

2020-2021

*annual report*





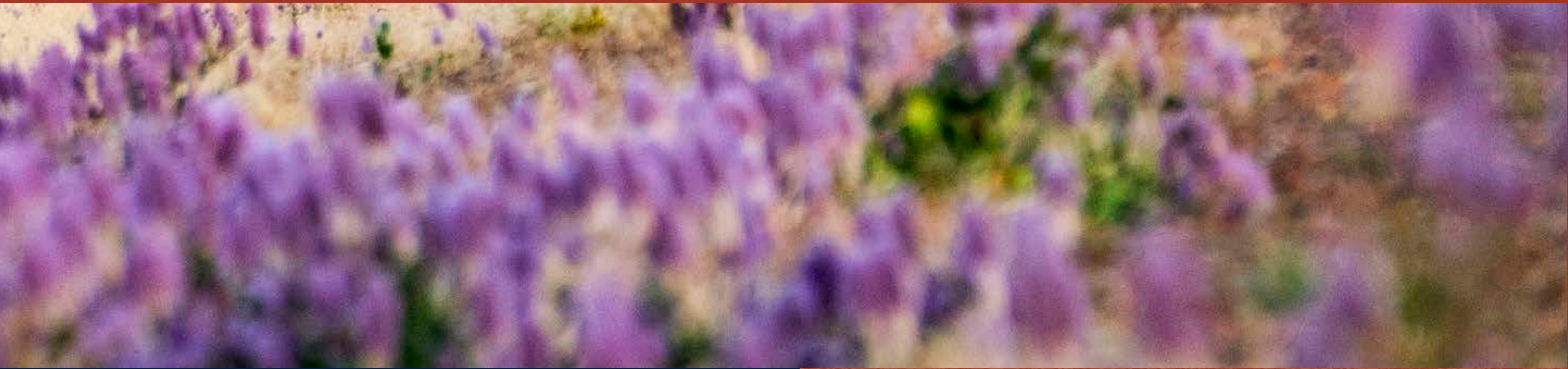
# 2020/2021 Annual Report

The Shire of Ashburton is pleased to present our 2020-21 Annual Report, which details our activities and achievements throughout the 2020-21 financial year.

This report sets to provide an overview of our progress over this period and aligns to our Strategic Community Plan 2017- 2027.

Copies of the Strategic Community Plan 2017-2027 can be downloaded from our website.

Our financial statements have been certified by an independent auditor.



## acknowledgement of country and Indigenous History

The Shire of Ashburton acknowledges the traditional custodians of the land in which our Shire resides, the Thalanyji people (Onslow), Eastern Guruma people (Tom Price), the Kurrama people (Pannawonica) and the Yinhawangka people (Paraburdoo).

The land comprising the Shire of Ashburton has been home to Aboriginal Australians for

millennia. Sustained by bonds of kinship, language, culture and connection to the land, the local Aboriginal people have demonstrated autonomy and innovation in adapting to a harsh environment.

We recognise the richness of their culture and the responsibility of all Australians to respect Aboriginal heritage.



# Contents

<b>Acknowledgement of Country and Indigenous History</b> .....	<b>2</b>
<b>Message from the Shire President</b> .....	<b>4</b>
<b>CEO's Report</b> .....	<b>5</b>
<b>Executive Team</b> .....	<b>6</b>
<b>2020/21 Achievements &amp; Highlights</b> .....	<b>7</b>
Ashburton Overview.....	7
2020/21 Budget.....	8
Breakdown of Income and Expenditure.....	8
Highlights .....	9
<b>Strategic Community Plan</b> .....	<b>12</b>
<b>Statutory Reports</b> .....	<b>30</b>
About Council.....	30
Our Councillors .....	30
Council Attendance.....	31
Freedom of Information .....	31
Record-keeping Plan.....	32
Training and Awareness.....	32
Information Management Systems.....	32
Annual Salaries.....	32
Register of Complaints.....	32
Citizenship Ceremonies.....	33
<b>Financial Reports</b> .....	<b>34</b>

# Message from the Shire President



The Shire of Ashburton continued to achieve several outcomes, progress numerous projects and deliver key community priorities during the 2020/21 reporting period.

In November 2020, Council was able to acquire Australia's largest private collection of shells and other natural sea creatures in Onslow. Previous owners Neil and Judy Baker are long-term residents in Onslow and have been collecting shells for over 60 years. While the collection is invaluable, some of the shells are estimated to be worth \$20,000, and many are one of a kind and irreplaceable.

In March, we celebrated the completion of the \$13M Pilbara Regional Waste Management Facility. Our 100% off-grid, solar powered, Class 4 facility has been designed and constructed to best practice standards and will accept waste from mining, industrial and oil and gas operations across northwest Australia. I am thrilled to see this project come to fruition and that the only Class IV waste facility outside of Perth will operate not just on a state and national level, but also internationally.

In April, the Shire officially opened the Tom Price Tennis Courts following completion of the \$1.5M upgrade to the facility. In addition to groundwork upgrades on all three courts, Tom Price Tennis Club and spectators now enjoy a new clubhouse and shaded observation area as well as newly installed onsite toilet amenities and storage areas.

The Onslow foreshore also become home to notorious photographers, Gillie and Marc's Paparazzi Dogs. Onslow's Paparazzi Dogs are strategically positioned, looking out across the water, to soak up the spectacular skies and colours of sunrise and as they have done when travelling the world, will shine a spotlight on Onslow as a destination for tourism and experiencing something different. They are also a symbol of the transformation of Onslow and celebration of the natural beauty surrounding our coastal community.

In 2020/2021, Council received a substantial grant through the WA Local Roads and Community Infrastructure Program made available by the Federal Government as part of COVID-19 recovery and assistance. This grant allowed the commencement of a footpath renewal project in Tom Price and Paraburdoo.

COVID-19 updates continued to be part and parcel of our regular news throughout the year, and the Shire undertook all necessary measures to protect our community and to ensure we did what we could to lessen the impact of COVID-19 in our region. We maintained essential services to our communities and were able to redeploy all our staff into alternate roles while we navigated through lockdown and restricted movements.

In addition to this, Council made financial support and funding available to organisations within the Shire who were severely financially impacted by COVID-19 and subsequent restrictions that followed.

Council would like to extend thanks to Chief Executive Officer Kenn Donohoe who has continued to lead the organisation to achieve the long-term strategic goals and objectives of Council and the community.

We also acknowledge the continual support from our partners Rio Tinto and Chevron-operated Wheatstone project.

It is my privilege to lead the Council as Shire President once again and I would like to acknowledge the great work of both Councillors and staff who work tirelessly to deliver results to our community.

**Cr Kerry White**  
Shire of Ashburton President



# CEO's report



It brings me great pleasure to continue to lead the Shire of Ashburton and deliver positive and valuable outcomes for the community.

Last year upon my appointment as CEO, one of the key areas that I focused on initially was getting a series of capital works projects off the ground and progressing so that Council's vision for the Shire can be achieved.

I am happy to report that in 2020/2021 the Shire was able to progress a number of key works projects across all four towns.

In 2021, we commenced works on the Tom Price Emergency Services Precinct and Childcare Centre. After 30 years of providing childcare services in Tom Price, the Nintirri Centre was appointed by the Shire to operate the Childcare Centre upon its completion.

In July 2021 we officially opened the new Onslow Gym and childcare facilities. To deliver this project, the Shire received \$2.5M in funding through our Working Together for Onslow partnership with the Chevron-operated Wheatstone project.

We were also able to complete the Ocean View Caravan redevelopments, a project that first began in 2017. The \$8.1M project has transformed the caravan park, taking advantage of sweeping ocean views and direct access to Front Beach that is renowned for incredible sunrises.

The Ashburton community demonstrate great pride and passion for their region and share the Council's vision for the Shire as a vibrant and robust place to live.

This was highlighted during the year through our Skate Park consultation sessions that took place in Tom Price, and the introduction of regular community information sessions.

The aim of these sessions is to provide residents with the opportunity to hear from key stakeholders and share their thoughts on any projects and initiatives that are taking place in their town.

We also undertook a complete overhaul of our Shire website, providing an easily accessible point of reference for members of the community to stay up to date with news, events, publications, and projects.

The prosperity of our region is visible to stakeholders, with many choosing to invest in the area such as with PHI International selecting Onslow Airport as the base for their offshore helicopter passenger transport services on the North West Cape.

I look forward to working with Shire staff to ensure we have the capability and a collaboration of knowledge and experience to fulfil Council's objectives, working with our industry partners to achieve future growth and improvements for our towns, and continuing to provide to State and the national economy as a significant contributor.

**Kenn Donohoe**  
Shire of Ashburton Chief Executive Officer

# executive team



## Kenn Donohoe

Chief Executive Officer

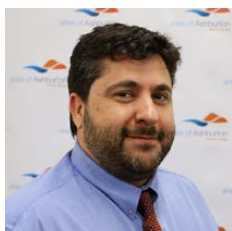
- Aviation and Tourism
- Human Resources
- Land and Asset Compliance
- Media & Communications



## Chantelle McGurk

Director Projects and Procurement

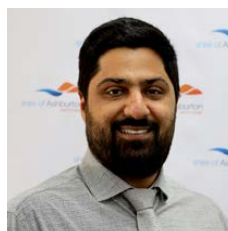
- Strategic Projects
- Facilities and Aquatics
- Procurement



## Adam Majid

Director People and Place

- Community Services
- Development Services
- Libraries
- Regulatory Services



## Maz Khosravi

Director Infrastructure Services

- Assets and Programming
- Fleet
- Maintenance
- Roads and Civil Projects
- Waste Services



## John Bingham

Director Corporate Services  
– January 2020



## Nathan Cain

Director Corporate Services  
– February 2020 onwards

- Finance and Administration
- Governance
- ICT Services



# 2020/2021

## *achievements & highlights*

### **Ashburton overview**

**The Shire of Ashburton continues to be a driving force of the Pilbara region and Western Australian economy.**

Our Shire delivers 38.1% or \$15.943 billion to the Gross Regional Product of the Pilbara region and 18% to the WA economy. Our economy is not only growing, but also providing a diverse range of opportunities.

Encompassing the towns of Tom Price, Onslow, Paraburdoo and Pannawonica, our residents boast a unique lifestyle, living

next door to Karijini and Millstream Chichester National Parks and also avail of idyllic coastal living as the extends from reef to range.

Council continues to drive, attract and source investment to the region to ensure ongoing expansion of services, accessibility, commercialisation and industry continues to grow along with our community's overall health and well-being.

## 2020/21 Budget

Shire of Ashburton Council endorsed the 2020/21 annual budget in July 2020, pledging their commitment in progressing a \$63M capital works program.

The 20/21 budget set to achieve 81 capital works projects, including ongoing projects carried over from last financial year and the progression of some much-anticipated projects.

This included the Child Care Centre, Emergency Services Precinct, Footpath Renewal program, actualisation of the Pump Track and tennis club upgrade in Tom Price.

In Onslow, the budget allowed planning works to commence for the Marina Upgrade, progression gym and childcare facilities, Ocean View Caravan Park upgrade and continuation of the construction of the Class IV Pilbara Regional Waste Management Facility.

Funds were also dedicated to completing a Rural Unsealed Roads program and undertaking a Safer Communities Initiative with a CCTV and Security Lighting Program for each of our townsites with other commitments including lighting and fencing of our sports precincts, electronic scoreboards for the CHUB at Paraburdoo and development of the Tom Price tourist information bay.

Rates were held for 2020/21 with flexible payment arrangements made with no special fees and interest charges, along with rent relief on leases to small businesses, community groups and clubs.

**12 MAJOR PROJECTS**  
of economic and  
community importance

**81 CAPITAL WORKS PROJECTS**  
at **\$63m** total value

### TOM PRICE



Child Care Centre

**\$6.75m**



Emergency Services Precinct

**\$4.07m**



Footpath Renewal

**\$1.84m**



Pump Track

**\$950k**



Tennis Club Upgrade

**\$1.57m**



Tourist Information Bay

**\$468k**



Staff Administration Building  
(Design and Planning)

**\$3m**

### ONSLOW



Gym / Child Care Facilities

**\$2.5m**



Marina Upgrade (Design and Planning)

**\$1.5m**



Ocean View Caravan Park upgrade

**\$3m**



Pilbara Regional Waste  
Management Facility Class IV

**\$13m**

### RURAL UNSEALED ROADS



**\$3.5m**



## Highlights

### Tom Price Skatepark upgrade

Tom Price youth were actively engaged in a Tom Price Skate Park consultation, hosted by WA-based company Skate Sculpture in October 2020. The group sourced input from the Tom Price community to shape planned upgrades to the popular amenity. Kids workshopped features they wanted in the new design, and there was plenty of lively discussion as designs were sketched on paper. The addition of a skate bowl was a universal aspiration. A concept design was drafted based on the feedback from the consultation.

### Community Support Grants

The Shire's Community Support Grants are provided as in-kind or financial assistance to enable community groups to deliver quality programs, community events and services. In 2020/21, community groups across the Shire were awarded in March intakes.

#### Recipients:

- Ashburton Anglers
- Onslow Sports Club
- Tom Price Motorcycle Club
- Tom Price Diamond Club
- Paraburdoo Drive In
- Paraburdoo Horse & Pony Club
- Tom Price BMX
- Tom Price Women's Softball Association
- Tom Price Netball Association
- Pannawonica Parents & Citizens Association
- Karingal Neighbourhood Centre
- North Tom Price Primary School

### Tom Price Childcare Centre

Construction of the new Tom Price Childcare Centre and new Emergency Services Precinct formally commenced with a 'breaking ground' ceremony in April 2020. The Nintirri Centre Inc was also appointed as the successful tenderer to operate the childcare centre upon its completion. Unfortunately, just over a month later the contractors were placed into administration, putting the project on hold.

### Karijini Experience

The Shire of Ashburton proudly sponsored Karijini Experience. Held on the traditional lands of the Banjima people, the Karijini Experience was a five-day celebration of culture, food, music and art on country. Taking place in April, Karijini Experience hosted 46 events from exclusive fine dining under the stars, to live music, yoga in the gorge and free community and family-friendly events. The event provided an opportunity for the whole family to get involved in the outback oasis of Karijini National Park.

### Pilbara Regional Waste Management Facility

In March, the Shire completed the \$13M Pilbara Regional Waste Management Facility. Our 100% off-grid, solar powered, Class 4 facility has been designed and constructed to best practice standards and will accept waste from mining, industrial and oil and gas operations across northwest Australia.





### **Tom Price Tennis Courts**

In April 2021, the Shire of Ashburton officially reopened the Tom Price Tennis Courts following completion of a \$1.5M upgrade to the facility. As part of the upgrade, all three courts had groundwork issues amended and were resurfaced with synthetic courts in line with Tennis West guidelines. Tom Price Tennis Club and spectators now enjoy a new clubhouse and shaded observation area as well as newly installed onsite toilet amenities and storage areas.

### **Onslow Foreshore Protection**

As part of the Shire’s continued coastal management plan, Council allocated \$900,000 this year towards Onslow’s foreshore improvement and protection, including a 120m seawall extension near the ANZAC Memorial site. The seawall works also include a new outfall structure at the eastern end of the seawall, a new stormwater outlet structure mid-way along the seawall, and repairs to existing stormwater tidal flaps.

### **PHI Onslow Airport**

The prosperity of our region is visible to stakeholders, with many choosing to invest in the area such as with PHI International selecting Onslow Airport as the base for their offshore helicopter passenger transport services contract on the North West Cape.

### **Onslow Gym & Childcare Centre**

\$2.5M funding was secured toward the extension of the Onslow gym and childcare facilities in Onslow, funded through our Working Together for Onslow partnership with the Chevron-operated Wheatstone project. The extension and upgrade works were completed on schedule in May 2021.

### **Neil and Judy Baker Shell Collection**

The Neil and Judy Baker Shell Collection, named after the Onslow residents of who have diligently gathered the pieces over more than 60 years, contains thousands of seaside relics from Onslow and its stunning surrounding islands. Some pieces are worth





several thousand dollars. The remarkable collection was scheduled to be relocated to the Abrolhos Islands, about 80 kilometres west of Geraldton. Recognising the significance of the display, Onslow Visitor Centre and the Shire of Ashburton stepped in to keep the collection in Onslow. As one of Australia's largest private shell collections, the compilation will be a major drawcard for tourism, encouraging travellers to explore the exceptional natural history of our area.

### Footpath renewal program

The Shire of Ashburton are pleased to have delivered a significant Footpath Renewal Program to the Tom Price community. The five-week schedule of works resulted in an additional 15 kilometres of footpath around Tom Price, including ANZAC Memorial Park, East Road - Golf Club Link, Jacaranda to Willow Road, South Road and Area W Loop through Canberra Drive.

### Ocean View Caravan Park Stage 2

Stage 2 redevelopment of Onslow's Ocean View Caravan Park was completed on time for

the 2021 tourist season. The redevelopment project enhanced the amenities and facilities including BBQ picnic areas, fish cleaning station, secure boat parking, dump point, new landscaping on site, as well as the enhancing the overall layout and accessibility of the park. The total \$8.1M completed project commenced in 2017 has transformed the caravan park, taking advantage of sweeping ocean views and direct access to Front Beach that is renowned for incredible sunrises.

### Minna Oval

\$700,000 upgrade to Minna Oval was completed in 2021 comprising of the installation of overhead LED lighting to at the Softball Diamond enabling increased community use of the facility.

The improved facilities and amenities detailed above have created positive impact on the liveability of our towns and in attracting visitors and tourists to our region.



# strategic community plan

**The Shire of Ashburton is comprised of diverse towns and communities that stretch across pristine coastal and inland Pilbara environments.**

Our communities consist of people from a range of backgrounds whom enjoy the economic and employment opportunities on offer, while also relishing the unique lifestyle that this part of the world provides.

