



Annual Report 2020-2021

SHIRE OF NARROGIN

A leading regional economic driver and a socially interactive and inclusive community.



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Acknowledgement of Noongar People

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

Electronic copies of documents are available
for download from the Shire of Narrogin website www.narrogin.wa.gov.au.

Alternative formats are also available upon request, including large print,
electronic format (disk or emailed), audio or Braille.

Cover Photo Shire of Narrogin State Winner at the 2020 Tidy Towns (Photo by Lee Mullen/Gan Eden Media)



About the Shire of Narrogin

The progressive and thriving rural community of Narrogin is located in the Wheatbelt South region of Western Australia, 192 km (2 hours) south east of Perth. The greater township of Narrogin is set in the Narrogin Valley on the traditional land of the Noongar people of the Gnaala Karla Booja region. Sixteen kilometres to Narrogin's south is the historical township of Highbury providing a community hub to the local residents.

Narrogin is very accessible through its high standard of transport infrastructure including rail, sealed highway access and a two-strip airport with the main strip sealed. Residents are serviced with excellent public utilities access; an abundant quality water supply; reliable power; a telecommunications connection to the optical cable network and connected to the NBN.

Narrogin offers extensive community services provided through the highly-regarded Narrogin Regional Hospital and pro-active aged care services. The sporting fraternity is well catered for by the Shire's fully-equipped recreation complex with heated indoor pool, well

maintained sports grounds, numerous sports clubs, an active Library and Heritage Museum. The Narrogin arts community is strongly represented through ARtS Narrogin and the NEXIS Committee's facilitation of events, classes and community interaction.

Education is well provided for through the three Independent primary schools, a senior high school and agricultural college, a residential college and TAFE college.

In addition to all the facilities and services that are provided by the Shire of Narrogin there is also child care, kindergartens, various professional and medical services, all major banks, farm advisors, accountancy and legal firms, bakeries, butchers, fast food outlets, venues for hire, supermarkets, many specialty shops, cafes, hotels and restaurants and many service organisations, sporting groups, and personal interest and hobby groups.

Commerce & Industry

Local industry is based on agricultural services, education, health and aged care services, building and brick-making, concrete, light engineering, car and machinery dealerships, cabinet-making and a host of professional services including all the major banks, financial and legal services and many more commercial entities.

Narrogin boasts an active Chamber of Commerce membership assisting local businesses.

Local Attractions (and events)

The Shire of Narrogin welcomes all tourists and visitors and new residents to the region. The Shire has many interesting attractions and offers a wide variety of activities and scenic destinations.

The Dryandra Country Visitor Centre is a regional hub, partly staffed by volunteers. The Centre offers information and advice on places to visit or stay in the region. Such places include the Highbury Townsite, Gnarojin Park, Railway Dam, Dryandra Woodlands National Park, Barna Mia, Foxes Lair, Lions Lookout, Yilliminning Rock, Nomans Lake, Heritage Walk, Old Courthouse Museum, and Skate Park.

ARtS Narrogin is a volunteer, not for profit organisation which supports and facilitates innovative artistic and creative endeavours and promotes various art forms and culture in the Region.

The Narrogin Regional Leisure Centre is a successful recreational and sports facility offering a 25 metre indoor heated swimming pool for all year round enjoyment. Through the YMCA WA, the facility offers, fitness & swimming classes, a fully equipped gym and squash centre with adjoining basketball and netball courts. The facility also boasts a wet synthetic Olympic-grade hockey turf which, in recent times, has hosted two international hockey matches between Australia and Great Britain and in 2018 Australia and the Netherlands. These events drew a huge number of spectators over two days. Two other significant annual events important to the region include the Narrogin Agricultural Show, and the Revheads Weekends.

Message

From the Shire President



The 2020/2021 financial year saw the all familiar Covid-19 Pandemic come and go and come again, with snap lockdowns affecting the Perth and Peel regions. Thankfully Narrogin escaped an outbreak but was impacted due to the associated issues such as border closures and supply and skills shortages.

Some noteworthy achievements for the financial year include being awarded the prestigious State winner of the Keep Australia Beautiful Council's Tidy Towns Sustainable Communities Award.

Congratulations to all involved, particularly our hardworking gardeners and outside crew, in achieving this result.

December 2020 also saw the opening of Alby Park, recognising one of our much loved members of our community and long serving employees in former Pool Manager Alby Timleris.

Alby Park has subsequently been put to great use for several subsequent outdoor events and movies, including one which was screened on the evening of Australia Day 2021.

Thank you to the Elected Members for your passion and commitment in serving our community and working hard to achieve our outcomes in the Community Strategic Plan. I would also like to acknowledge the contributions of long serving retiring Councillors Geoff Ballard and Clive Bartron for their commitment and dedication to the tremendously rewarding, but equally often thankless task of being an elected member. Also to retiring former Councillor Sophie Lushey, who moved to Perth to further her career.

I would also like to thank the Chief Executive Officer, his Executive and all the staff and employees for all their hard

work. It was another successful year in completing most capital works projects on time and on budget. These efforts do not go unnoticed.

Thank you also to all our hardworking volunteers, and emergency services personnel who keep us safe and make our community the great place to live.

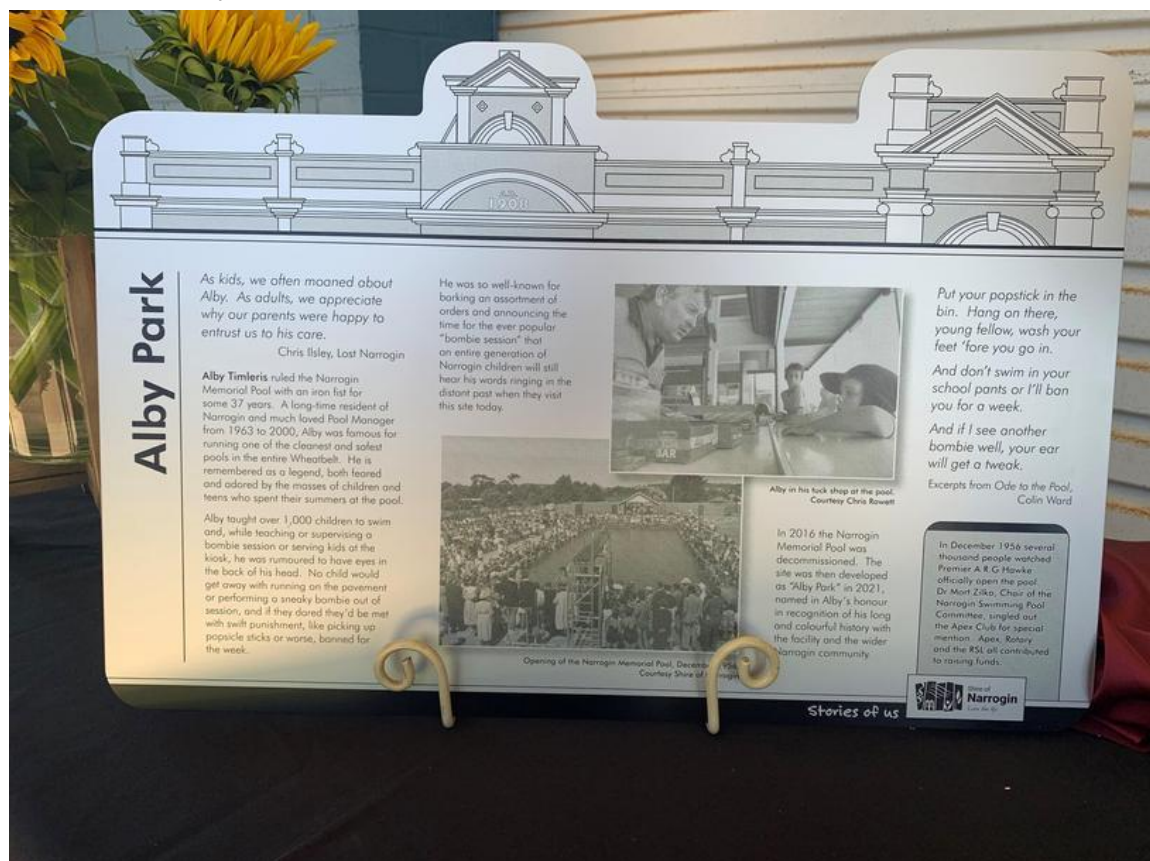
To the residents and ratepayers of Narrogin, we continue to look forward working with you and achieving the best outcomes for the community. Remember, however big or small, it is up to each and everyone of us, to continue

to serve our community in making Narrogin, the great place it is.

Narrogin, Love the Life!



Leigh Ballard
Shire President



From the Chief Executive Officer



Looking back at the last financial year it is not hard to see why I am one of the proudest Chief Executive Officers in local government in WA.

Post the hectic year that was Covid-19, which dominated the preceding year, we stuck to the task of implementing the Council's projects and services and achieved almost all of them on time and on budget.

With the odd exception like the Railway Station Refurbishment Project, which was beset with minor difficulties of accessing products and trades, we managed another huge year, entrusted to us by the Council.

To top it off, as a community, we also achieved recognition with being WA's

Keep Australia Beautiful Council's Tidiest Town Winner and also recognition nationally in the Community Category.

As employees in a complex business, providing over 220 separate services and across dozens of facilities, we continue to have to be more resilient, more adaptable, more flexible, more innovative and sometimes, to become more patient.

Our Parks & Gardens employees and Works Crews continued to maintain parks, reserves, footpaths and road infrastructure at a high standard and additional bitumen seal was put down on a number of town and rural roads including finalisation of Dongolocking Road.

We assisted with the naturalisation of 39 new citizens of the Shire during the year and again facilitated a number of community events including NAIDOC Week and sponsoring the West Coast Jet Boat Club in an extremely well run and fun return to Archibald Park, for the first time in over 20 years.

The well received Alby Park was opened in December and has since become well utilised. The landscaping to the Narrogin Regional Leisure Centre was completed and in years will be seen as a lasting legacy, providing aesthetics and shade for users of that facility.

We have continued with an Aboriginal Youth Traineeship Program in the Shire's Administration and entered into additional agreements to provide a greater array and

scope of professional services to other nearby and adjoining local governments.

So, once again I thank and applaud the employees of the Shire for a truly momentous effort with their existing program of activities, projects and services as well as delivering on all that was asked (of you) in managing through the continuing changing nature of the pandemic.

Finally, I would like to thank the Elected Members, both former and newly elected, and the Shire President and former Deputy Shire President, for their support during the year.



Dale Stewart
Chief Executive Officer



Elected Members

The Shire of Narrogin is a corporate body consisting of nine elected members including a publicly elected Shire President. The Elected Members shown below, reflects service from July 2020 to 30 June 2021 for all Elected Members bar Councillors McNab, Pomykala and Alexander who were all elected in October 2021. Council would like to thank former Councillors Geoff Ballard, Sophie Lushey and Clive Bartron for their service to October 2021.



*Shire President
Mr Leigh Ballard*



*Deputy Shire President
Cr Graham Broad*



Cr Murray Fisher



Cr Brian Seale



Cr Jacqui Early



Cr Tim Wiese



Cr Roxanne McNab



Cr Josh Pomykala



Cr Tamara Alexander



Harvest Time

Community Strategic Plan / Corporate Business Plan Overview

This report is based on the Community Strategic Plan that was adopted in 2017 and reviewed in 2019 and the accompanying Corporate Business Plan that was updated in 2021.

Section 5.53 (e) of the Local Government Act (1995) states that in relation to the Annual Report “an overview of the Plan for the Future of the district made in accordance with section 5.56, including major initiatives that are proposed to commence or continue in the next financial year.”

1. ECONOMIC OBJECTIVE

Support growth and progress, locally and regionally.

Key Performance Measures:

- Population statistics
- No. of development approvals
- Assessed vacancy rates (business and residential)
- No. of building approvals

Outcome 1.1 Growth in revenue opportunities

Whilst seeking grants and advocacy from government and non-government grants continues to be a key focus of the Administration, this is becoming more difficult with the current National and State economies.

To balance this, the Shire continues to work with adjoining local governments to provide regional support and technical services on an as required or contracted basis. The Shire now works regularly with seven different local governments providing contracted services and /or resource sharing from time to time in the following areas: Town Planning, Building, Ranger, and Environmental Health Services.

A focus for the year was also on ensuring that new start-up businesses were appropriately recognised with the Chief Executive Officer, Shire President and Chamber of Commerce acknowledging their commencement within the townsite and CBD, to foster and promote business confidence.

1.1.1 Attract new industry, business, investment and encourage diversity whilst encouraging growth of local business

Buy Local

The Shire of Narrogin and Council supports purchasing and procurement from local businesses, where possible. Council's "Buy Local" policy has regard for the creation of local employment opportunities, economic growth within the local area, and the positive impacts of the procurement on local business.

Buy Local Purchasing Policy

The Shire of Narrogin is committed to buying local wherever practical and has adopted a Buy Local policy, entitled, '3.2 Purchasing – Regional Price Preference'. The Council Policy Manual is available in our Document Centre <https://www.narrogin.wa.gov.au/documents/532/council-policy-manual>.

The policy is applied pursuant to State Laws (the Local Government (Functions and General) Regulations 1996) that allows the Shire of Narrogin to positively discriminate (give preference) to local suppliers, subject to certain constraints.

The price preference will apply to suppliers who are based in, and operate from the preference region i.e. Shires of Narrogin, Cuballing, Wickiepin, Williams and Wagin in relation to all purchasing by the Shire of Narrogin for the supply of goods and services and construction (building) services, unless specifically stated otherwise, providing they are competitive in regard to specification, service, delivery and price.

The following levels of preference are applied to the whole of the contract for all purchasing under this provision –

10% for Goods or services (maximum reduction of \$30,000); and

5% for Construction Services (including building and roadworks etc) - (maximum reduction of \$50,000).

Narrogin & Districts Business Directory

Businesses are encouraged to provide their details on the Narrogin Chamber of Commerce business directory so that employees of the Shire, as well as other business and residents, are aware of their products and services when opportunities arise.

Local Purchasing

The following summarises the Shire's local purchasing undertaken during the financial year. Unfortunately, much of our annual purchases, including specialised contractors such as hot bitumen works, electricity and gas, cannot be sourced locally.

2021-2021 PAYMENTS	
Total Payments \$	12 MTH TOTAL
Local Suppliers \$	3,340,087
Payroll \$	4,163,598
Total Local \$	7,503,685
	AVERAGE
Local Suppliers %	27.66
Payroll %	35.51
Total Local %	63.17

1.1.2 Promote Narrogin and the Region

The Council continue to support the Dryandra Country Visitor Centre (DCVC) with a significant annual operating grant, and the provision rent free of the Visitor Centre premises and auspicings of their Manager's salary, through the Shire's Accounting System.

