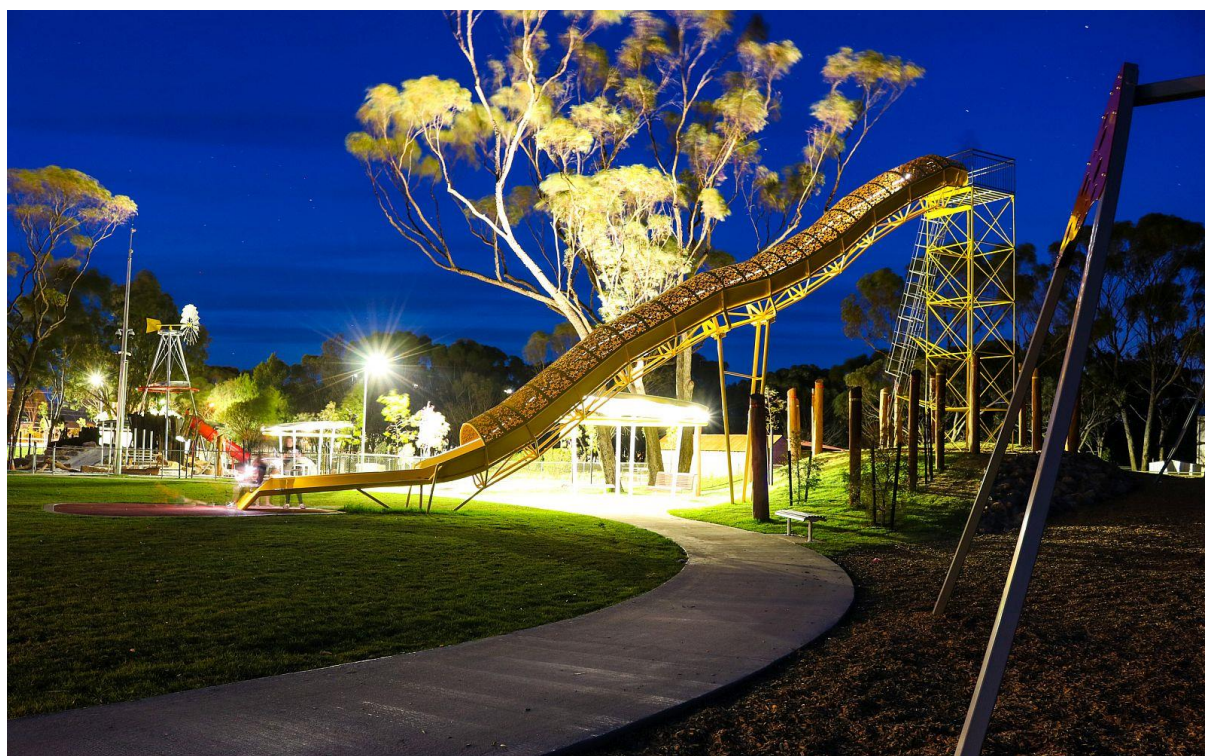




Shire of
Katanning
Heart of the Great Southern

Annual Report
2019 – 2020

DRAFT





This document is available in other formats on request for people with disability.

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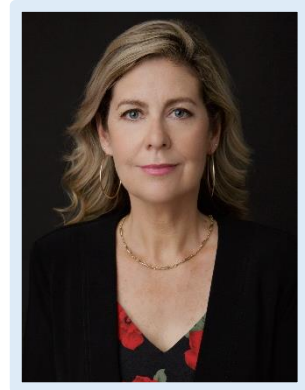
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President's Report

At the October 2019 elections Serena Sandwell, John Goodheart, Martin Van Koldenhoven and myself were returned as Councillors, Mark Stephens was also elected.

The Shire of Katanning continues to provide key services, facilities and amenities to community members in Katanning and our neighbouring communities.

Council continue to plan, manage and implement initiatives for ongoing advancement for Katanning and our region. We have a continued focus in promoting Katanning as a place to visit, live and work.



November 2019 saw the long-anticipated reopening of the All Ages Playground. What a fantastic asset we have re-created for our families and visitors for today and many years to come. This entry statement to Katanning reveals the vibrant regional town that we are today, with modern services, mixed with notable heritage.

2019/20 has indeed been a year of significance for our community. February 2020 will be remembered for the bushfire that threatened our community. Once again, I take this opportunity to thank all those who defended property, especially our local volunteer bushfire brigades, our Katanning town fire service, our neighbouring volunteer bushfire brigades and those that came from other areas in the state.

In addition, I would like to thank Cindy Pearce our local CESM, DFES and those dedicated workers at the Shire of Katanning who assisted in coordination through a very challenging period.

Our community came together to help each other; our local police, the red cross, CRC, Blaze-Aid, and our service agencies all played a role in assisting in recovery. On behalf of our community, gratitude and appreciation is extended to all involved.

The COVID-19 pandemic has changed our world. I take this opportunity to thank all the staff at the Shire of Katanning who worked to protect our community and still keep our services available.

I make special mention of our community development team, Denise Gallanagh-Wood, with the able back up by many other staff, made a significant difference during the period. The leadership, organisation and empathy they provided to map our entire community and then provide useful and innovative solutions to problems that COVID-19 presented, particularly isolation, was greatly appreciated by our community.

This annual report coincides with the conclusion of CEO Julian Murphy's completion of 5 years of service with the Shire of Katanning. His leadership has guided us through floods, fire and now a pandemic. We have completed many, many, millions of dollars' worth of projects and have changed the face of Katanning. Leadership is the key driver of success of an organisation and we have been fortunate to have strong leadership in Julian. We look forward to working with Julian and his team for the coming 3 years.

This financial year has been extraordinary and I thank the entire staff for the achievements we have made. Many challenges have been overcome through excellent teamwork and commitment of our staff. We are indeed fortunate for the positive relationship that exists between Council and Administration.

7.1.2

Thank you to Deputy President John Goodheart who continues to work hard for our community and provides excellent support. Councillors, Serena, Owen, Kristy, Martin, Danny, Ernie, and Mark thank you for your continual work in the community, representing the voice of our people.

We as an organisation take pride in our community, we can see the tangible differences we have made and continue to make to the quality of life for our community and the vibrancy of our Shire.

Thankyou

Cr Liz Guidera

PRESIDENT

Chief Executive Officer's Report

The Katanning Community has faced a number of major challenges over the past year including serious bushfires that threatened lives and properties in February 2020 and of course the global COVID-19 pandemic which has affected every aspect of our lives.

Unfortunately, the 2020 Harmony Festival was cancelled as a consequence of COVID-19 and other community events including the Concert in the Park were unable to go ahead due to the bushfires.



Whilst this has been stressful at times, we have seen a strong and coordinated response from our organisation and Community. As a response to these challenges faced by our Community, I have seen people develop a greater sense of pride in Katanning and I am impressed with the way people have pulled together during these hard times.

I would also like to acknowledge the strong support we received from the Department of Fire and Emergency Services, other government agencies, Red Cross and particularly our neighbouring local governments and their communities during the February 2020 bushfires. Without their help and support we may have had a very different outcome.

This year has also seen the Shire of Katanning achieve a number of major milestones including:

- Completion of the Welcome Precinct Projects and implementation of a contract maintenance arrangement to ensure the entrance to town presents in the best possible way
- Progression of the Piesse Park upgrade projects including housing and subdivision developments
- Completion of Town Centre projects including mini parks, street scape and parking facilities
- Commencement of the Old Shire Office refurbishment
- Increased focus on economic development projects and activities including business innovation, tourism and marketing

The transformation of the town has really become apparent in this last year, and I am immensely proud of the achievements of our Councillors, staff, contractors and volunteers who have contributed to these major projects.

I continue to work closely with the local business community as a board member of the Katanning Regional Business Association (KRBA). I am excited by the initiatives being undertaken by the KRBA including the development of an online business directory and website, partly funded by the Shire of Katanning.

We have maintained our support for regional initiatives promoting visitors to the Great Southern including Great Southern Treasures, Taste Great Southern, Bloom Festival and GSCORE Trails projects.

I have also continued to participate in the Southern Link VROC with neighboring local governments. Some of our resource sharing initiatives include working cooperatively in the areas of tourism, fire and emergency services, housing development, environmental health and building control.

This year has seen the worst at times but often brought out the best in our people and Community. I would like to express my appreciation to the President Liz Guidera, Councillors and the Staff for their hard work and support over the past year and to thank the Katanning Community and volunteers for their ongoing support of the Shire.

Julian Murphy

CHIEF EXECUTIVE OFFICER

Katanning in Brief

The Shire of Katanning is located in the Upper Great Southern Region of Western Australia approximately three hours' drive south east of Perth.

Katanning is a vibrant country community founded on rural industries.

Katanning provides a range of services to meet the community's needs including education, health, recreation facilities and affordable land and housing.

Shire of Katanning Statistics	
Distance from Perth	283km
Area	1,523 sq. km
Length of Sealed Roads	255.1km
Length of Unsealed Roads	528.6km
Population	4,151 (ABS, 2016, LGA)
Number of Electors * WA Electoral Commission, 2019	2,463
Number of Dwellings	1,827
Total Rates Levied	4,125,426
Total Revenue	17,473,402
Number of Employees	59 FTE

Councillors



Cr Liz Guidera
Shire President

Term expires 2023



Cr John Goodheart
Deputy Shire President

Term expires 2023



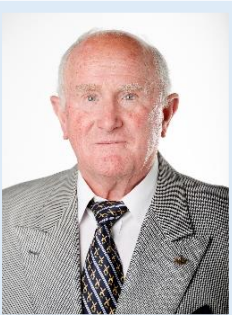
Cr Owen Boxall

Term expires 2021



Cr Serena Sandwell

Term expires 2023



Cr Martin Van
Koldenhoven

Term expires 2021



Cr Danny McGrath

Term expires 2021



Cr Ernie Menghini

Term expires 2021



Cr Kristy D'Aprile

Term expires 2021



Cr Mark Stephens

Term expires 2023

Executive Management Team



Julian Murphy
Chief Executive Officer

Governance
Economic Development
Community Relations
Human Resources
OSH and Risk



Denise Gobbart
Executive Manager Corporate and Community

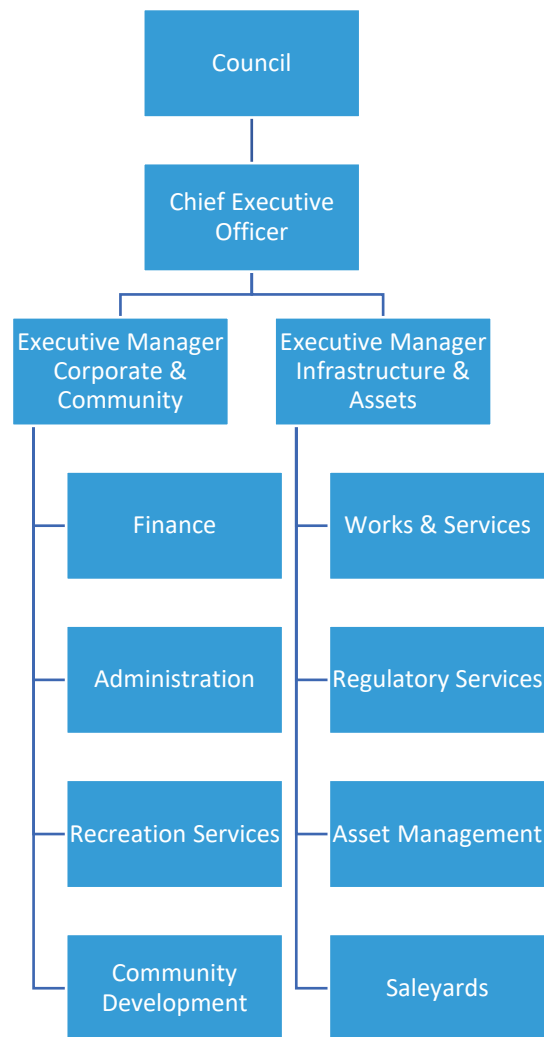
Corporate Services
Finance and Administration
Recreation Services
Community Development
Library and Gallery



Samuel Bryce
Executive Manager Property and Assets

Works and Services
Development and Regulatory Services
Project Management
Asset Management
Regional Saleyards

Organisational Structure



Council Highlights, Events and Milestones

July 2019

Council Highlights

At the July Ordinary Council Meeting, Council granted development approval for security fencing at the WAMMCO Abattoir and adopted the Amherst Village Pet Policy.