The Shire of Ashburton 10 Year Strategic Community Plan 2017 provides focus, direction and represents the hopes and aspirations of the Shire. A minor desktop review of the existing Strategic Community Plan in early 2019, which focused on resetting the Corporate Business Plan along with the integration of other informing strategies. The new plan 'Living Life' 2019 Desktop Review was adopted at the Ordinary Meeting of Council held on 18 June 2019.

Achieving the community's vision and the Shire's strategic objectives requires the development of actions to address each strategy contained within the Strategic Community Plan. Careful operational planning and prioritisation is required to achieve the objectives and desired outcomes due to the limited resources available. The Corporate Business Plan converts the Strategic Community Plan into action through the adoption of an Annual Budget.

In accordance with statutory requirements, the Corporate Business Plan was reviewed and endorsed by Council at the 18 June 2019 Ordinary Meeting to assess the progress of projects and realign the Plan's actions and priorities based on current information and available funding.





The tables over page detail the actions under each of the five key strategic goals that were progressed in the 2020/21 financial year.

## Key

- Completed 2019/20 or earlier
- Completed during 2020/21
- Programmed for future year



**GOAL 1****Vibrant and Active Communities****Objective 1.1:** Connected, caring and engaged communities**Outcome:** People feel connected and actively involved in the community

Strategy		Actions		Projects	2020/21 Progress
1.1.1	Encourage and provide a range of opportunities to community members and stakeholders to inform and participate in decision making	1.1.1.1	Develop communication and engagement strategy	Marketing & Communications Strategy 2020 endorsed by Council and implementation underway	
		1.1.1.2	Engage community and stakeholders in accordance with Communication and Engagement Strategy	Marketing & Communications Strategy 2020 endorsed by Council and implementation underway	
1.1.2	Establish a strategic approach to community development planning that focuses on building social capital, developing community capability and addresses social isolation and dislocation all residents across the Shire	1.1.2.1	Undertake strategic planning to ensure integration of informing plans for adequate resourcing and service delivery	The Shire's current Integrated Planning Framework comprises of up to date strategic documents, including the CBP and Strategic Community Plan (SCP) to assist service delivery requirements.	
1.1.3	Continue to develop programs that welcome and induct new residents and transient workers into their host communities; Engage and celebrate local culture, both Indigenous and non-Indigenous	1.1.3.1	Continue to develop programs welcoming new residents and transient workers into the community	Successful delivery of town events catering for all demographics with some restrictions and limitations on attendance due to continued COVID-19 but the Shire provided alternative support for new community members.	
		1.1.3.2	Engage and celebrate local culture, both Indigenous and non-Indigenous	Each town held a wide range of activities and events that attracted an audience that represented the diverse nature of community members that live in the Shire. School holiday programs appealed to the younger generation. Special events like NAIDOC celebrated Australia's Indigenous heritage across the towns. Multicultural events such as Harmony Day, Waitangi Day and the Chinese Lantern Festival highlighted the various cultures present in the Shire. International Womens' Day celebrations gave recognition to the importance of women and their role in the community.	

## GOAL 1 Vibrant and Active Communities (continued)

### Objective 1.2: Sustainable Services, Clubs, Associations and Facilities

**Outcome:** High levels of community involvement in supporting clubs and organisations to be successful and sustainable, while optimising community facility use

Strategy		Actions		Projects	2020/21 Progress
1.2.1	Develop and implement a cohesive, whole Shire strategy to encourage and support club and community group development through a focus on increased volunteerism and capacity building that utilises the skills and experience of residents and visitors	1.2.1.1	Develop and implement a cohesive strategy to encourage and support club and community group development	Strategy continued to be implemented through RTIO Partnership and Working Together for Onslow with Chevron, as well as participation through the State Governments 'Every Club Program', a number of workshops and learning opportunities (face to face and online) were held across the Shire of Ashburton to the benefit of many clubs and groups.	
1.2.2	Review existing club and community organisations' governance and operating processes to identify possible synergies, collaborations or alternative models that can increase community involvement, reduce workloads and increase sustainability	1.2.2.1	As per action 1.2.1.1	As above action	
1.2.3	Collaborate with industry to encourage FIFO participation in their host communities through a concerted campaign to increase engagement in community activities; leisure and recreation pursuits	1.2.3.1	Collaborate with partners, key stakeholders and other organisations where appropriate	Continued collaboration with Sodexo and Rio Tinto for events to incorporate FIFO inclusion. All event flyers shared with lifestyle coordinator at Sodexo to increase promotion within the camp FIFO community.	
1.2.4	Prepare plans, programs and schedules that provide cost effective access and optimisation of existing community facilities – and provide new or upgraded facilities to accommodate future needs	1.2.4.1	Seek to deliver community facility services and outcomes within resource capacity	Multiple facilities throughout the Shire available for use. These facilities are maintained and upgraded in accordance with plans and budget allocations.	
		1.2.4.2	Provide community facilities as per asset management planning	Tom Price Tennis Courts, Tom Price Skatepark upgrade stage 1 and Onslow Gym extension were all completed in 2020/21.	



**GOAL 1 Vibrant and Active Communities** (continued)

**Objective 1.3:** Quality education, healthcare, childcare, aged care and youth services

**Outcome:** A cohesive approach to service development, delivery and access to quality education, healthcare, childcare, aged care and youth services and facilities





Strategy		Actions		Projects	2020/21 Progress
1.3.1	Play a leadership role in advocating to, and engaging with, relevant government and private sector stakeholders to foster a whole of Shire approach to the provision of quality education, training, healthcare, childcare, aged care, youth services and facility provision.	1.3.1.1	Continue to advocate on behalf of the community	Council published its 2021 Priority projects with an emphasis on advocating at a State and Federal level for funding and support to achieve sustainability and future industries across whole Shire of Ashburton services, industries and communities.	●
		1.3.1.2	Provision of aged care services and housing	Planned for 2021/22 financial year	●
		1.3.1.3	Develop child care facilities in Tom Price	Construction works begin in April 2021, estimated for completion 2021/22.	●
		1.3.1.4	Construction of the Paraburdoo CHUB	Completed March 2019	●
1.3.2	Ensure the needs of changing communities are understood, planned and budgeted for and contributed to by government, industry and the private sector.	1.3.2.1	As per action 1.1.2.1	The Shire's current Integrated Planning and Reporting Framework comprises of up-to-date Strategic documents to assist service delivery requirements. The Strategic Community Plan and Corporate Business Plan provided this framework	●



## GOAL 1 Vibrant and Active Communities (continued)

### Objective 1.4: A rich cultural life

**Outcome:** High levels of community appreciation for, and involvement in, Arts and Cultural activities

Strategy		Actions		Projects	2020/21 Progress
1.4.1	Encourage and support community involvement with and appreciation of, arts and culture	1.4.1.1	Encourage and support community involvement with and appreciation of, arts and culture	In collaboration with the Shire President, the CEO and Directors advocate directly with corporate partners, Federal and State Governments to promote opportunities, supporting community and local organisations involvement with an appreciation of, arts and culture.	
1.4.2	Develop and deliver a whole of Shire Cultural Plan that includes 'place management' approaches	1.4.2.1	Develop and deliver a whole of Shire Cultural Plan	Comprehensive community consultation to understand what each community requires and will be delivered within the cultural plan.	
1.4.3	Continue to work collaboratively with the community to deliver town events	1.4.3.1	Continue to work collaboratively with the community to deliver town events	Multiple events held throughout the 2020/21 year in line with COVID-19 restrictions including School Holiday Programs, ANZAC Dawn services, Australia Day, Onslow Gala Ball, Town Welcome events. Club Development Officers also work with community groups and NFPS to lead out on additional events.	
1.4.4	Increase opportunities for children, youth and Indigenous residents to be part of the wider community	1.4.4.1	As per Action 1.4.2.1	Shire staff attended local Employment Expos with other Ashburton employers to highlight to younger residents the vast array of careers right here at home	
1.4.5	Continue to foster industry and government social investments and participation in community arts and cultural initiatives	1.4.5.1	As per Action 1.4.2.1	The Shire partnered with the Karijini Experience being a sponsor for the 2020 Event. Unfortunately, this event was cancelled due to COVID-19.	



## GOAL 2

### Economic Prosperity

**Objective 2.1:** Strong local economies

**Outcome:** A diverse and strong economy

Strategy		Actions		Projects	2020/21 Progress
2.1.1	Develop local capability and capacity to understand and adapt to economic trends and better meet needs of local businesses	2.1.1.1	As per action 2.2.2.1	Continued membership and participating with OCCI and PICCI and assisted them with their Buy Local campaigns	●
2.1.2	Develop policies and programs to support existing businesses and encourage business attraction to meet the changing needs of local and regional areas	2.1.2.1	As per action 2.2.2.1	The Shire of Ashburton committed to the Small Business Friendly Local Government Charter to assist small businesses by undertaking key business initiatives	●
2.1.3	Proactively engage with government and industry to support business development and community enterprise and to plan for present and future training and employment needs	2.1.3.1	As per action 2.2.2.1	The Shire continued involvement in Small Business Friendly Local Government Program	●
2.1.4	Facilitate timely release of land to support the local economy	2.1.4.1	Facilitate timely release of land to support the local economy	Continue to liaise with corporate partners, Federal and State governments to identify and promote land release where available.	●



## GOAL 2 Economic Prosperity (continued)

### Objective 2.2: Enduring partnerships with industry and government

**Outcome:** Industry and government actively engaging with local communities and economies

Strategy	Actions	Projects	2020/21 Progress
2.2.1 Partner with industry and government to target their investment in stimulating more diversified business and economic development to benefit communities and the local economy	2.2.1.1 Advocate for more diversified business and economic development in accordance with Economic Development Strategy	The Shire continued to work with OCCI, PICCI, the PTA, and Australia's North West to develop business opportunities for industry.	●
2.2.2 Develop a Shire Economic Development Strategy that includes engagement with industry and government to support local economic development initiatives	2.2.2.1 Develop and implement Shire Economic Development Strategy	Implementation of the Shire's Economic & Tourism Development Strategy 2019.	●



**GOAL 2 Economic Prosperity** (continued)**Objective 2.3:** Well-managed tourism

**Outcome:** Sustainable tourism activity benefiting local economies and the Shire as a whole

Strategy		Actions		Projects	2020/21 Progress
2.3.1	Work with the tourism industry, key stakeholders and agencies to collaboratively develop a regional Tourism Strategy that promotes the unique Pilbara offering of distinctive landscapes, seascapes and communities.	2.3.1.1	Develop Tourism Strategy	Implementation of the Shire's Economic & Tourism Development Strategy 2019 continued.	●
2.3.2	Continue to plan for, invest in, and advocate for the development of key tourist infrastructure including increased accommodation options; tourism attractions and signage	2.3.2.1	Continue to plan for, invest in, and advocate for the development of key tourist infrastructure in accordance with Tourism Strategy	Implementation of the Shire's Economic & Tourism Development Strategy 2019 continued.	●
2.3.3	Explore Aboriginal tourism opportunities	2.3.3.1	Encourage Aboriginal tourism opportunities in accordance with Tourism Strategy	Implementation of the Shire's Economic & Tourism Development Strategy 2019 continued.	●
2.3.4	Plan for improved tourism accommodation, camping grounds and associated facilities	2.3.4.1	Plan for improved tourism accommodation, camping grounds and associated facilities in accordance with Tourism Strategy	Funding sought for Tom Price Visitor Information Bay.	●
2.3.5	Engage with industry to manage the interface with tourism to optimise opportunities and minimise competing interests	2.3.5.1	As per action 1.1.1.1	The Tom Price Visitors Centre (TPVC) continues to implement the TPVC strategic plan	●





## GOAL 3 Unique Heritage and Environment

**Objective 3.1:** Flourishing natural environments

**Outcome:** The integrity of the Shire's natural environments is maintained

Strategy		Actions		Projects	2020/21 Progress
3.1.1	Partner with government agencies, industry, traditional owners, non-government organisations, local governments, research institutions, pastoralists and the community to better manage natural assets and deliver improved conservation outcomes that reflect the region's high biodiversity and landscape values	3.1.1.1	Advocate for the protection of natural assets and sustainable use of resources and utilities	Whole of Shire ongoing advocacy	<span style="color: green;">●</span>
3.1.2	Improve recreational access to natural environments with a focus on signage, access and safety	3.1.2.1	Improve recreational access to natural environments with a focus on signage, access and safety	Signage upgrades including Fire Danger and Cyclone Information Signs were installed. Continued installation and upgrade of rural signage in 2021/22.	<span style="color: orange;">●</span>



**GOAL 3 Unique Heritage and Environment** (continued)**Objective 3.2:** Leading regional sustainability

**Outcome:** The Shire of Ashburton supports and implements best practice sustainability practices

Strategy		Actions		Projects	2020/21 Progress
3.2.1	Promote and encourage protection of natural assets and sustainable use of resources and utilities	3.2.1.1	As per Action 3.1.1.1	Whole of Shire ongoing advocacy	
3.2.2	Collaborate with State Government and Rio Tinto (the providers of water resources in the Shire) to promote water-wise practices across the Shire	3.2.2.1	Collaborate with stakeholders to promote water-wise practices across the Shire	We continue to encourage providers of water within the Shire to promote water-wise practices	
3.2.3	Encourage and implement improved waste minimisation practices, including proactive approaches to recycling and reuse	3.2.3.1	Encourage and implement improved waste minimisation practices	Shire continuing plans to establish a waste strategy which will address recycling and waste minimisation in all towns	
		3.2.3.2	Development of Pilbara Regional Waste Management Facility	Construction completed and completion ceremony attended by Federal and State Ministers in March 2021. License approval being sought, expected end 2021.	

**Objective 3.3:** Celebration of history and heritage

**Outcome:** The Aboriginal and European history and heritage of the Shire is celebrated and valued

Strategy		Actions		Projects	2020/21 Progress
3.3.1	Develop strategies to recognise and celebrate the Aboriginal and Non-Aboriginal history and heritage of the Shire, including providing cultural awareness training opportunities	3.3.1.1	Recognise and celebrate the Shire's Aboriginal and Non-Aboriginal history and heritage	Continue to support NAIDOC week and other celebrations of aboriginal history and culture. Reconciliation Action Plan to be developed	
		3.3.1.2	Support and encourage cultural awareness opportunities	Continue to support NAIDOC week and other celebrations of aboriginal history and culture. Reconciliation Action Plan to be developed	

## GOAL 4

### Quality Services and Infrastructure

**Objective 4.1:** Quality public infrastructure

**Outcome:** Adequate, accessible and sustainable public infrastructure

Strategy		Actions		Projects	2020/21 Progress
4.1.1	Advocate to, and partner with, government to facilitate the development of the Tom Price – Karratha Road to link Tom Price and Paraburdoo to the Pilbara Cities	4.1.1.1	Advocate to, and partner with stakeholders to facilitate the development of the Tom Price – Karratha Road to link Tom Price and Paraburdoo to the Pilbara Cities	Shire continues to advocate for the facilitation of the development of Manuwarra Red Dog Hwy (Tom Price – Karratha Road) with Stage 4 due for completion 2024.	●
4.1.2	Provide and maintain affordable infrastructure that serves the current and future needs of the community, environment, industry and business	4.1.2.1	Provide and maintain infrastructure in accordance with asset management plans	Provide and maintain infrastructure in accordance with asset management plans	●
		4.1.2.2	Plan and develop Onslow Marina	Stage 1 construction proposal finalised with construction to begin 2021.	●
4.1.3	Actively engage with State Government, Aboriginal Corporations and communities to support strategies to effectively manage the planned transition of municipal services in Aboriginal communities (upon the completion of the Aboriginal Communities Review by the WA State Government)	4.1.3.1	Advocate for the provision of appropriate services to all of the community	In collaboration with the President, the CEO and Directors to advocate for support strategies to effectively manage the planned transition of municipal services in Aboriginal communities	●
4.1.4	Actively advocate for the effective supply of utilities and services that meet commercial, industrial and retail needs.	4.1.4.1	As per Action 4.1.2.1	Continue to advocate for supply of utilities and services that meet commercial, industrial and retail needs	●





**GOAL 4 Quality Services and Infrastructure** (continued)**Objective 4.2: Accessible and safe towns****Outcome:** Transportation into and throughout towns is improved

Strategy	Actions	Projects	2020/21 Progress
4.2.1 Advocate to, and partner with, key government and industry to develop an air strip at Tom Price and improve public transport and roads between the Shire's towns	4.2.1.1 Advocate and partner with key stakeholders to develop an air strip at Tom Price	Shire continuing to advocate to relevant stakeholders.	
	4.2.1.2 Advocate to improve public transport and roads between the Shire's towns	In collaboration with the Shire President, the CEO and Directors continued to advocate for improved public transport and roads between the Shire's towns	
	4.1.2.3 Maintain and improve road infrastructure in accordance with asset management plans	Maintain and improve road infrastructure in accordance with asset management plans	
	4.2.1.4 Maintain and improve air transport infrastructure in accordance with asset management plans	Shade structures over airport lighting distribution board/system. Runway pavement assessment undertaken.	
4.2.2 Continue to improve and maintain condition of footpaths, cycleway, kerbs and signage to provide enhanced amenities and connections with towns	4.2.2.1 Maintain and improve footpaths, cycleway, kerbs and signage in line with asset management planning	Footpath renewal program of \$1.8M completed in 2020/21 financial year.	
4.2.3 Maintain and improve existing public lighting and increase coverage of lighting where appropriate	4.2.3.1 Advocate for improved public lighting where appropriate	Shire continuing to advocate to relevant stakeholders.	
4.2.4 Shire to continue to work with police, stakeholders and the community to promote positive crime prevention and safety initiatives	4.2.4.1 Continue to work with police, stakeholders and the community to promote positive crime prevention and safety initiatives	Councillors and the CEO continued to advocate for positive crime prevention and safety initiatives	

