciation

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Buildings - Non Specialised	36,212	35,984	33,593
Buildings - Specialised	616,453	660,902	616,232
Furniture and Equipment	102,585	50,088	51,520
Plant and Equipment	659,719	686,292	640,055
Infrastructure Roads	2,340,279	2,467,259	2,300,500
Infrastructure Foothpaths	111,706	117,971	109,997
Infrastructure - Drainage	372,477	399,373	372,382
Infrastructure Parks & Ovals	127,132	136,972	126,290
Infrastructure Other	170,402	142,987	133,323
Infrastructure Airport	78,907	83,971	78,295
Right-of-use assets - plant and equipment	129,092	120,917	126,315
	4,744,964	4,902,716	4,588,500

SIGNIFICANT ACCOUNTING POLICIES

Depreciation

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

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

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

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

Depreciation rates

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

Asset Class	Useful life
Buildings - All	30 to 50 years
Furniture and equipment	4 to 10 years
Plant and equipment	5 to 15 years
Infrastructure - Roads formation	not depreciated
pavement	20 to 50 years
seal - bituminous seals	20 years
seal - asphalt surfaces	25 years
Gravel roads formation	not depreciated
pavement	50 years
Footpaths	20 years
Sewerage piping	100 years
Water supply piping and drainage systems	75 years
Infrastructure - Park & Ovals	20 to 50 years
Infrastructure - Airport	20 to 50 years
Infrastructure - Other	20 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:

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

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. LEASES

(a) Right-of-Use Assets

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

	Right-of-use assets - plant and equipment	Right-of-use assets Total
	\$	
Balance at 1 July 2019	998,912	998,912
Additions	48,946	48,946
Depreciation (expense)	(126,315)	(126,315)
Balance at 30 June 2020	921,543	921,543
Depreciation (expense)	(129,092)	(129,092)
Balance at 30 June 2021	792,451	792,451

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

	2021 Actual	2020 Actual
	\$	\$
Depreciation expense on lease liabilities	(126,315)	(126,315)
Interest expense on lease liabilities	(26,236)	(134)
Total amount recognised in the statement of comprehensive income	(152,551)	(126,449)
Total cash outflow from leases	(147,236)	(147,127)

SIGNIFICANT ACCOUNTING POLICIES

Leases

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

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

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

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

Right-of-use assets - valuation

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

Refer to Note 10 for details on the significant accounting policies applying to vested improvements.

Right-of-use assets - depreciation

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

12. REVALUATION SURPLUS

	2021 Opening Balance	2021 Closing Balance	2020 Opening Balance	2020 Closing Balance
	\$	\$	\$	\$
Revaluation surplus - Land	14,350,694	14,350,694	14,350,694	14,350,694
Revaluation surplus - Plant and Equipment	377,471	377,471	377,471	377,471
Revaluation surplus - Infrastructure Roads	79,779,389	79,779,389	79,779,389	79,779,389
Revaluation surplus - Infrastructure Foothpaths	901,302	901,302	901,302	901,302
Revaluation surplus - Infrastructure - Drainage	18,729,137	18,729,137	18,729,137	18,729,137
Revaluation surplus - Infrastructure Parks & Ovals	2,470,157	2,470,157	2,470,157	2,470,157
Revaluation surplus - Infrastructure Airport	209,281	209,281	209,281	209,281
Revaluation surplus - Infrastructure Other	1,091,177	1,091,177	1,091,177	1,091,177
	117,908,608	117,908,608	117,908,608	117,908,608

Movements on revaluation of property, plant and equipment (including infrastructure) are not able to be reliably attributed to a program as the

Vested land is no longer required to be recognised at fair value. Land under golf courses, showgrounds, racecourses or any other sporting or recreational facility of State or regional significance are recognised at zero cost.

13. TRADE AND OTHER PAYABLES

Current

Sundry creditors	
Accrued salaries and wages	
ATO liabilities	
Payroll Creditors	
Accrued Expenses	
Bonds and Deposits held	
Accrued Interest on Loans	

2021	2020
\$	\$
643,768	740,128
44,293	8,618
0	21,813
115,517	101,279
0	21,668
123,704	126,343
17,895	20,889
945,177	1,040,738

SIGNIFICANT ACCOUNTING POLICIES

Trade and other payables

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

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

Prepaid rates

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

14. OTHER LIABILITIES

Current

Contract liabilities

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

Less than 1 year

	2021	2020
	\$	\$
	701,771	345,384
Contract liabilities		Liabilities under transfers to acquire or construct non-financial assets to be controlled by the entity
	\$	\$
	701,771	0