The Shire also nominates an elected member to sit on the Executive of the Committee.

Outcome 1.2 Increased Tourism

The Shire continues to work collaboratively with adjoining local governments to provide valuable funding and resources to the Dryandra Country Visitor Centre. The Shire continues to have a key advocacy platform of supporting the nomination of the Dryandra Woodlands as National Park status.

As reported in 2018/19, the development of a Tourism Strategy was completed in 2019/20, and formally adopted by Council in May 2020. It is a comprehensive strategic framework based on extensive tourism industry research and analysis to support and direct the Shire's future tourism related initiatives and associated budgetary considerations.

In January 2022, the Shire was pleased to be advised that the Dryandra Woodlands National Park had officially been recognised and is now working with government to increase services to the Park to reflect its newfound status.

1.2.1 Promote, develop tourism and maintain local attractions

A highlight within the 2020/21 year was a Council driven project that greatly developed tourism to Narrogin and upgraded an existing local attraction, being the Railway Dam. Council identified this project as requiring funding for an upgrade, which included a dedicated picnic area with shelters, seating, BBQ's, sealed carpark and kerbing, new signage and bin surrounds, new fencing and decorative artistic seats around the dam walk trail. This project brought the administration much satisfaction in facilitating and delivering. There has been an abundance of positive feedback from the

local community and tourists as this site is also now recognised as a much loved (and utilised) Recreational Vehicle stop over destination.

Another project that was delivered by Council and administration, for the benefit of the local and regional community, was the former beach volleyball area at the Narrogin Regional Leisure Centre. This facility is now known as Alby Park, with irrigated turf, shade trees, rejuvenated gardens, renovated club rooms including BBQ, that also provides an entertainment servery venue to facilitate for the intended use of the new facility for corporate events, special occasion events, movie nights, fitness activities and many more. This project received a very positive response from the community and has been well utilised.

The Shire joined the Astrotourism Towns network in July 2020. Narrogin's close proximity to Perth offers opportunities to develop astrophotography and stargazing tourism. Yilliminning Rock has been identified as the prime location for planetarium signage, and will become the main stargazing site within the Shire. A free stargazing event will be held each year. During the year the new facility known as the George Brockway Tree was launched, with decorative, locally designed seating and BBQ facilities.

Outcome 1.3 An effective well maintained transport network

The Technical and Rural Services team, who are responsible for operational service delivery for the Shire, had a successful year again, completing 100% of their allocated capital works.

The Shire's road asset network is one of the largest assets for the Shire to maintain, preserve and manage. For the financial year in review, there were many programmed road reseals, reconstruction to repair road defects and other road-related asset maintenance requirements completed with excellent results. The total road construction and maintenance expenditure was \$5,959,467, inclusive of Regional Road Group (State Government) and Roads to Recovery (Federal Government) grant funding and the Shire's own contribution of funds.

1.3.1 Maintain and improve road network in line with resource capacity

The 2020/21 financial year again provided significant funding for improvements to the Shire's road network asset including gravel roads as identified in the Shire's 10 Year Road Program.

The remaining 1km of gravel on Dongolocking Road was sealed, Wagin Wickepin Road received 3kms of new seal, inclusive of defect rectification and Moss Street gravel pavement was sealed. Earl Street from Park to Fortune Street received defecting renovations and a new asphalt pavement.

Many town streets received preservation bitumen reseals as identified and the Shires rural gravel road network received 18 kms of gravel re-sheeting.

1.3.2 Review and implement the Airport Master Plan

The review of the Airport Master Plan has been earmarked for completion in the Corporate Business Plan in the financial year 2022/23.

Outcome 1.4 Agriculture opportunities maintained and developed

The Western Australian Planning Commission, on 12 April 2019, gave its approval for the Shire to advertise its Draft Local Planning Strategy (LPS) for public comment. Advertising then commenced and closed on 2 September 2019, and after minor changes were considered by the Council, was finally endorsed by the Commission in July 2020.

The objective outlined in the LPS is:

To protect and achieve ecologically sustainable use of all productive agricultural land in the Shire whilst providing diverse and compatible development opportunities in agricultural areas which promote the local economy.

1.4.1 Support development of agricultural services

Now that the LPS has been finally endorsed and is a key informing strategy of the Shire, it can be used to advocate for and work with potential businesses and investors who are actively exploring agricultural opportunities within the Shire.

Some of the strategies outlined in the LPS are:

- Protect rural assets due to the importance of their economic, natural resource, food production, environmental and landscape values, ensuring broad compatibility between land uses.
- Support existing, expanded and future primary production through the protection of rural land, particularly priority agricultural land and land required for animal premises and/or the production of food.
- Encourage the continued use of the Shire's agricultural areas for predominantly grazing and cropping.
- Promote the diversification of the Shire's economy by encouraging the development of intensive agriculture, downstream processing of primary produce, diversified industries and further tourism opportunities including farm stay accommodation and ecotourism subject to an adequate buffer being maintained between such uses and surrounding broadacre agricultural activities in order to minimise potential land use conflicts.



Campers enjoying Railway Dam

2. SOCIAL OBJECTIVE

To provide community facilities and promote social interaction.

Key Performance Measures

- Social media activity
- Community participation levels in recreation activities and events
- Recreation Centre usage rates
- Reduction in anti-social behaviour

Outcome 2.1 Provision of youth services

During the year a number of meetings were held with the Youth Interagency Group, comprising some 20 local organisations of the district with a direct impact and involvement with youth. A successful Youth event was held in April 2021 with the desire to convene the inaugural Youth Advisory Group in 2022.

2.1.1 Develop and implement a youth strategy

Following on from the preceding the year, the Shire partnered with the YMCA WA to survey and work with youth and agencies to develop the Youth Engagement, Strategy and Development Plan. The document was subsequently endorsed by the Shire in October 2020. This Plan will enable the development of a number of strategies, actions and initiatives to improve the delivery and provision of youth services and facilities into the future.

Outcome 2.2 Build a healthier and safer community

2.2.1 Support the provision of community security services and facilities

There is an extensive network of public CCTV in Narrogin linked into the local Police station. This enables the Police to monitor and follow in on inappropriate activities. The Shire has also upgraded CCTV on its buildings in order to improve security.

2.2.2 Advocate for mental health and social support services

The Shire maintained representation on the Regional Interagency Human Services Agency Group and also established the Youth Interagency Group during the year.

2.2.3 Continue and improve provision of in-home care services

During the COVID-19 Pandemic, Homecare staff continued to provide much needed support to clients in the midst of lockdowns. Additional funding was provided by the Commonwealth to assist meeting the needs of the clients during this period.

Outcome 2.3 Existing strong community spirit and pride is fostered, promoted and encouraged

2.3.1 Develop and activate Sport and Recreation Master Plan

The Sport and Recreation Infrastructure Plan Feasibility Study Report was received by Council at the August 2020 Council Meeting, with Council incorporating a task to undertake a comprehensive business case in the next review of the Corporate Business Plan in year 4. This will include a Needs Analysis to assess the social, demographic and economic factors, as well as club membership numbers.

Common Ground conducted a community engagement process in May 2019 which included online surveys using industry and local social media platforms. The report has been adopted by Council and will be a guide to future trails development in Narrogin. Following on from this report, applications were made to the Commonwealth's Building Better Regions Fund (BBRF) and Lotterywest for funding to extend the trails within the Shire. The application to Lotterywest was successful, and upgraded trails with trail panels will occur in Foxes Lair, Gnarojin Park, Archibald Park, Railway Dam and the Griffio Mountain Bike Trail this coming year.

2.3.2 Engage and support community groups and volunteers

The R.W. (Bob) Farr Memorial Library supports the community by providing online facilities that enables engagement with online service providers e.g. Commonwealth and State Government agencies.

The Local History collection is maintained by the Library enabling access to the district's history, from time to time volunteers participate in this area.

The library also provides a "Housebound delivery service" by bringing library books and other media to members of our community that physically can't come into the Library.

Other activities include Online Storytime on the Shire YouTube Channel https://www.youtube.com/channel/UCEhC_u6vHkFoAkONcAvbggw, Storytime and Rhyme Time for preschool children, Studiosity online academic assistance for students between Year 3 and 12. Also university tutors and supporting writing and music groups at the library.

The Library also participates in the Better Beginnings program by providing a library bag for each newborn baby, 2 year old and pre-primary school student. The Program works with the State Library, the health nurses and the schools.

The Shire supports a wide range of community groups and organisations through the Community Chest Fund, which provides funding for events and projects that benefit the Narrogin community. The maximum was increased to \$5,000 for 2020/2021 due to the COVID-19 pandemic.

2.3.3 Facilitate and support community events

The R.W. (Bob) Farr Memorial Library supported Paint the Town REaD – a nationwide program to encourage parents to read, sing and play with children daily and develop their brains by hatching the "Paint the Town REaD" mascot Nelly the Numbat at the Narrogin Town Hall in September 2021. This is a joint project between the Library, the Early Years Network, and Amity Health.

The Shire continues to support community events through provision of free or subsidised venue hire, along with promotion via the website and social media. Major events sponsored or facilitated by the Shire included Anzac Remembrance Day and RevHeads.

2.3.4. Provide improved community facilities (eg library/recreation)

During the year a number of improvements were made to various facilities throughout the Shire.

Highbury Tennis Courts were resurfaced with the local community. Improvements to a number of playgrounds were made, including BMX Park. Alby Park created and launched, and the Railway Dam Reserve significantly enhanced.

2.3.5 Encourage and support continued development of arts and culture

The region is privileged to have ARtS Narrogin providing energetic and skillful input to support and build the district's economic, cultural and social capital through innovative and creative approaches to art and culture which celebrate our community's unique identity. In the 2020/21 financial year, the Shire continued its arrangement with ARtS Narrogin as a regional and peak arts organisation to offer a subsidised lease of commercial premises within Narrogin's Town Hall complex for administrative, workshop, gallery and arts related activities.

This financial year's Budget allocated to ARtS Narrogin a total of \$52,000 in cash to cover administration and gallery support as well as to support the organisation to attract a range of exhibitions and cultural shows. The Shire also provided subsidies on outgoings (rates, water and power). The Shire works closely with ARtS Narrogin offering in-kind support in the way of assisting

with administrative enquiries and general liaison work. Also included in the budget is the replacement of the track lighting in the NEXIS area.

Council adopted a Public Art Policy along with Public Art Contributions Guidelines to support the implementation of the Shire of Narrogin's Public Art Strategy & Masterplan which was adopted in 2018/19. This full suite of documents aims to facilitate the creation of original, high quality public artworks sited in visually accessible public locations in the Shire and contribute to arts and cultural development in Narrogin.

Outcome 2.4 Cultural and heritage diversity is recognised

Kulbardi Hill Consulting was contracted to develop a CBD heritage trail. The consultants commenced work in December 2018. The project was completed in June 2020 with 25 interpretative panels installed in the CBD along with a Trail Head and footpath markers. The trail will celebrate Narrogin's exceptional heritage buildings. These buildings provide an attractive heritage feel to the CBD and contribute immensely to the streetscape. Interpretative signage will offer residents, visitors and tourists alike stories about our early settlers and social events during Narrogin's development.

The Shire of Narrogin sought to recognise the Noongar people with a greeting and acknowledgement of country that could be used across the organisation's various media platforms. The Shire already used an Acknowledgement of Country in some of its publications, but having that message translated into Noongar was at the very heart of this project. The Shire sought the advice and guidance of Local Noongar Elder Basil Kickett, who is affectionately known as Pop Basil by many in the community, and appointed him to translate the English words into Noongar.

Ngulla Wiilmen moort Noongars

(We are the Wiilmen Noongar people)

Wanjoo nidja

(Welcome to Gnarojin, place of water)

***nguny unna moort nidja koora moort nidja boordja
nidja borong kabarli moort.***

(and pay respect to the Elders of this land, past and present.)

Since 2016 the Shire of Narrogin has conferred 127 Australian Citizenships.

Year	Number of Citizenships
2016	18
2017	15
2018	8
2019	14
2020	33
2021	39

2.4.1 Maintain and enhance heritage assets

The Shire's Local Heritage Survey continues to guide planning applications and is maintained annually.

Works commenced on the significant cultural asset of the historic Narrogin Railway Station Refurbishment Project in keeping with the adopted Conservation Plan and Adaptive Reuse Study.

2.4.2 Support our Narrogin cultural and indigenous community

The Council and the Shire recognise the importance of Noongar culture to the community, and works with the local indigenous community, to promote it whenever possible. A formal Welcome to Country has been being introduced to Shire events. Shire facilitated events for Reconciliation Week, as well as during NAIDOC Week occurred.

Local elders are consulted during the development of relevant projects, including the proposed trail upgrades.

Outcome 2.5 A broad range of quality education services and facilities servicing the region

2.5.1 Advocate for increased education facilities for the region

The Shire continues to work with key education providers, including each of the five schools and regional educators to understand their needs and also to understand and assist with advocacy in addressing any gaps.

2.5.2 Advocate for and support increased education services

During the year, the Shire and its staff have interacted with each of the Schools and continues to work with the Great Southern TAFE (Campus) and the Human Service's Interagency Group.



Opening of the George Brockway Tree

3. ENVIRONMENT OBJECTIVE

Conserve, protect and enhance our natural and built environment.

Key Performance Measures

- Statutory asset management ratios
- Compliance with statutory reviews required by the Local Planning Framework
- Compliance with statutory requirements for the review of the Municipal Heritage Inventory

Outcome 3.1 A preserved natural environment

3.1.1 Conserve, enhance, promote and rehabilitate the natural environment

Council adopted a Shire of Narrogin Walk Trails Master Plan in April 2019. This key document presents a range of long and short-term strategies to ensure walk trails in Foxes Lair, Railway Dam and Gnarojin Park can be an enjoyable experience for the user and easy to find, navigate and explore. The Master Plan will guide the Shire in showcasing its natural assets into the future. Trail development will inform and educate tourists, visitors and locals alike about the history and value of the Shire's reserves, promote interest in the area and encourage tourists to 'stay longer'. It will assist in controlling the impact of users in sensitive, or fragile environments. The trails include five in Foxes Lair, two at

Railway Dam and a possible circuit trail at Gnarojin Park. All proposed trails are based on existing trails. Funding applications for upgrades to these trails were submitted in April 2021.