Council endorsed the Katanning Brand Development and Content Plan and the Katanning Rotary Park Plan.

Community Highlights

The Katanning Art Gallery presented an ARTS ON THE MOVE Exhibition: *Dead Centre* until Saturday 20 July 2019. *Dead Centre* featured photographic and video works that brought together a group of leading artistic voices from around the country, exploring and celebrating marginalised identities in the broader spectrum of a multicultural Australian society.

7.1.2



On Monday 29 July 2019, the *Ngala Wongga (Come Talk) Exhibition* opened at Katanning Art Gallery until Saturday 24 August 2019. *Ngala Wongga (Come Talk) – Cultural significance of languages in the Goldfields* was a collaboration with the Aboriginal community in Goldfields, WA. The conceptual body of multimedia work goes beyond documentary and photojournalism creating an aesthetic and creative platform highlighting the Elders connection to land whilst illuminating the cultural significance of Australia's endangered languages.

A variety of school holiday workshops and activities were held at the Katanning Leisure Centre, Library and Katanning Hub CRC.

August 2019

Council Highlights

Each year, Council set aside funds in the annual budget to support local community initiatives. At the Ordinary Council Meeting held in August, Council considered Round 1 of the 2019/2020 Community Financial Assistance Program applications and resolved to support the following groups:

- Katanning Landcare for services for their Wild Paws Walk event as part of the 2019 Bloom Festival;
- Rainbow Coast Neighbourhood Centre for the Culturally and Linguistically Diverse (CaLD) Women and Children Swimming Program; and
- Katanning Speedway Club Inc for materials and electrical work for the Katanning Speedway Lighting Project.

At the same meeting, Council also accepted the tender from Belgravia Leisure for management and operation of the Katanning Aquatic Centre for a contract of three years.

Community Highlights

Marvel superheroes landed in Katanning Town Hall for Book Week at the Katanning Public Library! The popular heroes put on an impressive show for the younger Katanning community followed by a meet and greet with families.



Two sold out shows of Erth's Dinosaur Zoo presented by Country Arts WA and the Shire of Katanning, were a massive hit at Katanning Town Hall. Families from far and wide came along to watch the lifelike dinosaur puppets and get up close and personal with an amazing array of creatures from bygone eras, connecting young audiences to the real science of palaeontology.

September 2019

Council Highlights

At the September Ordinary Council Meeting, Council authorised the variation of the Shire of Katanning normal opening hours for the 2019/20 Christmas and New Year period.

Community Highlights

The *Great Southern Treasures 2019 Bloom Festival* started on 21 September 2019 with several Bloom-Themed events taking place in Katanning such as Paddock to Plate Dinners at the Saleyards; May Gibbs Story Time in the Katanning Library and a Blooming Art Exhibition at the Katanning Art Gallery.



October 2019

Council Highlights

Local Government Elections were held on 19 October 2019 with 4 positions filled. The CEO called a Special Council Meeting on 22 October 2019 to manage the business associated with the newly elected Council. Matters included election of the Shire President and Deputy Shire President, and appointment of elected members to Committees, Working Groups, Advisory Groups and non-Council Committees.

At the October Ordinary Council Meeting, Council granted development approval for the purpose of a home hair salon business and approved the Katanning Country Club to install a vehicle barrier gate.

Community Highlights

Katanning Youth had some exciting activities for the school holidays with a Road Trip to Forest Adventure and Laserscape at the Katanning Leisure Centre.

More Bloom-Themed events were arranged in Katanning for the second half of the *Great Southern Treasures 2019 Bloom Festival* such as Magic Garden Making at the Katanning Library, a Candle Making Workshop and the Wild Paws Walk at O'Callaghan Park.



The Annual Katanning Agricultural Show was held at the Katanning Leisure Centre with fun activities, stall holders, parades, dog jumping competitions and more.

November 2019

Council Highlights

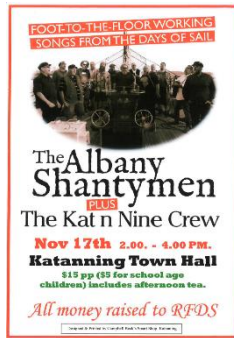
At the Ordinary Council Meeting held in November, Council authorised the Licence Agreement with the Katanning Community Cinema Group Inc for the use of the Katanning Town Hall.

Council approved changes to the Community Financial Assistance Program Policy and Guidelines to make it more accessible to the community, including a rename of the program to *Community Grants Program*.

Community Highlights

The town came alive at the exciting announcement of the highly anticipated reopening of the rejuvenated Katanning All Ages Playground on Friday 15 November 2019! A fun soft opening was had with a large number of the community flocking to the iconic giant play equipment.





The Royal Flying Doctors Service held a fundraiser concert at the Katanning Town Hall featuring the Albany Shantymen and local performers, The Kat n Nine Crew.

A Family Fun Day was held at the Katanning Mosque, hosted by Katanning Islanders and sponsored by the Malay Association of Katanning. The community enjoyed a day of cultural food, games, live entertainment, mosque tours and more!

December 2019

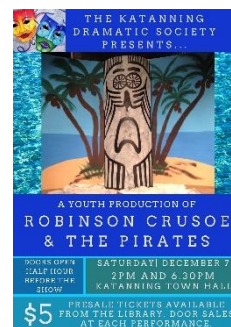
Council Highlights

At the December Ordinary Council Meeting, Council endorsed the remediation works for the Top Oval at the Katanning Leisure Centre.

Community Highlights

A Seniors Christmas Lunch was held at the Katanning Leisure Centre with help from community and school volunteers. There was a wonderful turnout and performances from the Kat n Nine Crew.

The Katanning Dramatic Society presented their Youth Theatre production of Robinson Crusoe & The Pirates.



Christmas on Clive was held 14 December 2019 in the late afternoon to combat the summer heat and was a great community event with a free concert, food stalls, free rides and Santa.

January 2020

Community Highlights

The community celebrated Australia Day at the Lions Park with a free breakfast. Guest Speaker, Trevor Ruland made a speech; one resident received their Australian Citizenship and presentations were made to announce the winners of the Citizen of the Year and Community Long Service Awards 2020.



Katanning Youth had plenty of activities to do for the summer school holidays ranging from rollerblading at the Katanning Leisure Centre, free passes to the Katanning Aquatic Centre and Clay Workshops.

February 2020

Council Highlights

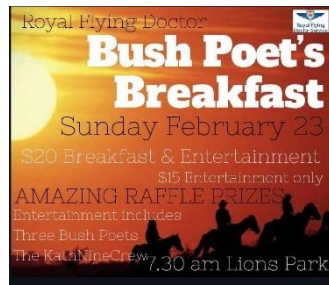
At the Ordinary Council Meeting held in February, Council acknowledged the fire in the Katanning Shire earlier in the month and thanked everyone who provided assistance and recovery support.

Council accepted the proposal from the Katanning Artisan Collective to relocate to the Town Hall building portion that was formerly occupied by the Visitor Centre and Council Chambers.

Community Highlights

The Royal Flying Doctor Service held a Bush Poet's Breakfast at the Katanning Lions Park.

Westside Carnivals came to Katanning for three nights of fun, with rides, carnival games, showbags and food stalls. The carnival was held at the Katanning Leisure Centre oval.



March 2020

Council Highlights

At the Ordinary Council Meeting for March, Council reminded the community to stay safe and follow the State Government's COVID-19 restrictions.

Council established a dress code for Australian Citizen Ceremonies conducted by the Shire of Katanning and adopted a temporary amendment to the purchasing policy due to COVID-19.

Community Highlights

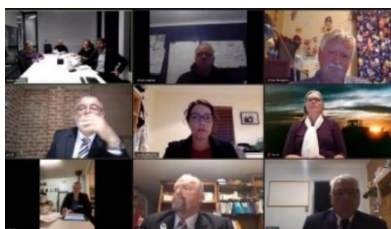
As social distancing restrictions increased, the Shire of Katanning's Community Development team were hard at work collecting information for community support and the Katanning Hub CRC created a Facebook Group to *Keep Katanning Connected*.

A small business support workshop was held to assist with ways to be creative and still operate during the current climate.



April 2020

Council Highlights



At the April Ordinary Council Meeting, which was held by electronic means, Council endorsed the Great Southern Regional Trails Master Plan (RTMP) that focuses on active leisure trails which involve an outdoor recreation element.

Council appointed authorised Fire Control Officers in accordance with the Bush Fires Act 1954.

Community Highlights

Several online activities were held for the community to keep youth busy as students went to home learning and for the school holidays. Activities included model DIY kits, a photography competition, storytelling competitions, a virtual book club, ANZAC Day kits and school holiday activity packs.

Activities for all community members included mystery book boxes from the Katanning Library, calligraphy kits and volunteer sign up for creating winter warmers and miniature library boxes.



May 2020

Council Highlights

At the Ordinary Council Meeting held in May by electronic means, Council endorsed the priority projects for funding by the Drought Communities Programme and approved funding support for the Katanning Regional Business Association (KRBA) to establish an online business directory and eCommerce platform for local business in Katanning.

Community Highlights

More online activities were held for Katanning Youth. The Shire's public facilities started gearing up to reopen with State Government Restrictions in place.

June 2020

Council Highlights

At the Ordinary Council Meeting held in June, Council endorsed the participation of the Shire of Katanning in the National Redress Scheme as a State Government Institution and included as part of the State Government's declaration.

Community Highlights



As social distancing restrictions were eased, the community thoroughly enjoyed the Dads, Daughters, Mothers and Sons weekend in Katanning. The weekend involved a number of fun activities that kept the community connected while still being COVID-19 safe. Activities involved yoga at the Lions Park, brush lettering workshops, painting of miniature library boxes at the Mens Shed, reed weaving and cane workshops.

Grants

The Shire received grants funding totalling over \$10.6 million during the reporting period.