## GOAL 4 Quality Services and Infrastructure (continued)

### Objective 4.2: Accessible and safe towns (continued)

Strategy	Actions	Projects	2020/21 Progress
4.2.5 Effectively communicate and manage natural hazards, risks and other community emergencies through the development of an emergency management strategy that includes educating stakeholders and community on how to prevent and address emergencies	4.2.5.1 Continue to effectively communicate emergency management plans and educate stakeholders and community on how to prevent and address emergencies	In collaboration with Local Emergency Management Committees, Shire staff and Department of Fire and Emergency Services (DFES) to improve and implement emergency management strategies that includes educating stakeholders and community.	○
	4.2.5.2 Development of Emergency Services Precinct in Tom Price	Subdivision approved and construction commenced in April 2021	○
	4.2.5.3 Develop RFDS Airstrip infrastructure	Shire resolution to advocate only	○



**GOAL 4 Quality Services and Infrastructure** (continued)**Objective 4.3: Well-planned towns****Outcome: Distinctive and well-functioning towns**

Strategy		Actions		Projects	2020/21 Progress
4.3.1	Continue to monitor industry and economic trends and ensure town planning schemes respond appropriately to future housing, accommodation and commercial needs	4.3.1.1	Continue to monitor industry and economic trends and ensure town planning schemes respond appropriately to future housing, accommodation and commercial needs	Local Planning Strategy was adopted by Council.	
4.3.2	Ensure any new buildings and developments are sensitive to an integrate appropriately with the natural and built environments	4.3.2.1	Continue to ensure any new buildings and developments are sensitive to, and integrate appropriately with the natural and built environments	The Shire have progressed the Onslow Coastal Process Study to address this action.	
4.3.3	Incorporate social planning and ecological sustainable development principles in planning strategies and policies	4.3.3.1	Consider social planning and ecological sustainable development principles in planning strategies and policies	Local Planning Policy reviewed to align with the Scheme Review, following approval of the Local Planning Strategy.	
4.3.4	Continue to provide and maintain a range of public open spaces with high quality amenities.	4.3.4.1	Continue to provide and maintain a range of public open spaces in accordance with asset management plans	Multiple public spaces and recreational facility upgrades completed throughout the financial year including: <b>Paraburdoo –</b> <ul style="list-style-type: none"> <li>• Quentin Broad Swimming Pool - Renewal of Tiles</li> <li>• Information Bay - Install New Toilet Block, Dog Exercise Yard - Install New, Cricket Nets – Renewal, Ashburton Hall - Install New Air Conditioner.</li> </ul> <b>Onslow –</b> <ul style="list-style-type: none"> <li>• MPC Install New Storage Shed, Community Gardens - Install Toilet Amenities, Back Beach - Renewal of Shade Structure</li> </ul> <b>Tom Price –</b> <ul style="list-style-type: none"> <li>• Clem Thompson Oval - Install New Rebound Nets for AFL, Community Hall - Renewal of 2 x Air Conditioners, Visitors Centre Wash Down Bay</li> </ul>	




## GOAL 5

### Inspiring Governance

#### Objective 5.1: Effective Planning for the Future

**Outcome:** Ensure that Shire resources are optimally applied to achieving community outcomes, whilst maintaining financial sustainability

Strategy		Actions		Projects	2020/21 Progress
5.1.1	Ensure the Strategic Community Plan and Corporate Business Plan are used effectively to guide all planning and decision making in the delivery of quality services and facilities	5.1.1.1	As per Action 1.1.2.1	Strategic Community Plan and Corporate Business Plans considered and used to drive the final adopted annual budget.	
		5.1.1.2	Review, update and implement asset management plans	Asset management planning is under review with our new Asset Management Strategy proposed for early 2021 year.	
5.1.2	Regular communication and engagement with stakeholders and community to generate a sound understanding, support and buy-in to the Shire's plans and strategies	5.1.2.1	As per Action 1.1.1.1	Community Scorecard Survey completed late 2019 and results informed to Council March 2020.	
5.1.3	Monitor trends, anticipate needs and capitalise on opportunities to build strong communities	5.1.3.1	As per Action 1.2.4.1	Marketing Audit identified improvements and other mediums to review. Will be taken into account in recommendations of Marketing & Communications Strategy	
5.1.4	Develop a Reconciliation Action Plan and seek greater Aboriginal engagement and representation in decision making	5.1.4.1	Develop a Reconciliation Action Plan and seek greater Aboriginal engagement and representation in decision making	Reconciliation Action Committee proposed for 2020/21.	
5.1.5	Regular monitor, review and revise the Strategic Community Plan (SCP) and develop a four year Corporate Business Plan (CBP) that reflects the evolving community needs and aspirations	5.1.5.1	As per Action 1.1.2.1	Completed	

**GOAL 5 Inspiring Governance** (continued)**Objective 5.2: Community Ownership****Outcome:** An engaged and well-informed constituency

Strategy		Actions		Projects	2020/21 Progress
5.2.1	Ensure equitable and broad representation on committees and in community engagement activities to ensure there is well informed decision making	5.2.1.1	As per Action 1.1.1.1	Marketing and Communications Audit completed June 2020. Results to feed into a Marketing & Communications Strategy.	●
5.2.2	Ensure broad participation and diverse representation in research, planning and decision making	5.2.2.1	As per Action 1.1.1.1	Marketing and Communications Audit completed June 2020. Results to feed into a Marketing & Communications Strategy.	●
5.2.3	Develop a communications and engagement strategy that ensures the provision of quality information on Shire activities and uses modern methods to foster high levels of community awareness and involvement	5.2.3.1	As per Action 1.1.1.1	Marketing and Communications Audit completed June 2020. Results to feed into a Marketing & Communications Strategy.	●
5.2.4	Be a strong voice and advocate for the local community in regional, state and federal settings	5.2.4.1	As per Action 1.3.1.1	<ul style="list-style-type: none"> <li>• Suite of Xciting Ashburton collateral – invest in one of the fastest growing economies in WA – tourism, industry, infrastructure</li> <li>• Beadon Creek Marina brochure</li> <li>• TPCC advocacy brochure</li> </ul>	●





## GOAL 5 Inspiring Governance (continued)

### Objective 5.3: Council Leadership

**Outcome:** Council effectively governing the Shire, demonstrating effective governance and town leadership

Strategy		Actions		Projects	2020/21 Progress
<b>5.3.1</b>	Support and strengthen the effectiveness of Councillors, and educate the community on their roles, responsibilities and achievements	<b>5.3.1.1</b>	As per Action 1.3.1.1	Elected Members attended training through WALGA to support and strengthen their effectiveness. Compulsory training was undertaken online due to COVID restrictions.	●
		<b>5.3.1.2</b>	Support and strengthen the effectiveness of Councillors	The CEO and Directors continue to keep Elected Members informed to strengthen the effectiveness of Council through workshops and provision of industry information.	●
		<b>5.3.1.2</b>	Seek to educate the community on the roles, responsibilities and achievements of Council	Communication re local elections 2019, role of Council and what's involved? Good news stories of Council continue to form regular online content and printed material	●
		<b>5.3.1.3</b>	Continue to provide quality regulatory services	We continue to provide and improve Shire regulatory services and establish service standards with Rangers located in Tom Price, Paraburdoo and Onslow	●
<b>5.3.2</b>	Improve civic engagement and leadership to increase the involvement of under-represented groups including youth, the Aboriginal community and seniors	<b>5.3.2.1</b>	As per Action 1.1.1.1	Youth Strategy to be developed in line with ADM08 Community Engagement Policy. A Youth CHUB activation program is planned for 2020/21.	●



**GOAL 5 Inspiring Governance** (continued)

**Objective 5.4: Exemplary team and work environment**

**Outcome:** Highly-functioning Shire team that effectively manages the Shire's resources to build strong communities

Strategy	Actions	Projects	2020/21 Progress
<p><b>5.4.1</b> Develop an inspired and engaged workforce through the provision of a targeted workforce development plan that includes strategies to attract and retain skilled and capable staff</p>	<p><b>5.4.1.1</b> Undertake staff engagement survey to identify strategies to attract and retain staff</p>	<p>Perception Survey update and action items were rolled out Shire wide June 2019. Subsequent perception survey was conducted in 2020, but no actions were implemented due to lack of HR capacity and ELT decision based on employee change fatigue at the time.</p>	<p>○</p>
	<p><b>5.4.1.2</b> Review and maintain Workforce Plan and associated plans</p>	<p>Draft workforce plan was done by HR. Subsequent decision was made to temporarily move the workforce plan to Corporate Services which has since been outsourced.</p>	<p>○</p>
	<p><b>5.4.1.3</b> Implement strategies with Workforce Plan</p>	<p>Implementation strategies as an outcome of the Workforce Plan review Plan in draft format, yet to be reviewed.</p>	<p>○</p>
<p><b>5.4.2</b> Promote an innovative and engaging corporate culture underpinned by the organisation's vision and mission.</p>	<p><b>5.4.2.1</b> Promote an innovative and engaging corporate culture underpinned by the organisation's vision</p>	<p>The CEO and Directors to continue to liaise with staff and lead by example in the role of the Shire and the need to provide outstanding customer service This is an ongoing initiative and therefore a work in progress.</p>	<p>○</p>



# Statutory reports

## ABOUT COUNCIL Our Councillors



**Cr Kerry White**  
Shire President / Onslow Ward



**Cr Doug Diver**  
Deputy Shire President / Tom Price Ward



**Cr Rory de Pledge**  
Ashburton Ward



**Cr Melanie Gallanagh**  
Pannawonica Ward



**Cr Douglas (Ivan) Dias**  
Paraburdoo Ward



**Cr Linton Rumble**  
Paraburdoo Ward



**Cr Peter Foster**  
Tom Price Ward  
(resigned 1 April 2021)



**Cr Matthew Lynch**  
Tom Price Ward



**Cr Jamie Richardson**  
Tableland Ward



## Council Attendance

Elected Member	Ordinary Council Meeting (11)	Special Council Meeting (4)	Audit and Risk (4)	Pilbara Regional Waste (3)	Annual General Meeting of Electors (1)
Cr K White	11	4	4	3	1
Cr D Diver	11	4	4	3	1
Cr R de Pledge	9	4	4		1
Cr M Gallanagh	8	1	2	3	0
Cr D Dias	7	1	3	2	0
Cr L Rumble	10	3	3	2	1
Cr P Foster <i>Resigned 01/04/2021</i>	6	2	2	2	1
Cr M Lynch	10	3	4	3	1
Cr J Richardson	8	4	2	1	1

(Pilbara Regional Waste Committee members, Cr K White, Cr D Diver and Cr M Lynch)

## Freedom of Information

The *Freedom of Information Act 1992* gives the public a right to apply for access to documents held by the Shire of Ashburton. The Shire aims to make information available whenever possible, outside the freedom of information process.

The Shire received 3 valid freedom of information applications in 2020-2021. Two were finalised internally. 1 was transferred to another agency.

The Shire of Ashburton's Freedom of Information statement is available on the Shire's website.

The Shire of Ashburton is committed to the reliable and systematic management of government records, in accordance with legislative requirements and best practice standards.

### Financial Year 2020/21

FOI Requests Received	3
-----------------------	---

Finalised Internally	2
----------------------	---

3rd Party Consultations	1
-------------------------	---

## Complaints and minor breaches

- 0 Number of complaints recorded in the Register of Complaints.
- 0 Complaints and minor breaches - How the complaints were dealt with.

## Payments and allowances

- 0 Payments and allowances made to Council members participating on a Standards Panel.
- 0 Payments and allowances paid to the local government for Standards Panel breaches.

## Record-keeping Plan

The Shire's current record-keeping plan was submitted to the State Records Office in December 2015 and subsequently approved in March 2016 in accordance with the *State Records Act 2000*. The plan is to be reviewed and submitted to the State Records Office in March 2021.

## Training and Awareness

Recordkeeping inductions were held with new employees on commencement. This includes records responsibilities and use of the electronic recordkeeping system.

## Information Management Systems

The Shire is continuing a review of its business processes and the various systems used to capture business intelligence across the organisation. An ICT Reference Group consisting of ICT and information management specialists and reporting to the Director of Corporate Services has been formed to inform the review.

## Integrated Planning

- There were no modifications to the Strategic Community Plan during the financial year.
- There were no significant modifications to the Corporate Business Plan during the financial year.

## Annual Salaries

The *Local Government Act 1995* requires Council to provide the number of employees who are entitled to an annual salary of \$130,000 or more and to break those employees into salary bands of \$10,000.

For the period under review, the Shire had 60 employees whose salary exceeded \$100,000.

Of these employees:

Annual Salary	# of Employees
130-140,000	12
140-150,000	2
150-160,000	0
160-170,000	0
170-180,000	0
180-190,000	2
190-200,000	4
310-320,000	1

# Citizenship Ceremonies

## 1 July – 31 December 2020

### 5 Ceremonies

#### 7 Conferees became Australian Citizens

- Marcus Alexander Light, New Zealand
- Anna Marszalek, Poland
- Don Lahiru Kumarage, Sri Lanka
- Benyamin Wunga, Indonesia
- Callum James, New Zealand
- Chantelle Cule Mowat, Philippines
- Katie Louise Gandy, United Kingdom

## 1 January – 30 June 2021

### 4 Ceremonies

#### 16 Conferees became Australian Citizens in 2020

- Marama Rawiri, New Zealand
- Colin Gertzen, South Africa
- Stephanie Viljoen, South Africa
- Jan Viljoen, South Africa
- Donnavan Wright, South Africa
- Megan Wright, South Africa
- Joanne Yates, United Kingdom
- Caryl Jamieson, Philippines
- Bincy Antony, India
- Eduard Cortez, Philippines
- Kane Te Tako, New Zealand
- Kristy Chua, Philippines
- Ranales Cambay (Master), Philippines
- Edmund Pohovnikar, Slovenia
- Ljubica Vranjesevic, Bosnia & Herzegovina
- Marilou Mowat, Phillipines





# financial reports

for the year ended 30 June 2021

## TABLE OF CONTENTS

Statement by Chief Executive Officer	35
Statement of Comprehensive Income by Nature or Type	36
Statement of Comprehensive Income by Program	37
Statement of Financial Position	38
Statement of Changes in Equity	39
Statement of Cash Flows	40
Rate Setting Statement	41
Index of Notes to the Financial Report	42
Independent Auditor's Report	95

## COMMUNITY VISION

We will embrace our unique Pilbara environment and lifestyle through the development of vibrant, connected, inclusive and active communities that have access to quality services, exceptional amenities and economic vitality.

Principal place of business:  
Lot 246, Poinciana Street  
Tom Price WA 6751

**SHIRE OF ASHBURTON  
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 Ashburton 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 Ashburton 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 15th day of December 2021



---

Chief Executive Officer

Kenn Donohoe

---

Name of Chief Executive Officer



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

	NOTE	2021 Actual \$	2021 Budget \$	2020 Restated* \$
<b>Revenue</b>				
Rates	25(a)	42,419,577	42,138,000	37,053,984
Operating grants, subsidies and contributions	2(a)	4,135,515	5,205,547	8,119,726
Fees and charges	2(a)	7,654,497	6,363,755	6,289,186
Service charges	25(b)	172,717	180,300	180,111
Interest earnings	2(a)	467,647	738,000	1,332,721
Other revenue	2(a)	806,460	768,380	1,182,545
		<b>55,656,413</b>	<b>55,393,982</b>	<b>54,158,273</b>
<b>Expenses</b>				
Employee costs		(17,613,500)	(20,886,763)	(18,949,088)
Materials and contracts		(14,544,897)	(17,938,239)	(12,846,528)
Utility charges		(1,641,837)	(1,648,415)	(1,606,495)
Depreciation on non-current assets	10(b)	(14,312,655)	(12,020,137)	(11,929,071)
Interest expenses	2(b)	(221,423)	(105,600)	(247,813)
Insurance expenses		(1,120,005)	(1,257,405)	(1,077,178)
Other expenditure		(765,451)	(1,198,845)	(1,031,759)
		<b>(50,219,768)</b>	<b>(55,055,404)</b>	<b>(47,687,932)</b>
		<b>5,436,645</b>	<b>338,578</b>	<b>6,470,341</b>
Non-operating grants, subsidies and contributions	2(a)	15,532,662	24,460,994	4,248,550
Profit on asset disposals	10(a)	69,936	29,000	58,823
(Loss) on asset disposals	10(a)	(287,203)	(201,000)	(504,371)
		<b>15,315,395</b>	<b>24,288,994</b>	<b>3,803,002</b>
<b>Net result for the period</b>		<b>20,752,040</b>	<b>24,627,572</b>	<b>10,273,343</b>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	11	0	0	(10,438,982)
<b>Total other comprehensive income for the period</b>		<b>0</b>	<b>0</b>	<b>(10,438,982)</b>
<b>Total comprehensive income for the period</b>		<b>20,752,040</b>	<b>24,627,572</b>	<b>(165,639)</b>