Outcome 3.2 Effective waste services

3.2.1 Support the provision of waste services

The Shire operates a weekly domestic putrescible and a fortnightly recyclable waste kerbside collection service to the town of Narrogin and the closer settled areas of the Shire. The kerbside collection services the residential, rural residential areas on the periphery of the town as well as designated rural areas, on request and as agreed by the contractor.

In addition, the Shire operates a Transfer Station at the Narrogin Waste Management Facility, on White Road, Narrogin. The Transfer Station enables more efficient management of waste materials received and restricts public access to the tip face. This has the effect of improving safety at the tip face by restricting or limiting unsupervised people and preventing scavenging. Limiting public access has also had the benefit of reducing hoarding in residential and other areas of the town. The Transfer Station has also made the management of the landfill more effective.

Currently the landfill is licenced to accept 7,500 tonnes of waste annually. In the 2020/2021 financial year approximately 3,458 tonnes of waste was landfilled, 1,438 tonnes of green waste and 103 tyres were received with 1,190 tonnes of recyclable materials recovered. The recyclables recovered at the Transfer Station are separate to the fortnightly kerbside recycling collection service, which collected approximately 381 tonnes in the 2020/2021 financial year.

The Shire of Narrogin has an agreement with the Shire of Cuballing to accept their household and skip bin waste at the Narrogin Waste Management Facility, at an agreed price.

Great Southern Waste Disposal (GSWD) is currently contracted with the Shire of Narrogin to collect the weekly domestic putrescible and the fortnightly recyclable waste kerbside collections. GSWD is also contracted to maintain and bury waste at the landfill.

Great Southern Waste Disposal operates a Material Recycling Facility (MRF), one of only fifteen (15) in Western Australia, at their property on Graham Road in the Narrogin Industrial Estate. This facility processes recycled waste generated within this Shire, as well as from surrounding shires, that have kerbside recycling waste collection services. The recycled waste processed at this facility is included in the above 2020/2021 financial years figures.

Outcome 3.3 Efficient use of resources

3.3.1 Increase resource usage efficiency

Internally, the Administration produced and promoted the Reuse, Reduce and Recycle program by developing a document to assist staff become aware of the importance of such actions and its impact on the environment and climate change.

Externally, the Shire continued with the promotion, through Facebook and the website, highlighting the need to Reuse, Reduce and Recycle. The Containers for Change program commenced in October 2020 and after a slow start the number of containers being exchanged for cash has grown from about 20,000 a week to over 100,000 a week (December 2021). The Shire has continued to work actively

with the Containers for Change and local contractor to promote this program as every container exchanged for cash is one less container landfilled.

Outcome 3.4 A well maintained built environment

3.4.1 Improve and maintain built environment

The Shire has developed a Building Asset Management Plan which looks at all the building assets owned by the Shire. The Plan is a ten year maintenance program of all Council's building assets to ensure that it is kept to a standard. Furthermore, the Shire has adopted the Local Heritage Survey which takes into consideration buildings of heritage significance that need to be preserved and maintained.

Asset Management Plans for Council assets were developed in 2017/18 and inform the Long Term Financial Plan. This provided Council with a strategic view for managing an organisation's infrastructure and other assets to deliver an agreed standard of service. This is an area of continuing development.

The Shire's adopted road and footpath programs were implemented as specified for the year in review. Sections of new concrete footpaths were installed at Ensign, Argus and Park Streets to the value of \$76,000.

Road construction repairs, bitumen resealing works, gravel re-sheeting again featured heavily in this year's budget with a \$2.211M capital commitment from Council.

Maintenance to road related assets such as drainage, rural vegetation management, footpaths, bridges, street sweeping, street trees, signage, kerbing and verges were allocated funding to the value \$3.975M to maintain these valuable assets for the benefit of the local and regional community along with the many visitors who choose to visit our Shire.

Parks, ovals and streetscape assets are widely used by the community for sporting and recreational activities. Such assets include - irrigated turf, playground equipment, tree maintenance, park and street furniture, barbeques, picnic shelters, seats, irrigation infrastructure which are all maintained by Shire staff for the benefit of the community and region and are funded annually by Council.

It is essential to allocate sufficient funding for the preservation of all the Shire's assets, so they are kept in optimum condition considering the purpose of the asset's intended use.



Participants at the Australian Citizenship Day

4. CIVIC LEADERSHIP OBJECTIVE

Continually enhance the Shire's organisational capacity to service the needs of a growing community.

Key Performance Measures

- Statutory financial ratios
- Employee retention rates
- Volunteer levels

Outcome 4.1 An efficient and effective organisation

During the year under review, the Shire continued to develop strong foundations since the merger of the former entities, with all but a few of the desired asset management plans and long term financial plans in place. The merger continues to enable economies of scale not seen before with systems and processes and the ability to choose the best system from the previous entity.

A prospective elected members session was held in 2021 for prospective Councillors, conducted by the Shire President, Chief Executive Officer and WA Electoral Commission.

Further expansion occurred with regional service delivery (shared services), with adjoining and nearby local governments, as far away as Lake Grace, with the introduction and marketing of the [LG2LG](#).

suite of services, ranging from Homecare, environmental health, building surveying, ranger and road services.

Communication channels heavily used included regular media releases, updates and posts through Facebook, the Shire's website, the Shire's official notice boards, televisions in prominent Shire foyers at the Library, Office, and Homecare and through publication and advertisements in the Narrogin Observer.

4.1.1 Continually improve operational efficiencies and provide effective services

The completion of the Compliance Calendar, Lease and Agreement Registers and the continuous review of processes and procedures ensures that the right allocation of resource are made at the right time.

Monthly tracking of projects and financial statements highlights issues and enables corrective action.

4.1.2 Continue to enhance communication and transparency

The Council, continues to provide for the monthly publication in the Narrogin Observer, entitled the Narrogin Narrative. This is replicated on the Shire's website and Facebook page.

During the year under review, some 150 Facebook, website advertisements, invitations to comment and Media Releases were issued.

Outcome 4.2 An employer of choice

The Shire of Narrogin provides a competitive benefits package to all its employees, all listed on the Shires web page <https://www.narrogin.wa.gov.au/benefits-of-working-for-the-shire.aspx>. This maximises the opportunity for a broader range and quality of suitable applications to be attracted to our advertised positions.

4.2.1 Provide a positive, desirable workplace

We continue to develop a strong safety culture and are working towards achieving a silver recognition with our Insurance Broker, Local Government Insurance Services. All staff meetings continue to have a permanent agenda item for OSH matters.

We have also developed a strong culture of acknowledging employee efforts by incorporating this as a permanent agenda item for all staff meetings and on our Intranet, we call SoNIC (the Shire of Narrogin Information Centre).

As a result of COVID post Council meeting debriefs are conducted via video conferencing, which enables officers from different sites, to participate in these sessions, increasing team building and the sense of inclusion.

Statutory Statements

Legislative Review

During 2020/21 financial year a review of all local laws was undertaken. Their promulgation will be finalised in the calendar year 2022.

During the year the Shire of Narrogin Public Health Plan was adopted. The purpose of the Shire of Narrogin Public Health Plan (the Plan) is to protect, improve and promote public health and wellbeing for all residents and ratepayers in the Shire of Narrogin. The Plan's intent is to support all members of the community, through various life stages to enable good health and wellbeing to be enjoyed across a range of identified health issues.

The Health Law is progressing and will be completed in next 12 months.

For a list of the new Local Laws please refer to the Shire of Narrogin [website](#) or the Department of Local Government website.

Responsible Officer: Executive Manager Corporate and Community Services.

Structural Reform

The new merged entity officially commenced on 1 July 2016 under the direction of three Commissioners. They ceased their tenure when the new Council was elected on 15 October 2016. Coinciding with that election, a referendum supported the direct election of the Shire President by electors.

To align with the normal election cycle, the term of the President and two Rural and two Urban Ward Councillors concluded in October 2017. The terms of the other elected members concluded in October 2019. From the 2019 Ordinary Local Government elections, the current two Wards (Rural and Urban) were abolished.

Public Interest Disclosure Act 2003

In accordance with this legislation, procedures have been implemented to facilitate reporting and action on public interest disclosures. During the 2020/21 reporting period, no public interest disclosures were lodged.

Responsible Officer: Executive Manager Corporate and Community Services.

Disability Access and Inclusion Plan (DAIP) Report

The Shire of Narrogin is committed to an accessible, inclusive Shire that values all people including those with disability. The Shire, through its Disability Access and Inclusion Plan 2018-2023 (DAIP), plans to ensure that people with a disability have equal opportunities of access and community including to Council services, products, facilities and information and are consulted in a meaningful and appropriate way to facilitate participation with the Shire and the Narrogin and Districts community. The DAIP is a requirement under the Disability Services Act 1993 and each year the Shire is required to report on the achievements and outcomes arising from the Disability Access & Inclusion Plan (DAIP).

The achievements for the year ended 30 June 2021 are listed below and grouped into the outcome areas addressed in the Shire of Narrogin's DAIP.

Outcome 1: People with disability have the same opportunities to access the Shire's services and events as other people.

The Shire continued with its works program to upgrade facilities such as footpaths and public toilets to improve accessibility.

Outcome 2: People with disability have the same opportunities to access Shire buildings and facilities as other people.

The Shire undertook work to improve accessibility to a range of Shire assets, including parks, paths and the Caravan Park.

A range of works were undertaken to assist with pedestrian mobility and access in the Shire. This work included:

- Installation of two sheltered accessible tables with access from the car park at Railway Dam;
- Development of a new park - Alby Park. This included a new accessible path to the Leisure Centre and swimming club rooms;
- A new footpath was constructed from Homer to Herald Streets caters for abilities;
- A footpath from Fairway to Federal Streets was refurbished, allowing for all abilities access;
- Accessible doors were installed to the camp kitchen at the Caravan Park;
- A new all abilities path was constructed from the Wilson Street footpath to a new gazebo at Wilbur Park in Highbury;
- Three new accommodation units at the caravan park (fully disabled compliant); and
- A new toilet block at Clayton Oval, which includes a combined accessible toilet/shower/baby change cubicle.

Outcome 3: People with disability have the same opportunity to access information as readily as other people

The Shire's Library commenced an online Storytime program via YouTube through Australia Reads. This has allowed access for all abilities.

Outcome 4: People with disability receive the same level and quality of service from Shire staff as other people receive.

The Shire believes this to be the case.

The 2018-2023 DAIP contains an implementation plan which includes tasks which facilitate a greater degree of involvement of the disability sector in networking with the Shire to provide feedback on the DAIP. This can include matters such as suitable formats to make complaints.

Outcome 5: People with disability have the same opportunities as other people to make complaints to the Shire.

The 2018-2023 DAIP contains an implementation plan which includes tasks which facilitate a greater degree of involvement of the disability sector in networking with the Shire to provide feedback on the DAIP. This can include matters such as suitable formats to make complaints.

Outcome 6: People with disability have the same opportunities as other people to participate in any public consultation held by Council.

Specific strategies were not implemented.

The 2018-2023 DAIP contains an implementation plan which includes tasks which facilitate a greater degree of involvement of the disability sector in networking with the Shire to provide feedback on the DAIP. This can include matters such as suitable formats to make complaints.

Outcome 7: People with disability have the same opportunities as other people to obtain and maintain employment at the Shire.

The Shire believes this to be the case with a statement to this effect on all advertisements for employment.

The 2018-2023 DAIP contains an implementation plan which includes tasks which facilitate a greater degree of involvement of the disability sector in networking with the Shire to provide feedback on the DAIP. This can include matters such as suitable formats to make complaints.

Freedom of Information Act 1992

In complying with the Freedom of Information Act 1992, the Shire of Narrogin is required to prepare and publish an Information Statement. The Shire of Narrogin's Information Statement is reviewed annually and is available to download from the Shire of Narrogin website:

www.narrogin.wa.gov.au/documents/500/freedom-of-information-information-statement

A printed copy can be viewed at the Shire Administration Office. The information statement contains information on the type of documents available to the public and how to access those documents. During the 2020/21 year, Council received one request for information under the Freedom of Information Act and the information requested was provided in full.

Responsible Officer: Executive Manager Corporate and Community Services.

State Records Act 2000

The State Records Act 2000 requires that the Shire maintains and disposes of all records in the prescribed manner. The State Records Act 2000 also requires all local authorities to produce a Record Keeping Plan to be endorsed by the State Records Commission. This Plan was reviewed in 2017/18 and was adopted by State Records Commission in March 2018 and approved by Council in April 2018.

Principle 6 – Compliance with the State Records Commission Standard 2. requires that government organisations ensure their employees comply with the Record Keeping Plan and include within its Annual Report a section that addresses points 1-4 of the Principle.

Specifically, the Record Keeping Plan is to provide evidence to cite that:

1. The efficiency and effectiveness of the organisation's record keeping systems is evaluated not less than once in every 5 years.

- The Shire is reviewing its records keeping methods on a continual basis after implementing new procedures.
2. The organisation conducts a record keeping training program.
 - The Shire has performed this on several occasions for management and staff who deal with records.
 3. The efficiency and effectiveness of the record keeping training program is reviewed from time to time.
 - The record keeping procedures are under constant review after new procedures have been implemented.
 4. The organisation's induction program addresses employee roles and responsibilities in regard to their compliance with the organisation's record keeping plan.
 - The induction program for new elected members and employees includes an overview of the responsibilities regarding records management.

Responsible Officer: Executive Manager Corporate and Community Services.

National Strategic Plan (NSP) for Asbestos Awareness and Management 2019-2023

The NSP 2019-2023 is consistent with the Western Australian Government policy on occupational safety and health.

On 9 November 2020, the Western Australian Government endorsed targets one to seven (targets eight and nine are Federal targets) of the NSP 2019-2023 which aims to eliminate asbestos-related diseases in Australia by preventing exposure to asbestos fibres.

Each State and Western Australian local government department, agency, authority and government enterprise, is required to report on its progress in achieving the relevant targets of the NSP 2019-2023.

As an overview of activities during the year the Shire:

- Reviewed its Register of Asbestos identifying and assessing the risks associated with asbestos containing material within local government owned and controlled buildings, land and infrastructure;
- Assisted the Gnarojin Community Gardens develop plans for the risk-based management of asbestos containing materials, which includes removal where required;
- Provided guidance to residents and local businesses with respect to asbestos compliance and enforcement (such as improvement notice, prohibition notice, prosecution action etc.); and
- Did not, during the year under review undertake any broad community or staff asbestos awareness, including training, publications and guidance materials.

For further information on the National Strategic Plan for Asbestos Awareness and Management 2019-2023 targets, visit the Asbestos Safety and Eradication Agency [website](https://www.asbestossafety.gov.au/) at <https://www.asbestossafety.gov.au/>.