SIGNIFICANT ACCOUNTING POLICIES

Contract liabilities

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

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

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

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

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

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

Service concession liabilities

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

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15. LEASE LIABILITIES

(a) Lease Liabilities

	2021	2020
	\$	\$
Current	124,397	121,001
Non-current	701,095	825,493
	825,492	946,494

(b) Movements in Carrying Amounts

Purpose	Lease Number	Institution	Lease Term	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
				Lease Principal 1 July 2020	Actual Lease Principal Repayments	Actual Lease Principal Outstanding	Actual Lease Interest Repayments	Lease Principal 1 July 2020	Budget Lease Principal Repayments	Budget Lease Principal Outstanding	Budget Lease Interest Repayments	Lease Principal 1 July 2019	New Leases	Actual Lease Principal Repayments	Actual Lease Principal Outstanding	Actual Lease Interest Repayments
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Law, order, public safety																
CESO Vehicle - Holden Colorado	939384	SG Fleet	3 years	32,852	(16,314)	16,538	(345)	32,852	(16,314)	16,538	(345)	0	48,946	(16,094)	32,852	(456)
Community amenities																
Bomag Compactor	908707	SG Fleet	10 years	619,439	(71,247)	548,192	(17,550)	619,439	(71,247)	548,192	(17,550)	688,590	0	(69,151)	619,439	(19,646)
Komatsu Wheel Loader	915953	SG Fleet	10 years	294,202	(33,439)	260,763	(8,341)	294,202	(33,439)	260,763	(8,341)	326,657	0	(32,455)	294,202	(9,325)
				946,493	(121,000)	825,493	(26,236)	946,493	(121,000)	825,493	(26,236)	1,015,247	48,946	(117,700)	946,493	(29,427)

SHIRE OF RAVENSTHORPE
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16. INFORMATION ON BORROWINGS

(a) Borrowings

	2021	2020
	\$	\$
Current	426,653	218,282
Non-current	839,634	1,266,287
	<u>1,266,287</u>	<u>1,484,569</u>

(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
				Principal	Actual	Actual	Actual	Principal	Budget	Budget	Budget	Principal	Actual	Actual	Actual
				1 July 2020	Principal	Interest	Principal	1 July 2020	Principal	Interest	Principal	1 July 2019	Principal	Interest	Principal
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Housing															
Staff Housing	145	WATC*	2.86%	190,080	(35,888)	(5,444)	154,192	190,080	(35,888)	(6,186)	154,192	224,963	(34,883)	(5,790)	190,080
Other Housing (Daw Street)	147	WATC*	3.36%	222,334	(17,015)	(7,974)	205,319	222,334	(17,016)	(7,886)	205,318	238,792	(16,458)	(7,747)	222,334
Recreation and culture															
Hopetoun Community	146	WATC*	3.59%	298,392	(14,091)	(11,428)	284,301	298,392	(14,091)	(11,080)	284,301	311,991	(13,599)	(10,893)	298,392
Transport															
Town Street	138D	WATC*	6.57%	262,693	(30,559)	(16,929)	232,134	262,694	(30,559)	(18,961)	232,135	291,311	(28,618)	(17,982)	262,693
Town Street	144	WATC*	4.98%	107,876	(52,612)	(4,556)	55,264	107,876	(52,611)	(7,251)	55,265	157,962	(50,086)	(6,624)	107,876
Refinance	143B	WATC*	2.86%	170,227	(32,140)	(4,875)	138,087	170,227	(32,140)	(5,540)	138,087	201,467	(31,240)	(5,185)	170,227
Refinance	138E	WATC*	3.02%	232,967	(35,977)	(7,159)	196,990	232,966	(35,977)	(7,828)	196,989	267,882	(34,915)	(7,416)	232,967
				<u>1,484,569</u>	<u>(218,282)</u>	<u>(58,365)</u>	<u>1,266,287</u>	<u>1,484,569</u>	<u>(218,282)</u>	<u>(64,732)</u>	<u>1,266,287</u>	<u>1,694,368</u>	<u>(209,799)</u>	<u>(61,636)</u>	<u>1,484,569</u>

* WA Treasury Corporation

16. INFORMATION ON BORROWINGS (Continued)

(c) New Borrowings - 2020/21

The Shire had no new borrowings for the financial year ended 30 June 2021.

(d) Unspent Borrowings

The Shire had no unspent borrowings for the financial year ended 30 June 2021.

(e) Undrawn Borrowing Facilities Credit Standby Arrangements

	2021	2020
	\$	\$
Bank overdraft limit	500,000	500,000
Bank overdraft at balance date	0	0
Credit card limit	26,000	26,000
Credit card balance at balance date	(17,747)	(5,765)
Total amount of credit unused	508,253	520,235

Loan facilities

Loan facilities - current	426,653	218,282
Loan facilities - non-current	839,634	1,266,287
Lease liabilities - current	124,397	121,001
Lease liabilities - non-current	701,095	825,493
Total facilities in use at balance date	2,091,779	2,431,063

Unused loan facilities at balance date

0	0
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SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

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

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

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

Borrowing costs

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

Risk

Information regarding exposure to risk can be found at Note 29.