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

\* See note 29 for details regarding the prior period adjustment





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

	NOTE	2021 Actual \$	2021 Budget \$	2020 Restated* \$
<b>Revenue</b>				
Governance	2(a)	544,644	590,000	1,061,666
General purpose funding		46,360,690	44,990,000	42,516,009
Law, order, public safety		72,348	95,885	96,171
Health		268,916	300,000	300,330
Education and welfare		55,784	60,000	243,960
Housing		436,868	236,360	477,438
Community amenities		3,002,157	2,445,000	2,705,963
Recreation and culture		842,297	1,553,750	1,300,384
Transport		1,793,375	3,543,585	3,013,688
Economic services		2,124,809	1,389,402	2,274,278
Other property and services		154,525	190,000	168,386
		<b>55,656,413</b>	<b>55,393,982</b>	<b>54,158,273</b>
<b>Expenses</b>				
Governance	2(b)	(7,381,138)	(11,674,916)	(5,876,571)
General purpose funding		(14,762)	(26,500)	(22,945)
Law, order, public safety		(1,119,315)	(1,011,915)	(1,286,502)
Health		(661,603)	(529,885)	(810,610)
Education and welfare		(311,268)	(198,697)	(231,809)
Housing		(2,011,354)	(2,351,047)	(1,388,986)
Community amenities		(7,675,689)	(7,994,612)	(7,566,929)
Recreation and culture		(11,138,993)	(11,813,229)	(11,017,421)
Transport		(14,841,417)	(15,104,472)	(13,958,420)
Economic services		(3,104,994)	(2,846,022)	(2,880,870)
Other property and services		(1,853,728)	(1,398,509)	(2,511,858)
		<b>(50,114,261)</b>	<b>(54,949,804)</b>	<b>(47,552,921)</b>
<b>Finance Costs</b>				
Governance	2(b)	(20,976)	(21,000)	(22,357)
Housing		(25,891)	(25,900)	(44,557)
Community amenities		(50,565)	(50,600)	(58,462)
Recreation and culture		0	0	(408)
Transport		(8,075)	(8,100)	(9,227)
		<b>(105,507)</b>	<b>(105,600)</b>	<b>(135,011)</b>
		<b>5,436,645</b>	<b>338,578</b>	<b>6,470,341</b>
Non-operating grants, subsidies and contributions	2(a)	15,532,662	24,460,994	4,248,550
Profit on disposal of assets	10(a)	69,936	29,000	58,823
(Loss) on disposal of assets	10(a)	(287,203)	(201,000)	(504,371)
		<b>15,315,395</b>	<b>24,288,994</b>	<b>3,803,002</b>
		<b>20,752,040</b>	<b>24,627,572</b>	<b>10,273,343</b>
<b>Net result for the period</b>				
<b>Other comprehensive income</b>				
Items that will not be reclassified subsequently to profit or loss				
Changes in asset revaluation surplus	11	0	0	(10,438,982)
		<b>0</b>	<b>0</b>	<b>(10,438,982)</b>
<b>Total other comprehensive income for the period</b>				
		<b>0</b>	<b>0</b>	<b>(10,438,982)</b>
<b>Total comprehensive income for the period</b>				
		<b>20,752,040</b>	<b>24,627,572</b>	<b>(165,639)</b>



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

\* See note 29 for details regarding the prior period adjustment

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

	NOTE	2021	2020	2019
		\$	Restated*	Restated*
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	3	66,833,788	69,882,380	60,252,679
Trade and other receivables	5	2,558,199	3,187,632	4,272,597
Inventories	6	158,098	145,831	702,729
Other assets	7	320,192	1,366,477	509,793
<b>TOTAL CURRENT ASSETS</b>		<b>69,870,277</b>	<b>74,582,320</b>	<b>65,737,798</b>
<b>NON-CURRENT ASSETS</b>				
Inventories	6	1,204,116	1,149,169	400,892
Property, plant and equipment	8	126,612,835	118,971,059	112,790,978
Infrastructure	9	411,531,184	398,811,506	410,105,608
<b>TOTAL NON-CURRENT ASSETS</b>		<b>539,348,135</b>	<b>518,931,734</b>	<b>523,297,478</b>
<b>TOTAL ASSETS</b>		<b>609,218,412</b>	<b>593,514,054</b>	<b>589,035,276</b>
<b>CURRENT LIABILITIES</b>				
Trade and other payables	12	4,789,938	10,304,781	8,583,757
Other liabilities	13	9,720,512	8,349,565	0
Borrowings	14(a)	475,420	779,807	766,294
Employee related provisions	15	1,508,105	1,703,074	1,536,357
<b>TOTAL CURRENT LIABILITIES</b>		<b>16,493,975</b>	<b>21,137,227</b>	<b>10,886,408</b>
<b>NON-CURRENT LIABILITIES</b>				
Borrowings	14(a)	1,791,877	2,267,297	3,047,102
Employee related provisions	15	261,790	306,715	336,761
Other provisions	16	4,315,753	4,199,838	4,087,036
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>6,369,420</b>	<b>6,773,850</b>	<b>7,470,899</b>
<b>TOTAL LIABILITIES</b>		<b>22,863,395</b>	<b>27,911,077</b>	<b>18,357,307</b>
<b>NET ASSETS</b>		<b>586,355,017</b>	<b>565,602,977</b>	<b>570,677,969</b>
<b>EQUITY</b>				
Retained surplus		237,717,950	218,953,075	221,165,230
Reserves - cash backed	4	57,957,773	55,970,608	48,394,463
Revaluation surplus	11	290,679,294	290,679,294	301,118,276
<b>TOTAL EQUITY</b>		<b>586,355,017</b>	<b>565,602,977</b>	<b>570,677,969</b>

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

\* See note 29 for details regarding the prior period adjustment



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

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
<b>Balance as at 1 July 2019</b>		<b>221,165,230</b>	<b>48,394,463</b>	<b>301,118,276</b>	<b>570,677,969</b>
Prior period adjustment - AASB 15/1058		(3,950,454)	0	0	(3,950,454)
Change in accounting policy		(958,899)	0	0	(958,899)
<b>Restated balance at the beginning of the financial year</b>		<b>216,255,877</b>	<b>48,394,463</b>	<b>301,118,276</b>	<b>565,768,616</b>
Comprehensive income					
Net result for the period (restated)		10,273,343	0	0	10,273,343
Other comprehensive income	11	0	0	(10,438,982)	(10,438,982)
Total comprehensive income		10,273,343	0	(10,438,982)	(165,639)
Transfers from reserves	4	6,482,008	(6,482,008)	0	0
Transfers to reserves	4	(14,058,153)	14,058,153	0	0
<b>Balance as at 30 June 2020</b>		<b>218,953,075</b>	<b>55,970,608</b>	<b>290,679,294</b>	<b>565,602,977</b>
Comprehensive income					
Net result for the period		20,752,040	0	0	20,752,040
Total comprehensive income		20,752,040	0	0	20,752,040
Transfers from reserves	4	20,001,425	(20,001,425)	0	0
Transfers to reserves	4	(21,988,590)	21,988,590	0	0
<b>Balance as at 30 June 2021</b>		<b>237,717,950</b>	<b>57,957,773</b>	<b>290,679,294</b>	<b>586,355,017</b>

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





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

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Rates		40,264,358	42,138,000	36,523,739
Operating grants, subsidies and contributions		5,733,975	3,448,747	7,098,955
Fees and charges		7,587,929	6,363,755	6,289,186
Service charges		172,717	180,300	180,111
Interest received		467,647	738,000	1,332,721
Goods and services tax received		3,147,974	1,756,800	4,150,769
Other revenue		806,460	768,380	1,182,545
		58,181,060	55,393,982	56,758,026
<b>Payments</b>				
Employee costs		(18,681,688)	(20,886,763)	(18,351,504)
Materials and contracts		(16,044,568)	(19,421,739)	(9,873,404)
Utility charges		(1,641,837)	(1,648,415)	(1,606,495)
Interest expenses		(221,423)	(105,600)	(135,011)
Insurance paid		(1,120,005)	(1,257,405)	(1,077,178)
Goods and services tax paid		(2,732,074)	1,483,500	(4,275,862)
Other expenditure		(765,451)	(1,198,845)	(1,031,759)
		(41,207,046)	(43,035,267)	(36,351,213)
<b>Net cash provided by (used in) operating activities</b>	17	16,974,014	12,358,715	20,406,813
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for purchase of property, plant & equipment	8(a)	(13,276,832)	(28,671,005)	(5,288,301)
Payments for construction of infrastructure	9(a)	(22,196,120)	(34,329,605)	(12,827,830)
Non-operating grants, subsidies and contributions		15,648,577	24,460,994	7,688,762
Proceeds from sale of property, plant & equipment	10(a)	581,576	600,000	416,551
<b>Net cash provided by (used in) investment activities</b>		(19,242,799)	(37,939,616)	(10,010,818)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of borrowings	14(b)	(779,807)	(780,000)	(766,294)
<b>Net cash provided by (used in) financing activities</b>		(779,807)	(780,000)	(766,294)
<b>Net increase (decrease) in cash held</b>		(3,048,592)	(26,360,901)	9,629,701
Cash at beginning of year		69,882,380	69,317,576	60,252,679
<b>Cash and cash equivalents at the end of the year</b>	17	66,833,788	42,956,675	69,882,380

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



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

NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$	
<b>OPERATING ACTIVITIES</b>				
<b>Net current assets at start of financial year - surplus/(deficit)</b>	26 (b)	4,146,845	8,881,405	8,206,422
		4,146,845	8,881,405	8,206,422
<b>Revenue from operating activities (excluding rates)</b>				
Governance		544,644	590,000	1,061,666
General purpose funding		3,952,100	2,852,000	5,476,145
Law, order, public safety		72,348	95,885	96,171
Health		268,916	300,000	300,330
Education and welfare		55,784	60,000	243,960
Housing		436,868	236,360	477,438
Community amenities		3,002,157	2,445,000	2,705,963
Recreation and culture		842,297	1,553,750	1,300,384
Transport		1,863,311	3,572,585	3,072,511
Economic services		2,124,809	1,389,402	2,274,278
Other property and services		154,525	190,000	168,386
		13,317,759	13,284,982	17,177,232
<b>Expenditure from operating activities</b>				
Governance		(7,402,114)	(11,695,916)	(5,898,928)
General purpose funding		(14,762)	(26,500)	(22,945)
Law, order, public safety		(1,119,315)	(1,011,915)	(1,286,502)
Health		(661,603)	(529,885)	(810,610)
Education and welfare		(311,268)	(198,697)	(231,809)
Housing		(2,037,245)	(2,376,947)	(1,691,546)
Community amenities		(7,746,323)	(8,045,212)	(7,657,828)
Recreation and culture		(11,161,305)	(11,813,229)	(11,094,179)
Transport		(14,859,102)	(14,036,263)	(14,105,228)
Economic services		(3,340,206)	(2,846,022)	(2,880,870)
Other property and services		(1,853,728)	(1,398,509)	(2,511,858)
		(50,506,971)	(53,979,095)	(48,192,303)
Non-cash amounts excluded from operating activities	26(a)	14,545,965	12,199,498	11,709,099
<b>Amount attributable to operating activities</b>		(18,496,402)	(19,613,210)	(11,099,550)
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions	2(a)	15,532,662	24,460,994	4,248,550
Proceeds from disposal of assets	10(a)	581,576	600,000	416,551
Purchase of property, plant and equipment	8(a)	(13,276,832)	(28,671,005)	(5,288,301)
Purchase and construction of infrastructure	9(a)	(22,196,120)	(34,329,605)	(12,827,830)
<b>Amount attributable to investing activities</b>		(19,358,714)	(37,939,616)	(13,451,030)
<b>FINANCING ACTIVITIES</b>				
Repayment of borrowings	14(b)	(779,807)	(780,000)	(766,294)
Transfers to reserves (restricted assets)	4	(21,988,590)	(1,549,487)	(14,058,153)
Transfers from reserves (restricted assets)	4	20,001,425	17,744,313	6,482,008
<b>Amount attributable to financing activities</b>		(2,766,972)	15,414,826	(8,342,439)
<b>Surplus/(deficit) before imposition of general rates</b>		(40,622,088)	(42,138,000)	(32,893,019)
<b>Total amount raised from general rates</b>	25(a)	42,408,590	42,138,000	37,039,864
<b>Surplus/(deficit) after imposition of general rates</b>	26(b)	<b>1,786,502</b>	<b>0</b>	<b>4,146,845</b>

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



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

Note 1	Basis of Preparation	43
Note 2	Revenue and Expenses	44
Note 3	Cash and Cash Equivalents	49
Note 4	Reserves - Cash backed	50
Note 5	Trade and Other Receivables	51
Note 6	Inventories	52
Note 7	Other Assets	53
Note 8	Property, Plant and Equipment	54
Note 9	Infrastructure	56
Note 10	Fixed Assets	58
Note 11	Revaluation Surplus	61
Note 12	Trade and Other Payables	62
Note 13	Other Liabilities	63
Note 14	Information on Borrowings	64
Note 15	Employee Provisions	66
Note 16	Other Provisions	67
Note 17	Notes to the Statement of Cash Flows	68
Note 18	Total Assets Classified by Function and Activity	69
Note 19	Contingent Liabilities	70
Note 20	Capital and Commitments	71
Note 21	Elected Members Remuneration	72
Note 22	Related Party Transactions	74
Note 23	Investment in Associates	76
Note 24	Trading Undertakings and Major Trading Undertakings	77
Note 25	Rating Information	78
Note 26	Rate Setting Statement Information	82
Note 27	Financial Risk Management	83
Note 28	Events occurring after the end of the Reporting Period	86
Note 29	Correction of error	87
Note 30	Trust Funds	91
Note 31	Other Significant Accounting Policies	92
Note 32	Activities/Programs	93
Note 33	Financial Ratios	94



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

**1. BASIS OF PREPARATION**

The financial report comprises general purpose financial statements which have been prepared in accordance with the *Local Government Act 1995* and accompanying regulations.

**Local Government Act 1995 requirements**

Section 6.4(2) of the *Local Government Act 1995* read with the *Local Government (Financial Management) Regulations 1996* prescribe that the financial report be prepared in accordance with the *Local Government Act 1995* and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards. The Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and Interpretations of the Australian Accounting Standards Board were applied where no inconsistencies exist.

The *Local Government (Financial Management) Regulations 1996* specify that vested land is a right-of-use asset to be measured at cost, and is considered a zero cost concessionary lease. All right-of-use assets under zero cost concessionary leases are measured at zero cost rather than at fair value, except for 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.

**Judgements and estimates**

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

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

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

- estimated fair value of certain financial assets
- estimation uncertainties made in relation to lease accounting
- estimation of useful lives of non-current assets

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

**2. REVENUE AND EXPENSES**

**(a) Grant revenue**

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

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
<b>Operating grants, subsidies and contributions</b>			
Governance	184,128	430,000	502,388
General purpose funding	3,477,541	2,100,000	4,126,223
Law, order, public safety	1,544	0	3
Health	104,162	155,000	150,883
Housing	0	0	315
Community amenities	159,741	280,000	290,000
Recreation and culture	371,503	1,021,000	873,490
Transport	(617,649)	1,219,547	1,176,337
Economic services	454,545	0	1,000,087
	4,135,515	5,205,547	8,119,726
<b>Non-operating grants, subsidies and contributions</b>			
Governance	0	922,000	0
Law, order, public safety	212,717	3,220,000	0
Education and welfare	3,642,186	4,000,000	0
Community amenities	9,772,053	10,914,201	0
Recreation and culture	(53,382)	1,920,477	1,257,219
Transport	1,920,501	3,431,655	2,188,284
Economic services	38,587	52,661	803,047
	15,532,662	24,460,994	4,248,550
	19,668,177	29,666,541	12,368,276
<b>Total grants, subsidies and contributions</b>			
<b>Fees and charges</b>			
Governance	10,136	3,000	4,701
General purpose funding	9,386	14,000	11,815
Law, order, public safety	57,405	61,266	61,485
Health	164,753	145,000	149,446
Education and welfare	52,100	57,000	67,900
Housing	280,163	109,600	297,498
Community amenities	2,842,416	2,165,000	2,415,963
Recreation and culture	441,392	488,750	408,094
Transport	2,300,710	2,260,038	1,823,906
Economic services	1,474,211	1,060,101	1,048,378
Other property and services	21,825	0	0
	7,654,497	6,363,755	6,289,186

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

**SIGNIFICANT ACCOUNTING POLICIES**

**Grants, subsidies and contributions**

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

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

**Fees and Charges**

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

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

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

(a) Revenue (Continued)	2021 Actual \$	2021 Budget \$	2020 Actual \$
<b>Contracts with customers and transfers for recognisable non-financial assets</b>			
Revenue from contracts with customers and transfers to enable the acquisition or construction of recognisable non-financial assets to be controlled by the Shire was recognised during the year for the following nature or types of goods or services:			
Operating grants, subsidies and contributions	4,135,515	5,205,547	8,119,726
Fees and charges	7,654,497	6,363,755	6,289,186
Other revenue	522,950	463,001	344,615
Non-operating grants, subsidies and contributions	15,532,662	24,460,994	4,248,550
	<u>27,845,624</u>	<u>36,493,297</u>	<u>19,002,077</u>
Revenue from contracts with customers and transfers to enable the acquisition or construction of recognisable non-financial assets to be controlled by the Shire is comprised of:			
Revenue from contracts with customers included as a contract liability at the start of the period	9,720,512	0	8,349,565
Revenue from contracts with customers recognised during the year	2,592,450	12,032,303	6,403,962
Revenue from transfers intended for acquiring or constructing recognisable non financial assets during the year	15,532,662	24,460,994	4,248,550
	<u>27,845,624</u>	<u>36,493,297</u>	<u>19,002,077</u>
Information about receivables, contract assets and contract liabilities from contracts with customers along with financial assets and associated liabilities arising from transfers to enable the acquisition or construction of recognisable non financial assets is:			
Trade and other receivables from contracts with customers	1,979,567	0	2,207,080
Contract liabilities from contracts with customers	(9,720,512)	0	(8,349,565)