Register of Complaints - Conduct of Council Members

There were no complaints that resulted in action against Elected Members under section 5.121 of the *Local Government Act 1995* for the 2020/21 financial year.

Responsible Officer: Executive Manager Corporate and Community Services.

Employees Remuneration

Set out below, in bands of \$10,000, is the number of employees of the Shire entitled to an annual salary of \$130,000 or more (regulation 19B(2)(a) &(b) Local Government (Administration) Regulations 1996).

Salary Range	2019/20	2020/21
\$130,001 - \$140,000		
\$150,001 - \$160,000		
\$160,001 - \$170,000		
\$170,001 - \$180,000		
\$180,001 - \$190,000	1	1

Responsible Officer: Executive Manager Corporate and Community Services.

Elected Member Demographics

Elected member demographics of those elected in 2019 is detailed below (regulation 19B(2)(h) Local Government (Administration) Regulations 1996).

Gender	7 Male 2 Female
Linguistic background	9 English
Country of Birth	8 Australia 1 United Kingdom
Identifying as Aboriginal or Torres Strait Islander	Nil
Ages	
between 18 years and 24 years: and	
between 25 years and 34 years: and	1
between 35 years and 44 years; and	
between 45 years and 54 years; and	2
between 55 years and 64 years; and	4
over the age of 64 years	2

Remuneration provided to the CEO

The total remuneration provided to the CEO during financial year 2020/21 pursuant to (regulation 19B(2)(e) Local Government (Administration) Regulations 1996 including all benefits such housing, vehicle provision and superannuation was \$250,731.

Attendance at Council and Committee meetings

The Council of the Shire of Narrogin meets monthly for information sessions and workshops on a variety of topics. In the fourth week of the month, Council convenes an Ordinary Council Meeting, where decisions are made on all report items in the best interest of the community (Regulation 19B(2)(f) Local Government (Administration) Regulations 1996).

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

	Council	Audit Advisory Committee	Airport Advisory Committee	Local Emergency Management Committee	Australia Day and Honours Advisory Committee	Bush Fire Advisory Committee	Townscape Advisory Committee
No of meetings held	11	1	0	3	3	1	6
Elected Member							
Shire President Mr L Ballard	11	1			3	1	
Deputy Shire President Cr Tim Wiese	11	1					
Cr G Broad	10	1					
Cr J Early	11	1			1		5
Cr M Fisher	11	1					
Cr B Seale	10	1		3	2		1
Councillors commencing their term in October 2021							
Cr R McNab	3						
Cr J Pomykala	3						
Cr T Alexander	2						
Councillors ending their term in October 2021							
Cr G Ballard	10	1					
Cr C Bartron	11	1		1			6
Cr S Lushey	10	1					

Acronyms Used Within This Document

ACROD	Australian Council for Rehabilitation of Disabled
AGRN	Australian Government Registration Number
CBD	Central Business District
CBP	Corporate Business Plan
CEO	Chief Executive Officer
CHSP	Commonwealth Home Support Programme
CSRFF	Community Sporting and Recreation Facilities Fund
DAIP	Disability Access and Inclusion Plan
DSR	Department of Sport and Recreation
EMCCS	Executive Manager Corporate and Community Services
EMDRS	Executive Manager Development and Regulatory Services
EMTRS	Executive Manager Technical and Environmental Services
FAG	Financial Assistance Grants
HACC	Home And Community Care
KEEDAC	Kaata-Koorliny Employment and Enterprise Development Aboriginal Network
KM	Kilometre
MLC	Manager Leisure and Culture
MLS	Manager Library Services
MOU	Memorandum of Understanding
MWS	Manager Works and Services
NAIDOC	National Aborigines and Islanders Day Observance Committee
NBN	National Broadband Network
NRLC	Narrogin Regional Leisure Centre
OEM	Office of Emergency Management
OSH	Occupational Safety and Health
RAP	Reconciliation Action Plan
RFQ	Request for Quote
TAFE	Tertiary and Further Education
WDC	Wheatbelt Development Commission
YMCA	Young Men's Christian Association

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

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COMMUNITY VISION

"A leading regional economic driver and a socially interactive and inclusive community"

Principal place of business:
89 Earl Street
Narrogin
WA 6390

**SHIRE OF NARROGIN
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 Narrogin 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 Narrogin 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 Twenty first day of December 2021



Chief Executive Officer

Dale Stewart

Name of Chief Executive Officer



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

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
Revenue				
Rates	24(a)	4,929,046	4,941,453	4,938,388
Operating grants, subsidies and contributions	2(a)	4,897,144	3,163,838	4,011,546
Fees and charges	2(a)	1,841,274	1,854,976	1,787,386
Interest earnings	2(a)	88,337	149,500	175,066
Other revenue	2(a)	463,587	150,230	345,556
		12,219,388	10,259,997	11,257,942
Expenses				
Employee costs		(5,489,706)	(5,135,262)	(5,408,819)
Materials and contracts		(2,558,708)	(3,373,528)	(2,873,798)
Utility charges		(632,111)	(668,064)	(604,712)
Depreciation on non-current assets	11(b)	(2,876,118)	(3,450,264)	(2,920,996)
Interest expenses	2(b)	(31,424)	(31,937)	(49,139)
Insurance expenses		(265,960)	(258,599)	(250,979)
Other expenditure	2(b)	(582,623)	(592,550)	(387,401)
		(12,436,650)	(13,510,204)	(12,495,844)
		(217,262)	(3,250,207)	(1,237,902)
Non-operating grants, subsidies and contributions	2(a)	1,354,152	3,546,581	1,232,923
Profit on asset disposals	11(a)	9,161	-	10,152
(Loss) on asset disposals	11(a)	(24,654)	(129,582)	(58,680)
Fair value adjustments to financial assets at fair value through profit or loss		3,878	-	1,729
		1,342,537	3,416,999	1,186,124
Net result for the period		1,125,275	166,792	(51,778)
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	13	934,451	-	(105,103)
Total other comprehensive income for the period		934,451	-	(105,103)
Total comprehensive income for the period		2,059,726	166,792	(156,881)

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



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

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
Revenue				
Governance	2(a)	11,103	1,850	1,202
General purpose funding		7,474,646	6,281,444	7,449,404
Law, order, public safety		350,780	285,505	118,023
Health		21,722	21,350	21,149
Education and welfare		2,083,683	1,579,357	1,702,814
Housing		8,240	8,240	8,240
Community amenities		1,113,022	1,145,512	1,076,744
Recreation and culture		188,777	162,200	63,928
Transport		275,012	251,970	255,107
Economic services		440,097	304,200	274,039
Other property and services		252,306	218,368	287,292
		12,219,388	10,259,996	11,257,942
Expenses				
Governance	2(b)	(508,588)	(640,595)	(538,271)
General purpose funding		(321,138)	(250,012)	(224,900)
Law, order, public safety		(742,428)	(755,830)	(740,441)
Health		(274,672)	(289,031)	(305,648)
Education and welfare		(1,751,300)	(1,833,458)	(1,824,283)
Housing		(29,039)	(33,202)	(31,742)
Community amenities		(1,380,214)	(1,528,207)	(1,450,229)
Recreation and culture		(2,930,250)	(3,503,604)	(2,797,909)
Transport		(3,329,746)	(3,712,876)	(3,566,114)
Economic services		(800,224)	(867,108)	(899,359)
Other property and services		(337,625)	(64,343)	(67,809)
		(12,405,226)	(13,478,266)	(12,446,705)
Finance Costs				
Governance	2(b)	(7,693)	(7,351)	(12,563)
Law, order, public safety		(341)	0	(364)
Community amenities		0	(2,250)	0
Recreation and culture		(11,550)	(11,290)	(19,512)
Economic services		(11,840)	(11,046)	(16,700)
		(31,424)	(31,937)	(49,139)
		(217,262)	(3,250,207)	(1,237,902)
Non-operating grants, subsidies and contributions	2(a)	1,354,152	3,546,581	1,232,923
Profit on disposal of assets	11(a)	9,161	0	10,152
(Loss) on disposal of assets	11(a)	(24,654)	(129,582)	(58,680)
Fair value adjustments to financial assets at fair value through profit or loss		3,878	0	1,729
		1,342,537	3,416,999	1,186,124
Net result for the period		1,125,275	166,792	(51,778)
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	13	934,451	0	(105,103)
Total other comprehensive income for the period		934,451	0	(105,103)
Total comprehensive income for the period		2,059,726	166,792	(156,881)

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

SHIRE OF NARROGIN
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	NOTE	2021 \$	2020 \$
CURRENT ASSETS			
Cash and cash equivalents	3	7,648,153	7,202,711
Trade and other receivables	6	634,915	591,647
Inventories	7	9,960	19,735
Other assets	8	53,625	30,688
TOTAL CURRENT ASSETS		8,346,652	7,844,781
NON-CURRENT ASSETS			
Trade and other receivables	6	188,960	187,203
Other financial assets	5(a)	110,710	106,832
Property, plant and equipment	9	59,289,126	58,387,584
Infrastructure	10	115,449,487	114,312,047
Right of use assets	12(a)	13,385	24,076
TOTAL NON-CURRENT ASSETS		175,051,668	173,017,742
TOTAL ASSETS		183,398,321	180,862,523
CURRENT LIABILITIES			
Trade and other payables	14	981,333	852,529
Other liabilities	15	283,935	0
Lease liabilities	16(a)	11,769	10,644
Borrowings	17(a)	197,212	173,653
Employee related provisions	18	783,462	711,328
TOTAL CURRENT LIABILITIES		2,257,711	1,748,154
NON-CURRENT LIABILITIES			
Lease liabilities	16(a)	3,099	13,562
Borrowings	17(a)	784,147	801,359
Employee related provisions	18	173,568	179,378
TOTAL NON-CURRENT LIABILITIES		960,814	994,299
TOTAL LIABILITIES		3,218,525	2,742,453
NET ASSETS		180,179,796	178,120,070
EQUITY			
Retained surplus		50,974,225	50,442,171
Reserves - cash backed	4	4,677,042	4,083,821
Revaluation surplus	13	124,528,529	123,594,078
TOTAL EQUITY		180,179,796	178,120,070

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



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

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2019		50,369,084	4,229,579	123,699,181	178,297,844
Change in accounting policy		(125,996)	0	0	(125,996)
Correction of error	5	105,103	0	0	105,103
Restated total equity at the beginning of the financial year		50,348,191	4,229,579	123,699,181	178,276,951
Comprehensive income					
Net result for the period		(51,778)	0	0	(51,778)
Other Comprehensive Income	13			(105,103)	(105,103)
Total comprehensive income		(51,778)	0	(105,103)	(156,881)
Transfers from reserves	4	2,674,563	(2,674,563)	0	0
Transfers to reserves	4	(2,528,805)	2,528,805	0	0
Balance as at 30 June 2020		50,442,171	4,083,821	123,594,078	178,120,070
Comprehensive income					
Net result for the period		1,125,275	0	0	1,125,275
Other comprehensive income	13	0	0	934,451	934,451
Total comprehensive income		1,125,275	0	934,451	2,059,726
Transfers from reserves	4	2,363,406	(2,363,406)	0	0
Transfers to reserves	4	(2,956,627)	2,956,627	0	0
Balance as at 30 June 2021		50,974,225	4,677,042	124,528,529	180,179,796

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

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

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		4,944,647	4,941,453	4,902,789
Operating grants, subsidies and contributions		4,855,199	3,163,838	4,494,320
Fees and charges		1,841,274	1,854,976	1,787,386
Interest received		88,337	149,500	175,066
Goods and services tax received		720,201	355,705	709,432
Other revenue		463,587	150,230	345,556
		12,913,245	10,615,702	12,414,549
Payments				
Employee costs		(5,545,140)	(5,135,262)	(5,281,976)
Materials and contracts		(2,410,547)	(3,373,528)	(2,819,535)
Utility charges		(632,111)	(668,064)	(604,712)
Interest expenses		(31,424)	(31,937)	(49,139)
Insurance paid		(265,960)	(258,599)	(250,979)
Goods and services tax paid		(649,643)	(355,705)	(719,836)
Other expenditure		(582,623)	(592,550)	(387,401)
		(10,117,447)	(10,415,645)	(10,113,578)
Net cash provided by (used in) operating activities	19	2,795,798	200,057	2,300,971
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	9(a)	(1,410,391)	(3,912,757)	(2,104,843)
Payments for construction of infrastructure	10(a)	(2,819,579)	(3,897,032)	(2,367,947)
Non-operating grants, subsidies and contributions		1,638,087	3,546,581	1,232,923
Proceeds from sale of property, plant & equipment	11(a)	244,519	592,000	410,007
Net cash provided by (used in) investment activities		(2,347,364)	(3,671,208)	(2,829,860)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	17(b)	(173,653)	(173,653)	(167,215)
Payments for principal portion of lease liabilities	16(b)	(9,338)	0	(7,866)
Proceeds from new borrowings	17(b)	180,000	180,000	0
Net cash provided by (used in) financing activities		(2,991)	6,347	(175,081)
Net increase (decrease) in cash held		445,442	(3,464,804)	(703,970)
Cash at beginning of year		7,202,711	7,216,736	7,906,681
Cash and cash equivalents at the end of the year	19	7,648,153	3,751,932	7,202,711