17. EMPLOYEE RELATED PROVISIONS

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	273,494	163,665	437,159
Non-current provisions	0	81,660	81,660
	273,494	245,325	518,819
Additional provision	297,434	54,251	351,686
Amounts used	(255,421)	(23,768)	(279,190)
Balance at 30 June 2021	315,507	275,808	591,315
Comprises			
Current	315,507	205,027	520,534
Non-current	0	70,781	70,781
	315,507	275,808	591,315

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	205,027	437,159
More than 12 months from reporting date	331,789	49,853
Expected reimbursements from other WA local governments	54,499	31,807
	591,315	518,819

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

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

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

Short-term employee benefits

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

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

Other long-term employee benefits

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

Other long-term employee benefits (Continued)

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

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

Provisions

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

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

18. OTHER PROVISIONS

Provision for Ravensthorpe Waste Facility

A Waste management agreement exists between the Shire of Ravensthorpe and the Shire of Jerramungup for a Regional landfill facility located on Reserve 7380. Clause 8(2)c of the agreement allows each party to agree on a percentage share of capital costs for the purpose of future rehabilitation costs. The current cost estimate of rehabilitation of \$551,122 over 30 years of cell life provides an annualised cost \$18,371 to be shared by each local government. On 4 June 2021 both parties agreed to a cost share of 60% Ravensthorpe and 40% Jerramungup. The cost share agreement is to be reviewed by both parties every three years (2023/2024).

The 60% impact on the Shire of Ravensthorpe based on the current cost share agreement was \$330,673 effective from 2019 and has risen to \$344,032 in 2021 after inflation adjustment with a provision created as a non-current liability to reflect this.

	2021	2020
	\$	\$
Opening balance 1 July	0	0
Additional Provision	344,032	0
Balance at 30 June	344,032	0
Non-current Liabilities		
Provision for Ravensthorpe Waste Facility Rehabilitation	344,032	0
Total Non-current Liabilities	344,032	0

19. 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	4,774,669	2,332,420	3,456,545
Reconciliation of Net Cash Provided By Operating Activities to Net Result			
Net result	(176,663)	4,719,371	(2,033,069)
Non-cash flows in Net result:			
Adjustments to fair value of financial assets at fair value through profit and loss	0	0	0
Adjustments to fair value of investment property	0	0	0
Depreciation on non-current assets	4,744,964	4,902,716	4,588,500
(Profit)/loss on sale of asset	60,734	177,500	72,010
Share of profits of associates	0	0	0
Loss on revaluation of fixed assets	0	0	0
Reversal of loss on revaluation of fixed assets	0		
Changes in assets and liabilities:			
(Increase)/decrease in receivables	580,878	787,522	2,234,440
(Increase)/decrease in other assets	0		
(Increase)/decrease in inventories	(23,196)	85	346
(Increase)/decrease in contract assets	0	0	0
Increase/(decrease) in payables	(95,563)	725,028	(851,110)
Increase/(decrease) in employee provisions	72,496	0	79,470
Increase/(decrease) in other provisions	344,032	0	
Increase/(decrease) in contract liabilities	356,387	(177,845)	239,448
Non-operating grants, subsidies and contributions	(2,771,925)	(9,166,318)	(884,406)
Net cash from operating activities	3,092,144	1,968,059	3,445,629

20. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2021	2020
	\$	\$
Governance	100,291	104,323
General purpose funding	1,559,802	319,394
Law, order, public safety	2,295,826	2,497,667
Health	381,446	401,105
Education and welfare	2,494,976	2,553,436
Housing	3,585,249	3,622,688
Community amenities	6,919,310	6,028,558
Recreation and culture	19,261,102	19,741,326
Transport	120,053,314	120,979,021
Economic services	1,062,392	1,114,587
Other property and services	3,584,604	4,412,808
Unallocated	2,037,803	1,399,795
	163,336,115	163,174,708

21. CAPITAL COMMITMENTS

(a) Capital Expenditure Commitments

	2021	2020
	\$	\$
Contracted for:		
- capital expenditure projects		
Ravensthorpe Cultural Precinct	1,365,860	0
Munglinup Bowling Rink	188,000	0
Hopetoun Sports Pavillion	18,282	0
- plant & equipment purchases	668,821	0
	2,240,963	0
Payable:		
- not later than one year	2,240,963	0