Name of Grant/Source	Amount
General Purpose Grant / WA Local Government Grants Commission	1,550,910
Untied Road Grant / WA Local Government Grants Commission	532,921
Special Bridge Grant / WA Local Government Grants Commission	60,000
BFB Local Government Grants Scheme / Department of Fire and Emergency Services	49,667
Youth Activities Grant / Department of Communities	32,670
Get Online Week Grant / Good Things Foundation	1,359
Harmony Festival Grant / Healthway	5,000
Harmony Festival Grant / Regional Development Australia	2,500
Harmony Festival Grant / Great Southern Development Commission	12,500
Harmony Festival Grant / Lotterywest	25,000
Direct Road Grant / Main Roads	119,872
Building Better Regions Fund - Economic Innovation Grant / The Department of Infrastructure, Transport, Regional Development and Communication	7,300
Lake Ewlyamartup Project - Living Lakes Grant / Wheatbelt Natural Resource Management	11,000
Bloom Festival Grant / Great Southern Development Commission	12,500
Bloom Festival Grant / Healthway	18,000
Bloom Festival Grant / Lotterywest	4,500
Bloom Festival Grant / Regional Development Australia	2,500
Bloom Festival Grant / Tourism WA	15,000
Katanning Community Medical Facility Grant / Department of Health	505,000
Supertown Heritage Centre Project / Department of Primary Industries & Regional Development	5,000,000
Supertown Heritage Centre Project / Lotterywest	843,023
Building Better Regions Fund - Great Southern Aged Accommodation Project / The Department of Infrastructure, Transport, Regional Development and Communication	15,351
Country Local Government Fund Regional Landfill and Transfer Stations Project / Department of Primary Industries & Regional Development	1,279,530
Regional Road Group Funded Projects / Main Roads	252,509
Roads to Recovery Funded Projects / The Department of Infrastructure, Transport, Regional Development and Communication	314,994
TOTAL	10,673,606

Major Assets

Katanning Saleyards



2019/20 Actual		2019/20 Budget		2018/19 Actual	
Revenue	Expenditure	Revenue	Expenditure	Revenue	Expenditure
991,233	1,547,785	1,136,863	1,596,840	853,482	1,305,706

Income from yarding fees for 2019 - 2020 exceeded budget expectations and income from the truck wash facility remains strong. The actual revenue remained below forecasted income which highlights the difficulty predicting saleyards sales numbers in a changing economic landscape. Forecast expenditure was close to budget expectations.

Katanning Leisure Centre



2019/20 Actual		2019/20 Budget		2018/19 Actual	
Revenue	Expenditure	Revenue	Expenditure	Revenue	Expenditure
286,644	1,581,398	\$327,530	\$1,680,288	\$310,824	\$1,555,597

COVID-19 had a significant impact on the availability of KLC facilities to the public due to restrictions imposed by the State Government. Income was significantly reduced due to the lower than expected users which in turn was offset by reduced operating expenditure.

Road Infrastructure

Council considers spending on road infrastructure on an annual basis during the Budget deliberations.

Funds are contributed by Council and external sources such as the Regional Road Group and Roads to Recovery.

Road and work completed	2019/20 Actual	2019/20 Budget
Conroy Street – Repair and reseal sections	247,536	225,000
Washington Road – Resheet	72,587	125,000
Hensman Road – Resheet	63,409	105,000
Cullen Street – Repair failures and reseal	76,474	110,000
Kowald Street – Resheet	75,679	90,000
Forrest Hills Road – Verge clearing and drainage improvements	66,887	150,000
Robertson Road – Verge clearing and drainage improvements	60,166	180,000
Resheets – Gravel resheeting	84,684	200,000
Carew Street - Footpath	103,070	100,000
	\$850,492	\$1,285,000

Community Grants Program

Each year Council sets aside funds to provide financial support to the community.

In 2019/20, Council budgeted \$25,000 for the Community Grants Program.

Round 2 was cancelled due to COVID-19 and applicants were contacted to reapply in the next financial year.

Local community groups make application for funds and the following donations were awarded in the 2019/20 financial year:

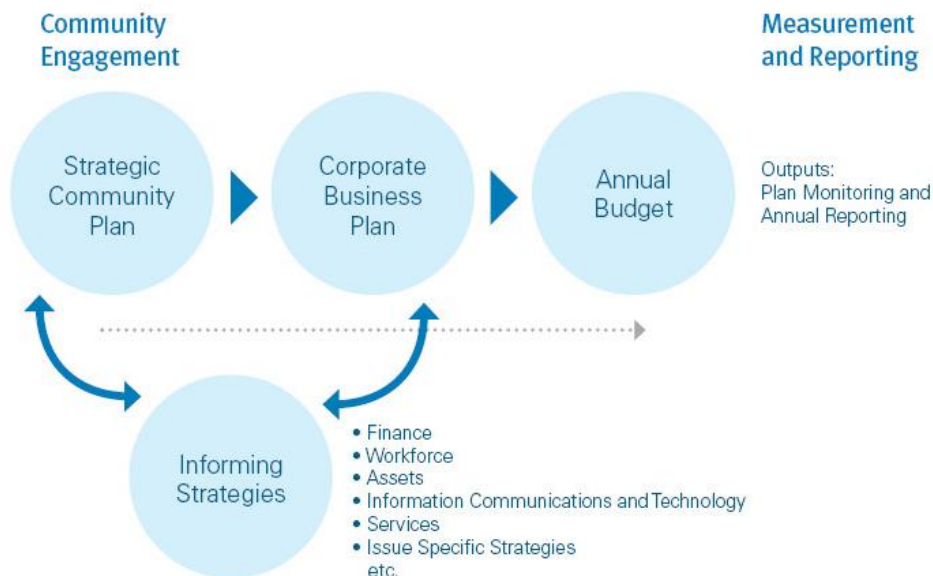
Round 1	Recipient	Purpose
\$1,138.00 ex GST	Katanning Landcare	Wildpaws Walk Event
\$4,080.00 ex GST	Rainbow Coast Neighbourhood Centre	CaLd Women and Children Swimming Program
\$10,283.63 ex GST	Katanning Speedway Club	LED Lighting Project

Strategic Community Plan

In 2010, the Western Australian State Government introduced legislation requiring Local Governments to prepare an Integrated Planning and Reporting (IPR) Framework by June 2013. Integrated planning ensures that Councils Strategic Plan reflect the community aspirations, visions, and priorities of the district.

The Shire consulted widely with the community to produce the Strategic Community Plan and other plans within the IPR Framework.

The diagram below highlights the components of the framework:



Elements of Integrated Planning and Reporting Framework

In accordance with the legislation and following extensive community input, Council adopted its Strategic Community Plan in November 2017.

The plan is Council's principal planning and strategy document, which means that it governs all of the works that the Shire undertakes, either through direct services delivered, partnership arrangements, or advocacy on behalf of the community.

In accordance with the legislations, Council is required to report to the community annually its progress towards achieving the objectives.

Our Vision

"A prosperous, vibrant and diverse community working together"

In partnership with Council the community has developed a clear and powerful vision to build the future of Katanning based on an evolution of growth and progression. The Shire of Katanning will embrace its Aboriginal, agricultural, multicultural and built heritage as it moves forward as a cohesive community seeking investment in economic, environmental and social infrastructure. Our aim is to achieve self-supporting growth and recognition as the inland heart of the Great Southern.

Corporate Business Plan – Annual Highlights

Key Result Area	Annual Highlights
Social	S1 – A capable, vibrant, healthy and connected community
	<p><i>S1.1 Sport Leisure Recreation Connection</i></p> <p>The Shire runs a range of community programs at the Katanning Leisure Centre including School Holiday Program's, Seniors Activities - Pingo, Quiz, Autumn Club, Carpet Bowls, Senior Gym, Seniors Exercise Groups – weekly & monthly, Group Fitness Programs, Social Badminton & Rollerblading Evenings.</p> <p>The Katanning Leisure & Function Centre provides free meeting rooms for Club Committee Meetings to facilitate club development, clubs/groups utilising the facilities have been Katanning Netball Association, Katanning Equestrian Association, Great Southern Merino Sheep Breeders Association, Olympians Netball Club & Allstars Netball Club.</p> <p>The Shire has held meetings along with training sessions within the centre, the KLC User Group, Townscape Committee, Public Meeting Standpipes, Blessing of the Roads, Manual Handling Courses, Workplace Behaviours Seminar, Risk Workshop Local Emergency Management Committee, Skin Checks, Bushfire Meetings and Debriefs, Fire Coordination and Red Cross Meetings.</p> <p>In-kind contributions towards the use of the facilities and equipment has been provided to community groups. Community use of the Function Centre continues with commercial/government and private facilities hire.</p> <p><i>S1.2 Optimum quality of life for all citizens with access to health and other support services that meet the needs of our community.</i></p> <p>Disability Awareness training for Shire staff and Disability Access and Inclusion Plan (DAIP) reporting workshop for LG's conducted.</p> <p>Meetings convened with the Katanning Noongar Leadership Group.</p> <p>DAIP report submitted.</p> <p>Community Arts Network Noongar project 'Place Names' has resulted in an event being prepared for the opening of the Bloom Festival 26 Sept - puppet/bigature making sessions with Katanning Senior High School students.</p> <p>Cultural Awareness Training for Shire staff conducted– To provide knowledge in dealing with CaLD customers.</p> <p>The Shire is undertaking the refurbishment of the old Shire Administration building to accommodate the Katanning Community Medical Centre. The Shire has secured Federal government funding to facilitate the implementation of this project, which will then see additional GP service being provided in Katanning to address doctor shortages.</p> <p><i>S1.3 Ensure access to art, culture and learning opportunities.</i></p> <p>The Katanning Public Art Gallery held a number of exhibitions throughout the year.</p> <p>The Regional Exhibitions Touring Boost launch exhibition "How Did We Get Here".</p> <p>The Gallery was visited by Conservators from the Art Gallery of Western Australia who conducted a map and gap exercise on the Shire's art collection, gallery space and storage.</p>

Key Result Area	Annual Highlights
	<p>Shire Art Collection baseline condition report documentation established.</p> <p>To adapt to COVID-19 restrictions the Katanning Library provided a range of online services.</p> <p>The Woman's program was developed in line and consideration of delivering a quality education course to CaLD women and support them to undertake further formal studies if they wished.</p> <p>Library school holiday programs</p> <p>Youth Skatepark Artwork Design Competition for painting of the Katanning Skatepark</p> <p>S2 – A safe community</p> <p>Upgrades and improvements to Katanning's CCTV network</p> <p>The following actions were taken in response to COVID-19:</p> <ul style="list-style-type: none"> – Community Response Plan – Community Database – Safety Plans and measures put in place for all Shire facilities – Community Support meetings – support agencies meeting to discuss and address issues – Community Impact Monthly Survey's – to ensure we identify and address issues in a timely manner – Social media communications campaign & community newsletter in partnership with Katanning Hub CRC <p>S3 – A resilient, engaged community with a strong sense of pride</p> <p>S3.1 Build a unified community that embraces its uniquely diverse cultural make up.</p> <p>Programs were run throughout the year to build greater understanding and connection with CaLD communities.</p> <p>Bushfire information in different languages was made available to the community.</p> <p>Free Interpretation Service – procedure manual developed, processes put in place and staff trained so that the Shire can effectively offer connections to interpreter services so as to enhance accessibility for community members from the CaLD community.</p> <p>S3.2 Build social resilience through providing diverse options for participation and engagement.</p> <p>Non-contact community activities organised to enhance engagement and reduce isolation during COVID-19.</p> <ul style="list-style-type: none"> - Library (Mystery Book Box & Storytime online) - Youth (DIY activity and cooking packs, art and photography competitions, Youth Theatre) - Community (Cooking to Connect, Winter Warmer crochet) <p>Disability Awareness Week events</p> <p>Disability Action and Inclusion Plan review undertaken.</p>

Key Result Area	Annual Highlights
Built Environment	B1 – Infrastructure that meets community needs <i>B1.1 Sustainably manage current and future assets and infrastructure</i> Council provides funding allocations and maintains cash backed reserves for the maintenance and development of assets to support the implementation of the Shire of Katanning Asset Management Strategy and long term asset plans.
	<i>B1.2 Provide Council facilities that meet community need.</i> Council maintains a range of community facilities including the Town Hall, Regional Sheep Saleyards, Katanning Leisure Centre, Aquatic Centre, sporting facilities, parks and reserves, public spaces, Library, Art Gallery and community facilities.
	B2 – Places for the community to live, work and connect <i>B2.1 Enhance Public Realm</i> The following projects have been progressed or completed: <ul style="list-style-type: none"> – Town Centre Upgrade projects including parks and footpaths – Welcome Precinct and All ages Playground – Lake Ewlyamartup upgrades – Piesse Park development
	<i>B.2.2 Facilitate and encourage housing options, spaces for local service delivery and recreation</i> Council has undertaken the development of a 30 lot subdivision at Piesse Lake and constructed 7 new dwellings for key worker accommodation and seniors independent living units.
Natural Environment	N1 – A community and Council that are environmentally aware and engaged <i>N1.1 Promote environmentally friendly action.</i> The Shire of Katanning supports the activities of Katanning Landcare. They continue to provide sound advice to the Shire on land care related issues and areas where improvements can be made. Council has provided access to facilities for Katanning Environmental and the Friends of Piesse Park to support their volunteers in caring for the environment.
	<i>N1.2 Increase action on waste management and sustainable packaging.</i> Completion of the buildings of the Waste Transfer station Support for Katanning Environmental and the Containers for Change Program Library Battery Recycling program
	<i>N1.3 Incorporate sustainability as a key consideration in Council Planning.</i> Collaboration with Water Corp and Newground Water services to implement the recycled water project at Piesse Lake.