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

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

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)	25 (b)	2,557,686	2,697,512	3,817,912
		2,557,686	2,697,512	3,817,912
Revenue from operating activities (excluding rates)				
Governance		11,103	1,850	1,202
General purpose funding		2,558,595	1,339,991	2,521,863
Law, order, public safety		350,780	285,505	118,023
Health		21,722	21,350	21,149
Education and welfare		2,075,647	1,579,357	1,702,814
Housing		8,240	8,240	8,240
Community amenities		1,113,022	1,145,512	1,080,903
Recreation and culture		188,777	162,200	63,928
Transport		275,012	251,970	261,100
Economic services		440,097	304,200	274,039
Other property and services		252,305	218,368	287,292
		7,295,300	5,318,543	6,340,553
Expenditure from operating activities				
Governance		(516,281)	(647,946)	(550,834)
General purpose funding		(321,138)	(250,012)	(224,900)
Law, order, public safety		(742,769)	(773,425)	(740,805)
Health		(268,463)	(290,379)	(305,648)
Education and welfare		(1,752,200)	(1,854,952)	(1,831,072)
Housing		(29,039)	(33,202)	(31,742)
Community amenities		(1,380,214)	(1,537,957)	(1,468,568)
Recreation and culture		(2,941,800)	(3,514,894)	(2,817,421)
Transport		(3,329,748)	(3,778,915)	(3,591,520)
Economic services		(824,831)	(893,760)	(916,059)
Other property and services		(337,625)	(64,343)	(75,955)
		(12,444,108)	(13,639,785)	(12,554,524)
Non-cash amounts excluded from operating activities	25(a)	2,880,555	3,579,846	2,883,658
Amount attributable to operating activities		289,433	(2,043,884)	487,599
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	2(a)	1,354,152	3,546,581	1,232,923
Proceeds from disposal of assets	11(a)	244,519	592,000	410,007
Purchase of property, plant and equipment	9(a)	(1,410,391)	(3,912,757)	(2,104,843)
Purchase and construction of infrastructure	10(a)	(2,819,579)	(3,897,032)	(2,367,947)
Amount attributable to investing activities		(2,631,299)	(3,671,208)	(2,829,860)
FINANCING ACTIVITIES				
Repayment of borrowings	17(b)	(173,653)	(173,653)	(167,215)
Proceeds from borrowings	17(b)	180,000	180,000	0
Payments for principal portion of lease liabilities	16(b)	(9,338)	0	(7,866)
Transfers to reserves (restricted assets)	4	(2,956,627)	(2,300,170)	(2,528,805)
Transfers from reserves (restricted assets)	4	2,363,406	3,067,461	2,674,563
Amount attributable to financing activities		(596,212)	773,637	(29,323)
Surplus/(deficit) before imposition of general rates		(2,938,078)	(4,941,455)	(2,371,584)
Total amount raised from general rates	24(a)	4,919,929	4,941,455	4,929,270
Surplus/(deficit) after imposition of general rates	25(b)	1,981,851	0	2,557,686

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

SHIRE OF NARROGIN
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FOR THE YEAR ENDED 30 JUNE 2021

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1. BASIS OF PREPARATION

The financial report comprises general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and Interpretations of the Australian Accounting Standards Board, and the Local Government Act 1995 and accompanying regulations. The Local Government Act 1995 and accompanying Regulations take precedence over Australian Accounting Standards where they are inconsistent. The Local Government (Financial Management) Regulations 1996 specify that vested land is a right-of-use asset to be measured at cost. All right-of-use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost rather than at fair value. The exception is vested improvements on concessionary land leases such as roads, buildings or other infrastructure which continue to be reported at fair value, as opposed to the vested land which is measured at zero cost. The measurement of vested improvements at fair value is a departure from AASB 16 which would have required the Shire to measure any vested improvements at zero cost. Accounting policies which have been adopted in the preparation of this financial report have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the financial report has been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

THE LOCAL GOVERNMENT REPORTING ENTITY

All funds through which the Shire controls resources to carry on its functions have been included in the financial statements forming part of this financial report. In the process of reporting on the local government as a single unit, all transactions and balances between those funds (for example loans and transfers between funds) have been eliminated. All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 29 to these financial statements.

INITIAL APPLICATION OF ACCOUNTING STANDARDS

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

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

The impact of adoption of these standards is described in note 28.

NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE YEARS

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

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

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

CRITICAL ACCOUNTING ESTIMATES

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

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

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

2. REVENUE AND EXPENSES

REVENUE RECOGNITION POLICY

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Timing of revenue recognition
Rates	General Rates	Over time	Payment dates adopted by Council during the year	None	Adopted by council annually	When taxable event occurs	Not applicable	When rates are levied for the rating period
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 funding body	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	When taxable event occurs	Not applicable	Output method based on regular weekly and fortnightly period as proportionate to collection service
Waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	Adopted by council annually	Based on timing of entry to facility	Not applicable	On entry to facility
Property hire and entry	Use of halls and facilities	Single point in time	In full in advance	Refund if event cancelled within 7 days	Adopted by council annually	Based on timing of entry to facility	Returns limited to repayment of transaction price	On entry or at conclusion of hire
Memberships	Gym and pool membership	Over time	Payment in full in advance	Refund for unused portion on application	Adopted by council annually	Apportioned equally across the access period	Returns limited to repayment of transaction price	Output method Over 12 months matched to access right
Fees and charges for other goods and services	Cemetery services, library fees, reinstatements and private works	Single point in time	Payment in full in advance	None	Adopted by council annually	Applied fully based on timing of provision	Not applicable	Output method based on provision of service or completion of works
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 claim is agreed
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
Fines and penalties	No goods or services but fines or penalties for delayed payments	Single point in time	Payment dates adopted by Council during the year	None	Set by State legislation or limited by legislation to the cost of provision	When taxable event occurs	Not applicable	Revenue recognised after default event occurs

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

2. REVENUE AND EXPENSES

(a) Grant revenue

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

Operating grants, subsidies and contributions

Governance
General purpose funding
Law, order, public safety
Education and welfare
Community amenities
Recreation and culture
Transport
Economic services
Other property and services

Non-operating grants, subsidies and contributions

Law, order, public safety
Education and welfare
Recreation and culture
Transport

Total grants, subsidies and contributions

Fees and charges

Governance
General purpose funding
Law, order, public safety
Health
Education and welfare
Housing
Community amenities
Recreation and culture
Transport
Economic services
Other property and services

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Operating grants, subsidies and contributions			
Governance	0	250	734
General purpose funding	2,315,818	1,139,641	2,249,853
Law, order, public safety	318,233	248,005	83,846
Education and welfare	1,973,124	1,400,841	1,515,119
Community amenities	0	3,000	0
Recreation and culture	104,372	150,100	15,337
Transport	150,596	150,020	146,657
Economic services	0	59,300	0
Other property and services	35,000	12,681	0
	4,897,144	3,163,838	4,011,546
Non-operating grants, subsidies and contributions			
Law, order, public safety	0	1,562,210	0
Education and welfare	5,000	0	0
Recreation and culture	448,140	810,532	181,746
Transport	901,012	1,173,839	1,051,177
	1,354,152	3,546,581	1,232,923
Total grants, subsidies and contributions	6,251,296	6,710,419	5,244,469
Fees and charges			
Governance	2,099	1,600	40
General purpose funding	56,150	47,850	37,193
Law, order, public safety	30,997	32,500	32,279
Health	21,722	21,350	21,149
Education and welfare	92,278	178,516	182,750
Housing	8,240	8,240	8,240
Community amenities	1,100,210	1,142,512	1,071,530
Recreation and culture	17,217	12,100	14,736
Transport	1,056	0	1,057
Economic services	390,356	285,600	255,295
Other property and services	120,950	124,708	163,117
	1,841,274	1,854,976	1,787,386

SIGNIFICANT ACCOUNTING POLICIES

Grants, subsidies and contributions

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

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

Fees and Charges

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

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

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

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

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

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Operating grants, subsidies and contributions	164,924	136,250	191,159
Fees and charges	1,777,701	1,791,226	1,725,495
Other revenue	195,714	0	183,792
Non-operating grants, subsidies and contributions	1,354,152	3,546,581	1,232,923
	3,492,491	5,474,057	3,333,369

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

Other revenue from contracts with customers recognised during the year	2,138,339	1,927,476	2,100,446
Transfers intended for acquiring or constructing recognisable non-financial assets from performance obligations satisfied during the year	1,354,152	3,546,581	1,232,923
	3,492,491	5,474,057	3,333,369

Assets associated with contracts with customers were not subject to an impairment charge.

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	102,775	154,383
Grant liabilities from transfer for recognisable non-financial assets	283,935	0

Impairment of assets associated with contracts with customers are detailed at note 2 (b) under 'Other expenditure'.
Consideration from contracts with customers is included in the transaction price.

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

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Revenue from statutory requirements

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

General rates

Statutory permits and licences

Fines

Assets and Services acquired below fair value

Contributed assets (Library stock)

Other revenue

Reimbursements and recoveries

Reimbursement Income - Operating (WANDRRA Funding)

Other

Interest earnings

Interest on reserve funds

Rates instalment and penalty interest (refer Note 24(b))

Other interest earnings

	2021 Actual \$	2021 Budget \$	2020 Actual \$
General rates	4,919,929	4,932,335	4,929,270
Statutory permits and licences	55,986	51,700	51,278
Fines	7,588	12,050	10,613
	4,983,502	4,996,085	4,991,161
Contributed assets (Library stock)	0	0	177,695
Reimbursements and recoveries	267,873	150,230	161,764
Reimbursement Income - Operating (WANDRRA Funding)	0	0	0
Other	195,714	0	183,792
	463,587	150,230	345,556
Interest on reserve funds	18,414	60,000	72,249
Rates instalment and penalty interest (refer Note 24(b))	57,223	60,000	72,837
Other interest earnings	12,700	29,500	29,980
	88,337	149,500	175,066

SIGNIFICANT ACCOUNTING POLICIES

Interest earnings

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

Interest earnings (continued)

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

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

2. REVENUE AND EXPENSES (Continued)

(b) Expenses		2021	2021	2020
	Note	Actual	Budget	Actual
		\$	\$	\$
Auditors remuneration				
- Audit of the Annual Financial Report		45,000	49,875	45,000
- Other services		2,300	0	1,200
		47,300	49,875	46,200
Interest expenses (finance costs)				
Borrowings	17(b)	31,083	31,937	48,775
Lease liabilities	16(b)	341	0	364
		31,424	31,937	49,139
Other expenditure				
Impairment loss on trade and other receivables from contracts with customers		74,487	0	27,544
Members fees		123,165	124,600	132,802
Donations, Subsidies & Assistance to Community Groups		91,203	170,050	39,535
Statutory Fees and Taxes		16,181	20,200	12,641
Sundry expenses		277,587	277,700	174,879
		582,623	592,550	387,401

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

3. CASH AND CASH EQUIVALENTS

	NOTE	2021 \$	2020 \$
Cash at bank and on hand		7,648,153	7,202,711
Total cash and cash equivalents		7,648,153	7,202,711

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		4,707,045	4,100,027
		4,707,045	4,100,027

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

Reserves - cash backed	4	4,677,042	4,083,821
Bonds and deposits held		30,003	16,206
Total restricted assets		4,707,045	4,100,027

SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

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

Restricted assets

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

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

4. RESERVES - CASH 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) Employee Entitlement Reserve	360,583	389	0	360,972	360,583	5,452	0	366,035	334,863	25,720	0	360,583
(b) Building Reserve	470,148	509	(99,398)	371,259	470,148	7,101	(158,297)	318,952	873,681	31,607	(435,140)	470,148
(c) Refuse Site Reserve	478,789	97,079	0	575,868	478,789	57,452	(92,720)	443,521	435,109	84,432	(40,752)	478,789
(d) Community Assisted Transport (CAT) Reserve	794	7,698	0	8,492	794	13,042	(13,000)	836	6,655	4,187	(10,048)	794
(e) Narrogin Regional Recreation Centre Reserve	279,436	201,302	(238,694)	242,044	279,436	129,225	(215,000)	193,661	73,927	205,509	0	279,436
(f) Plant, Vehicle & Equipment Reserve	395,307	425,428	(347,887)	472,848	395,308	430,159	(538,500)	286,967	454,959	442,771	(502,423)	395,307
(g) Economic Development Reserve	227,022	245	0	227,267	227,022	3,432	(208,059)	22,395	174,049	52,973	0	227,022
(h) IT & Office Equipment Reserve	78,802	85	(52,491)	26,396	78,801	1,191	(60,000)	19,992	72,563	6,239	0	78,802
(i) Tourism & Area Promotion Reserve	78,521	85	0	78,606	78,521	1,187	0	79,708	77,202	1,319	0	78,521
(j) Unspent Grants & Contribution Reserve	186,594	92,702	0	279,296	186,594	3,382	0	189,976	203,773	3,481	(20,660)	186,594
(k) HACC Reserve	523,586	58,796	(130,296)	452,086	477,523	48,988	(214,069)	312,442	584,487	100,796	(161,697)	523,586
(l) CHCP Reserve	222,234	823,130	(463,979)	581,385	209,296	760,622	(462,415)	507,503	122,909	455,512	(356,187)	222,234
(m) CHSP Reserve	291,306	1,168,149	(998,489)	460,966	313,617	751,499	(1,045,401)	19,715	347,664	1,091,298	(1,147,656)	291,306
(n) Road Construction Reserve	335,003	362	0	335,365	335,003	5,065	0	340,068	329,405	5,598	0	335,003
(o) Asset Valuation Reserve	31,844	35	0	31,879	31,844	0	0	31,844	31,309	535	0	31,844
(p) Landcare Reserve	98,681	106	(6,318)	92,469	98,681	1,492	(25,000)	75,173	97,024	1,657	0	98,681
(q) Narrogin Airport Reserve	25,171	15,027	0	40,198	25,171	15,381	0	40,552	10,000	15,171	0	25,171
(r) Bridges Reserve	0	48,000	(25,855)	22,145	0	48,000	(35,000)	13,000	0	0	0	0
(s) Water Reuse Scheme Reserve	0	17,500	0	17,500	0	17,500	0	17,500	0	0	0	0
	4,083,821	2,956,627	(2,363,406)	4,677,042	4,047,131	2,300,170	(3,067,461)	3,279,840	4,229,579	2,528,805	(2,674,563)	4,083,821

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

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

Name of Reserve	Anticipated date of use	Purpose of the reserve
(a) Employee Entitlement Reserve	Ongoing	To fund current and past employee's leave entitlements and redundancy payouts.
(b) Building Reserve	Ongoing	To support the acquisition, upgrade or enhancements of buildings within the district.
(c) Refuse Site Reserve	Ongoing	To fund infrastructure development and rehabilitation costs associates with the Shire's tip site as well the purchase and development a regional waste facility.
(d) Community Assisted Transport (CAT) Reserve	Ongoing	To fund the replacement/change over of the CATS vehicle.
(e) Narrogin Regional Recreation Centre Reserve	Ongoing	To fund YMCA additional maintenance works as well as acquisitions, upgrades and enhancement of the building, major plant & equipment items.
(f) Plant, Vehicle & Equipment Reserve	Ongoing	To support the purchase/replacement of motor vehicles, and heavy plant and equipment.
(g) Economic Development Reserve	Ongoing	To fund economic development projects that will benefit the district.
(h) IT & Office Equipment Reserve	Ongoing	To fund the purchase and upgrade of computer equipment, software and office equipment.
(i) Tourism & Area Promotion Reserve	Ongoing	For the purpose of tourism & district promotion activities, significant events and festivals which includes banner poles, entry statements and outdoor digital screens.
(j) Unspent Grants & Contribution Reserve	Ongoing	To store unspent grants and contributions. Funds can only be expended on items that have been approved by the relevant grant agreement/funding body.
(k) HACC Reserve	Ongoing	To store unspent H.A.C.C grant funds that can fund the purchase of assets, payout of Homecare employee entitlements and other projects that have been approved by the Funding Body.
(l) CHCP Reserve	Ongoing	To store unspent C.H.C.P grant funds that can fund the purchase of assets, payout of Homecare employee entitlements and other projects that have been approved by the Funding Body.
(m) CHSP Reserve	Ongoing	To store unspent C.H.S.P grant funds that can fund the purchase of assets, payout of Homecare employee entitlements and other projects that have been approved by the Funding Body.
(n) Road Construction Reserve	Ongoing	To be used on road construction projects.
(o) Asset Valuation Reserve	Ongoing	To fund asset valuations.
(p) Landcare Reserve	Ongoing	To fund future natural resource management activities aligned with the principles established in the former NLCDC letter dated 6/6/17 (ICR1712270).
(q) Narrogin Airport Reserve	Ongoing	For the purpose of supporting and funding infrastructure development, maintenance, acquisition, upgrade or enhancements and grant funding to the Narrogin Airport.
(r) Bridges Reserve	Ongoing	For the purpose of supporting and funding infrastructure development, maintenance, acquisition, upgrade or enhancements and grant funding for bridges within the Shire.
(s) Water Reuse Scheme Reserve	Ongoing	For the purpose of supporting and funding infrastructure development, maintenance, acquisition, upgrade or enhancements and grant funding for infrastructure enabling the re-use of water resources.