22. ELECTED MEMBERS REMUNERATION

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Councillor K. Dunlop, President			
President's annual allowance	13,400	13,400	12,675
Meeting attendance fees	20,300	20,300	19,291
Annual allowance for ICT expenses	1,100	1,100	1,057
Travel and accommodation expenses	4,071	1,580	4,277
	38,871	36,380	37,300
Councillor J. Belli, Deputy President			
Deputy President's annual allowance	3,350	3,350	3,169
Meeting attendance fees	13,600	13,600	12,954
Annual allowance for ICT expenses	1,100	1,100	1,057
Travel and accommodation expenses	809	1,570	1,846
	18,859	19,620	19,026
Councillor G. Richardson			
Meeting attendance fees	13,600	13,600	12,954
Annual allowance for ICT expenses	1,100	1,100	1,057
Travel and accommodation expenses	1,489	1,570	655
	16,189	16,270	14,666
Councillor I. Goldfinch			
Meeting attendance fees	13,600	13,600	12,954
Annual allowance for ICT expenses	1,100	1,100	1,057
Travel and accommodation expenses	0	1,570	0
	14,700	16,270	14,011
Councillor M. Mudie			
Meeting attendance fees	13,600	13,600	8,946
Annual allowance for ICT expenses	1,100	1,100	1,438
Travel and accommodation expenses	2,486	1,570	2,223
	17,186	16,270	12,607
Councillor T. Major			
Meeting attendance fees	13,600	13,600	12,954
Annual allowance for ICT expenses	1,100	1,100	1,057
Travel and accommodation expenses	390	1,570	437
	15,090	16,270	14,448
Councillor S. Leighton			
Meeting attendance fees	12,343	13,600	0
Annual allowance for ICT expenses	998	1,100	0
Travel and accommodation expenses	1,144	1,570	0
	14,485	16,270	0
Councillor P. Smith			
Meeting attendance fees	0	0	4,007
Annual allowance for ICT expenses	0	0	327
Travel and accommodation expenses	0	0	824
	0	0	5,159
Councillor K. Norman			
Meeting attendance fees	0	0	5,702
Annual allowance for ICT expenses	0	0	465
Travel and accommodation expenses	0	0	1,467
	0	0	7,634
Councillor K. Dickinson			
Meeting attendance fees	0	0	4,007
Annual allowance for ICT expenses	0	0	327
	0	0	4,334
	135,380	137,350	129,185
Fees, expenses and allowances to be paid or reimbursed to elected council members.			
President's allowance	13,400	13,400	12,675
Deputy President's allowance	3,350	3,350	3,169
Meeting attendance fees	100,643	101,900	93,770
Annual allowance for ICT expenses	7,598	7,700	7,842
Travel and accommodation expenses	10,389	11,000	11,729
	135,380	137,350	129,185

23. RELATED PARTY TRANSACTIONS

Key Management Personnel (KMP) Compensation Disclosure

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

	2021 Actual	2020 Actual
	\$	\$
Short-term employee benefits	586,444	522,924
Post-employment benefits	65,008	51,474
Other long-term benefits	8,905	37,270
	660,357	611,668

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.

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
	\$	\$
Sale of goods and services	0	2,497
Purchase of goods and services	0	46,959
Short term employee benefits - other related parties	123,209	144,367
Amounts payable to related parties:		
Trade and other payables	1,412	0

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.

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.

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24. INVESTMENT IN JOINT ARRANGEMENTS

(a) Share of joint operations

(i) Regional Record Service

The Shire of Ravensthorpe together with the City of Kalgoorlie-Boulder and with the Shires of Coolgardie, Dundas, Esperance, Laverton, Leonara, Menzies, Ngaanyatjaraku and Wiluna have a joint arrangement with regard to the provision of a Regional Record service. The only asset under this joint arrangement is a building. The Shire of Ravensthorpe's one-tenth share of this asset is included in Land and Buildings as follows:

	2021	2020
	\$	\$
Non-current assets		
Land and buildings	72,500	72,500
Less: accumulated depreciation	(11,600)	(8,700)
Total assets	60,900	63,800

(ii) Ravensthorpe Regional Landfill

The Shire of Ravensthorpe together with the Shire of Jerramungup, have entered into a joint operation with regard to a regional waste management facility located on Reserve 7380, Moir Road Ravensthorpe.

The agreement between both Shires govern the operation of the waste facility, covering operating and capital costs, responsibilities of the two Shires, setting of fees and charges, record keeping etc. The Shire of Ravensthorpe is responsible for the day to day management of the facility. Key operating decisions in relations to the operating cost and future capital cost of the facility are to be agreed by both Shires.