Key Result Area	Annual Highlights
	<p>Ongoing development of sustainable energy solutions for Council managed facilities.</p> <p>N2 – A high level of biodiversity and healthy ecosystems</p> <p>N2.1 Enhance the Level of biodiversity and condition of ecosystems</p> <p>In collaboration with Wheatbelt NRM, Council participated in the Living Lakes, Lake Ewlyamartup engineering enhancements project to create a cleaner waterway and habitat for flora and fauna.</p> <p>N3 – A strong sense of community ownership and pride for the natural environment</p> <p>N3.1 Encourage the community to feel proud of and take ownership of public spaces.</p> <p>Continued to work with the Friends of Piesse Park on the management and custodianship of parkland and waterways.</p>
Economic	<p>E1 – Local business and industry is resilient, growing</p> <p>E1.2 Develop local business and encourage start-ups.</p> <p>Workshops held to support business acquire improved knowledge in the areas of social media, accounts, and networking.</p> <p>E2 – A place to live and visit</p> <p>E2.1 Strengthen the local tourism sector</p> <p>Tourism sector famils conducted in partnership with Great Southern Treasures.</p> <p>Maximising Tourism Opportunities workshop</p> <p>E2.2 Provide and support local and regionally significant events that have both positive economic and social benefits.</p> <p>Council supports the Katanning Agricultural Show through the provision of funding and in kind-support.</p> <p>E3 – Sustainable economic and population growth</p> <p>E3.1 Raise Katanning's profile as a centre of excellence in the area of agriculture and associated industries.</p> <p>Food Innovation Group – network meetings.</p> <p>Engaged with AWI (Australian Wool Innovation) and with the aim to establish a Shearing Centre of Excellence in Katanning.</p> <p>E4 – A culture of learning</p> <p>E4.1 Develop Katanning's reputation for providing quality education for all levels of learning such that it attracts and retains people.</p> <p>Ongoing development of the Katanning Early Childhood Hub Project.</p>

Key Result Area	Annual Highlights
	<p>Leadership workshop in partnership with the Katanning Senior High School (KSHS) for the KSHS Leadership Student Group. Facilitated by the Great Southern Leadership Academy.</p> <p>Early Years Initiative, meetings attended.</p>
Leadership	<p>L1 – An inclusive community, recognised as a great place to live and visit</p> <p><i>L1.1 Operate with high ethical and professional standards, being open, transparent and responsive to the community and other stakeholders.</i></p> <p>Regular Local Emergency Management Committee Meetings via video link during COVID-19.</p> <p>Participate in Great Southern Development Commission Regional Meetings via video link during COVID-19.</p> <p>Regular Internal Critical Incident Team Meetings.</p> <p>Initiated Community Support Meeting focused on COVID-19 community support during lock down and recovery methods.</p> <p><i>L1.2 Provide effective leadership and good governance.</i></p> <p>Local government elections were held in October 2019.</p> <p>Elected members undertook mandatory Council Member Essentials training</p> <p>Council meetings were held electronically during the months April – May 2020 to adapt to COVID-19 restrictions.</p> <p>L2 – A collaborative, progressive and resilient local government which is sustainably resourced</p> <p><i>L2.1 Optimise use of Shire resources, improve organisational systems.</i></p> <p>Council has worked collaboratively with neighbouring local governments to deliver shared services in the areas on Emergency Management, Tourism, Environmental Health and Building Services.</p>

Compliance

National Competition Policy

This policy was introduced by the Commonwealth Government in 1995 to promote competition for the benefit of business, consumers and the economy by removing unnecessary protection of monopolies of markets where completion can be enhanced. It affects local government as factors such as exemption from company and income tax or possible local regulations and laws may give local government a potential advantage over private contractors.

In respect to Council's responsibilities in relation to the National Competition Policy the Shire reports as follows:

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

Freedom of Information

In complying with the *Freedom of Information Act 1992*, the Shire of Katanning is required to prepare and publish an information statement.

The Shire of Katanning's Information Statement is reviewed annually and is available via Council's website or at the Shire administration office. The information statement contains information on the type of documents available to the public and how to access those documents.

2 Freedom of Information enquiries were processed during the 2019-2020 period.

State Records Act

The *State Records Act 2000* requires the Shire maintains and disposes of all records in the prescribed manner.

Principle 6 – Compliance: Government Organisations ensure their employees comply with the record keeping plan.

Rationale: An organisation and its employees must comply with the organisation's record keeping plan. Organisations should develop and implement strategies for ensuring that each employee is aware of the compliance responsibilities.

Minimum Compliance Requirements:

The record keeping plan is to provide evidence to adduce that:

1. The efficiency and effectiveness of the organisation's record keeping system is evaluated not less than once every 5 years.
2. The organisation conducts a record keeping training program.
3. The efficiency and effectiveness of the record keeping training program is reviewed from time to time.

4. The organisation's induction program addresses employee roles and responsibilities in regard to their compliance with the organisation's record keeping plan.

The Shire has complied with Items 1 to 4.

Disability Access and Inclusion Plan (DAIP)

All Western Australian Local Government Authorities are required to develop and implement Disability Access and Inclusion Plans in accordance with the Disability Services Act (1993) to ensure people with disability have the same opportunity as others to access council services, facilities, information, employment and civic participation. The Shire of Katanning offers many services that ensure the community is inclusive of people with disability and their families.

People with disabilities represent a significant section of the Katanning community. According to the Disability Services Commission (Disability Services Commission website, 2004) the number of people living in the Shire of Katanning who have a disability is 17.8% of the total population. This represents almost one in five people or approximately 900 people. Given that Katanning is also a regional service provider for the Shire's of Broomehill, Woodanilling, Dumbleyung, Kojonup, Gnowangerup and Kent it can be estimated that the number of people with Disabilities for whom the Shire of Katanning provides services and facilities is significantly higher than 1000.

The vast majority of people with a disability (or disabilities) live in the community. It is therefore important that they have the same opportunities and choices as other people to participate in community life.

Given the broad range of services provided to its communities, Local Government plays a vital role in the lives of people with disabilities, their carer's and families.

In 2019-2020 the following Shire initiatives contributed towards the Achievement for the DAIP outcomes:

- The Shire of Katanning established a Disability Access & Inclusion Group. These meetings are held every six weeks at the Katanning Library which is an access friendly Shire venue. This was organised to get an idea of what we can improve and make ourselves aware of disability and accessibility issues.
- International day of people with disability event, was held at the new Katanning All Ages Playground. It included a free sausage sizzle and approximately 70 people took part in the event. We had the Katanning Senior High School's Bush Rangers students, local community members with physical disability, service providers and community members that came to the park but then took part in the event as well. The feedback about the All Ages Playground and the Changing Places facility was very positive.
- All Shire staff completed DAIP training which included the "Ask Me" video and presentation of ways to incorporate DAIP into events and work.
- Hi vis strips were painted on the steps of Quartermaine oval & the handrail was extended to the end of the stairs after one of our elderly patrons had a fall. There were comments made about the paint being slippery and has since been texturized.
- Re- arrangement of the library ensuring all areas are wheelchair/ gopher accessible including shelving, circulation desk and program space. Patrons with disabilities are enjoying an accessible library.
- Tactile Strips have been used on all recently upgraded footpaths and buildings.

7.1.2

- Shire Administration and Civic Centre has disability access including sensor opening doors, low reception desk for service, hearing loops on service counters, elevator for access to Council Chambers and disability toilets. Information on the Shire website for accessibility. Ordinary Council Meeting reminder advertised on social media monthly.
- All Ages Playground that was reopened in November 2019, has accessible pathways all around the park; an accessible aerial walkway and an all-abilities flying-fox seat. The drink fountains and barbeques are all-accessible. The playground also has Disability access toilets available. Information available on the Shire website.
- Library has trolleys provided for those that require extra support, including physical support by staff. Ensure our patrons with disabilities (visual impairment & Physical Impairment) are supported to access resources.

Employee Remuneration Disclosure

Regulation 19B of the *Local Government (Administration) Regulation 1996* requires the Shire to include the following information in its Annual Report:

- The number of employees of the Shire entitled to an annual salary of \$100,000 or more; and
- The number of those employees with an annual salary entitlement that falls within each band of \$10,000 over \$100,000.

Set out below, in bands of \$10,000, is the number of employees of the Shire entitled to an annual salary of \$100,000 or more.

Salary Range

\$ From	\$To	Number of Employees
130,000	139,999	2
140,000	149,999	
150,000	159,999	
160,000	169,999	
170,000	179,999	
180,000	189,999	1
Total		3

Public Interest Disclosures

The Public Interest Disclosures Act 2003 facilitates the disclosure of public interest information and provides protection for those making such disclosure and those who are the subject of disclosures. The Act provides a system for the matters disclosed to be investigated and for appropriate action to be taken. The Chief Executive Officer has complied with all obligations under the Act including:

Appointing the Executive Manager Corporate and Community as the PID officer for the organisation and publishing an internal procedure relating to the Shire's obligation. Providing protection from detrimental action or the threat of detrimental action for an employee of the Shire who makes an appropriate disclosure of public interest information.

There were no Public Interest Disclosure requests received during the reporting period.