SHIRE OF NARROGIN
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5. OTHER FINANCIAL ASSETS

(a) Non-current assets

Financial assets at fair value through profit and loss

	2021	2020
	\$	\$
	110,710	106,832 *
	110,710	106,832
	110,710	106,832 *
	110,710	106,832

Financial assets at fair value through profit and loss

Units in Local Government House Trust

* - Units in the Local Government House Trust had been previously been reported as financial assets at fair value through other comprehensive income. This prior year reporting has been corrected through the Shire's retained surplus as a retrospective adjustment through a restated opening retained surplus, taking up the past increments in fair value via a reclassification from the revaluation reserve. The impact on the Shire's opening retained surplus due to this correction as at 1 July 2019 was \$105,103.

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 26.

6. TRADE AND OTHER RECEIVABLES

Current

Rates receivable	
Sundry receivables	
Allowance for impairment of receivables	
ATO Receivables	

Non-current

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

2021	2020
\$	\$
454,337	464,808
102,775	154,383
(75,000)	(27,544)
152,803	0
634,915	591,647
188,960	187,203
188,960	187,203

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 26.

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:

Carrying amount at beginning of period

Inventories expensed during the year

Additions to inventory

Carrying amount at end of period

	2021	2020
	\$	\$
	9,960	19,735
	9,960	19,735
	19,735	7,310
	(174,655)	(184,772)
	164,880	197,197
	9,960	19,735

SIGNIFICANT ACCOUNTING POLICIES

General

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

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

8. OTHER ASSETS

Other assets - current

Accrued income

2021	2020
\$	\$
53,625	30,688
53,625	30,688

SIGNIFICANT ACCOUNTING POLICIES

Other current assets

Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

SHIRE OF NARROGIN
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9. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Carrying Amounts

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

	Land - freehold land	Total land	Buildings - non- specialised	Buildings - specialised	Total buildings	Total land and buildings	Furniture and equipment	Plant and equipment	Artwork	Library Stock Transferred From State	Capital Work in Progress	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2019	10,472,998	10,472,998	2,234,286	40,293,099	42,527,385	53,000,383	395,950	4,051,508	350,315	0	0	57,798,156
Additions	0	0	659,333	318,420	977,753	977,753	2,314	947,081	0	177,695	0	2,104,843
(Disposals)	0	0	0	0	0	0	0	(458,535)	0	0	0	(458,535)
Depreciation (expense)	0	0	(141,971)	(617,626)	(759,597)	(759,597)	(28,819)	(308,047)	0	0	0	(1,096,463)
Transfers	0	0	0	41,897	41,897	41,897	(2,314)	0	0	0	0	39,583
Carrying amount at 30 June 2020	10,472,998	10,472,998	2,751,648	40,035,790	42,787,438	53,260,436	367,131	4,232,007	350,315	177,695	0	58,387,584
Comprises:												
Gross carrying amount at 30 June 2020	10,472,998	10,472,998	3,114,119	42,495,354	45,609,473	56,082,471	395,950	4,521,852	350,315	177,695	0	61,528,283
Accumulated depreciation at 30 June 2020	0	0	(362,471)	(2,459,564)	(2,822,035)	(2,822,035)	(28,819)	(289,845)	0	0	0	(3,140,699)
Carrying amount at 30 June 2020	10,472,998	10,472,998	2,751,648	40,035,790	42,787,438	53,260,436	367,131	4,232,007	350,315	177,695	0	58,387,584
Additions	0	0	127,917	267,515	395,432	395,432	62,328	634,052	0	0	318,579	1,410,391
(Disposals)	0	0	0	0	0	0	0	(260,012)	0	0	0	(260,012)
transferred to revaluation surplus	(990,472)	(990,472)	194,362	1,730,561	1,924,923	934,451	0	0	0	0	0	934,451
Depreciation (expense)	0	0	(157,943)	(627,353)	(785,296)	(785,296)	(39,981)	(322,472)	0	(35,539)		(1,183,288)
Carrying amount at 30 June 2021	9,482,526	9,482,526	2,915,984	41,406,513	44,322,497	53,805,023	389,478	4,283,575	350,315	142,156	318,579	59,289,126
Comprises:												
Gross carrying amount at 30 June 2021	9,482,526	9,482,526	3,436,398	44,493,430	47,929,828	57,412,354	458,278	4,895,892	350,315	177,695	318,579	63,613,113
Accumulated depreciation at 30 June 2021	0	0	(520,414)	(3,086,917)	(3,607,331)	(3,607,331)	(68,800)	(612,317)	0	(35,539)	0	(4,323,987)
Carrying amount at 30 June 2021	9,482,526	9,482,526	2,915,984	41,406,513	44,322,497	53,805,023	389,478	4,283,575	350,315	142,156	318,579	59,289,126

9. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Land and buildings					
Land - freehold land	2	Market approach using recent observable market data for similar assets.	Independent Valuer	June 2020	Price per hectare.
Buildings - non-specialised	2	Market approach using recent observable market data for similar properties.	Independent Valuer	June 2020	Price per square metre / market borrowing rate, adjusted for restrictions in use.
Buildings - specialised	3	Cost approach and depreciated replacement cost.	Independent Valuer	June 2020	Construction costs and current condition (level 2), residual values and remaining useful life assessments (level 3) inputs.

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

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

(ii) Cost

Furniture and equipment	Cost	Cost	Cost
Plant and Equipment	Cost	Cost	Cost
Artwork	Cost	Cost	Cost
Library Stock Transferred From State Govt.	Cost	Cost	Cost

Following a change to *Local Government (Financial Management) Regulation 17A*, plant and equipment type assets (being plant and equipment and furniture and equipment) are to be measured under the cost model, rather than at fair value. This change is effective from 1 July 2019 and represents a change in accounting policy.

Revaluations carried out previously were not reversed as it was deemed fair value approximates cost at the date of change.

SHIRE OF NARROGIN
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10. INFRASTRUCTURE

(a) Movements in Carrying Amounts

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

	Infrastructure - roads	Infrastructure - footpaths	Infrastructure - drainage	Infrastructure - parks and ovals	Infrastructure - bridges	Infrastructure - other	Capital Work in Progress	Total Infrastructure
	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2019	97,219,813	2,845,569	6,837,779	4,224,425	1,970,579	702,055	0	113,800,220
Additions	1,978,578	60,884	16,640	0	18,920	292,925	0	2,367,947
(Disposals)	0	0	0	0	0	0	0	0
Transfers	0	0	0	24,908	0	(64,491)	0	(39,583)
Depreciation (expense)	(1,126,702)	(71,622)	(139,545)	(351,418)	(99,921)	(27,329)		(1,816,537)
Carrying amount at 30 June 2020	98,071,689	2,834,831	6,714,874	3,897,915	1,889,578	903,160	0	114,312,047
Comprises:								
Gross carrying amount at 30 June 2020	100,746,328	2,978,075	6,993,921	4,786,911	2,089,420	952,893	0	118,547,548
Accumulated depreciation at 30 June 2020	(2,674,639)	(143,244)	(279,047)	(888,996)	(199,842)	(49,733)	0	(4,235,501)
Carrying amount at 30 June 2020	98,071,689	2,834,831	6,714,874	3,897,915	1,889,578	903,160	0	114,312,047
Additions	1,825,457	58,247	0	39,424	0	751,863	144,588	2,819,579
Depreciation (expense)	(1,033,607)	(73,144)	(139,878)	(291,959)	(100,780)	(42,771)	0	(1,682,139)
Transfers								
Carrying amount at 30 June 2021	98,863,539	2,819,934	6,574,996	3,645,380	1,788,798	1,612,252	144,588	115,449,487
Comprises:								
Gross carrying amount at 30 June 2021	102,571,785	3,036,322	6,993,921	4,826,335	2,089,420	1,704,756	144,588	121,367,127
Accumulated depreciation at 30 June 2021	(3,708,246)	(216,388)	(418,925)	(1,180,955)	(300,622)	(92,504)	0	(5,917,640)
Carrying amount at 30 June 2021	98,863,539	2,819,934	6,574,996	3,645,380	1,788,798	1,612,252	144,588	115,449,487

SHIRE OF NARROGIN
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FOR THE YEAR ENDED 30 JUNE 2021

10. INFRASTRUCTURE (Continued)

(b) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Infrastructure - roads	3	Cost approach using depreciated replacement cost.	Independent Valuer	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - footpaths	3	Cost approach using depreciated replacement cost.	Independent Valuer	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - drainage	3	Cost approach using depreciated replacement cost.	Independent Valuer	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - parks and ovals	3	Cost approach using depreciated replacement cost.	Independent Valuer	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - bridges	3	Cost approach using depreciated replacement cost.	Independent Valuer	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - other	3	Cost approach using depreciated replacement cost.	Independent Valuer	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs

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

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

11. FIXED ASSETS

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

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

Initial recognition and measurement between mandatory revaluation dates

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

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

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

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

Revaluation

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

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, are treated as right-of-use assets measured at zero cost. Therefore, the previous inconsistency with AASB 1051 in respect of non-recognition of land under roads acquired on or after 1 July 2008 has been removed, even though measurement at zero cost means that land under roads is still not included in the statement of financial position.

Vested improvements from 1 July 2019

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

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

SHIRE OF NARROGIN
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11. FIXED ASSETS

(a) Disposals of Assets

	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss	2021 Budget Net Book Value	2021 Budget Sale Proceeds	2021 Budget Profit	2021 Budget Loss	2020 Actual Net Book Value	2020 Actual Sale Proceeds	2020 Actual Profit	2020 Actual Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Plant and equipment	260,012	244,519	9,161	(24,654)	721,582	592,000	0	(129,582)	458,535	410,007	10,152	(58,680)
	260,012	244,519	9,161	(24,654)	721,582	592,000	0	(129,582)	458,535	410,007	10,152	(58,680)

The following assets were disposed of during the year.

	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss
Plant and Equipment				
Law, order, public safety				
NGN417 2015 Mitsubishi Triton Club (Ranger) (PA007B)	18,721	16,000	0	(2,721)
Health				
032NGN Holden Trax 2018 (EHO)	14,400	13,500	0	(900)
Education and welfare				
009NGN 2017 Toyota Camry Altise (CACP) (PE039)	23,491	15,455	0	(8,036)
Transport				
NO764 2002 Bomag Twin Vibrating Roller (WORKS)	13,000	7,500	0	(5,500)
NO4719 2012 John Deere Grader 670G	136,000	132,000	0	(4,000)
NO03 Toyota Hilux 4x4	26,800	23,303	0	(3,497)
NO591 2021 Isuzu d-max	6,000	6,230	230	0
NO05 2018 Nissan Navara Dual Cab 4x4 with Canopy	21,600	30,531	8,931	0
	260,012	244,519	9,161	(24,654)

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11. FIXED ASSETS

(b) Depreciation

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Buildings - non-specialised	157,943	731,343	141,971
Buildings - specialised	627,353	0	617,626
Furniture and equipment	39,981	54,492	28,819
Plant and equipment	322,472	412,358	308,047
Library Stock Transferred From State Govt.	35,539	0	0
Infrastructure - roads	1,033,607	1,529,337	1,126,702
Infrastructure - footpaths	73,144	70,761	71,622
Infrastructure - drainage	139,878	0	139,545
Infrastructure - parks and ovals	291,959	531,118	351,418
Infrastructure - bridges	100,780	98,720	99,921
Infrastructure - other	42,771	22,135	27,329
Right of use assets - plant and equipment	10,691	0	7,996
	2,876,118	3,450,264	2,920,996

Revision of useful lives of assets

Useful lives of fixed assets were reviewed during the year. There was nothing to warrant changes to useful lives currently associated with fixed assets.

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	5 to 100 years
Furniture and equipment	4 to 10 years
Plant and equipment	5 to 15 years
Sealed roads and streets formation	not depreciated
pavement	50 years
seal	
- bituminous seals	20 years
- asphalt surfaces	25 years
Gravel roads formation	not depreciated
pavement	50 years
Formed roads (unsealed) formation	not depreciated
pavement	50 years
Footpaths - slab	50 years
Sewerage piping	40 years
Water supply piping and drainage systems	50 to 75 years
Bridges	15 to 25 years
Other Infrastructure	10 to 50 years
Right of use (plant and equipment)	Based on the remaining lease
Library books	5 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.

SHIRE OF NARROGIN
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FOR THE YEAR ENDED 30 JUNE 2021

12. LEASES

(a) Right of Use Assets

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

Carrying amount at 30 June 2020

Depreciation (expense)

Carrying amount at 30 June 2021

	Right of use assets - plant and equipment	Right of use assets Total
	\$	\$
	24,076	24,076
	(10,691)	(10,691)
	13,385	13,385
	341	681
	9,338	18,676
	9,678	19,357

(b) Cash outflow from leases

Interest expense on lease liabilities

Lease principal expense

Total cash outflow from leases

The measurement of lease liabilities does not include any future cash outflows associated with leases not yet commenced to which the Shire is committed. The Shire has one lease relating to plant and equipment. The term for this lease is 3 years.