The regional waste facility commenced its operation in February 2018. Building of the facility was fully funded and is recognised in the financials of the Shire of Ravensthorpe as outlined below:

	2021	2020
	\$	\$
Non-current assets		
Infrastructure - Other	2,194,385	2,191,685
Add: Additions	0	2,700
Less: accumulated depreciation	(317,474)	(244,401)
Total assets	1,876,911	1,949,984

The apportionment of annual facility operating costs between the Shires of Ravensthorpe and Jerramungup is determined by the percentage of total waste tonnage (measured in cubic metres) delivered to the Facility by each Shire in the preceding financial year.

The Shire of Ravensthorpe's share of annual operating cost is determined by its percentage of total waste tonnage (measured in cubic metres) delivered to the facility by both parties in the preceding year. This is estimated to be 74.5% for Ravensthorpe and 25.5% for Jerramungup.

	2021	2020
	\$	\$
Ravensthorpe		
Income	91,301	81,192
Expenditure	(247,473)	(172,375)
	(156,172)	(91,183)
Jerramungup		
Income	0	0
Expenditure	(84,705)	(74,227)
	(84,705)	(74,227)
Facility Total		
Income	91,301	81,192
Expenditure	(332,178)	(246,602)
	(240,877)	(165,410)

SIGNIFICANT ACCOUNTING POLICIES

Interests in joint arrangements

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

Separate joint arrangements providing joint ventures with an interest to net assets are classified as a joint venture and accounted for using the equity method. The equity method of accounting, whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Shire's share of net assets of the associate. In addition, the Shire's share of the profit or loss of the associate is included in the Shire's profit or loss.

Interests in joint arrangements (Continued)

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

25. MAJOR LAND TRANSACTIONS

The Shire was not party to any major trading undertakings during the current financial year ended 30 June 2021.

26. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

The Shire was not participate in any major trading undertakings during the current financial year ended 30 June 2021.

SHIRE OF RAVENSTHORPE
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27. RATING INFORMATION

(a) Rates

RATE TYPE	Rate in \$	Number of Properties	2020/21	2020/21	2020/21	2020/21	2020/21	2020/21	2020/21	2020/21	2020/21	2019/20
			Actual Rateable Value	Actual Rate Revenue	Actual Interim Rates	Actual Back Rates	Actual Total Revenue	Budget Rate Revenue	Budget Interim Rate	Budget Back Rate	Budget Total Revenue	Actual Total Revenue
			\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Differential general rate / general rate												
Gross rental valuations												
Residential	0.117170	781	10,959,708	1,284,094	11,015	3,877	1,298,986	1,284,094	0	0	1,284,094	1,270,640
Commercial	0.131570	33	1,382,612	181,906	0	0	181,906	181,906	0	0	181,906	181,906
Industrial	0.154430	35	512,772	79,187	0	0	79,187	79,187	0	0	79,187	79,187
Transient Workforce & Short Stay Accommodation	0.314870	2	852,800	268,519	0	0	268,519	268,519	0	0	268,519	268,519
Unimproved valuations												
Mining	0.083600	63	2,400,263	200,662	0	0	200,662	200,662	0	0	200,662	199,096
Other	0.008140	329	244,265,995	1,988,081	0	0	1,988,081	1,988,081	0	0	1,988,081	1,989,420
Sub-Total		1,243	260,374,150	4,002,449	11,015	3,877	4,017,341	4,002,449	0	0	4,002,449	3,988,768
Minimum payment												
Gross rental valuations												
Residential	870	374	1,079,818	325,380	0	0	325,380	325,380	0	0	325,380	325,380
Commercial	870	9	44,740	7,830	0	0	7,830	7,830	0	0	7,830	7,830
Industrial	870	12	45,268	10,440	0	0	10,440	10,440	0	0	10,440	10,440
Transient Workforce & Short Stay Accommodation	850	0	0	0	0	0	0	0	0	0	0	0
Unimproved valuations												
Mining	320	55	80,044	17,600	0	0	17,600	17,600	0	0	17,600	17,600
UV-Mining	850	100	5,605,535	85,000	0	0	85,000	85,000	0	0	85,000	82,450
Sub-Total		550	6,855,405	446,250	0	0	446,250	446,250	0	0	446,250	443,700
		1,793	267,229,555	4,448,699	11,015	3,877	4,463,591	4,448,699	0	0	4,448,699	4,432,468
Discounts/concessions (Note 27(d))							(287)				6,000	(199)
Total amount raised from general rate							4,463,304				4,454,699	4,432,269
Specified Area Rate (Note 27(b))							72,757				0	72,757
Ex-gratia rates							49,234				49,234	49,234
Totals							4,585,295				4,503,933	4,554,260

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 RAVENSTHORPE
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27. RATING INFORMATION (Continued)