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

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

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

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

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



**SHIRE OF ASHBURTON  
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:

	2021 Actual \$	2021 Budget \$	2020 Actual \$
General rates	42,408,590	42,138,000	37,039,864
Service charges	172,717	180,300	180,111
	<u>42,581,307</u>	<u>42,318,300</u>	<u>37,219,975</u>
<b>Other revenue</b>			
Reimbursements and recoveries	283,510	305,379	837,930
Sale of inventory	0	0	344,615
Other	522,950	441,000	0
	<u>806,460</u>	<u>746,379</u>	<u>1,182,545</u>
<b>Interest earnings</b>			
Interest on reserve funds	282,353	420,000	761,302
Rates instalment and penalty interest (refer Note 25(d))	78,527	98,000	178,528
Other interest earnings	106,767	220,000	392,891
	<u>467,647</u>	<u>738,000</u>	<u>1,332,721</u>

**SIGNIFICANT ACCOUNTING POLICIES**

**Interest earnings**

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

**Interest earnings (continued)**

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

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

2. REVENUE AND EXPENSES (Continued)

(b) Expenses	Note	2021 Actual \$	2021 Budget \$	2020 Actual \$
<b>Auditors remuneration</b>				
- Audit of the Annual Financial Report		55,000	55,000	55,000
- Other services		4,370	0	1,547
		59,370	55,000	56,547
<b>Interest expenses (finance costs)</b>				
Borrowings	14(b)	105,507	105,600	135,011
Provision for rehabilitation		115,916	0	112,802
		221,423	105,600	247,813
<b>Other expenditure</b>				
Impairment loss on trade and other receivables		0		
Impairment loss on trade and other receivables from contracts with customers		325,531	0	392,099
Sundry expenses		439,920	1,198,845	639,660
		765,451	1,198,845	1,031,759

**SHIRE OF ASHBURTON**  
**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	General rates	over time	Payment dates adopted by council during the year	None	Adopted by council annually	when taxable event occurs	Not applicable	When rates notice is issued
Service Charges	Underground Power	over time	Payment dates adopted by council during the year	None	Adopted by council annually	when taxable event occurs	Not applicable	When rates notice is issued
Grants subsidies or contributions for other purposes & construction of non-financial assets	construction or acquisition of recognisable non-financial assets & provision of services to the community	over time	Fixed terms transfer of funds based on agreed milestones and reporting	None	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	Output method based on project milestones and/or completion date matched to performance obligations
Grants subsidies or contributions with no contractual 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
Fees and Charges - licences, registrations, approvals	Building, planning, development and animal management, having the same nature as a licence.	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 the associated rights	No refunds	On payment of the licence, registration or approval
Fees and charges - pool inspections	Building, Planning	Single point in time	Full payment prior to inspection	None	Set by State legislation	Apportioned equally across the inspection cycle	No refunds	After inspection complete based on a 4 year cycle
Fees and charges - other inspections	Regulatory food, health and safety	Single point in time	Fully 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
Fees and charges - Waste management entry fees	Kerbside collection service	Over time	Payment on an annual basis in advance	None	Adopted by council annually	Apportioned equally across the collection period	Not applicable	Output method based on regular weekly and fortnightly period as proportionate to collection service
Fees and charges - 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 monthly in arrears	None	Adopted by council annually	Not applicable	Not applicable	On entry to facility
Fees and charges airport landing charges	Permission to use facilities and runway	Single point in time	Monthly in arrears	None	Adopted by council annually	Applied fully on timing of landing/take - off	Not applicable	On landing/departure event
Fees and charges property hire and entry	Use of halls and facilities	Single point in time	In full in advance	Refund if event cancelled within specified number of days	Adopted by council annually	Based on timing of entry to facility	Returns limited to repayment of transaction	On entry or at conclusion of hire
Fees and charges - memberships	Gym and pool membership	Overtime	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	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
Fees and charges - sale of stock	Kiosk and visitor centre stock	Single point in time	In full in advance on 15 day credit	Refund for faulty goods	Adopted by council annually, set by mutual agreement	Applied fully based on timing of provision	Returns limited to repayment of transaction	When fine notice is issued
Fees and charges - finds	Fine issued for breaches of local laws	Single point in time	Payment in full within defined time	None	Adopted by council annually, set by mutual agreement	When taxable event occurs	Not applicable	
Other revenue commissions	Commissions ticket sales & visitors centre sales	Overtime	Payment in full on sale	None	Set by mutual agreement with the customer	On receipt of funds	Not applicable	When assets are controlled



SHIRE OF ASHBURTON  
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		8,876,014	13,911,772
Cash Reserves		57,957,774	55,970,608
<b>Total cash and cash equivalents</b>		<b>66,833,788</b>	<b>69,882,380</b>
<b>Restrictions</b>			
The following classes of assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:			
- Cash and cash equivalents		67,678,285	56,318,367
		<b>67,678,285</b>	<b>56,318,367</b>
The restricted assets are a result of the following specific purposes to which the assets may be used:			
Reserves - cash backed	4	57,957,773	55,970,608
Contract liabilities from contracts with customers	13	9,720,512	8,349,565
Unspent grants, subsidies and contributions		0	(8,001,806)
<b>Total restricted assets</b>		<b>67,678,285</b>	<b>56,318,367</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**Cash and cash equivalents**

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

**Restricted assets**

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

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

**4. RESERVES - CASH BACKED**

	2021	2021	2021	2021	2021	2021	2021	2021	2021	2021	2021	2021	2021	2021	2021	2021	2021	2021	
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
(a) Reserves cash backed - Leave Reser	1,105,498	6,555	(1,112,053)	0	1,102,685	7,361	0	1,110,046	1,087,432	18,066	0	1,105,498	1,087,432	18,066	0	1,105,498	1,087,432	18,066	0
(b) Financial Risk Reserve	6,588,559	39,068	(460,615)	6,167,012	6,620,874	44,198	0	6,665,072	7,913,308	350,473	(1,675,222)	6,588,559	7,913,308	350,473	(1,675,222)	6,588,559	7,913,308	350,473	(1,675,222)
(c) Future Projects Reserve	3,014,040	19,044,085	(887,820)	21,170,305	3,006,988	29,712	(887,820)	2,148,880	2,726,543	287,497	0	3,014,040	2,726,543	287,497	0	3,014,040	2,726,543	287,497	0
(d) Housing Reserve	1,895,016	11,237	(74,157)	1,832,096	1,892,375	14,592	(587,000)	1,319,967	1,406,104	1,259,162	(770,250)	1,895,016	1,406,104	1,259,162	(770,250)	1,895,016	1,406,104	1,259,162	(770,250)
(e) Infrastructure Reserve	3,527,615	20,918	(1,457,000)	2,091,533	2,523,546	23,645	(1,037,000)	1,510,191	3,439,381	2,581,555	(2,493,321)	3,527,615	3,439,381	2,581,555	(2,493,321)	3,527,615	3,439,381	2,581,555	(2,493,321)
(f) Joint Venture Housing Reserve	103,382	613	(98,930)	5,065	103,118	1,022	(100,000)	4,140	101,693	1,689	0	103,382	101,693	1,689	0	103,382	101,693	1,689	0
(g) Onslow Aerodrome Reserve	14,650,167	86,871	(2,042,989)	12,694,049	14,680,053	117,412	(5,816,464)	8,981,001	14,636,336	294,003	(280,172)	14,650,167	14,636,336	294,003	(280,172)	14,650,167	14,636,336	294,003	(280,172)
(h) Onslow Community Infrastructure Res	197,817	1,173	0	198,990	197,313	1,317	0	198,630	194,584	3,233	0	197,817	194,584	3,233	0	197,817	194,584	3,233	0
(i) Plant Replacement Reserve	1,453,887	788,621	(912,174)	1,330,334	1,452,347	799,295	(1,096,000)	1,155,642	488,698	1,477,189	(512,000)	1,453,887	488,698	1,477,189	(512,000)	1,453,887	488,698	1,477,189	(512,000)
(j) Property Development Reserve	4,945,740	1,929,351	(3,868,589)	3,006,502	5,942,039	374,521	(14,343)	6,302,217	2,671,312	2,286,479	(12,051)	4,945,740	2,671,312	2,286,479	(12,051)	4,945,740	2,671,312	2,286,479	(12,051)
(k) RTIO Partnership Reserve	6,876,292	0	(6,876,292)	0	6,920,316	59,439	(3,967,180)	3,012,575	3,798,260	3,383,958	(305,926)	6,876,292	3,798,260	3,383,958	(305,926)	6,876,292	3,798,260	3,383,958	(305,926)
(l) Tom Price Administration Building Res	6,116,890	36,271	0	6,153,161	6,101,324	50,409	(2,900,000)	3,251,733	6,016,930	99,960	0	6,116,890	6,016,930	99,960	0	6,116,890	6,016,930	99,960	0
(m) Unspent Grants and Contribution Res	1,521,460	260	(1,521,720)	0	1,487,776	2,487	(743,523)	746,740	896,953	1,043,157	(418,650)	1,521,460	896,953	1,043,157	(418,650)	1,521,460	896,953	1,043,157	(418,650)
(n) Waste Services Reserve	3,052,514	18,101	(589,086)	2,481,529	3,059,246	22,408	(594,983)	2,486,671	3,016,930	50,000	(14,416)	3,052,514	3,016,930	50,000	(14,416)	3,052,514	3,016,930	50,000	(14,416)
(o) COVID-19 Relief & Stimulus	921,731	5,466	(100,000)	827,197	250,000	1,669	0	251,669	(1)	921,732	0	921,731	(1)	921,732	0	921,731	(1)	921,732	0
	55,970,608	21,988,590	(20,001,425)	57,957,773	55,340,000	1,549,487	(17,744,313)	39,145,174	48,394,463	14,058,153	(6,482,008)	55,970,608	48,394,463	14,058,153	(6,482,008)	55,970,608	48,394,463	14,058,153	(6,482,008)

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) Reserves cash backed - Leave Reser	30/06/2021	To contribute towards funding the Council's liability for payments of employee benefits owing to staff and taken either as leave or paid upon termination of their employment.
(b) Financial Risk Reserve	Ongoing	To provide funds to mitigate against Financial Risks including legal cases with penalties awarded against the Shire, SAT rulings upholding valuation objections on high value properties likely to cause significantly large refunds and other unknown events potentially resulting in financial loss to the Shire.
(c) Future Projects Reserve	Ongoing	To provide funds for Future Capital Projects determined in the Long Term Financial Plan.
(d) Housing Reserve	30/06/2022	To provide funds to assist the Council to maintain and improve Council housing stock in accordance with the Housing Asset Management Plan.
(e) Infrastructure Reserve	30/06/2022	To provide funds for provision and maintenance of new and existing infrastructure assets (including Buildings) throughout the Shire.
(f) Joint Venture Housing Reserve	Ongoing	To provide funds for repairs and maintenance in compliance with Joint Venture Housing Agreements.
(g) Onslow Aerodrome Reserve	Ongoing	To provide funds for operational surpluses and deficits as well as the upgrading and modifications to the Onslow Aerodrome.
(h) Onslow Community Infrastructure Res	30/06/2022	To provide funds for the development of community facilities in Onslow.
(i) Plant Replacement Reserve	Ongoing	To provide an optimum level of cash reserves for funding the Council heavy machinery replacement program on a five year rolling basis.
(j) Property Development Reserve	30/06/2022	To provide funds to assist the Council in purchasing, developing and selling property to stimulate economic development.
(k) RTIO Partnership Reserve	30/06/2021	For the purpose of funding the projects and programs associated with partnership agreements between the Shire of Ashburton and Rio Tinto.
(l) Tom Price Administration Building Res	30/06/2024	To provide funds for replacement Tom Price Administration Building.
(m) Unspent Grants and Contribution Res	30/06/2021	To preserve unspent Grant and ongoing Capital works Funds.
(n) Waste Services Reserve	Ongoing	To provide funds for the upgrading and modifications to Waste Facilities within the Shire.
(o) COVID-19 Relief & Stimulus	Ongoing	To provide financial support and relief initiatives to assist small business and community groups suffering financial hardship as a result of the impacts of the COVID-19 pandemic; and to provide economic stimulus during recovery.

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

5. TRADE AND OTHER RECEIVABLES

**Current**

Rates receivable	
Trade and other receivables	
GST receivable	
Allowance for impairment of receivables	

2021	2020
\$	\$
735,549	1,372,651
1,979,567	2,207,080
168,614	0
(325,531)	(392,099)
2,558,199	3,187,632

**SIGNIFICANT ACCOUNTING POLICIES**

**Trade and other receivables**

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

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

**Impairment and risk exposure**

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 27.

**SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Classification and subsequent measurement**

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

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

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



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

**6. INVENTORIES**

**Current**

Fuel and materials  
 Tourist Bureau Stock

**Non-current**

Land held for resale - cost  
 Cost of acquisition  
 Development costs

The following movements in inventories occurred during the year:

**Balance at beginning of year**

Additions to inventory

**Balance at end of year**

	2021	2020
	\$	\$
	62,280	7,619
	95,818	138,212
	158,098	145,831
	400,892	400,892
	803,224	748,277
	1,204,116	1,149,169
	1,295,000	1,103,621
	67,214	191,379
	1,362,214	1,295,000

**SIGNIFICANT ACCOUNTING POLICIES**

**General**

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

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

**Land held for resale**

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

**Land held for resale (Continued)**

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

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

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

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

7. OTHER ASSETS

**Other assets - current**

Prepayments  
 Accrued income  
 Contract Assets

	2021	2020
	\$	\$
	88,575	19,498
	231,617	300,862
	0	1,046,117
	320,192	1,366,477

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

8. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Balances

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

	Land \$	Buildings - non- specialised \$	Buildings - specialised \$	Total land and buildings \$	Furniture and equipment \$	Plant and equipment \$	Works in Progress \$	Total property, plant and equipment \$
<b>Balance at 1 July 2019</b>	16,782,000	15,331,738	71,307,186	103,420,924	989,980	8,087,800	292,276	112,790,980
Additions	315,000	855,790	2,206,078	3,376,868	47,498	919,479	944,456	5,288,301
(Disposals)	0	(258,003)	(108,787)	(366,790)	0	(495,309)	0	(862,099)
Revaluation increments / (decrements) transferred to revaluation surplus	(5,052,000)	(2,018,275)	2,774,293	(4,295,982)	0	0	0	(4,295,982)
Depreciation (expense)	0	(226,585)	(1,711,201)	(1,937,786)	(170,474)	(573,726)	0	(2,681,986)
Transfers	0	0	8,801,656	8,801,656	0	0	(69,811)	8,731,845
<b>Balance at 30 June 2020</b>	12,045,000	13,684,665	83,269,225	108,998,890	867,004	7,938,244	1,166,921	118,971,059
<b>Comprises:</b>								
Gross balance amount at 30 June 2020	12,045,000	13,684,665	83,759,448	109,489,113	1,131,573	8,477,279	1,166,921	120,264,886
Accumulated depreciation at 30 June 2020	0	0	(490,223)	(490,223)	(264,569)	(539,035)	0	(1,293,827)
<b>Balance at 30 June 2020</b>	12,045,000	13,684,665	83,269,225	108,998,890	867,004	7,938,244	1,166,921	118,971,059
Additions	4,156,518	583,613	4,439,523	9,179,654	258,174	1,992,571	1,846,433	13,276,832
(Disposals)	0	0	(245,453)	(245,453)	0	(553,390)	0	(798,843)
Depreciation (expense)	0	(606,690)	(3,055,426)	(3,662,116)	(174,345)	(631,674)	0	(4,468,135)
Reclassification	0	500,616	163,805	664,421	0	0	(664,421)	0
Transfers	0	0	0	0	0	0	(368,078)	(368,078)
<b>Balance at 30 June 2021</b>	16,201,518	14,162,204	84,571,674	114,935,396	950,833	8,745,751	1,980,855	126,612,835
<b>Comprises:</b>								
Gross balance amount at 30 June 2021	16,201,518	14,768,894	88,094,939	119,065,351	1,389,746	9,824,020	1,980,855	132,259,972
Accumulated depreciation at 30 June 2021	0	(606,690)	(3,523,265)	(4,129,955)	(438,913)	(1,078,269)	0	(5,647,137)
<b>Balance at 30 June 2021</b>	16,201,518	14,162,204	84,571,674	114,935,396	950,833	8,745,751	1,980,855	126,612,835

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

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
<b>(i) Fair Value</b>					
<b>Land and buildings</b>					
Land	2	Market approach using recent observable market data for similar properties.	Independent registered valuers	June 2020	Price per hectare.
Buildings - non-specialised	2	Market approach using recent observable market data for similar properties.	Independent registered valuers	June 2020	Price per square metre.
Buildings - specialised	3	Cost approach using current replacement cost.	Independent registered valuers	June 2020	Construction costs and current condition (Level 2), residual value 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, the 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.

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.