Complaints Register

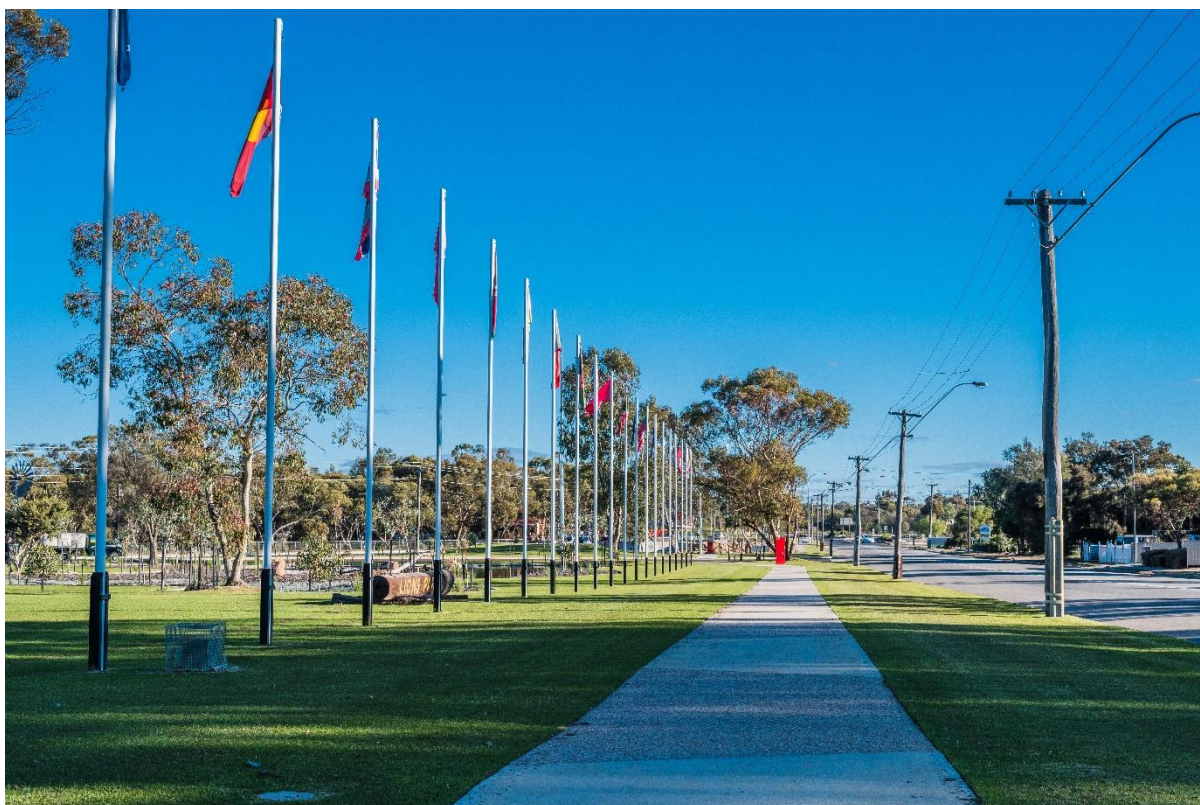
Section 5.121 of the *Local Government Act 1995* requires the Annual Report to contain details of the entries made in the Complaints Register regarding complaints made about elected members.

Nil complaints were lodged against elected members during the 2019-2020 period.



Shire of
Katanning
Heart of the Great Southern

Annual Financial Report
2019 – 2020



SHIRE OF KATANNING
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

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COMMUNITY VISION

A place for people, a place for community.

Principal place of business:
 52 Austral Terrace
 KATANNING WA 6317

**SHIRE OF KATANNING
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020**

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire of Katanning for the financial year ended 30 June 2020 is based on proper accounts and records to present fairly the financial position of the Shire of Katanning at 30 June 2020 and the results of the operations for the financial year then ended in accordance with the Local Government Act 1995 and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.

Signed on the 8th day of March 2021



Julian Murphy
Chief Executive Officer



7.1.2
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30 JUNE 2020

	NOTE	2020 Actual \$	2020 Budget \$	2019 Actual \$
Revenue				
Rates	30(a)	4,129,783	4,101,472	3,954,569
Operating grants, subsidies and contributions	2(a)	2,720,527	1,853,766	2,991,735
Fees and charges	2(a)	1,847,901	2,008,324	2,062,382
Interest earnings	2(a)	250,144	663,854	637,874
Other revenue	2(a)	691,290	507,700	538,022
		<u>9,639,645</u>	<u>9,135,116</u>	<u>10,184,582</u>
Expenses				
Employee costs		(4,343,319)	(4,252,067)	(4,578,759)
Materials and contracts		(1,927,847)	(2,915,839)	(1,946,648)
Utility charges		(477,188)	(491,219)	(507,896)
Depreciation on non-current assets	11(b)	(6,036,761)	(5,960,636)	(5,362,165)
Interest expenses	2(b)	(105,572)	(117,496)	(125,528)
Insurance expenses		(338,747)	(335,614)	(314,077)
Other expenditure		(303,726)	(396,743)	(362,311)
		<u>(13,533,160)</u>	<u>(14,469,614)</u>	<u>(13,197,384)</u>
		<u>(3,893,515)</u>	<u>(5,334,498)</u>	<u>(3,012,802)</u>
Non-operating grants, subsidies and contributions	2(a)	7,778,529	12,958,981	4,463,828
Profit on asset disposals	11(a)	55,228	0	68,684
(Loss) on asset disposals	11(a)	(30,693)	0	(101,771)
		<u>7,803,064</u>	<u>12,958,981</u>	<u>4,430,741</u>
Net result for the period		3,909,549	7,624,483	1,417,939
Total comprehensive income for the period		3,909,549	7,624,483	1,417,939

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



7.1.2
SHIRE OF KATANNING
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30 JUNE 2020

	NOTE	2020 Actual \$	2020 Budget \$	2019 Actual \$
Revenue				
	2(a)			
Governance		100,970	388,089	511,258
General purpose funding		6,527,059	5,496,772	6,391,630
Law, order, public safety		257,451	216,719	150,380
Health		719	3,844	1,297
Education and welfare		55,266	145,555	169,302
Housing		183,122	227,571	212,292
Community amenities		949,036	898,873	934,242
Recreation and culture		456,653	508,319	478,974
Transport		225,094	228,922	346,183
Economic services		815,362	975,452	944,259
Other property and services		68,913	45,000	44,765
		9,639,645	9,135,116	10,184,582
Expenses				
	2(b)			
Governance		(949,232)	(1,243,740)	(975,668)
General purpose funding		(263,064)	(314,665)	(328,172)
Law, order, public safety		(547,164)	(485,606)	(396,086)
Health		(197,331)	(171,035)	(161,920)
Education and welfare		(463,900)	(485,026)	(429,622)
Housing		(306,947)	(377,201)	(335,128)
Community amenities		(1,176,435)	(1,146,172)	(1,155,788)
Recreation and culture		(3,716,321)	(4,175,157)	(3,632,183)
Transport		(4,337,655)	(4,294,000)	(4,232,452)
Economic services		(1,404,081)	(1,626,900)	(1,387,608)
Other property and services		(65,457)	(32,616)	(37,229)
		(13,427,587)	(14,352,118)	(13,071,856)
Finance Costs				
	2(b)			
Governance		(99,251)	(107,617)	(110,773)
Housing		0	0	(1)
Community amenities		(70)	0	0
Recreation and culture		(279)	(1,376)	(2,930)
Other property and services		(5,973)	(8,503)	(11,824)
		(105,573)	(117,496)	(125,528)
		(3,893,515)	(5,334,498)	(3,012,802)
Non-operating grants, subsidies and contributions	2(a)	7,778,529	12,958,981	4,463,828
Profit on disposal of assets	11(a)	55,228	0	68,684
(Loss) on disposal of assets	11(a)	(30,693)	0	(101,771)
		7,803,064	12,958,981	4,430,741
Net result for the period		3,909,549	7,624,483	1,417,939
Total comprehensive income for the period		3,909,549	7,624,483	1,417,939

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

	NOTE	2020 \$	2019 Restated * \$	1 July 2018 Restated * \$
CURRENT ASSETS				
Cash and cash equivalents	3	11,995,238	15,761,111	23,110,387
Trade and other receivables	6	1,567,681	1,184,652	1,526,514
Other financial assets	5(a)	6,558,609	6,664,473	9,494,633
Inventories	7	15,086	4,578	4,821
Other assets	8	250	8,486	0
TOTAL CURRENT ASSETS		20,136,864	23,623,300	34,136,355
NON-CURRENT ASSETS				
Trade and other receivables	6	261,467	231,017	231,017
Other financial assets	5(b)	124,637	122,620	122,620
Property, plant and equipment	9	56,930,571	58,805,824	57,831,300
Infrastructure	10	156,778,582	152,317,821	148,581,117
Rehabilitation Assets	13	62,745	66,928	71,111
Right of use assets	12(a)	57,941	0	0
TOTAL NON-CURRENT ASSETS		214,215,943	211,544,210	206,837,165
TOTAL ASSETS		234,352,807	235,167,510	240,973,520
CURRENT LIABILITIES				
Trade and other payables	15	8,593,419	13,560,147	20,585,406
Contract liabilities	16	824,480	0	0
Lease liabilities	17(a)	19,589	0	0
Borrowings	18(a)	190,853	210,796	217,874
Employee related provisions	19	657,975	667,575	679,190
TOTAL CURRENT LIABILITIES		10,286,316	14,438,518	21,482,470
NON-CURRENT LIABILITIES				
Trade and other payables	15	22,565	22,565	22,565
Lease liabilities	17(a)	38,719	0	0
Borrowings	18(a)	2,335,060	2,525,913	2,736,709
Employee related provisions	19	122,771	169,586	165,392
Other provisions	20	940,819	913,417	886,812
TOTAL NON-CURRENT LIABILITIES		3,459,934	3,631,481	3,811,478
TOTAL LIABILITIES		13,746,250	18,069,999	25,293,948
NET ASSETS		220,606,557	217,097,511	215,679,572
EQUITY				
Retained surplus		96,664,061	94,337,395	91,656,321
Reserves - cash/financial asset backed	4	9,369,288	8,282,831	9,545,966
Revaluation surplus	14	114,573,208	114,477,285	114,477,285
TOTAL EQUITY		220,606,557	217,097,511	215,679,572

* See Note 36 for details regarding the restatement as a result of an error.

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



		RESERVES CASH/FINANCIAL		
	NOTE	RETAINED SURPLUS	ASSET BACKED	REVALUATION SURPLUS
		\$	\$	\$
Balance as at 1 July 2018		92,472,022	9,545,966	114,477,285
Correction of error	36	(815,701)	0	0
Restated total equity at the beginning of the financial year		91,656,321	9,545,966	114,477,285
Comprehensive income				
Net result for the period (restated)		1,417,939	0	0
Total comprehensive income		1,417,939	0	0
Transfers from reserves	4	3,663,662	(3,663,662)	0
Transfers to reserves	4	(2,400,527)	2,400,527	0
Balance as at 30 June 2019		94,337,395	8,282,831	114,477,285
Change in accounting policy	35(b)	(496,426)	0	95,923
Restated total equity at 1 July 2019		93,840,969	8,282,831	114,573,208
Comprehensive income				
Net result for the period		3,909,549	0	0
Total comprehensive income		3,909,549	0	0
Transfers from reserves	4	482,607	(482,607)	0
Transfers to reserves	4	(1,569,064)	1,569,064	0
Balance as at 30 June 2020		96,664,061	9,369,288	114,573,208