(b) Specified Area Rate - Effluent Rate

Specified Area Rate	Basis of Valuation	Rate in \$	2020/21 Rateable Value	2020/21 Rate Revenue	Interim Rate Revenue	Back Rate Revenue	Specified Area Rate Revenue	Budget Rate Revenue	Budget Back Rate Revenue	Budget Interim Rate Revenue	Total Budget Revenue	Total Actual Revenue
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Ravensthorpe	GRV	0.02325	2,081,144	48,391	0	0	48,391	48,391	0	0	48,391	48,391
Ravensthorpe	Minimum	200	413,665	16,000	0	0	16,000	16,000	0	0	16,000	16,000
Munglinup	GRV	0.02656	58,968	1,566	0	0	1,566	1,566	0	0	1,566	1,566
Munglinup	Minimum	200	27,872	800	0	0	800	800	0	0	800	800
Sewerage - 1st Fixture	Minimum	200	0	1,000	0	0	1,000	1,000	0	0	1,000	1,000
Sewerage - Additional Fixture	Minimum	125	0	5,000	0	0	5,000	5,000	0	0	5,000	5,000
			2,581,649	72,757	0	0	72,757	72,757	0	0	72,757	72,757

Specified Area Rate	Purpose of the rate	Area/properties Rate Imposed	2020/21 Actual Rate Applied to Costs	2020/21 Actual Rate Set Aside to Reserve	2020/21 Actual Reserve Applied to Costs	2020/21 Budget Rate Applied to Costs	2020/21 Budget Rate Set Aside to Reserve	2020/21 Budget Reserve Applied to Costs
			\$	\$	\$	\$	\$	\$
Effluent Rate	The effluent rate income services the maintenance and upgrade of the Ravensthorpe and Munglinup sewerage systems.	Ravensthorpe & Munglinup	72,757	0	72,757	72,757	0	72,757
			72,757	0	72,757	72,757	0	72,757

(c) Service Charges

The Shire did not raise service charges for the year ended 30 June 2021.

(d) 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
Write offs	n/a	n/a	287	1,000	199	The Shire allows for a number of minor write-offs throughout the year.
Concessions			0	5,000	0	
			287	6,000	199	

27. RATING INFORMATION (Continued)

(d) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
Option one				
Payment in Full	14/10/2020	0	0.0%	8.0%
Option two				
Instalment 1	14/10/2020	0	0.0%	0.0%
Instalment 2	14/12/2020	10	5.5%	8.0%
Instalment 3	15/02/2021	10	5.5%	8.0%
Instalment 4	15/04/2021	10	5.5%	8.0%

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Instalment plan admin charge revenue	10,500	12,000	11,790
Instalment plan interest earned	13,950	15,000	15,385
Unpaid rates and service charge interest earned	17,832	27,000	51,739
	42,282	54,000	78,914

28. 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	\$	\$	\$
(a) Non-cash amounts excluded from operating activities			
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .			
Adjustments to operating activities			
Less: Profit on asset disposals	10(a) (5,378)	(23,036)	(23,036)
Less: Movement in liabilities associated with restricted cash	0	79,470	(357)
Movement in pensioner deferred rates (non-current)	614	0	14,464
Movement in employee benefit provisions (non-current)	(10,879)	0	38,854
Movement in other provisions (non-current)	344,032	0	0
Movement in accruals interest & wages	83,375	0	(48,405)
Movement in retained surplus	0	0	(105,936)
Add: Loss on disposal of assets	10(a) 66,112	95,046	95,046
Add: Depreciation on non-current assets	10(b) 4,744,964	4,571,345	4,588,500
Non cash amounts excluded from operating activities	5,222,840	4,722,825	4,559,130
(b) Surplus/(deficit) after imposition of general rates			
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.			
Adjustments to net current assets			
Less: Reserves - cash/financial asset backed	4 (4,014,299)	(3,625,753)	(3,447,908)
Add: Current liabilities not expected to be cleared at end of year			
- Current portion of borrowings	16(a) 426,653	0	218,282
- Current portion of lease liabilities	124,397	121,001	121,001
- Employee benefit provisions	520,534	437,159	437,159
Total adjustments to net current assets	(2,942,715)	(3,067,593)	(2,671,466)
Net current assets used in the Rate Setting Statement			
Total current assets	7,348,708	6,751,380	6,587,652
Less: Total current liabilities	(2,718,532)	(1,944,282)	(2,162,564)
Less: Total adjustments to net current assets	(2,942,715)	(3,067,593)	(2,671,466)
Net current assets used in the Rate Setting Statement	1,687,461	1,739,505	1,753,622

29. FINANCIAL RISK MANAGEMENT

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

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

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

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

(a) Interest rate risk

Cash and cash equivalents

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

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

	Weighted Average Interest Rate	Carrying Amounts	Fixed Interest Rate	Variable Interest Rate	Non Interest Bearing
	%	\$	\$	\$	\$
2021					
Cash and cash equivalents	0.09%	4,774,669	0	3,234,085	1,560,330
Financial assets at amortised cost - term deposits	0.55%	1,000,000	1,000,000	0	0
2020					
Cash and cash equivalents	0.51%	3,456,545	0	3,456,545	0.00%
Financial assets at amortised cost	0.95%	1,000,000	1,000,000	0	0

Sensitivity

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

	2021	2020
	\$	\$
Impact of a 1% movement in interest rates on profit and loss and equity*	47,747	34,565

* 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 16(b).