**(ii) Cost**

**Furniture and equipment**

Costs

Costs

Purchase Cost

**Plant and equipment**

Costs

Costs

Purchase Cost

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



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

**9. INFRASTRUCTURE**

**(a) Movements in Balances**

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

	Infrastructure - roads	Infrastructure - Footpaths	Infrastructure - Drainage	Infrastructure - Airports	Infrastructure - Bridges	Infrastructure - Parks and Recreation	Infrastructure - Towns	Infrastructure - Waste	Infrastructure - Works in Progress	Total Infrastructure
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2019	275,512,792	7,985,045	30,903,276	53,507,712	1,475,987	22,678,221	6,338,735	8,398,202	3,305,656	410,105,606
Additions	5,798,533	528,934	379,510	0	0	656,126	194,761	14,416	5,255,550	12,827,830
Revaluation increments / (decrements) transferred to revaluation surplus	(6,143,000)	0	0	0	0	0	0	0	0	(6,143,000)
Depreciation (expense)	(6,049,396)	(183,320)	(561,358)	(951,501)	(32,848)	(858,866)	(267,769)	(342,027)	(1,309,161)	(9,247,085)
Transfers	1,262,548			(7,373,398)			45,364	(1,357,198)		(8,731,845)
<b>Balance at 30 June 2020</b>	<b>270,381,477</b>	<b>8,330,659</b>	<b>30,721,428</b>	<b>45,182,813</b>	<b>1,443,119</b>	<b>22,475,481</b>	<b>6,311,091</b>	<b>6,713,393</b>	<b>7,252,045</b>	<b>398,811,506</b>
<b>Comprises:</b>										
Gross balance at 30 June 2020	338,609,553	10,894,945	51,357,861	51,570,236	2,627,874	30,773,401	8,050,017	8,398,765	7,252,045	509,525,717
Accumulated depreciation at 30 June 2020	(68,228,076)	(2,564,286)	(20,636,433)	(6,387,423)	(1,184,755)	(8,297,920)	(1,738,926)	(1,676,392)	0	(110,714,211)
<b>Balance at 30 June 2020</b>	<b>270,381,477</b>	<b>8,330,659</b>	<b>30,721,428</b>	<b>45,182,813</b>	<b>1,443,119</b>	<b>22,475,481</b>	<b>6,311,091</b>	<b>6,713,393</b>	<b>7,252,045</b>	<b>398,811,506</b>
Additions	1,819,747	2,047,174	473,361	392,652	0	4,280,525	34,245	133,988	13,014,428	22,196,120
Depreciation (expense)	(6,765,774)	(192,353)	(585,611)	(830,281)	(32,848)	(871,835)	(280,068)	(305,750)	0	(9,844,520)
Reclassification	113,633	0	12,588	0	0	303,383	384,302	0	(813,906)	0
Transfers	0	0	0	150	0	78,345	8,636	0	280,947	368,078
<b>Balance at 30 June 2021</b>	<b>265,549,083</b>	<b>10,185,480</b>	<b>30,641,766</b>	<b>44,745,334</b>	<b>1,410,271</b>	<b>26,265,899</b>	<b>6,458,206</b>	<b>6,541,631</b>	<b>19,733,514</b>	<b>411,531,184</b>
<b>Comprises:</b>										
Gross balance at 30 June 2021	340,542,933	12,942,119	51,843,810	51,963,038	2,627,874	35,435,654	8,477,200	8,523,773	19,733,514	532,089,915
Accumulated depreciation at 30 June 2021	(74,993,850)	(2,756,639)	(21,202,044)	(7,217,704)	(1,217,603)	(9,169,755)	(2,018,994)	(1,982,142)	0	(120,588,731)
<b>Balance at 30 June 2021</b>	<b>265,549,083</b>	<b>10,185,480</b>	<b>30,641,766</b>	<b>44,745,334</b>	<b>1,410,271</b>	<b>26,265,899</b>	<b>6,458,206</b>	<b>6,541,631</b>	<b>19,733,514</b>	<b>411,531,184</b>

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

9. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
<b>(i) Fair Value</b>					
Infrastructure - roads	3	Cost approach using current replacement cost.	Management Valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs.
Infrastructure - Footpaths	3	Cost approach using current replacement cost.	Management Valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs.
Infrastructure - Drainage	3	Cost approach using current replacement cost.	Management Valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs.
Infrastructure - Airports	3	Cost approach using current replacement cost.	Management Valuation	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 current replacement cost.	Management Valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs.
Infrastructure - Parks and Recreation	3	Cost approach using current replacement cost.	Management Valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs.
Infrastructure - Towns	3	Cost approach using current replacement cost.	Management Valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs.
Infrastructure - Waste	3	Cost approach using current replacement cost.	Management Valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs.

Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement. During the period there were no changes in the valuation techniques used to determine the fair value of infrastructure using level 3 inputs. 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 ASHBURTON  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2021**

**10. FIXED ASSETS**

**SIGNIFICANT ACCOUNTING POLICIES**

**Fixed assets**

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

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

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

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

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

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

**Revaluation**

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

**AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY  
Revaluation (Continued)**

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

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

**Land under roads from 1 July 2019**

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

**Vested improvements from 1 July 2019**

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

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

**10. FIXED ASSETS**

(a) Disposals of Assets

	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss	2021 Budget Net Book Value	2021 Budget Sale Proceeds	2021 Budget Profit	2021 Budget Loss	2020 Actual Net Book Value	2020 Actual Sale Proceeds	2020 Actual Profit	2020 Actual Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Buildings - non-specialised	0	0	0	0	0	0	0	0	258,003	0	0	(258,003)
Buildings - specialised	245,453	0	0	(245,453)	0	0	0	0	108,787	0	0	(108,787)
Plant and equipment	553,390	581,576	69,936	(41,750)	772,000	600,000	29,000	(201,000)	495,309	416,551	58,823	(137,581)
	798,843	581,576	69,936	(287,203)	772,000	600,000	29,000	(201,000)	862,099	416,551	58,823	(504,371)

The following assets were disposed of during the year.

	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss
<b>Plant and Equipment</b>				
<b>Community amenities</b>				
Assets disposed of producing a loss	20,069	0	0	(20,069)
<b>Recreation and culture</b>				
Assets disposed of producing a loss	22,312	0	0	(22,312)
<b>Transport</b>				
Assets disposed of producing a loss	152,104	142,494	0	(9,610)
Assets disposed of producing a Profit	369,146	439,082	69,936	0
<b>Economic services</b>				
Assets disposed of producing a loss	235,212	0	0	(235,212)
	798,842	581,576	69,936	(287,202)
	798,842	581,576	69,936	(287,202)



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

**10. FIXED ASSETS**

**(b) Depreciation**

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Buildings - non-specialised	606,690	349,976	226,585
Buildings - specialised	3,055,426	1,762,555	1,711,201
Furniture and equipment	174,345	177,356	170,474
Plant and equipment	631,674	645,371	573,726
Infrastructure - roads	6,765,774	5,955,658	6,049,396
Infrastructure - Footpaths	192,353	177,356	183,320
Infrastructure - Drainage	565,611	610,000	561,358
Infrastructure - Airports	830,281	1,029,000	951,501
Infrastructure - Bridges	32,848	32,000	32,848
Infrastructure - Parks and Recreation	871,835	837,865	858,866
Infrastructure - Towns	280,068	269,000	267,769
Infrastructure - Waste	305,750	174,000	342,027
	<b>14,312,655</b>	<b>12,020,137</b>	<b>11,929,071</b>

**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	15 to 100 years	1.00-10%
Furniture and Equipment	4 to 10 years	10.00-25.00%
Computer Equipment	3 years	33.33%
Office Equipment	5 years	20.00%
Plant and Equipment	3 to 20 years	5-33.33%
Motor Vehicles	3 to 5 years	20.00-33.00%
Infrastructure Other	10 to 100 years	1.00-10.00%
Water Supply Piping & Drainage Systems	100 years	1.00%
Sewerage Piping	100 years	1.00%
Footpaths	35 to 50 years	2.00-2.85%
<b>Urban Roads (Sealed)</b>		
Formation	not depreciated	
Pavement Base	80 years	1.25%
Seal (Asphalt / Bitumen)	15 to 40 years	2.5-5%
<b>Othre Roads (Gravel)</b>		
Formation	not depreciated	
Pavement Base	80 years	1.25%
Gravel Sheet	12 years	8.33%

**Depreciation on revaluation**

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

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

**Amortisation**

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

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

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

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

## 11. REVALUATION SURPLUS

	2021 Opening Balance	2021 Closing Balance	2020 Opening Balance	2020 Revaluation (Decrement)	Total Movement on Revaluation	2020 Closing Balance
Revaluation surplus - Land and Building	\$ 30,564,476	\$ 30,564,476	\$ 35,620,458	(5,055,982)	(5,055,982)	\$ 30,564,476
Revaluation surplus - Furniture and equipment	612,552	612,552	612,552	0	0	612,552
Revaluation surplus - Plant and equipment	827,843	827,843	827,843	0	0	827,843
Revaluation surplus - Infrastructure - Roads	231,236,251	231,236,251	237,379,251	(6,143,000)	(6,143,000)	231,236,251
Revaluation surplus - Infrastructure - Footpaths	4,562,594	4,562,594	4,562,594	0	0	4,562,594
Revaluation surplus - Infrastructure - Drainage	18,554,989	18,554,989	18,554,989	0	0	18,554,989
Revaluation surplus - Infrastructure - Airports	3,316,303	3,316,303	3,316,303	0	0	3,316,303
Revaluation surplus - Infrastructure - Bridges	1,003,670	1,003,670	1,003,670	0	0	1,003,670
Revaluation surplus - Infrastructure - Waste	616	616	616	0	0	616
	290,679,294	290,679,294	301,878,276	(11,198,982)	(11,198,982)	290,679,294

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.

Vested land no longer required to be recognised. Land under golf courses, showgrounds, racecourses or any other sporting or recreational facility of State, or regional significance should no longer be recognised.

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

**12. TRADE AND OTHER PAYABLES**

**Current**

Sundry creditors  
 Prepaid rates  
 Accrued salaries and wages  
 ATO liabilities  
 Accrued expenses  
 Accrued interest  
 Other payables

	2021	2020
	\$	\$
Sundry creditors	2,114,009	4,150,102
Prepaid rates	488,654	3,280,975
Accrued salaries and wages	442,354	365,808
ATO liabilities	0	59,803
Accrued expenses	1,380,933	2,325,115
Accrued interest	9,356	14,844
Other payables	354,632	108,134
	<b>4,789,938</b>	<b>10,304,781</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**Trade and other payables**

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

**Prepaid rates**

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

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

### 13. OTHER LIABILITIES

#### Current

Contract liabilities

2021	2020
\$	\$
9,720,512	8,349,565
<u>9,720,512</u>	<u>8,349,565</u>
9,720,512	8,349,565

#### SIGNIFICANT ACCOUNTING POLICIES

##### Contract liabilities

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

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

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

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

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

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

##### Service concession liabilities

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



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

**14. INFORMATION ON BORROWINGS**

	2021	2020
(a) Borrowings	\$	\$
Current	475,420	779,807
Non-current	1,791,877	2,267,297
	2,267,297	3,047,104

(b) Repayments - Borrowings

Particulars	Loan Number	Institution	Interest Rate	30 June 2021		30 June 2021		30 June 2021		30 June 2021		30 June 2020		30 June 2020	
				Actual Principal	Actual Interest	Budget Principal	Budget Interest	Actual Principal	Actual Interest	Budget Principal	Budget Interest	Actual Principal	Actual Interest	Budget Principal	Budget Interest
<b>Governance</b>															
Onslow Administration Building	124	WATC	3.31%	644,752	(20,976)	(44,600)	(21,000)	600,152	687,879	(43,127)	(22,357)	644,752			
<b>Housing</b>															
Staff Housing	117	WATC	5.45%	227,608	(11,440)	(71,800)	(11,400)	155,808	295,542	(67,934)	(14,914)	227,608			
Staff Housing	121	WATC	5.97%	321,162	(14,451)	(321,200)	(14,500)	(38)	623,976	(302,814)	(29,643)	321,162			
<b>Community amenities</b>															
Onslow Transfer Station	122	WATC	3.08%	1,722,024	(50,565)	(323,679)	(50,565)	1,398,345	2,035,960	(313,936)	(58,462)	1,722,024			
<b>Recreation and culture</b>															
Community Rec. Centre	118	WATC	5.82%	0	0	0	0	0	20,972	(20,972)	(408)	0			
<b>Transport</b>															
Onslow Aerodrome Upgrade	119	WATC	6.36%	131,558	(8,075)	(18,700)	(8,100)	112,859	149,069	(17,511)	(9,227)	131,558			
				3,047,104	(105,507)	(780,000)	(105,600)	2,267,104	3,813,398	(766,294)	(135,011)	3,047,104			

\* WA Treasury Corporation

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

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

	2021	2020
	\$	\$
<b>(c) Undrawn Borrowing Facilities</b>		
<b>Credit Standby Arrangements</b>		
Bank overdraft limit		
Bank overdraft at balance date		
Credit card limit	40,000	75,000
Credit card balance at balance date	(12,462)	(17,825)
<b>Total amount of credit unused</b>	<b>27,538</b>	<b>57,175</b>
<b>Loan facilities</b>		
Loan facilities - current	475,420	779,807
Loan facilities - non-current	1,791,877	2,267,297
<b>Total facilities in use at balance date</b>	<b>2,267,297</b>	<b>3,047,104</b>
<b>Unused loan facilities at balance date</b>	<b>NIL</b>	<b>NIL</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**Financial liabilities**

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

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

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

**Borrowing costs**

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

**Risk**

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

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

15. EMPLOYEE RELATED PROVISIONS

(a) Employee Related Provisions

Opening balance at 1 July 2020

Current provisions  
Non-current provisions

Additional provision  
Balance at 30 June 2021

Comprises

Current  
Non-current

Amounts are expected to be settled on the following basis:

Less than 12 months after the reporting date  
More than 12 months from reporting date

	Provision for Annual Leave \$	Provision for Long Service Leave \$	Total \$
Opening balance at 1 July 2020			
Current provisions	1,020,302	682,772	1,703,074
Non-current provisions	0	306,716	306,715
	1,020,302	989,488	2,009,789
Additional provision	(63,879)	(176,016)	(239,895)
Balance at 30 June 2021	956,423	813,472	1,769,894
Comprises			
Current	956,423	551,682	1,508,105
Non-current	0	261,790	261,790
	956,423	813,472	1,769,895
	2021 \$	2020 \$	
Less than 12 months after the reporting date	1,351,682		
More than 12 months from reporting date	418,213	2,009,789	
	1,769,895	2,009,789	

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

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

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

Short-term employee benefits

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

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

Other long-term employee benefits

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

Other long-term employee benefits (Continued)

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

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

Provisions

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

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

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

## 16. OTHER PROVISIONS

	Provision for Rehabilitation	Total
	\$	\$
<b>Opening balance at 1 July 2020</b>		
Non-current provisions	4,199,838	4,199,838
	4,199,838	4,199,838
Additional provision	115,915	115,915
<b>Balance at 30 June 2021</b>	4,315,753	4,315,753
<b>Comprises</b>		
Non-current	4,315,753	4,315,753
	4,315,753	4,315,753

### Provision for remediation costs

Under the licence for the operation of the Tom Price and Paraburdoo waste landfill sites, there Shire has a legal obligation to restore the site.

A provision for remediation is recognised when:

- there is a present obligation as a result of waste activities undertaken;
- it is probable that an outflow of economic benefits will be required to settle the obligation; and
- the amount of the provision can be measured reliably

The estimated future obligations include the costs of restoring the affected areas and continued monitoring of the site.

The provision for future remediation costs is the best estimate of the present value of the expenditure required to settle the remediation obligation at the reporting date.

Future remediation costs are reviewed annually and any changes in the estimate are reflected in the present value of the remediation provision at each reporting date.

Amounts which are reliably expected to be paid out within 12 months of the reporting date are classified as current. Exact timing of payment of non-current obligations is unable to be reliably estimated as it is dependent on the remaining life of the waste facility.

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

17. 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	66,833,788	42,956,675	69,882,380
<b>Reconciliation of Net Cash Provided By Operating Activities to Net Result</b>			
Net result	20,752,040	24,627,572	10,273,343
Non-cash flows in Net result:			
Depreciation on non-current assets	14,312,655	12,020,137	11,929,071
(Profit)/loss on sale of asset	217,267	172,000	445,548
Changes in assets and liabilities:			
(Increase)/decrease in receivables	1,213,947	0	669,088
(Increase)/decrease in other assets	1,046,285	0	(856,684)
(Increase)/decrease in inventories	(67,214)	0	(191,379)
Increase/(decrease) in payables	(6,099,357)	0	2,136,902
Increase/(decrease) in employee provisions	(239,894)	0	0
Increase/(decrease) in other provisions	115,915	0	249,474
Increase/(decrease) in other liabilities	1,370,947	0	3,440,212
Non-operating grants, subsidies and contributions	(15,648,577)	(24,460,994)	(7,688,762)
Net cash from operating activities	16,974,014	12,358,715	20,406,813



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

18. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2021	2020
	\$	\$
Governance	18,654,463	25,642,156
General purpose funding	8,743,729	9,869,560
Law, order, public safety	1,075,269	841,647
Health	22,669	0
Education and welfare	8,314,879	4,742,222
Housing	21,339,985	21,502,265
Community amenities	29,471,296	19,328,171
Recreation and culture	65,073,744	63,576,729
Transport	399,918,733	405,439,667
Economic services	32,181,118	11,395,188
Other property and services	15,077,022	13,132,089
Unallocated	9,345,505	18,044,360
	<u>609,218,412</u>	<u>593,514,054</u>

## 19. CONTINGENT LIABILITIES

### **Wittenoom Asbestos**

Wittenoom asbestos claims are being made against a number of defendants including the Shire by former residents and visitors to Wittenoom for potential damages incurred as a result of suffering from asbestos related diseases.

The present outlook for the Shire in relation to Wittenoom litigation is being carefully monitored by the Council and the Executive on a monthly basis. The amount of potential claims and the Shire's potential contribution to the settlement of these has remained relatively steady over the current period.

Total future potential claims in respect of Wittenoom are not reliably quantifiable; however, the changing nature of damages claims and their defence means that individual cases could potentially place the Shire at a greater financial risk.

The Shire has a commitment from the State Government that it will support a financial contribution if the Wittenoom impost becomes too onerous for the Shire. All cases to date have been settled out of court with a number of parties contributing to the settlement process. Out of court settlements result in no judgement being reached by the court.

The amount of on-going claims and the manner in which they were concluded have not been disclosed as this may prejudice the Shire's position in an individual case.