SIGNIFICANT ACCOUNTING POLICIES

Leases

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

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

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

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

Right-of-use assets - valuation

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

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

Right-of-use assets - depreciation

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

(c) Operating leases

Operating Lease receivable details

Less than 1 year

Longer than 1 year and not longer than 2 years

Longer than 2 years and not longer than 5 years

Longer than 5 years

Total

	2021	2020
	\$	\$
	69,617	56,112
	26,170	64,784
	13,661	25,725
	27,096	39,526
	136,544	186,147

The Shire also has peppercorn leases with 25 various not-for-profit entities.

The Shire as Lessor

Upon entering into each contract as lessor, the Shire assesses if the lease is a finance or operating lease. The contract is classified as a finance lease when the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases not within the definition are classified as operating leases. Rental income received from operating leases is recognised on a straight-line basis over the term of the specific lease.

Initial direct costs incurred in entering into an operating lease (e.g. legal cost, cost to set up) are included in the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term. When a contract is determined to include lease and non lease components, the Entity applies AASB15 to allocate the consideration under the contract to each component.

SHIRE OF NARROGIN
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13. REVALUATION SURPLUS

	2021 Opening Balance \$	2021 Revaluation Increment \$	2021 Revaluation (Decrement) \$	2021 Movement on Revaluation \$	2021 Closing Balance \$	2020 Opening Balance \$	2020 Revaluation Increment \$	2020 Revaluation (Decrement) \$	2020 Movement on Revaluation \$	2020 Closing Balance \$
Revaluation surplus - Land and buildings	43,787,223	0	(990,472)	(990,472)	42,796,751	43,787,223	0	0	0	43,787,223
Revaluation surplus - Buildings - non-specialised	0	194,362	0	194,362	194,362	0	0	0	0	0
Revaluation surplus - Buildings - specialised	0	1,730,561	0	1,730,561	1,730,561	0	0	0	0	0
Revaluation surplus - Furniture and equipment	24,329	0	0	0	24,329	24,329	0	0	0	24,329
Revaluation surplus - Plant and equipment	762,474	0	0	0	762,474	762,474	0	0	0	762,474
Revaluation surplus - Artwork	350,315	0	0	0	350,315	350,315	0	0	0	350,315
Revaluation surplus - Infrastructure - roads	66,216,935	0	0	0	66,216,935	66,216,935	0	0	0	66,216,935
Revaluation surplus - Infrastructure - footpaths	1,825,795	0	0	0	1,825,795	1,825,795	0	0	0	1,825,795
Revaluation surplus - Infrastructure - drainage	6,380,837	0	0	0	6,380,837	6,380,837	0	0	0	6,380,837
Revaluation surplus - Infrastructure - parks and ovals	2,108,515	0	0	0	2,108,515	2,108,515	0	0	0	2,108,515
Revaluation surplus - Infrastructure - bridges	67,155	0	0	0	67,155	67,155	0	0	0	67,155
Revaluation surplus - Infrastructure - other	2,070,500	0	0	0	2,070,500	2,070,500	0	0	0	2,070,500
Revaluation surplus - Investment LG House *	0	0	0	0	0	105,103	0	(105,103)	(105,103)	0
	123,594,078	1,924,923	(990,472)	934,451	124,528,529	123,699,181	0	(105,103)	(105,103)	123,594,078

* Refer to Note 5 for further details.

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

14. TRADE AND OTHER PAYABLES

Current

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

2021	2020
\$	\$
556,784	426,355
162,999	156,112
140,620	107,715
0	72,310
30,003	16,206
31,734	32,949
59,193	35,284
0	5,598
981,333	852,529

SIGNIFICANT ACCOUNTING POLICIES

Trade and other payables

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

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

Prepaid rates

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

15. OTHER LIABILITIES

Current

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

2021	2020
\$	\$
283,935	0
283,935	0

SIGNIFICANT ACCOUNTING POLICIES

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

Grant liabilities represent 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.

SHIRE OF NARROGIN
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16. LEASE LIABILITIES

(a) Lease Liabilities	2021		2020	
	\$		\$	
	Current	11,769	10,644	
	Non-current	3,099	13,562	
		14,868	24,206	

(b) Movements in Carrying Amounts

Purpose	Lease Number	Institution	Lease Interest Rate	Lease Term	Actual	30 June 2021	30 June 2021	30 June 2021	30 June 2021	Budget	30 June 2021	30 June 2021	30 June 2021	30 June 2021	Actual	30 June 2020	30 June 2020	30 June 2020	30 June 2020	Actual	30 June 2020
					Lease Principal 1 July 2020	Actual New Leases	Actual Lease Principal Repayments	Actual Lease Principal Outstanding	Actual Lease Interest Repayments		Budget Lease Principal 1 July 2020	Budget New Leases	Budget Lease Principal Repayments	Budget Lease Principal Outstanding		Lease Principal 1 July 2019	Actual New Loans	Actual Lease Principal Repayments	Actual Lease Principal Outstanding		Lease Interest Repayments
					\$	\$	\$	\$	\$		\$	\$	\$	\$		\$	\$	\$	\$		\$
Law, order, public safety																					
Holden Colorado	1	Easifleet	1.70%	36 months	24,206	0	9,338	14,868	341	0	0		0	0	0	0	32,072	7,866	24,206	364	
					24,206	0	9,338	14,868	341	0	0		0	0	0	0	32,072	7,866	24,206		

SHIRE OF NARROGIN
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17. INFORMATION ON BORROWINGS

(a) Borrowings

	2021	2020
	\$	\$
Current	197,212	173,653
Non-current	784,147	801,359
	981,359	975,012

(b) Repayments - Borrowings

Particulars	Loan Number	Institution	Interest Rate	Actual Principal	30 June 2021	30 June 2021	30 June 2021	30 June 2021	Budget Principal	30 June 2021	30 June 2021	30 June 2021	30 June 2021	Actual Principal	30 June 2020	30 June 2020	30 June 2020	30 June 2020	Actual Principal
				1 July 2020	Actual New Loans	Actual Principal repayments	Actual Interest repayments	Actual Principal outstanding		Budget New Loans	Budget Principal repayments	Budget Interest repayments	Budget Principal outstanding		1 July 2019	Actual New Loans	Actual Principal repayments	Actual Interest repayments	
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Governance																			
Administration Building Extension	128	WATC *	2.69%	284,280		44,272	7,693	240,008	284,281	0	44,272	7,351	240,009	327,386	0	43,106	12,563		284,280
Community amenities																			
Sewerage	130	WATC *	1.47%	0	180,000	0	0	180,000	0	180,000	0	2,250	180,000	0	0	0	0		0
Recreation and culture																			
Narrogin Regional Leisure Centre	121B	WATC *	5.51%	167,719		54,447	8,092	113,272	158,675	0	54,447	7,880	104,228	219,202	0	51,483	13,292		167,719
Town Hall renovations	126	WATC *	53.86%	95,970		30,775	3,457	65,195	95,970	0	30,775	3,410	65,195	125,591	0	29,621	6,220		95,970
Economic services																			
Industrial Land	127	WATC *	4.48%	108,948		11,602	5,031	97,346	108,948	0	11,602	4,752	97,346	120,048	0	11,100	6,551		108,948
Accommodation Units	129	WATC *	2.03%	318,095		32,556	6,809	285,539	318,114	0	32,556	6,293	285,558	350,000	0	31,905	10,149		318,095
				975,012	180,000	173,653	31,083	981,359	965,988	180,000	173,652	31,936	972,336	1,142,227	0	167,215	48,775		975,012

* WA Treasury Corporation

All loan repayments were financed by general purpose revenue.

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

17. INFORMATION ON BORROWINGS (Continued)

	2021	2020
	\$	\$
(c) Undrawn Borrowing Facilities		
Credit Standby Arrangements		
Bank overdraft limit	400,000	400,000
Bank overdraft at balance date	0	0
Credit card limit	22,500	22,500
Credit card balance at balance date	(2,825)	(403)
Total amount of credit unused	419,675	422,097
Loan facilities		
Loan facilities - current	197,212	173,653
Loan facilities - non-current	784,147	801,359
Lease liabilities - current	11,769	10,644
Lease liabilities - non-current	3,099	13,562
Total facilities in use at balance date	996,227	999,218
Unused loan facilities at balance date	0	0

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 26.

18. EMPLOYEE RELATED PROVISIONS

(a) Employee Related Provisions

Opening balance at 1 July 2020

Current provisions

Non-current provisions

Additional provision

Amounts used

Balance at 30 June 2021

Comprises

Current

Non-current

	Provision for Annual Leave	Provision for Long Service Leave	Total
	\$	\$	\$
Opening balance at 1 July 2020			
Current provisions	446,794	264,534	711,328
Non-current provisions	0	179,378	179,378
	446,794	443,912	890,706
Additional provision	420,946	29,805	450,751
Amounts used	(378,386)	(6,041)	(384,427)
Balance at 30 June 2021	489,354	467,676	957,030
Comprises			
Current	489,354	294,108	783,462
Non-current	0	173,568	173,568
	489,354	467,676	957,030

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	468,208	445,023
More than 12 months from reporting date	449,846	426,148
Expected reimbursements from other WA local governments	38,976	19,535
	957,030	890,706

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

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

Short-term employee benefits

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

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

Other long-term employee benefits

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

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

Other long-term employee benefits (Continued)

Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

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

Provisions

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

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

19. 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	7,648,153	3,751,932	7,202,711
Reconciliation of Net Cash Provided By Operating Activities to Net Result			
Net result	1,125,275	166,792	(51,778)
Non-cash flows in Net result:			
Adjustments to fair value of financial assets at fair value through profit and loss	(3,878)	0	(1,729)
Depreciation on non-current assets	2,876,118	3,450,264	2,920,996
(Profit)/loss on sale of asset	15,494	129,582	48,528
Changes in assets and liabilities:			
(Increase)/decrease in receivables	(45,025)	0	406,655
(Increase)/decrease in other assets	(22,937)	0	(26,447)
(Increase)/decrease in inventories	9,775	0	(12,425)
Increase/(decrease) in payables	128,803	0	197,879
Increase/(decrease) in provisions	66,324	0	52,215
Non-operating grants, subsidies and contributions	(1,354,152)	(3,546,581)	(1,232,923)
Net cash from operating activities	2,795,797	200,057	2,300,971

20. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2021	2020
	\$	\$
General purpose funding	647,177	652,011
Law, order, public safety	1,049,941	862,970
Education and welfare	2,787,950	2,286,167
Housing	895,547	750,136
Community amenities	3,786,784	3,580,702
Recreation and culture	32,902,690	32,284,098
Transport	120,967,392	119,763,690
Economic services	11,009,584	10,675,704
Other property and services	5,944,684	6,263,215
Unallocated	3,406,572	3,743,830
	183,398,321	180,862,523

21. CONTINGENT ASSETS AND LIABILITIES

The Department of Water and Environmental Regulation (DWER) issued Category 61, 62 and 64 licenses for the Shire of Narrogin Waste Management Facility for a term of 20 years from 30 June 2011 to 29 June 2031.

Independent experts, engaged by the Shire, determined on 16 December 2019 that the site is anticipated to have an operating life of at least 68 years and that an active post closure period of approximately 5 years will be sufficient to determine the effectiveness of the post closure measures implemented.

A Landfill Closure Management Plan is required to be prepared as part of the license conditions. This plan will only be prepared closer to landfill closure date as assessed and confirmed by DWER.

The Shire is not aware of any contingent assets as at 30 June 2021.

22. CAPITAL COMMITMENTS

(a) Capital Expenditure Commitments

Contracted for:

- capital expenditure projects

2021	2020
\$	\$
325,360	56,862
325,360	56,862
325,360	56,862

Payable:

- not later than one year

The capital expenditure projects outstanding at the end of the current reporting period and previous represent outstanding orders issued for capital projects prior to 30.06.2021 and 30.06.2020, respectively.

23. RELATED PARTY TRANSACTIONS

Elected Members Remuneration

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

Mr L Ballard – Shire President

Local Govt Allowance	23,500	24,000	23,500
Meeting Attendance Fee	20,000	20,000	20,000
Annual Allowance for ICT	1,600	1,600	1,600
Travel & Accommodation Expense	0	111	0
	45,100	45,711	45,100

Cr T Wiese – Deputy Shire President

Local Govt Allowance	5,875	6,000	5,875
Meeting Attendance Fee	8,500	8,500	8,500
Annual Allowance for ICT	500	500	500
Travel & Accommodation Expense	0	112	0
	14,875	15,112	14,875

Cr G Ballard

Meeting Attendance Fee	8,500	8,500	8,500
Annual Allowance for ICT	500	500	500
Travel & Accommodation Expense	0	111	0
	9,000	9,111	9,000

Cr C Bartron

Meeting Attendance Fee	8,500	8,500	8,500
Annual Allowance for ICT	500	500	500
Travel & Accommodation Expense	0	111	0
	9,000	9,111	9,000

Cr G Broad

Meeting Attendance Fee	8,500	8,500	5,872
Annual Allowance for ICT	500	500	345
Travel & Accommodation Expense	0	111	0
	9,000	9,111	6,217

Cr J Early

Meeting Attendance Fee	8,500	8,500	5,872
Annual Allowance for ICT	500	500	345
Travel & Accommodation Expense	0	111	0
	9,000	9,111	6,217

Cr M Fisher

Meeting Attendance Fee	8,500	8,500	8,500
Annual Allowance for ICT	500	500	500
Travel & Accommodation Expense	0	111	0
	9,000	9,111	9,000

Cr S Lushey

Meeting Attendance Fee	8,500	8,500	5,872
Annual Allowance for ICT	500	500	345
Travel & Accommodation Expense	0	111	0
	9,000	9,111	6,217

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23 RELATED PARTY TRANSACTIONS (Continued)

Elected Members Remuneration (Continued)

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Cr B Seale			
Meeting Attendance Fee	8,500	8,500	8,500
Annual Allowance for ICT	500	500	500
Travel & Accommodation Expense	0	111	0
	9,000	9,111	9,000
Cr N Walker			
Meeting Attendance Fee	0	0	2,125
Annual Allowance for ICT	0	0	125
Travel & Accommodation Expense	0	0	0
	0	0	2,250
Cr C Ward			
Meeting Attendance Fee	0	0	2,125
Annual Allowance for ICT	0	0	125
Travel & Accommodation Expense	0	0	0
	0	0	2,250
Cr P Schutz			
Meeting Attendance Fee	0	0	2,126
Annual Allowance for ICT	0	0	126
Travel & Accommodation Expense	0	0	0
	0	0	2,252
Total	122,975	124,600	121,378
Summary			
Meeting fees	88,000	88,000	86,492
President's allowance	23,500	24,000	23,500
Deputy President's allowance	5,875	6,000	5,875
Travelling expenses	0	1,000	0
Telecommunications allowance	5,600	5,600	5,511
	122,975	124,600	121,378

Key Management Personnel (KMP) Compensation Disclosure

	2021 Actual	2020 Actual
	\$	\$
The total of remuneration paid and payable to KMP of the Shire during the year are as follows:		
Short-term employee benefits	979,282	944,735
Post-employment benefits	121,449	123,789
Other long-term benefits	108,560	103,401
	1,209,291	1,171,925

Short-term employee benefits

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

Post-employment benefits

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

Other long-term benefits

These amounts represent long service benefits accruing during the year.