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

7.1.2
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020

	NOTE	2020 Actual \$	2020 Budget \$	2019 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		3,796,953	4,101,472	3,889,293
Operating grants, subsidies and contributions		3,118,255	1,853,766	3,423,920
Fees and charges		1,847,901	2,008,324	2,062,382
Interest received		250,144	663,854	637,874
Goods and services tax received		66,636	0	1,570,860
Other revenue		691,290	507,700	538,022
		9,771,179	9,135,116	12,122,351
Payments				
Employee costs		(4,344,199)	(4,252,067)	(4,607,185)
Materials and contracts		(6,854,184)	(10,152,234)	(8,929,968)
Utility charges		(477,188)	(491,219)	(507,896)
Interest expenses		(105,572)	(117,496)	(126,358)
Insurance paid		(338,747)	(335,614)	(314,077)
Goods and services tax paid		0	0	(1,624,254)
Other expenditure		(303,726)	(396,743)	(362,311)
		(12,423,616)	(15,745,373)	(16,472,049)
Net cash provided by (used in) operating activities	21	(2,652,437)	(6,610,257)	(4,349,698)
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for financial assets at amortised cost		0	0	2,830,160
Payments for purchase of property, plant & equipment	9(a)	(1,202,755)	(15,298,556)	(3,979,844)
Payments for construction of infrastructure	10(a)	(7,773,221)	(1,514,305)	(6,500,251)
Non-operating grants, subsidies and contributions	2(a)	7,778,529	12,958,981	4,463,828
Proceeds from financial assets at amortised cost - term deposits		105,864	0	0
Proceeds from financial assets at fair values through profit and loss		(2,017)	0	0
Proceeds from sale of property, plant & equipment	11(a)	209,354	0	377,798
Net cash provided by (used in) investment activities		(884,246)	(3,853,880)	(2,808,309)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	18(b)	(210,796)	(210,797)	(217,874)
Payments for principal portion of lease liabilities	17(b)	(18,394)	0	0
Proceeds from new borrowings	18(c)	0	710,000	0
Net cash provided by (used in) financing activities		(229,190)	499,203	(217,874)
Net increase (decrease) in cash held		(3,765,873)	(9,964,934)	(7,375,881)
Cash at beginning of year		15,761,111	22,217,236	23,110,387
Cash and cash equivalents at the end of the year	21	11,995,238	12,252,302	15,734,506

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

	NOTE	2020 Actual \$	2020 Budget \$	2019 Actual \$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)	31 (b)	2,628,810	2,533,659	5,245,655
		2,628,810	2,533,659	5,245,655
Revenue from operating activities (excluding rates)				
Governance		103,654	388,089	556,066
General purpose funding		2,401,634	1,399,700	2,441,253
Law, order, public safety		257,451	216,719	150,380
Health		719	3,844	1,297
Education and welfare		55,266	145,555	169,302
Housing		183,122	227,571	212,292
Community amenities		949,036	898,873	934,242
Recreation and culture		456,653	508,319	489,068
Transport		277,637	228,922	352,690
Economic services		815,362	975,452	951,534
Other property and services		68,913	45,000	44,765
		5,569,447	5,038,044	6,302,889
Expenditure from operating activities				
Governance		(1,048,485)	(1,351,357)	(1,087,041)
General purpose funding		(263,064)	(314,665)	(328,172)
Law, order, public safety		(547,164)	(485,606)	(396,086)
Health		(197,331)	(171,035)	(161,920)
Education and welfare		(463,900)	(485,026)	(429,622)
Housing		(306,947)	(377,201)	(335,129)
Community amenities		(1,176,505)	(1,146,172)	(1,160,713)
Recreation and culture		(3,716,600)	(4,176,533)	(3,687,690)
Transport		(4,368,346)	(4,294,000)	(4,266,863)
Economic services		(1,404,081)	(1,626,900)	(1,396,866)
Other property and services		(71,430)	(41,119)	(49,053)
		(13,563,853)	(14,469,614)	(13,299,155)
Non-cash amounts excluded from operating activities	31(a)	6,055,154	5,960,636	5,230,923
Amount attributable to operating activities		689,557	(937,275)	3,480,312
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	2(a)	7,778,529	12,958,981	4,463,828
Proceeds from disposal of assets	11(a)	209,354	0	377,798
Purchase of property, plant and equipment	9(a)	(1,202,755)	(15,298,556)	(3,979,844)
Purchase and construction of infrastructure	10(a)	(7,773,221)	(1,514,305)	(6,500,251)
Amount attributable to investing activities		(988,093)	(3,853,880)	(5,638,469)
FINANCING ACTIVITIES				
Repayment of borrowings	18(b)	(210,796)	(210,797)	(217,874)
Proceeds from borrowings	18(c)	0	710,000	0
Payments for principal portion of lease liabilities	17(b)	(18,394)	0	0
Transfers to reserves (restricted assets)	4	(1,569,064)	(7,955,199)	(2,400,527)
Transfers from reserves (restricted assets)	4	482,607	8,150,079	3,663,662
Amount attributable to financing activities		(1,315,647)	694,083	1,045,261
Surplus/(deficit) before imposition of general rates		(1,614,183)	(4,097,072)	(1,112,896)
Total amount raised from general rates	30(a)	4,125,426	4,097,072	3,950,377
Surplus/(deficit) after imposition of general rates	31(b)	2,511,242	0	2,837,481

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

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1. BASIS OF PREPARATION

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

AMENDMENTS TO LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996

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

From 1 July 2019, the Shire has applied AASB 16 *Leases* which requires leases to be included by lessees in the statement of financial position. Also, the *Local Government (Financial Management) Regulations 1996* have been amended to specify that vested land is a right-of-use asset to be measured at cost. All right-of-use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost (i.e. not included in the statement of financial position) rather than at fair value. The exception is vested improvements on concessionary land leases such as roads, buildings or other infrastructure which continue to be reported at fair value, as opposed to the vested land which is measured at zero cost. The measurement of vested improvements at fair value is a departure from AASB 16 which would have required the Shire to measure any vested improvements at zero cost.

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

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

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

NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE YEARS

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

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

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

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

CRITICAL ACCOUNTING ESTIMATES

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

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

THE LOCAL GOVERNMENT REPORTING ENTITY

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

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 37 to these financial statements.

2. REVENUE AND EXPENSES

REVENUE RECOGNITION POLICY

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

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

2. REVENUE AND EXPENSES

(a) Grant revenue

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

	2020 Actual	2020 Budget	2019 Actual
	\$	\$	\$
Operating grants, subsidies and contributions			
Governance	63,488	23,723	191,426
General purpose funding	2,128,131	1,043,500	2,045,927
Law, order, public safety	210,296	160,098	90,239
Education and welfare	52,287	134,805	159,213
Community amenities	4,498	4,808	5,512
Recreation and culture	1,179	63,000	48,464
Transport	206,323	217,872	332,765
Economic services	54,325	205,960	118,189
	2,720,527	1,853,766	2,991,735
Non-operating grants, subsidies and contributions			
Governance	5,858,717	10,561,107	3,652,534
Health	5,693	505,000	0
Community amenities	1,279,530	1,427,879	315,488
Recreation and culture	93,932	0	11,740
Transport	540,657	464,995	484,066
	7,778,529	12,958,981	4,463,828
Total grants, subsidies and contributions	10,499,056	14,812,747	7,455,563
Fees and charges			
Governance	604	1,700	1,202
General purpose funding	19,001	20,800	20,191
Law, order, public safety	18,277	26,438	30,068
Health	719	3,844	1,297
Education and welfare	2,946	10,500	10,051
Housing	60,430	79,800	66,524
Community amenities	793,679	743,065	759,127
Recreation and culture	201,714	363,035	344,862
Transport	9,357	7,850	7,736
Economic services	738,432	744,292	809,272
Other property and services	2,742	7,000	12,052
	1,847,901	2,008,324	2,062,382

SIGNIFICANT ACCOUNTING POLICIES

Grants, subsidies and contributions

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

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

Fees and Charges

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

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Contracts with customers and transfers for recognisable non-financial assets

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

	2020 Actual \$	2020 Budget \$	2019 Actual \$
Operating grants, subsidies and contributions	274,946	532,591	497,780
Non-operating grants, subsidies and contributions	7,778,529	12,958,981	4,463,828
	8,053,475	13,491,572	4,961,608
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:			
Contracts with customers included as a contract liability at the start of the period	208,671	0	0
Other revenue from contracts with customers recognised during the year	274,946	532,591	497,780
Other revenue from performance obligations satisfied during the year	7,569,858	12,958,981	4,463,828
	8,053,475	13,491,572	4,961,608
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	844,734	0	0
Contract liabilities from contracts with customers	(824,480)	0	0

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

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

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

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

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Revenue from statutory requirements

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

General rates

Other revenue

Reimbursements and recoveries

Other

Interest earnings

Interest on reserve funds

Rates instalment and penalty interest (refer Note 30(f))

Other interest earnings

	2020 Actual	2020 Budget	2019 Actual
	\$	\$	\$
General rates	4,125,426	4,097,072	3,950,377
	4,125,426	4,097,072	3,950,377
Other revenue			
Reimbursements and recoveries	69,839	108,797	114,481
Other	621,451	398,903	423,541
	691,290	507,700	538,022
Interest earnings			
Interest on reserve funds	136,166	180,000	218,816
Rates instalment and penalty interest (refer Note 30(f))	107,242	88,000	94,942
Other interest earnings	6,736	395,854	324,116
	250,144	663,854	637,874

SIGNIFICANT ACCOUNTING POLICIES

Interest earnings

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

Interest earnings (continued)

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

2. REVENUE AND EXPENSES (Continued)

(b) Expenses

Auditors remuneration

- Audit of the Annual Financial Report
- Other services

Interest expenses (finance costs)

Borrowings

Lease liabilities

Other expenditure

Impairment loss on trade and other receivables

Sundry expenses

Note	2020 Actual	2020 Budget	2019 Actual
	\$	\$	\$
	61,000	55,000	55,000
	15,650	15,000	10,200
	76,650	70,000	65,200
18(b)	108,167	117,496	125,528
17(b)	884	0	0
	109,051	117,496	125,528
	0	0	0
	303,726	396,743	362,311
	303,726	396,743	362,311

3. CASH AND CASH EQUIVALENTS

NOTE	2020	2019
	\$	\$
Cash at bank and on hand	11,995,238	15,761,111
Total cash and cash equivalents	11,995,238	15,761,111
Restrictions		
The following classes of assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:		
- Cash and cash equivalents	3,697,252	13,397,006
- Financial assets at amortised cost	6,558,609	6,664,473
	10,255,861	20,061,479

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

Reserves - cash/financial asset backed	4	9,369,288	8,282,831
Contract liabilities from contracts with customers	16	824,480	0
Bonds held	15	62,093	10,426
Unspent grants, subsidies and contributions		0	11,768,222
Total restricted assets		10,255,861	20,061,479

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.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

4. RESERVES - CASH/FINANCIAL ASSET BACKED

	2020 Actual Opening Balance	2020 Actual Transfer to	2020 Actual Transfer (from)	2020 Actual Closing Balance	2020 Budget Opening Balance	2020 Budget Transfer to	2020 Budget Transfer (from)	2020 Budget Closing Balance	2019 Actual Opening Balance	2019 Actual Transfer to	2019 Actual Transfer (from)	2019 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Leave reserve	729,458	20,179	0	749,637	729,214	65,848	0	795,062	660,997	68,461	0	729,458
(b) Plant Replacement Reserve	550,500	457,238	(31,585)	976,153	550,952	11,949	0	562,901	827,395	94,144	(371,039)	550,500
(c) Amherst Village Building Maintenance Reserve	93,070	11,374	0	104,444	93,084	12,144	0	105,228	91,225	1,845	0	93,070
(d) Amherst Village Refundable Deposits Reserve	1,013,412	16,929	0	1,030,341	1,013,128	22,070	(69,523)	965,675	1,171,929	28,038	(186,555)	1,013,412
(e) Saleyard Reserve	1,031,319	16,952	0	1,048,271	1,031,061	22,409	(122,556)	930,914	1,005,939	26,380	(1,000)	1,031,319
(f) Waste Management Reserve	989,335	168,881	0	1,158,216	989,100	144,093	0	1,133,193	893,245	96,090	0	989,335
(g) Land & Building Reserve	2,445,071	40,208	(45,000)	2,440,279	2,446,082	333,239	(885,000)	1,894,321	3,907,089	1,570,054	(3,032,072)	2,445,071
(h) Land & Building Facilities for Seniors Reserve	627,983	10,322	0	638,305	627,827	13,645	0	641,472	611,926	16,057	0	627,983
(i) New Saleyard Reserve	560,611	331,315	(318,405)	573,521	560,521	354,187	(300,000)	614,708	232,722	375,885	(47,996)	560,611
(j) Christmas Decoration Reserve	20,560	10,340	0	30,900	20,543	10,446	0	30,989	10,073	10,488	0	20,560
(k) GRV Revaluation Reserve	11,260	10,187	0	21,447	11,240	10,252	0	21,492	25,181	11,079	(25,000)	11,260
(l) Quartermaine Oval Reserve	95,191	51,564	0	146,755	95,117	52,067	0	147,184	52,909	42,282	0	95,191
(m) KLC Facilities Reserve	97,681	136,958	(77,617)	157,022	97,607	137,473	(15,500)	219,580	55,336	42,345	0	97,681
(n) Election Reserve	9,712	10,160	(10,000)	9,872	9,698	10,211	(10,000)	9,909	0	9,712	0	9,712
(o) Library Building Reserve	7,667	7,626	0	15,293	7,656	7,666	0	15,322	0	7,667	0	7,667
(p) Community & Economic Development Projects Reserve	0	268,832	0	268,832	0	0	0	0	0	0	0	0
(q) Heritage Project Reserve	0	0	0	0	0	6,747,500	(6,747,500)	0	0	0	0	0
	8,282,831	1,569,064	(482,607)	9,369,288	8,282,830	7,955,199	(8,150,079)	8,087,950	9,545,966	2,400,527	(3,663,662)	8,282,831