In the event that a number of cases brought against the Shire and additional defendants are ruled in favour of the plaintiff, the financial impact on the Shire may result in significant losses being incurred which in turn may convert to higher rating levels, or a reduction in services provided to ratepayers.

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

## 20. CAPITAL AND LEASING COMMITMENTS

### (a) Capital Expenditure Commitments

Contracted for:

	2021	2020
	\$	\$
Tom Price Sport Oval Lighting	560,681	0
Onslow Airport Civil Works	3,222,733	0
Onslow Airport Aviation Development	143,400	0
Tom Price Visitor Bay	838,315	0
Onslow Sun Chalet Upgrade	683,795	0
Drainage Renewals	230,091	0
Onslow Caravan Park	1,087,479	0
Pilbara Regional Waste Management Facility (Onslow)	0	10,850,836
Tom Price Staff Housing (Demolish & Rebuild)	0	652,862
Paraburdoo New Softball/Soccer & Rugby Pitch Upgrade	0	257,129
Waste Operation Buildings - Paraburdoo and Tom Price	0	360,183
Road Renewals - Ashburton Down Meetartharra Rd	0	1,157,073
Kerb & Gutter Renewal	0	345,440
Footpath Construction Renewal	0	1,726,320
Mine Road renewal & Widening	0	147,827
- plant & equipment purchases	197,869	0
	6,964,363	15,497,670
Payable:		
- not later than one year	6,964,363	15,497,670

### (b) Operating Lease Commitments

Non-cancellable operating leases contracted for but not capitalised in the accounts (short term and low value leases).

Payable:

	2021	2020
	\$	\$
- not later than one year	0	7,308
- later than one year but not later than five years	0	0
- later than five years	0	0
	0	7,308

## SIGNIFICANT ACCOUNTING POLICIES

### Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not legal ownership, are transferred to the Shire, are classified as finance leases.

Finance leases are capitalised recording an asset and a liability at the lower of the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

### Leases (Continued)

Leased assets are depreciated on a straight line basis over the shorter of their estimated useful lives or the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight line basis over the life of the lease term.

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

21. ELECTED MEMBERS REMUNERATION

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
<b>Cr Kerry White</b>			
President's annual allowance	63,354	63,354	63,354
Meeting attendance fees	31,149	31,149	31,149
Annual allowance for ICT expenses	500	500	500
Travel and accommodation expenses	4,288	5,000	4,838
	99,291	100,003	99,841
<b>Cr Douglas (Dough) Diver</b>			
Deputy President's annual allowance	15,838	15,838	10,974
Meeting attendance fees	23,230	23,230	23,230
Annual allowance for ICT expenses	500	500	500
Travel and accommodation expenses	2,792	5,000	3,527
	42,360	44,568	38,231
<b>Cr Matthew Lynch</b>			
Meeting attendance fees	23,230	23,230	23,230
Annual allowance for ICT expenses	500	500	500
Travel and accommodation expenses	3,156	5,000	3,463
	26,886	28,730	27,193
<b>Cr Melanie Gallanagh</b>			
Meeting attendance fees	23,230	23,230	23,230
Annual allowance for ICT expenses	500	500	500
Travel and accommodation expenses	3,121	5,000	2,753
	26,851	28,730	26,483
<b>Cr Douglas (Ivan) Dias</b>			
Meeting attendance fees	23,230	23,230	23,230
Other expenses	48	0	0
Annual allowance for ICT expenses	500	500	500
Travel and accommodation expenses	2,148	5,000	3,599
	25,926	28,730	27,329
<b>Cr Linton Rumble</b>			
Deputy President's annual allowance			4,864
Meeting attendance fees	23,230	23,230	23,230
Annual allowance for ICT expenses	500	500	500
Travel and accommodation expenses	3,640	5,000	5,350
	27,370	28,730	33,944
<b>Cr Jamie Richardson</b>			
Meeting attendance fees	23,230	23,230	16,097
Annual allowance for ICT expenses	500	500	346
Travel and accommodation expenses	4,890	5,000	3,933
	28,620	28,730	20,376
<b>Cr Rory De Pledge</b>			
Meeting attendance fees	23,230	23,230	23,230
Annual allowance for ICT expenses	500	500	500
Travel and accommodation expenses	4,156	5,000	2,711
	27,886	28,730	26,441

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

21. ELECTED MEMBERS REMUNERATION

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
<b>Peter Foster</b>			
Meeting attendance fees	17,422	23,230	23,230
Child care expenses	122	0	27
Annual allowance for ICT expenses	375	500	500
Travel and accommodation expenses	3,000	5,000	548
	20,919	28,730	24,305
<b>Lorraine Thomas</b>			
Meeting attendance fees	0	0	7,007
Annual allowance for ICT expenses	0	0	151
Travel and accommodation expenses	0	0	227
	0	0	7,385
	326,109	345,681	331,528
Fees, expenses and allowances to be paid or reimbursed to elected council members.			
President's allowance	63,354	63,354	63,354
Deputy President's allowance	15,838	15,838	15,838
Meeting attendance fees	211,181	216,989	216,863
Child care expenses	122	0	27
Other expenses	48	0	0
Annual allowance for ICT expenses	4,375	4,500	4,497
Travel and accommodation expenses	31,191	45,000	30,949
	326,109	345,681	331,528



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

**22. RELATED PARTY TRANSACTIONS**

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

	<b>2021 Actual</b>	<b>2020 Actual</b>
	<b>\$</b>	<b>\$</b>
The total of remuneration paid to KMP of the Shire during the year are as follows:		
Short-term employee benefits	1,156,081	1,273,422
Post-employment benefits	132,921	183,307
Other long-term benefits	23,481	23,480
Termination benefits	118,605	350,879
	<b>1,431,088</b>	<b>1,831,088</b>

*Short-term employee benefits*

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

*Post-employment benefits*

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

*Other long-term benefits*

These amounts represent long service benefits accruing during the year.

*Termination benefits*

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

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

**22. RELATED PARTY TRANSACTIONS (Continued)**

**Transactions with related parties**

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

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

The following transactions occurred with related parties:

	2021 Actual	2020 Actual
	\$	\$
Purchase of goods and services	251,481	69,238
<b>Amounts outstanding from related parties:</b>		
Trade and other receivables	2,853	0
<b>Amounts payable to related parties:</b>		
Trade and other payables	0	41,548

**Related Parties**

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

*i. Key management personnel*

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

*ii. Other Related Parties*

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

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

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

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

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

**23. INVESTMENT IN ASSOCIATE AND JOINT ARRANGEMENTS**

**(a) Share of joint operations**

Communities Housing (Homeswest):

**Purpose**

The Shire of Ashburton, in conjunction with Homeswest, is providing rental accommodation for senior citizens who are eligible.

**Address**

46 Second Avenue, Onslow 6710 (Carinya Units 1 - 5)

**Number and Type of Dwellings:**

5 Dwellings - Freehold  
 Certificate of Title Volume 3042 Folio 6  
 Drawing No. 190235

**Legal Agreements:**

Joint Venture Agreement dated 2 August 1994, for fifty years from this date.

**Equity**

	<b>2021</b>	<b>2021</b>
	<b>\$</b>	<b>%</b>
Department of Housing	364,964	79.18%
Shire of Ashburton	95,966	20.82%

**Non-Current assets**

	<b>2021</b>	<b>2020</b>
Land and Buildings	460,930	460,930
Less: accumulated depreciation	(35,779)	0
	<b>425,151</b>	<b>460,930</b>

**Statement of Comprehensive income**

Other revenue	12,775	14,679
Other expenditure	(24,741)	(32,027)
Net result for the period	<b>(11,966)</b>	<b>(17,348)</b>

**Total comprehensive income for the period**

	<b>(11,966)</b>	<b>(17,348)</b>
--	-----------------	-----------------

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

## 24. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

The Shire's objective is to maintain a safe landing airstrip and functional airport amenities conducive to the promotion of the district as a tourist and business destination. Ongoing costs are met by landing fees charged. Annual surpluses, as determined by Council, are transferred to a cash backed reserve account to finance future upgrades and modifications to the facility.

(a) Operating Statement	2021 Actual \$	2021 Budget \$	2020 Actual \$
<b>Operating Income</b>			
Landing Fees	509,282	405,000	412,375
Grant and Contribution	1,818	0	0
Passenger Tax	1,016,726	1,149,200	890,311
Parking Revenue	131	2,500	1,880
Property Rental	126,676	144,338	105,924
Security Screening Charges	457,012	552,500	406,209
Sundry Income	115,859	65,500	7,282
	<u>2,227,504</u>	<u>2,319,038</u>	<u>1,823,981</u>
<b>Operating Expenditure</b>			
Employee Expenses	(377,547)	(295,750)	(246,674)
Operational Expenses	(1,329,770)	(1,454,100)	(1,166,965)
Grounds & Strip Maintenance	(304,804)	(648,000)	(162,146)
Marketing	(9,195)	(62,000)	(2,407)
Other Sundry Expenses	(117,573)	(101,000)	(11,008)
Administration Overheads	(190,395)	(190,000)	(249,399)
Depreciation	(1,174,414)	(1,035,000)	(957,710)
	<u>(3,503,698)</u>	<u>(3,785,850)</u>	<u>(2,796,309)</u>
<b>Operating Result</b>	<u>(1,276,194)</u>	<u>(1,466,812)</u>	<u>(972,328)</u>
<b>(b) Non-Operating Income &amp; Expenditure</b>			
<b>Capital Revenue</b>			
Transfer From Cash Reserve	2,042,989	5,816,464	280,172
Contributions	0	0	0
Government Grants	392,652	0	0
	<u>2,435,641</u>	<u>5,816,464</u>	<u>280,172</u>
<b>Capital Expenditure</b>			
Transfer to Cash Reserve			(458,173)
Infrastructure	(1,331,636)	(4,436,219)	(152,255)
Buildings	(14,925)	(64,683)	(36,364)
Plant	(491,252)	(605,000)	(30,560)
	<u>(1,837,813)</u>	<u>(5,105,902)</u>	<u>(677,352)</u>
<b>Total Net Trading Undertaking</b>	<u>(678,366)</u>	<u>(756,250)</u>	<u>(1,369,508)</u>

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

25. RATING INFORMATION

(a) Rates

RATE TYPE	Differential general rate / general rate	2020/21		2020/21		2020/21		2020/21		2020/21		2019/20	
		Number of Properties	Actual Rateable Value	Actual Rate	Actual Interim Rates	Actual Back Rates	Actual Total Revenue	Budget Rate	Budget Interim Rate	Budget Back Rate	Budget Total Revenue	Actual Total Revenue	
<b>Gross rental valuations</b>													
Residential / Community	0.102364	2,596	43,808,596	4,206,440	463	(5,640)	4,201,263		25,000	24,675	4,535,388	4,498,834	
Commercial / Industrial / Tourism	0.06593	185	12,843,548	846,724	(16,970)	(9,991)	819,763		20,000	0	866,724	830,269	
Transient Workers Accommodation Non-Ratable	0.13185	24	19,315,360	2,546,634	(42,520)	(54,627)	2,449,487		50,000	0	3,219,601	2,547,896	
		276	1,451,508	0	0	(108,968)	(108,968)		0	0	0	0	
<b>Unimproved valuations</b>													
Mining / Industrial	0.36957	1,033	91,189,723	33,701,077	347,946	(7,186)	34,041,837		(100,000)	10,000	32,585,239	28,098,072	
Pastoral	0.0622	41	10,733,360	945,114	(233,022)	0	712,092		0	0	667,572	420,011	
Tourism	0	0	0	0	0	0	0		0	0	0	58,311	
<b>Sub-Total</b>		4,155	179,342,095	42,245,989	55,897	(186,412)	42,115,474		(5,000)	34,675	41,874,524	36,453,393	
<b>Minimum payment</b>													
<b>Gross rental valuations</b>													
Residential / Community	1,010	187	971,380	188,870	0	0	188,870		0	0	188,870	188,870	
Residential / Community (Lesser)	728	0	18,455	0	0	0	0		0	0	0	12,367	
Commercial / Industrial / Tourism	1,263	67	386,215	84,588	0	0	84,588		0	0	84,588	83,325	
Transient Workers Accommodation	1,263	2	20	2,525	0	0	2,525		0	0	2,525	1,262	
<b>Unimproved valuations</b>													
Mining / Industrial	1,263	420	430,965	530,250	0	0	530,250		0	0	564,338	579,488	
Pastoral	1,263	8	61,343	10,100	0	0	10,100		0	0	10,100	10,100	
<b>Sub-Total</b>		684	1,868,378	816,333	0	0	816,333		0	0	850,421	875,412	
Discounts/concessions (Note 25(c))		4,839	181,210,473	43,062,322	55,897	(186,412)	42,931,807		(5,000)	34,675	42,724,945	37,328,805	
<b>Total amount raised from general rate</b>							(523,217)				(586,945)	(288,941)	
Ex-gratia rates							42,408,590				42,138,000	37,039,864	
Rates Written Off							11,367				0	14,639	
<b>Totals</b>							(380)				0	(519)	
							42,419,577				42,138,000	37,053,984	

**SIGNIFICANT ACCOUNTING POLICIES**

**Rates**

Control over assets acquired from rates is obtained at the commencement of the rating period.

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



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

25. RATING INFORMATION (Continued)

(b) Service Charges

Service Charges	Amount of Charge	2020/21 Actual		2020/21 Actual		2020/21 Budget		2020/21 Budget		2020/21 Budget		2019/20 Total	
		Revenue Raised	Charges Applied to Costs	Charges Applied to Reserve	Charges Set Aside	Charges Applied to Reserve	Charges Set Aside	Reserve Applied to Costs	Reserve Applied to Costs	Revenue	Costs	Revenue	Costs
Residential - Full Overhead	\$ 433	\$ 45,689	\$ 45,689	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 46,991	\$ 46,991	\$ 0	\$ 0
Residential - Full Overhead Pensioner	217	1,302	1,302	0	0	0	0	0	0	0	0	0	0
Residential - Consumer Mains Underground	210	7,393	7,393	0	0	7,393	7,393	0	0	7,393	7,393	0	0
Residential - Transformer / Vacant Connection	118	1,901	1,901	0	0	1,901	1,901	0	0	1,901	1,901	0	0
Residential - Base Rate	83	2,105	2,105	0	0	2,301	2,301	0	0	2,301	2,301	0	0
Commercial Mixed Use - Full Overhead	1,484	11,132	11,132	0	0	17,124	17,124	0	0	17,124	17,124	0	0
Commercial - Consumer Mains Underground	742	0	0	0	0	7,262	7,262	0	0	7,262	7,262	0	0
Commercial Mixed Use - Consumer Mains Underground	1,261	5,986	5,986	0	0	0	0	0	0	0	0	0	0
Commercial Mixed Use - Transformer Vacant	118	1,418	1,418	0	0	1,536	1,536	0	0	1,536	1,536	0	0
Commercial Mixed Use - Base Rate	210	0	0	0	0	0	0	0	0	0	0	0	0
Industrial - Full Overhead	2,929	69,495	69,495	0	0	69,495	69,495	0	0	69,495	69,495	0	0
Industrial - Consumer Mains Underground	2,798	10,823	10,823	0	0	10,823	10,823	0	0	10,823	10,823	0	0
Industrial - Transformer / Vacant Connection	2,614	10,455	10,455	0	0	10,455	10,455	0	0	10,455	10,455	0	0
Industrial - Base Rate	2,509	5,018	5,018	0	0	5,019	5,019	0	0	5,019	5,019	0	0
		172,717	172,717	0	0	180,300	180,299	0	0	180,300	180,299	0	0

Nature of the Service Charge

Residential - Full Overhead

The Shire of Ashburton introduced a service charge for the 2018/19 financial year in relation to the Pilbara Underground Power Project.

The Project is for the town of Onslow to dramatically reduce the likelihood of power outages to essential services immediately following adverse weather events. The project is a partnership between the State Government's Royalties for Regions initiative and Local Government. Due to the support of the Royalties for Regions program the project only requires a local 25% contribution to the overall cost of the project. Landowners contribution will be 10% or approximately \$1,000,000. This is funded by a low interest loan budgeted for in the 2019/20 financial year. Landowners will then pay their portion over four years via this service charge.

The funding model for landowners has been developed based on the type of existing connection to it. A property with 'full overhead power' including the connection to the meter box will be charged slightly more than a property that already has underground power from the street to the house.

There is no intention to set aside funds to a Reserve account as the full amount will be applied in the 2019/20 financial year. Should the service charge funds not be applied in the 2019/20 financial year unspent amounts will be set aside in a Reserve account specifically for the purpose.

The service charge will be levied in addition to the annual rates charges and an instalment option will apply as per rates instalment dates.