Termination benefits

These amounts represent termination benefits paid to KMP (Note: may or may not be applicable in any given year).

SHIRE OF NARROGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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23 RELATED PARTY TRANSACTIONS (Continued)

Transactions with related parties

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

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

The following transactions occurred with related parties:		2021 Actual	2020 Actual
		\$	\$
Sale of goods and services		0	5,008
Purchase of goods and services	*	5,457	14,569

* Purchases to the value of \$5,457 were made to the following during the current financial year:

J & D Lifestyle Home and Gift	With the related party being a member of the Council
Regional Communication Solutions	With the related party being a member of the Council
Nutrien Ag Solutions	With the related party being a member of the Council

Related Parties

The Shire's main related parties are as follows:

i. Key management personnel

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

ii. Other Related Parties

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

iii. Entities subject to significant influence by the Shire

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

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

24. RATING INFORMATION

(a) Rates

RATE TYPE

Differential general rate / general rate

Gross rental valuations

Urban	0.1130350	1,649	27,293,539	3,085,125	(13,090)	2,755	3,074,790
Rural	0.0707540	47	915,802	64,797			64,797
Rural - Highbury	0.0707540	26	366,132	25,905			25,905

Unimproved valuations

General UV	0.0057680	258	175,138,000	1,010,196	1,767	771	1,012,734
Sub-Total		1,980	203,713,473	4,186,023	(11,323)	3,526	4,178,226

Minimum payment

Gross rental valuations

Urban	1,105	491	3,675,277	542,555	0	0	542,555
Rural	799	16	90,142	12,784	0	0	12,784
Rural - Highbury	713	7	59,332	4,991	0	0	4,991

Unimproved valuations

General UV	799	227	21,215,300	181,373	0	0	181,373
Sub-Total		741	25,040,051	741,703	0	0	741,703

Total amount raised from general rate

Ex-gratia rates

Totals

2020/2021 Budget Rate Revenue	2020/2021 Budget Interim Rate	2020/2021 Budget Back Rate	2020/2021 Budget Total Revenue	2019/2020 Actual Total Revenue
\$	\$	\$	\$	\$
3,096,490	0	0	3,096,490	3,124,846
63,944	0	0	63,944	95,386
29,840	0	0	29,840	0
1,040,171	0	0	1,040,171	1,004,006
4,230,445	0	0	4,230,445	4,224,238
535,925	(3,620)	0	532,305	534,820
13,583	0	0	13,583	12,784
4,991	0	0	4,991	6,417
151,011	0	0	151,011	151,011
705,510	(3,620)	0	701,890	705,032
4,935,955	(3,620)	0	4,932,335	4,929,270
			4,932,335	4,929,270
			9,117	9,118
			4,941,453	4,938,388

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.

24. RATING INFORMATION (Continued)

(b) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
Option One				
Single full payment	10/09/2020	0.00%	0.00%	8.00%
Option Two				
First instalment	10/09/2020	13.00	5.50%	8.00%
Second instalment	12/11/2020	13.00	5.50%	8.00%
Third instalment	14/01/2021	13.25	5.50%	8.00%
Fourth instalment	18/03/2021	13.25	5.50%	8.00%

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Interest on unpaid rates	44,255	45,000	55,066
Interest on instalment plan	12,968	15,000	17,771
Charges on instalment plan	45,361	30,000	30,377
	102,584	90,000	103,214

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25. RATE SETTING STATEMENT INFORMATION

Note	2020/2021			
	2020/2021 (30 June 2021 Carried Forward)	Budget (30 June 2021 Carried Forward)	2020/2021 (1 July 2020 Brought Forward)	2019/2020 (30 June 2020 Carried Forward)
	\$	\$	\$	\$
(a) Non-cash amounts excluded from operating activities				
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .				
Adjustments to operating activities				
Less: Profit on asset disposals	11(a) (9,161)	0	(10,152)	(10,152)
Less: Movement in liabilities associated with restricted cash	389	0	25,720	25,720
Less: Fair value adjustments to financial assets at fair value through profit and loss	(3,878)	0	(1,729)	(1,729)
Movement in pensioner deferred rates (non-current)	(1,757)	0	(288)	(288)
Movement in employee benefit provisions (non-current)	(5,810)	0	(109,569)	(109,569)
Add: Loss on disposal of assets	11(a) 24,654	129,582	58,680	58,680
Add: Depreciation on non-current assets	11(b) 2,876,118	3,450,264	2,920,996	2,920,996
Non cash amounts excluded from operating activities	2,880,555	3,579,846	2,883,658	2,883,658
(b) Surplus/(deficit) after imposition of general rates				
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.				
Adjustments to net current assets				
Less: Reserves - cash backed	4 (4,677,042)	(3,279,840)	(4,083,821)	(4,083,821)
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings	17(a) 197,212	180,375	173,653	173,653
- Current portion of lease liabilities	11,769	0	10,644	10,644
- Employee benefit provisions	360,972	0	360,583	360,583
Total adjustments to net current assets	(4,107,089)	(3,099,465)	(3,538,941)	(3,538,941)
Net current assets used in the Rate Setting Statement				
Total current assets	8,346,652	4,419,013	7,927,133	7,927,133
Less: Total current liabilities	(2,257,711)	(1,319,548)	(1,830,506)	(1,830,506)
Less: Total adjustments to net current assets	(4,107,089)	(3,099,465)	(3,538,941)	(3,538,941)
Net current assets used in the Rate Setting Statement	1,981,852	0	2,557,686	2,557,686

26. 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	0.05%	7,648,153	0	7,645,413	2,740
2020					
Cash and cash equivalents	0.25%	7,202,711	0	7,199,971	2,740

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*	76,454	72,000

* Holding all other variables constant

Borrowings

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

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26. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Trade and Other Receivables

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

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

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

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

The expected loss rates are based on the payment profiles of rates and fees and charges over a period of 36 months before 1 July 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. There are no material receivables that have been subject to a re-negotiation of repayment terms.

	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%	0.00%
Gross carrying amount	13,975	204,167	123,151	302,004	643,297
Loss allowance	0.00	0.00	0.00	0.00	0.00

30 June 2020					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	0.00%
Gross carrying amount	14,087	260,063	116,530	261,331	652,011
Loss allowance	0.00	0.00	0.00	0.00	0.00

The loss allowance as at 30 June 2021 and 30 June 2020 (on adoption of AASB 9) was determined as follows for sundry receivables.

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
30 June 2021					
Sundry receivables					
Expected credit loss	62.68%	100.00%	100.00%	100.00%	73%
Gross carrying amount	74,415	17,280	2,453	8,627	102,775
Loss allowance	46,641	17,280	2,453	8,627	75,001

30 June 2020					
Sundry receivables					
Expected credit loss	4.18%	14.48%	22.98%	50.67%	17.84%
Gross carrying amount	98,915	3,806	11,983	39,679	154,383
Loss allowance	4,132	551	2,754	20,107	27,544

26. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

Payables and borrowings

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

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

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
2021					
Payables	981,333	0	0	981,333	981,333
Borrowings	222,806	596,356	246,366	1,065,528	981,359
Contract liabilities	283,935	0	0	283,935	283,935
Lease liabilities	10,172	4,895	0	15,067	14,868
	1,498,246	601,251	246,366	2,345,863	2,261,496

2020

Payables	852,529	0	0	852,529	852,529
Borrowings	203,340	610,096	256,085	1,069,521	975,012
Contract liabilities	0	0	0	0	0
Lease liabilities	10,973	13,716	0	24,689	24,206
	1,066,842	623,812	256,085	1,946,739	1,851,747

27. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

There were no events occurring after balance date that have a significant effect on the financial statements.

28. INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS

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

(a) AASB 1059: Service Concession Arrangements

Service concessions assets are those assets where a third-party operator constructs assets for the Shire, upgrades existing assets of the Shire or uses existing assets of the Shire to operate and maintain the assets to provide a public service, for a specified period of time. Where, in these circumstances, the third-party operator provides a public service on behalf of the Shire and is deemed to manage at least some of the services under its own discretion, the assets are classified as service concession assets. Newly constructed or upgraded assets are measured at current replacement cost in accordance with the cost approach to fair value in AASB 13 Fair Value Measurement. In the case of existing assets, these are reclassified and treated in the same manner with any difference at the date of reclassification between the carrying amount of the assets and their fair value (current replacement cost) being treated as if it is a revaluation of the asset.

Subsequent to initial recognition or reclassification, service concession assets are accounted for by depreciating or amortising in accordance with AASB 116 Property, Plant and Equipment or AASB 138 Intangible Assets. Where appropriate, any impairment is recognised in accordance with AASB 138 Impairment of Assets.

At the end of the term of any service concession arrangement the Shire will reclassify the service concession asset based on its nature or function, and account for it in accordance with the accounting standards and policies applicable to the relevant asset classification.

Where the Shire recognises a service concession asset in relation to a newly constructed or upgraded asset, it also recognises a liability. This liability is initially measured at the same amount as the service concession asset, adjusted by the amount of any other consideration provided by the Shire to the third-party operator or from the third-party operator to the Shire.

The Shire does not recognise a liability in the circumstances where an existing asset of the Shire is reclassified as a service concession asset except in circumstances where additional consideration is provided by the third-party operator.

Subsequent to initial recognition, the Shire accounts for the liability as the unearned portion of the revenue arising from the exchange of assets with the third-party operator and reduces the liability according to the economic substance of the service concession arrangement.

The Shire adopted AASB 1059 Service Concession Arrangements: Grantors (issued December 2014) on 1 July 2020 resulting in changes in accounting policies. In accordance with the transition provisions of AASB 1059, the Shire adopted the new rules retrospectively by recognising and measuring service concession assets and related liabilities on 1 July 2020. No adjustments were made to the amounts recognised in the statement of financial position at the date of initial application (1 July 2020) as the Shire did not have any service concession arrangements that are within the scope of the standard.

29 TRUST FUNDS

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

	1 July 2020	Amounts Received	Amounts Paid	30 June 2021
	\$	\$	\$	\$
Public Open Space	73,325	0	(73,000)	325
	73,325	0	(73,000)	325

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30. 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 ends of the reporting period.

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31. 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 effective allocation for scarce resources.	Includes the activities of members of council and administration support available to the council for provision of governance of the district. Other costs relate to the task of assisting elected members and electors on matters which do not concern specific Shire services.
GENERAL PURPOSE FUNDING To collect revenue to allow for the provisions of infrastructure and services	Rates, general purpose government grants and interest revenue.
LAW, ORDER, PUBLIC SAFETY To provide services to help ensure a safer community	Supervision and enforcement of various local laws, fire prevention, animal control and other aspects of public safety including emergency services.
HEALTH To provide an operational framework for environmental and community health.	Inspect food outlets and their control, noise control and waste disposal compliance.
EDUCATION AND WELFARE To provide services to the disadvantaged, the elderly, children and youth.	Preschool and other education, children and youth services, elderly and disadvantaged, senior citizens services.
HOUSING To provide housing to senior employees.	Provision of staff housing.
COMMUNITY AMENITIES To provided services required by the community.	Rubbish collection services, operation of refuse disposal site, litter control, construction and maintenance of urban storm water drains, protection of the environment and administration of Shire planning scheme, cemetery and public conveniences.
RECREATION AND CULTURE The provide recreational and cultural services to the community.	Maintain public halls, civic centres, aquatic centre, recreational centre and various sporting facilities, Provisions and maintenance of parks, gardens and playgrounds. Operations of Library, museum and other cultural facilities.
TRANSPORT To provide safe, effective and efficient transport services to the community.	Construct and maintenance of roads, streets, footpaths, depots parking facilities. Purchase of plant and equipment.
ECONOMIC SERVICES To promote the Shire and its economic wellbeing.	Tourism and area promotion including the maintenance and operation of a caravan park. Provision of rural services including weed control, standpipes and Building Control.
OTHER PROPERTY AND SERVICES To monitor and control the Shire's overheads operation accounts and Shire planning scheme.	Private works operation, plant repair and operation costs, administration overheads, community development overheads and gross salary and wages.

32. FINANCIAL RATIOS

	Notes	2021 Actual	2020 Actual	2019 Actual
Current ratio		2.30	2.63	4.52
Asset consumption ratio		0.95	0.96	0.98
Asset renewal funding ratio	*	N/A	N/A	N/A
Asset sustainability ratio		0.82	0.89	0.77
Debt service cover ratio		13.06	7.79	14.09
Operating surplus ratio		(0.03)	(0.18)	(0.19)
Own source revenue coverage ratio		0.57	0.56	0.50

The above ratios are calculated as follows:

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

* The Asset Renewal Funding Ratio is not available as the data within the Asset Management Plan and Long Term Financial Plan are not updated and does not have at least 10 years of projection.



Auditor General

INDEPENDENT AUDITOR'S REPORT 2021 Shire of Narrogin

To the Councillors of the Shire of Narrogin

Report on the audit of the annual financial report

Opinion

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

- 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 as reported in Note 32 of the annual financial report is below the Department of Local Government, Sport and Cultural Industries' standard for the past three financial years.
- (ii) The following material matters indicating non-compliance with Part 6 of the Act, the Regulations or applicable financial controls of any other relevant written laws were identified during the course of my audit:
 - a) The Shire has not reported the Asset Renewal Funding Ratio for the current and past 2 years, as planned capital renewals and required expenditure were not estimated in the long-term financial plan and asset management plan respectively for those years as required by the Local Government (Financial Management) Regulations 1996, sections 50(1)(c) and 50(2).
 - b) The Shire's monthly municipal bank reconciliations during the financial year had invalid reconciling items and the bank reconciliation cash balance did not agree to the actual general ledger.
- (iii) All required information and explanations were obtained by me.
- (iv) All audit procedures were satisfactorily completed.
- (v) In my opinion, the Asset Consumption Ratio included in the annual financial report was 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 Narrogin 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.

Sandra Labuschagne
Deputy Auditor General
Delegate of the Auditor General for Western Australia
Perth, Western Australia
22 December 2021



SHIRE OF NARROGIN

A leading regional economic driver
and a socially interactive and inclusive community.