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29. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Trade and Other Receivables

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

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

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

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

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

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

	Current	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total
30 June 2021					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	2,865	84,718	60,097	88,584	236,264
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	17,031	90,716	71,099	114,153	292,999
Loss allowance	0	0	0	0	0

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

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
30 June 2021					
Trade and other receivables					
Expected credit loss	0.03%	0.49%	0.89%	1.55%	
Gross carrying amount	246,862	10,436	45,639	10,412	313,349
Loss allowance	(74)	(51)	(406)	(161)	(693)
30 June 2020					
Trade and other receivables					
Expected credit loss	0.03%	0.49%	0.89%	1.55%	
Gross carrying amount	1,593,940	31,948	3,840	8,200	1,637,928
Loss allowance	(537)	(158)	(34)	(127)	(856)

29. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

Payables and borrowings

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The Shire manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required and disclosed in Note 16(e).

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

	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$
2021					
Payables	945,177	0	0	945,177	945,177
Borrowings	303,666	518,478	550,492	1,372,636	1,266,287
Contract liabilities	701,771	0	0	701,771	701,771
Lease liabilities	124,397	701,095	0	825,492	825,492
	2,075,011	1,219,573	550,492	3,845,076	3,738,727
2020					
Payables	1,019,069	21,668	0	1,040,737	1,040,736
Borrowings	274,276	982,658	460,268	1,717,202	1,484,569
Contract liabilities	345,384	0	0	345,384	345,384
Lease liabilities	121,001	825,493	0	946,494	946,494
	1,759,730	1,829,819	460,268	4,049,817	3,817,183

30. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

The Shire was the subject of a Corruption and Crime Commission (CCC) investigation in 2021-22 in which \$54,850 was identified as being owing from a fraudulent party. The scope of the CCC investigation concluded with the tabling of a Parliamentary Report, following which WA Police Force undertook a successful prosecution of the offending party.

The full amount of funds owing were recovered from the offending party in March 2022. This matter is now concluded.

31. TRUST FUNDS

Monies previously held in Trust are now recognised as a current liability, although they are treated differently to other current liabilities in that they are required to be cash backed.

32. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

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

c) Rounding off figures

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

d) Comparative figures

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

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

e) Budget comparative figures

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

f) Superannuation

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

g) Fair value of assets and liabilities

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

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

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

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

h) Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

i) Impairment of assets

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

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

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

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

33. ACTIVITIES/PROGRAMS

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

PROGRAM NAME AND OBJECTIVES

ACTIVITIES

GOVERNANCE

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

Administration and operation of facilities and services to members of Council. Other costs that relate to the tasks of assisting elected members and ratepayers on matters which do not concern specific Council services.

GENERAL PURPOSE FUNDING

To collect revenue to allow for the provision of services.

Rates, general purpose government grants and interest revenue.

LAW, ORDER, PUBLIC SAFETY

To provide services to help ensure a safer community

Supervision of various local laws relating to fire prevention, emergency services and animal control.

HEALTH

To provide an operational framework for environmental and community health.

Food quality and pest control, maintenance and contributions to health services and facilities.

EDUCATION AND WELFARE

To meet the needs of the community in these areas.

Operation and provision of retirement units and Aged Care services. Operation of the Cub House Long Day Care facility in Ravensthorpe.

HOUSING

Help ensure adequate housing for Council staff.

Maintenance of staff and rental housing.

COMMUNITY AMENITIES

Provide services required by the community.

Rubbish collection services, operation of tips, noise control, administration of the town planning scheme, maintenance of cemeteries, control and maintenance of coastal reserves and other community/environmental services.

RECREATION AND CULTURE

To establish and effectively manage infrastructure and resources which will help the social and well being of the community.

Maintenance of halls, sporting complexes, resource centres, parks and gardens and TV/Ratio rebroadcast.

TRANSPORT

To provide effective and efficient transport services to the community.

Construction and maintenance of streets, roads, bridges, cleaning and lighting of streets, parking facilities, traffic signs, depot maintenance and airstrip maintenance.

ECONOMIC SERVICES

To help promote the Shire and its economic wellbeing.

The regulation and provision of tourism, area promotion, building control, noxious weeds, vermin control and water supply including stand pipes.