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

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

Name of Reserve	Anticipated date of use	Purpose of the reserve
(a) Leave reserve	Ongoing	- To fund annual and long service leave requirements.
(b) Plant Replacement Reserve	Ongoing	- To be used for future plant purchases.
(c) Amherst Village Building Maintenance Reserve	Ongoing	- To be used for maintenance at Amherst Village.
(d) Amherst Village Refundable Deposits Reserve	Ongoing	- To be used to fund refundable deposits at Amherst Village.
(e) Saleyard Reserve	Ongoing	- To be used for future capital and maintenance works.
(f) Waste Management Reserve	Ongoing	- To be used for capital and maintenance works.
(g) Land & Building Reserve	Ongoing	- To provide for construction and maintenance of council owned buildings.
(h) Land & Building Facilities for Seniors Reserve	Ongoing	- To be used for construction and maintenance of land and buildings for the use of seniors.
(i) New Saleyard Reserve	Ongoing	- To be used for future capital and maintenance works.
(j) Christmas Decoration Reserve	Ongoing	- To be used to fund future significant christmas decoration purchases.
(k) GRV Revaluation Reserve	Ongoing	- To be used to fund quinquennial gross rental value revaluations.
(l) Quartermaine Oval Reserve	Ongoing	- To be used to fund future maintenance and upgrades to Quartermaine Oval.
(m) KLC Facilities Reserve	Ongoing	- To be used to fund future maintenance and upgrades to the KLC building and grounds.
(n) Election Reserve	Ongoing	- To be used to fund biennial councillor elections.
(o) Library Building Reserve	Ongoing	- To be used to fund future maintenance and upgrades to the library building.
(p) Community & Economic Development Projects Reserve	Ongoing	- To be used to fund Community & Economic Development Projects.
(q) Heritage Project Reserve	Ongoing	- To be used for the Heritage Centre Project.

5. OTHER FINANCIAL ASSETS

(a) Current assets

Financial assets at amortised cost

Other financial assets at amortised cost

Term deposits

(b) Non-current assets

Financial assets at fair value through profit and loss

Financial assets at fair value through profit and loss

Units in Local Government House Trust

2020	2019
\$	\$
6,558,609	6,664,473
6,558,609	6,664,473
6,558,609	6,664,473
6,558,609	6,664,473
124,637	122,620
124,637	122,620
124,637	122,620
124,637	122,620

SIGNIFICANT ACCOUNTING POLICIES

Other financial assets at amortised cost

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

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

Financial assets at fair value through profit and loss

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

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

Impairment and risk

Information regarding impairment and exposure to risk can be found at Note 32.

6. TRADE AND OTHER RECEIVABLES

Current

Rates receivable
GST receivable
Sundry Debtors
Allowance for impairment of receivables
Accrued Income

Non-current

Pensioner's rates and ESL deferred

2020	2019
\$	\$
954,474	652,094
41,085	178,519
732,851	657,647
(303,608)	(303,608)
142,879	0
1,567,681	1,184,652
261,467	231,017
261,467	231,017

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 32.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Classification and subsequent measurement

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

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

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

7. INVENTORIES

Current

Fuel and materials

2020	2019
\$	\$
15,086	4,578
15,086	4,578
4,578	4,821
(147,630)	(150,256)
158,138	150,013
15,086	4,578

The following movements in inventories occurred during the year:

Carrying amount at beginning of period

Inventories expensed during the year

Additions to inventory

Carrying amount at end of period

SIGNIFICANT ACCOUNTING POLICIES

General

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

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

8. OTHER ASSETS

Other assets - current

Prepayments

2020	2019
\$	\$
250	8,486
250	8,486

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.

9. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Carrying Amounts

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

	Land - freehold land	Total land	Buildings - non- specialised	Buildings - specialised	Total buildings	Total land and buildings	Furniture	Plant	Paintings & Sculptures	Motor Vehicles	Equipment	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2018	3,543,100	3,543,100	3,039,675	46,953,263	49,992,938	53,536,038	14,288	2,790,993	253,400	452,367	784,214	57,831,300
Additions	0	0	38,181	2,927,796	2,965,977	2,965,977	182,732	425,996	0	323,407	81,732	3,979,844
(Disposals)	(77,500)	(77,500)	0	(17,451)	(17,451)	(94,951)	(4,549)	(119,476)	0	(189,709)	(2,200)	(410,885)
Depreciation (expense)	0	0	(105,352)	(1,721,279)	(1,826,631)	(1,826,631)	(7,730)	(461,624)	0	(173,172)	(125,278)	(2,594,435)
Carrying amount at 30 June 2019	3,465,600	3,465,600	2,972,504	48,142,329	51,114,833	54,580,433	184,741	2,635,889	253,400	412,893	738,468	58,805,824
Comprises:												
Gross carrying amount at 30 June 2019	3,465,600	3,465,600	3,183,262	51,560,451	54,743,713	58,209,313	194,093	3,858,911	253,400	668,119	1,060,946	64,244,782
Accumulated depreciation at 30 June 2019	0	0	(210,758)	(3,418,122)	(3,628,880)	(3,628,880)	(9,352)	(1,223,022)	0	(255,226)	(322,478)	(5,438,958)
Carrying amount at 30 June 2019	3,465,600	3,465,600	2,972,504	48,142,329	51,114,833	54,580,433	184,741	2,635,889	253,400	412,893	738,468	58,805,824
Change in accounting policy (Note 35(a))	(51,000)	(51,000)	0	(140,832)	(140,832)	(191,832)	0	0	0	0	0	(191,832)
Carrying amount at 1 July 2019	3,414,600	3,414,600	2,972,504	48,001,497	50,974,001	54,388,601	184,741	2,635,889	253,400	412,893	738,468	58,613,992
Additions	30,000	30,000	245,244	796,863	1,042,107	1,072,107	93,932	0	0	31,585	5,131	1,202,755
(Disposals)	0	0	0	0	0	0	0	(169,608)	0	(15,211)	0	(184,819)
Depreciation (expense)	0	0	(108,429)	(1,814,313)	(1,922,742)	(1,922,742)	(19,409)	(462,864)	0	(166,408)	(129,934)	(2,701,357)
Carrying amount at 30 June 2020	3,444,600	3,444,600	3,109,319	46,984,047	50,093,366	53,537,966	259,264	2,003,417	253,400	262,859	613,665	56,930,571
Comprises:												
Gross carrying amount at 30 June 2020	3,444,600	3,444,600	3,428,506	52,170,236	55,598,742	59,043,342	288,025	3,526,911	253,400	667,528	1,066,077	64,845,283
Accumulated depreciation at 30 June 2020	0	0	(319,187)	(5,186,189)	(5,505,376)	(5,505,376)	(28,761)	(1,523,494)	0	(404,669)	(452,412)	(7,914,712)
Carrying amount at 30 June 2020	3,444,600	3,444,600	3,109,319	46,984,047	50,093,366	53,537,966	259,264	2,003,417	253,400	262,859	613,665	56,930,571

9. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Land and buildings					
Land - freehold land	2	Market approach using recent or estimated observable market data for similar properties	Management Valuation	June 2017	Price per hectare
Land - freehold land	2 & 3	Cost approach using depreciated replacement cost (Net Revaluation method)	Management Valuation	June 2017	Improvements to land using construction costs (Level 2) and current condition, residual values and remaining useful life assessments (Level 3) inputs.
Buildings - non-specialised	2	Market approach using recent or estimated observable market data for similar properties	Management Valuation	June 2017	Open market values of similar items adjusted for condition and comparability.
Buildings - specialised	2 & 3	Cost approach using depreciated replacement cost (Net Revaluation method)	Management Valuation	June 2017	Construction costs (Level 2) and current condition, residual values and remaining useful life assessments (Level 3) inputs.
Furniture	2	Market approach using recent or estimated observable market data for similar properties	Management Valuation	June 2016	Open market values of similar items adjusted for condition and comparability.
Plant	2	Market approach using recent or estimated observable market data for similar properties	Management Valuation	June 2016	Open market values of similar items adjusted for condition and comparability.
Paintings & Sculptures	2	Market approach using recent or estimated observable market data for similar properties	Independent registered valuer	June 2018	Market price
Motor Vehicles	2	Market approach using recent or estimated observable market data for similar properties	Management Valuation	June 2016	Open market values of similar items adjusted for condition and comparability.
Equipment	2	Market approach using recent or estimated observable market data for similar properties	Management Valuation	June 2016	Open market values of similar items adjusted for condition and comparability.

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

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

Following a change to *Local Government (Financial Management) Regulation 17A*, plant and equipment type assets (being furniture, plant, paintings and sculptures, motor vehicles 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.