Reasons for the Charge

Areal/Properties Charge Imposed

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

**25. RATING INFORMATION (Continued)**

(c) Discounts, Incentives, Concessions, & Write-offs  
Waivers or Concessions

Rate or Fee and Charge to which the Waiver or Concession is Granted	Type	Discount %	Discount \$	2021 Actual \$	2021 Budget \$	2020 Actual \$
Dog and Cat registration fees (Statutory)	Concession	50.00%		0	600	623
Refuse Collection Charge	Concession	50.00%		0	16,500	14,114
Swimming Pools	Concession	40.00%		0	1,450	393
GRV Residential/Community	Concession			277,542	322,720	288,941
UV Pastoral	Concession	37.50%		245,675	245,675	0
				523,217	586,945	304,071
<b>Total discounts/concessions (Note 25(a))</b>						
				523,217	586,945	304,071

Rate or Fee and Charge to which the Waiver or Concession is Granted	Circumstances in which the Waiver or Concession is Granted and to whom it was available	Objects of the Waiver or Concession	Reasons for the Waiver or Concession
Dog and Cat registration fees (Statutory)	Eligible Pensioners		
Refuse Collection Charge	Community Community Groups as defined in Policy REC05		
Swimming Pools	Swimming Club members		
GRV Residential/Community	Residential ratepayers with 3 properties or less will be eligible for a 30% concession, to a maximum reduction down to Minimum Rate.		To ameliorate the effect of significant increases in valuations and financial hardship caused by COVID-19 pandemic
UV Pastoral	Pastoral leaseholders will be eligible for a 37.5% concession, with a maximum reduction down to Minimum Rate.		To ameliorate the effect of significant increases in valuations and the added hardship caused by COVID-19

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

## 25. RATING INFORMATION (Continued)

### (d) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
<b>Option One</b>				
Single full payment	4/09/2020	0.00	0.00%	8.00%
<b>Option Two</b>				
First instalment	4/09/2020	0.00	0.00%	8.00%
Second instalment	22/01/2021	15.00	5.50%	8.00%
<b>Option Three</b>				
First instalment	4/09/2020	0.00	0.00%	8.00%
Second instalment	6/11/2020	15.00	5.50%	8.00%
Third instalment	22/01/2021	15.00	5.50%	8.00%
Fourth instalment	9/04/2021	15.00	5.50%	8.00%

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Interest on unpaid rates	54,724	80,000	146,913
Interest on instalment plan	16,541	10,000	15,059
Charges on instalment plan	6,285	6,285	8,386
Interest on ESL	1,492	3,000	3,822
Interest on Sundry Debtors	5,770	5,000	12,734
	84,812	104,285	186,914

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

26. RATE SETTING STATEMENT INFORMATION

Note	2020/21	2020/21	2019/20
	(30 June 2021 Carried Forward)	Budget (30 June 2021 Carried Forward)	(30 June 2020 Carried Forward)
	\$	\$	\$
<b>(a) Non-cash amounts excluded from operating activities</b>			
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .			
<b>Adjustments to operating activities</b>			
	Less: Profit on asset disposals		
10(a)	(69,936)	(29,000)	(58,823)
	Less: Movement in liabilities associated with restricted cash		
	0	7,361	0
	Movement in employee benefit provisions (non-current)		
	(44,925)	0	(30,045)
	Movement in other provisions (non-current)		
	115,915	0	112,802
	Movement of inventory (non-current)		
	(54,947)	0	(748,277)
10(a)	Add: Loss on disposal of assets	201,000	504,371
10(b)	Add: Depreciation on non-current assets	12,020,137	11,929,071
	<b>Non cash amounts excluded from operating activities</b>		
	14,545,965	12,199,498	11,709,099
<b>(b) Surplus/(deficit) after imposition of general rates</b>			
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.			
<b>Adjustments to net current assets</b>			
	Less: Reserves - cash backed		
4	(57,957,775)	(39,145,174)	(55,970,608)
	Movement in contract liability held in reserves		
	4,375,967	0	106,370
	Less: Current assets not expected to be received at end of year		
	- Land held for resale		
6	0	(580,496)	0
	Add: Current liabilities not expected to be cleared at end of year		
	- Current portion of borrowings		
14(a)	475,420	800,000	779,807
	- Current portion of contract liability held in reserve		
	0	0	4,083,109
	- Prior Year Adjustments - Interest		
	8,483	0	0
	- Employee benefit provisions		
	1,508,105	1,110,046	1,703,074
	<b>Total adjustments to net current assets</b>		
	(51,589,800)	(37,815,624)	(49,298,248)
<b>Net current assets used in the Rate Setting Statement</b>			
	Total current assets		
	69,870,277	49,030,367	74,582,320
	Less: Total current liabilities		
	(16,493,975)	(11,214,743)	(21,137,227)
	Less: Total adjustments to net current assets		
	(51,589,800)	(37,815,624)	(49,298,248)
	<b>Net current assets used in the Rate Setting Statement</b>		
	1,786,502	0	4,146,845

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

## 27. FINANCIAL RISK MANAGEMENT

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

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

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

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

### (a) Interest rate risk

#### Cash and cash equivalents

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

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

	Weighted Average Interest Rate	Carrying Amounts	Fixed Interest Rate	Variable Interest Rate	Non Interest Bearing
	%	\$	\$	\$	\$
<b>2021</b>					
Cash and cash equivalents	0.01%	66,833,788	57,957,774	8,624,071	251,943
<b>2020</b>					
Cash and cash equivalents	1.33%	69,882,380	55,970,608	13,911,772	

#### 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*	668,338	698,824

\* Holding all other variables constant

#### Borrowings

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



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

27. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

**Trade and Other Receivables**

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

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

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

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

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

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

	Current	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total
<b>30 June 2021</b>					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	10,853	232,833	153,773	338,090	735,549
Loss allowance	0	0	0	0	0
<b>30 June 2020</b>					
Rates receivable					
Expected credit loss	5.00%	30.00%	75.00%	75.00%	
Gross carrying amount	773,277	297,602	128,728	173,044	1,372,651
Loss allowance	38,700	89,300	96,500	129,800	354,300

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

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
<b>30 June 2021</b>					
Trade and other receivables					
Expected credit loss	23.00%	0.13%	0.04%	47.42%	
Gross carrying amount	808,172	103,358	774,470	293,567	1,979,567
Loss allowance	185,915	135	283	139,198	325,531
<b>30 June 2020</b>					
Trade and other receivables					
Expected credit loss	2.50%	72.50%	40.00%	40.30%	
Gross carrying amount	1,774,811	395,390	16,628	143,824	2,330,653
Loss allowance	44,400	286,700	6,700	57,900	395,700

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

## 27. FINANCIAL RISK MANAGEMENT (Continued)

### (c) Liquidity risk

#### Payables and borrowings

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The Shire manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required and disclosed in Note 14(c).

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

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
<b>2021</b>					
Payables	4,789,938	0	0	4,789,938	4,789,938
Borrowings	475,420	1,492,123	299,754	2,267,297	2,267,297
Contract liabilities	9,720,512	0	0	9,720,512	9,720,512
	<u>14,985,870</u>	<u>1,492,123</u>	<u>299,754</u>	<u>16,777,747</u>	<u>16,777,747</u>
<b>2020</b>					
Payables	10,304,781	0	0	10,304,781	10,304,781
Borrowings	779,807	1,835,261	432,036	3,047,104	3,047,104
Contract liabilities	8,349,565	0	0	8,349,565	8,349,565
	<u>19,434,153</u>	<u>1,835,261</u>	<u>432,036</u>	<u>21,701,450</u>	<u>21,701,450</u>

**28. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD**

There has been no material events after the reporting period which would affect the financial report of the Shire of Ashburton for the year ended 30 June 2021 or which would require additional disclosures.

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

## 29. EFFECT OF PRIOR PERIOD ERROR

### Unrecognised provision for Landfill closure and rehabilitation

During the year a provision for the closure of the Tom Price and Paraburdoo landfills was recognised. As recognition of this should have been at the inception of the land fill activity, the provision is being recognised as a prior period error

The error has been corrected by restating each of the effected financial statement lines items for the prior periods as follows:

#### 2019

Statement of Financial Position (Extract)	30 June 2019	Amount of Adjustment	01 July 2019 (Restated)
	\$	\$	\$
<b>Non-Current Assets</b>			
Infrastructure	406,571,728	3,533,880	410,105,608
<b>Non-Current Liabilities</b>			
Other Provisions	0	(4,087,036)	(4,087,036)
Retained surplus	221,718,386	(553,156)	221,165,230

#### 2020

Statement of Financial Position (Extract)	30 June 2020	Amount of Adjustment	30 June 2020 (Restated)
	\$	\$	\$
<b>Non-Current Assets</b>			
Infrastructure	395,445,907	3,365,600	398,811,507
<b>Non-Current Liabilities</b>			
Other Provisions	0	(4,199,838)	(4,199,838)
<b>Equity</b>			
Retained surplus	224,053,769	(834,238)	223,219,531

Statement of Comprehensive Income (Extract)	2020	Amount of Adjustment	2020 (Restated)
	\$	\$	\$
<i>By Nature or Type</i>			
Depreciation	(11,760,791)	(168,280)	(11,929,071)
Other Expenditure	(1,031,759)	(112,802)	(1,144,561)
<i>By program</i>			
<b>Expenses</b>			
Community amenities	(7,285,847)	(281,082)	(7,566,929)
<b>Total comprehensive income for the period</b>	431,445	(281,082)	150,363

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

**Unrecognised contract liability for performance obligations**

During the year an assessment of performance obligations was conducted and a contract liability recognised, including revenue received in the prior year.

As recognition of this should have been made in the prior period, the contract liability is being recognised as a prior period error.

The error has been corrected by restating each of the effected financial statement lines items for the prior periods as follows:

**2020**

<b>Statement of Financial Position (Extract)</b>	<b>2020</b>	<b>Amount of Adjustment</b>	<b>30 June 2020 (Restated)</b>
	\$	\$	\$
<b>Current Liability</b>			
Other liability	4,083,109	4,266,456	8,349,565
<b>Equity</b>			
Retained surplus	224,053,769	(4,266,456)	219,787,313

<b>Statement of Comprehensive Income (Extract)</b>	<b>2020</b>	<b>Amount of Adjustment</b>	<b>2020 (Restated)</b>
	\$	\$	\$
<i>By Nature or Type</i>			
Non-Operating grants, subsidies and contributions	4,564,552	(316,002)	4,248,550



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

The following restated financial report represent the combination of both corrections  
2019

Statement of Financial Position (Extract)	2019	Amount of Adjustment	30 June 2019 (Restated)
	\$	\$	\$
<b>Non-Current Assets</b>			
Infrastructure	406,571,727	3,533,880	410,105,607
<b>Non-Current Liabilities</b>			
Other Provisions	0	(4,087,036)	(4,087,036)
<b>Equity</b>			
Retained surplus	221,718,386	(553,156)	221,165,230

2020

Statement of Financial Position (Extract)	2020	Amount of Adjustment	30 June 2020 (Restated)
	\$	\$	\$
<b>Non-Current Assets</b>			
Infrastructure	395,445,907	3,365,599	398,811,506
<b>Non-Current Liabilities</b>			
Other Provisions	0	(4,199,838)	(4,199,838)
<b>Current Liability</b>			
Other Liability	(4,083,109)	(4,266,456)	(8,349,565)
<b>Equity</b>			
Retained surplus	224,053,770	(5,100,695)	218,953,075

Statement of Comprehensive Income (Extract)	2020	Amount of Adjustment	30 June 2020 (Restated)
<i>By Nature or Type</i>			
Non-Operating Grants Subsidies and contributions	4,564,552	(316,002)	4,248,550
Depreciation	(11,760,791)	(168,280)	(11,929,071)
Interest Expense	(135,011)	(112,802)	(247,813)
<i>By Program</i>			
<b>Expenditure</b>			
Community amenities	(7,285,847)	(281,082)	(7,566,929)

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

Rate Setting Statement	2020	Amount of Adjustment	2020 (Restated)
	\$	\$	\$

**OPERATING ACTIVITIES**

**Expenditure from operating activities**

Community amenities	(7,376,746)	(281,082)	(7,657,828)
	(7,376,746)	(281,082)	(7,657,828)

**Impact on Financial Ratios**

	2019	2019 (Restated)
Operating Surplus Ratio	(0.04)	0.17
Asset Sustainability	0.61	0.60

	2020	2020 (Restated)
Current ratio	1.50	0.91
Asset Sustainability	1.43	1.04
Debt Service Cover ratio	20.20	20.19
Operating Surplus ratio	0.14	0.13
Own source revenue coverage ratio	0.96	0.95

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

### 30. 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	236,655			236,655
	236,655	0	0	236,655

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

**31. OTHER SIGNIFICANT ACCOUNTING POLICIES**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Level 1**  
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

**Level 2**  
Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

**Level 3**  
Measurements based on unobservable inputs for the asset or liability.

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

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

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

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

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

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

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

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

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

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

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

**32. ACTIVITIES/PROGRAMS**

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

<b>PROGRAM NAME AND OBJECTIVES</b>	<b>ACTIVITIES</b>
<p><b>GOVERNANCE</b></p> <p>The provision of decision -making process for the efficient allocation of scarce resources.</p>	<p>Includes the activities of members of Council and the administrative support available to the Council for the provision of governance of the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific local government services.</p>
<p><b>GENERAL PURPOSE FUNDING</b></p> <p>To collect revenue to allow for the provision of services.</p>	<p>Rates, general purpose government grants and interest revenue.</p>
<p><b>LAW, ORDER, PUBLIC SAFETY</b></p> <p>To provide services to help ensure a safer community.</p>	<p>Supervision of various by-laws, fire prevention, emergency services and animal control.</p>
<p><b>HEALTH</b></p> <p>To assess and manage risks to public health and create and maintain environments that promote good public health.</p>	<p>Food safety, traders permits, septic approvals, analysis of drinking water, public pool safety, monitoring and control of mosquitoes, noise - dust or odour complaints, public building inspections, Environmental Health support to Aboriginal communities, provision of public information on issues such as asbestos, mosquitoes, food hygiene.</p>
<p><b>EDUCATION AND WELFARE</b></p> <p>To meet the needs of the community in these areas.</p>	<p>Maintenance of pre-school facilities &amp; donations to schools. Assistance to welfare groups and Youth Services.</p>
<p><b>HOUSING</b></p> <p>To manage housing.</p>	<p>Maintenance of staff and rental housing.</p>
<p><b>COMMUNITY AMENITIES</b></p> <p>To provide services required but the community.</p>	<p>Rubbish collections, refuse site operations, litter control, administration of the town planning scheme, cemetery operations, public toilet facilities and protection of the environment.</p>
<p><b>RECREATION AND CULTURE</b></p> <p>To establish and manage efficiently infrastructure and resources which help the social well being of the community.</p>	<p>Maintenance of Halls, Swimming pools, sporting facilities, parks and associated facilities, provision of library services in Tom Price, Onslow, Pannawonica &amp; Paraburdoo.</p>
<p><b>TRANSPORT</b></p> <p>To provide effective and efficient transport services to the community.</p>	<p>Construction and maintenance of streets, roads, bridges, footpaths; street lighting, traffic management and airport. Purchase and disposal of Council's Road Plant.</p>
<p><b>ECONOMIC SERVICES</b></p> <p>To help promote the Shire and improve it's economic well-being.</p>	<p>Building control, management of tourist bureau, tourism and area promotion and standpipes.</p>
<p><b>OTHER PROPERTY AND SERVICES</b></p> <p>To provide support services for works and plant operations.</p>	<p>Private works operations, plant repairs and operation costs, stock and materials, salaries and wages of Council employees.</p>

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

33. FINANCIAL RATIOS

	2021 Actual	2020 Actual	2019 Actual
Current ratio	0.13	0.91	1.76
Asset consumption ratio	0.81	0.82	0.83
Asset renewal funding ratio	1.18	2.13	2.13
Asset sustainability ratio	2.40	1.04	0.60
Debt service cover ratio	22.31	20.19	10.89
Operating surplus ratio	0.10	0.13	0.17
Own source revenue coverage ratio	1.01	0.95	0.80

The above ratios are calculated as follows:

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





## Auditor General

### INDEPENDENT AUDITOR'S REPORT 2021 Shire of Ashburton

To the Councillors of the Shire of Ashburton

## Report on the audit of the annual financial report

### Opinion

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

- 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.

### Emphasis of matter – Restatement of comparative balances

I draw attention to Note 29 of the financial report which states that the amounts reported in the previously issued 30 June 2020 financial report have been restated and disclosed as comparatives in this financial report. My opinion is not modified in respect of this matter.

## Emphasis of matter – Basis of accounting

I draw attention to Note 1 to the financial report, which describes the basis for accounting. The financial report has been prepared for the purpose of fulfilling the Shire's financial reporting responsibilities under the Act. Regulation 17A of the Local Government (Financial Management) Regulations 1996 (FM Regulations) requires a local government to measure vested improvements at fair value and the associated vested land at zero cost. This is a departure from AASB 16 *Leases* which would have required the entity to measure the vested improvements also at zero cost. My opinion is not modified in respect of this matter.

## 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.aasb.gov.au/auditors\\_responsibilities/ar4.pdf](https://www.aasb.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 indicate a significant adverse trend in the financial position of the Shire:
  - (a) The Current Ratio has been below the Department of Local Government, Sport and Cultural Industries standard for the last two years and the current year is below last year. The financial ratios are reported at Note 33 of the annual financial report.
- (ii) The following material matter(s) indicating non-compliance with Part 6 of the Act, the Regulations or applicable financial controls of any other relevant written law were identified during the course of my audit:

- (a) The Shire has insufficient controls in place to appropriately manage unauthorised and privileged access to the Shire's network and key systems.
  - (b) The Shire has not fully developed its proper controls over its payroll and journals review function.
- (iii) All required information and explanations were obtained by me.
  - (iv) All audit procedures were satisfactorily completed.
  - (v) In my opinion, the Asset Consumption Ratio and the Asset Renewal Funding Ratio included in the financial report were supported by verifiable information and reasonable assumptions.

### Other information

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

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

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

This auditor's report relates to the financial report of the Shire of Ashburton 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.



Eftalia Samaras  
 Senior Director Practice Manager Financial Audit  
 Delegate of the Auditor General for Western Australia  
 Perth, Western Australia  
 22 December 2022













shire of Ashburton  
opportunity to community

Lot 246, Poinciana Street, Tom Price WA 6751

PO Box 567, Tom Price WA 6751

**Ph:** (08) 9188 4444

**E:** [soa@ashburton.wa.gov.au](mailto:soa@ashburton.wa.gov.au)

**[www.ashburton.wa.gov.au](http://www.ashburton.wa.gov.au)**