OTHER PROPERTY AND SERVICES

To monitor and control Shire's overhead operating accounts.

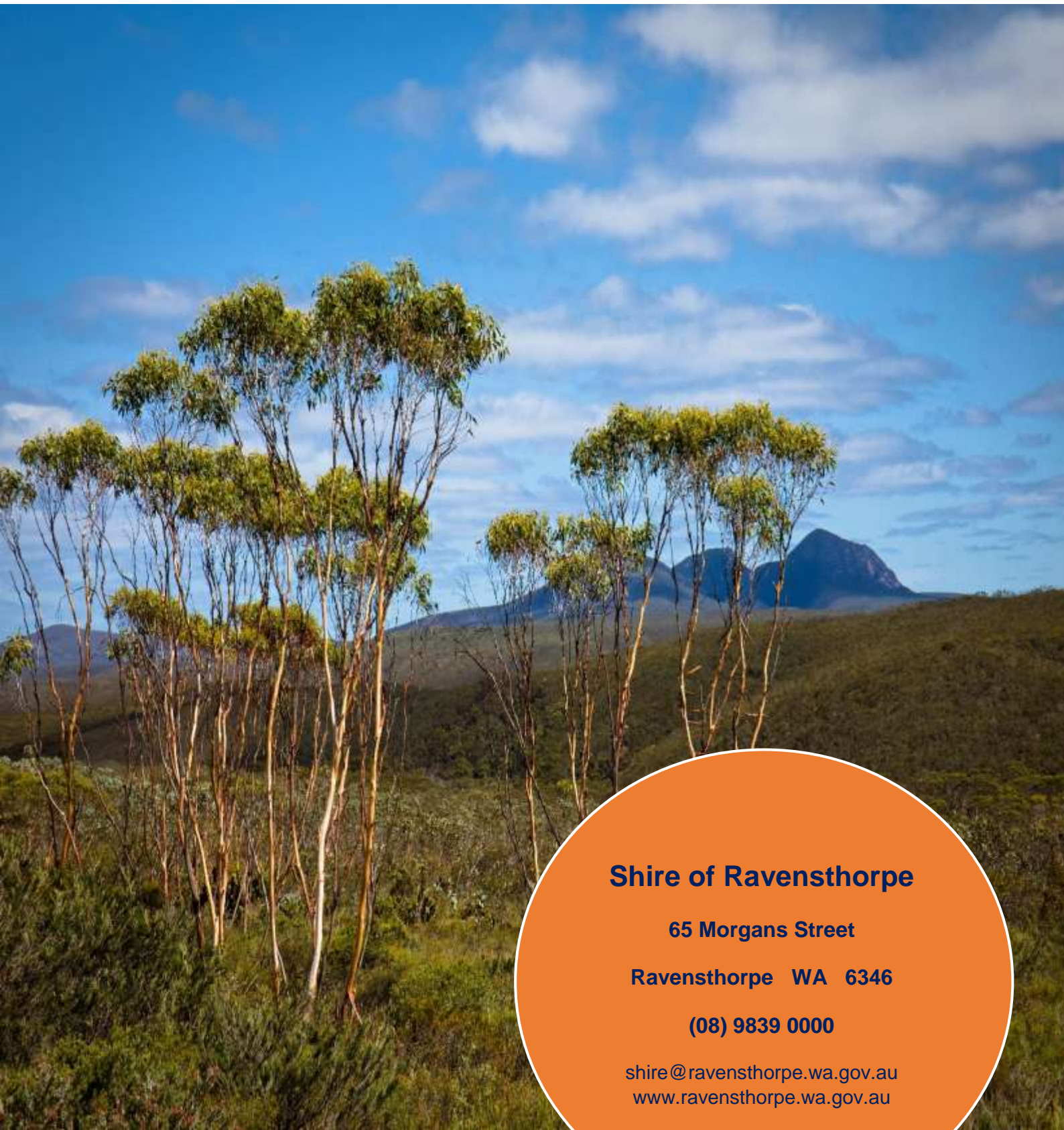
Private works operations, plant repairs and operations costs. Also provide for Department of Transport licensing and services to the Future Fund. Costs associated with operation of the Bankwest ATM.

34. FINANCIAL RATIOS

	2021 Actual	2020 Actual	2019 Actual
Current ratio	1.36	1.62	1.51
Asset consumption ratio	0.71	0.63	0.74
Asset renewal funding ratio	0.83	0.83	0.69
Asset sustainability ratio	0.56	0.49	1.33
Debt service cover ratio	5.60	6.49	6.82
Operating surplus ratio	(0.35)	(0.50)	(0.04)
Own source revenue coverage ratio	0.56	0.44	0.27

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



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