10. INFRASTRUCTURE

(a) Movements in Carrying Amounts

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

	Infrastructure - Roads	Infrastructure - Footpaths	Infrastructure - Drainage	Infrastructure - Parks & Ovals	Other infrastructure	Infrastructure - Bridges	Total Infrastructure
	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2018	122,209,618	1,834,743	10,285,816	4,009,468	9,877,281	364,191	148,581,117
Additions	1,260,504	0	779	3,974,645	1,264,323	0	6,500,251
Depreciation (expense)	(1,996,417)	(123,278)	(178,315)	(206,279)	(249,229)	(10,029)	(2,763,547)
Carrying amount at 30 June 2019	121,473,705	1,711,465	10,108,280	7,777,834	10,892,375	354,162	152,317,821
Comprises:							
Gross carrying amount at 30 June 2019	123,470,122	1,834,743	10,286,595	7,984,113	11,141,604	364,191	155,081,368
Accumulated depreciation at 30 June 2019	(1,996,417)	(123,278)	(178,315)	(206,279)	(249,229)	(10,029)	(2,763,547)
Carrying amount at 30 June 2019	121,473,705	1,711,465	10,108,280	7,777,834	10,892,375	354,162	152,317,821
Additions	747,421	103,070	67,181	5,197,669	1,657,880	0	7,773,221
Depreciation (expense)	(2,040,328)	(123,355)	(178,888)	(706,295)	(253,565)	(10,029)	(3,312,460)
Carrying amount at 30 June 2020	120,180,798	1,691,180	9,996,573	12,269,208	12,296,690	344,133	156,778,582
Comprises:							
Gross carrying amount at 30 June 2020	124,217,543	1,937,813	10,353,776	13,181,782	12,799,484	364,191	162,854,589
Accumulated depreciation at 30 June 2020	(4,036,745)	(246,633)	(357,203)	(912,574)	(502,794)	(20,058)	(6,076,007)
Carrying amount at 30 June 2020	120,180,798	1,691,180	9,996,573	12,269,208	12,296,690	344,133	156,778,582

10. INFRASTRUCTURE (Continued)

(b) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Infrastructure - Roads	3	Cost approach using depreciated replacement cost (Gross Revaluation method)	Management Valuation	June 2018	Construction costs and current condition, residual values and remaining useful life assessments (level 3) inputs
Infrastructure - Footpaths	3	Cost approach using depreciated replacement cost (Gross Revaluation method)	Management Valuation	June 2018	Construction costs and current condition, residual values and remaining useful life assessments (level 3) inputs
Infrastructure - Drainage	3	Cost approach using depreciated replacement cost (Gross Revaluation method)	Management Valuation	June 2018	Construction costs and current condition, residual values and remaining useful life assessments (level 3) inputs
Infrastructure - Parks & Ovals	3	Cost approach using depreciated replacement cost (Gross Revaluation method)	Management Valuation	June 2018	Construction costs and current condition, residual values and remaining useful life assessments (level 3) inputs
Other infrastructure	3	Cost approach using depreciated replacement cost (Gross Revaluation method)	Management Valuation	June 2018	Construction costs and current condition, residual values and remaining useful life assessments (level 3) inputs
Infrastructure - Bridges	3	Cost approach using depreciated replacement cost (Gross Revaluation method)	Management Valuation	June 2018	Construction costs and current condition, residual values and remaining useful life assessments (level 3) inputs

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

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

11. FIXED ASSETS

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

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

Initial recognition and measurement between mandatory revaluation dates

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

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

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

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

Revaluation

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

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.

AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY

Land under control prior to 1 July 2019

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

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

Land under roads prior to 1 July 2019

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

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

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

Whilst such treatment is inconsistent with the requirements of *AASB 1051, Local Government (Financial Management) Regulation 4(2)* provides, in the event of such an inconsistency, the *Local Government (Financial Management) Regulations* prevail. Consequently, any land under roads acquired on or after 1 July 2008 was not included as an asset of the Shire.

Land under roads from 1 July 2019

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

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

Vested improvements from 1 July 2019

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

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

11. FIXED ASSETS

(a) Disposals of Assets

	2020 Actual Net Book Value	2020 Actual Sale Proceeds	2020 Actual Profit	2020 Actual Loss	2020 Budget Net Book Value	2020 Budget Sale Proceeds	2020 Budget Profit	2020 Budget Loss	2019 Actual Net Book Value	2019 Actual Sale Proceeds	2019 Actual Profit	2019 Actual Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Land - freehold land	0	0	0	0	0	0	0	0	77,500	41,613	7,273	(43,160)
Buildings - specialised	0	0	0	0	0	0	0	0	17,451	0	0	(17,451)
Furniture	0	0	0	0	0	0	0	0	4,549	0	0	(4,549)
Plant	169,608	190,617	51,702	(30,693)	0	0	0	0	119,476	88,457	0	(31,019)
Motor Vehicles	15,211	18,737	3,526	0	0	0	0	0	189,709	247,728	61,411	(3,392)
Equipment	0	0	0	0	0	0	0	0	2,200	0	0	(2,200)
	184,819	209,354	55,228	(30,693)	0	0	0	0	410,885	377,798	68,684	(101,771)

The following assets were disposed of during the year.

	2020 Actual Net Book Value	2020 Actual Sale Proceeds	2020 Actual Profit	2020 Actual Loss
	\$	\$	\$	\$
Plant and Motor Vehicles				
Governance				
Holden Commodore ZB RS Lift Back	14,588	17,272	2,684	0
Transport				
Honda Motorcycle	623	1,465	842	0
Manitou Mlt 1035 LT LSU	35,048	51,974	16,926	0
JCB 3CS Backhoe	68,121	37,428	0	(30,693)
Volvo BL71 Backhoe	8,658	23,675	15,017	0
2009 DAF CF85 460 Tipper	57,781	77,540	19,759	0
	184,819	209,354	55,228	(30,693)

11. FIXED ASSETS

(b) Depreciation

	2020 Actual	2020 Budget	2019 Actual
	\$	\$	\$
Buildings - non-specialised	108,429	0	105,352
Buildings - specialised	1,814,313	1,951,973	1,721,279
Furniture	19,409	7,895	7,730
Plant	462,864	499,884	461,624
Motor Vehicles	166,408	129,549	173,172
Equipment	129,934	101,854	125,278
Infrastructure - Roads	2,040,328	2,069,350	1,996,417
Infrastructure - Footpaths	123,355	123,278	123,278
Infrastructure - Drainage	178,888	178,315	178,315
Infrastructure - Parks & Ovals	706,295	598,608	206,279
Other infrastructure	253,565	289,901	249,229
Infrastructure - Bridges	10,029	10,029	10,029
Right-of-use assets - plant and equipment	18,761	0	0
Rehabilitation asset - Katanning Landfill Site	4,183	0	4,183
	6,036,761	5,960,636	5,362,165

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
Land	Not depreciated
Buildings - non-specialised	8 - 34 Years
Buildings - specialised	4 - 63 Years
Furniture & Fittings	10 - 24 Years
Plant	5 - 10 Years
Equipment	5 - 50 Years
Motor Vehicles	4 - 5 Years
Paintings & Sculptures	Not depreciated
Infrastructure - Roads (Sub Grade)	Not depreciated
Infrastructure - Roads (Surface)	8 years
Infrastructure - Roads (Pavement)	45 Years
Infrastructure - Road (Kerbing)	85 Years
Infrastructure - Footpaths	15 Years
Infrastructure - Drainage	25 - 76 Years
Infrastructure - Parks & Ovals	12 - 56 Years
Infrastructure - Other	6 - 111 Years
Infrastructure - Bridges	23 - 56 Years

Depreciation on revaluation

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

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

Amortisation

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

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

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

12. LEASES

(a) Right-of-Use Assets

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

	Right-of-use assets - plant and equipment	Right-of-use assets Total
	\$	
Carrying amount at 30 June 2019	0	0
Recognised on initial application of AASB 16	76,702	76,702
Depreciation (expense)	(18,761)	(18,761)
Carrying amount at 30 June 2020	57,941	57,941
(b) Cash outflow from leases		
Interest expense on lease liabilities	884	884
Lease principal expense	18,394	18,394
Total cash outflow from leases	19,278	19,278
(c) Other expenses and income relating to leases		
Income from sub leasing Right-of-use assets	3,469	3,469
	3,469	3,469

SIGNIFICANT ACCOUNTING POLICIES

Leases

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

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

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

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

Right-of-use assets - valuation

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

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

Right-of-use assets - depreciation

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

13. REHABILITATION ASSETS

Non-current

Rehabilitation asset - Katanning Landfill Site
Less: Accumulated amortisation

2020 Actual	2019 Actual
\$	\$
280,262	280,262
(217,517)	(213,334)
62,745	66,928

Movements in carrying amounts of waste landfill assets during the financial year are shown as follows:

Carrying amount at beginning of period

Recognition of Rehabilitation asset - Katanning Landfill Site

Amortisation expense

Carrying amount at end of period

66,928	0
0	71,111
(4,183)	(4,183)
62,745	66,928

The Shire has a legal obligation to rehabilitate the Katanning Landfill Site once it is closed. Previous annual financial reports identified this site under the note Contingent Liabilities where no costing information was available. During the year the Shire commissioned an assessment of the Shire of Katanning Landfill site closure costs, providing a reasonably reliable estimate relating to the future costs and timing of closing the landfill site. A correction of prior year error (refer to Note 36) has been raised to provide for the costs of closure as at 1 July 2018 and increase the cost of waste facility assets at the same time. Amendments were made to the 30 June 2019 balances for the depreciation of the assets and change in the present value of the provision during the year ended 30 June 2019.

14. REVALUATION SURPLUS

	2020 Opening Balance	2020 Change in Accounting Policy	2020 Revaluation Increment	2020 Revaluation (Decrement)	Total Movement on Revaluation	2020 Closing Balance	2019 Opening Balance	2019 Revaluation Increment	2019 Revaluation (Decrement)	Total Movement on Revaluation	2019 Closing Balance
	\$		\$	\$	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land - freehold land	5,916,036	(51,000)	0	0	0	5,865,036	5,916,036	0	0	0	5,916,036
Revaluation surplus - Buildings - non-specialised	299,740	0	0	0	0	299,740	299,740	0	0	0	299,740
Revaluation surplus - Buildings - specialised	6,300,165	146,923	0	0	0	6,447,088	6,300,165	0	0	0	6,300,165
Revaluation surplus - Furniture	1,773	0	0	0	0	1,773	1,773	0	0	0	1,773
Revaluation surplus - Plant	1,011,022	0	0	0	0	1,011,022	1,011,022	0	0	0	1,011,022
Revaluation surplus - Paintings & Sculptures	240,066	0	0	0	0	240,066	240,066	0	0	0	240,066
Revaluation surplus - Motor Vehicles	160,555	0	0	0	0	160,555	160,555	0	0	0	160,555
Revaluation surplus - Equipment	579,346	0	0	0	0	579,346	579,346	0	0	0	579,346
Revaluation surplus - Infrastructure - Roads	82,408,244	0	0	0	0	82,408,244	82,408,244	0	0	0	82,408,244
Revaluation surplus - Infrastructure - Footpaths	1,480,269	0	0	0	0	1,480,269	1,480,269	0	0	0	1,480,269
Revaluation surplus - Infrastructure - Drainage	10,454,103	0	0	0	0	10,454,103	10,454,103	0	0	0	10,454,103
Revaluation surplus - Infrastructure - Parks & Ovals	1,487,166	0	0	0	0	1,487,166	1,487,166	0	0	0	1,487,166
Revaluation surplus - Other infrastructure	4,078,974	0	0	0	0	4,078,974	4,078,974	0	0	0	4,078,974
Revaluation surplus - Infrastructure - Bridges	59,826	0	0	0	0	59,826	59,826	0	0	0	59,826
	114,477,285	95,923	0	0	0	114,573,208	114,477,285	0	0	0	114,477,285

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.

15. TRADE AND OTHER PAYABLES

Current

Sundry creditors
Income received in advance
Accrued salaries and wages
ATO liabilities
Accrued interest on debentures
Amherst deposits
Accrued Expenditure
Bonds

2020	2019
\$	\$
796,315	11,252
6,583,523	11,491,197
52,431	9,006
0	58,685
14,437	14,588
1,036,928	934,539
47,692	1,030,454
62,093	10,426
8,593,419	13,560,147

Non Current

Provision for excess on changeover Amherst Village Units

22,565	22,565
22,565	22,565

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.

16. CONTRACT LIABILITIES

Current

Contract liabilities from contracts with customers

2020	2019
\$	\$
824,480	0
824,480	0

SIGNIFICANT ACCOUNTING POLICIES

Contract Liabilities

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

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

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

17. LEASE LIABILITIES

(a) Lease Liabilities					2020		2019	
					\$		\$	
Current						19,589		0
Non-current						38,719		0
						58,308		0

(b) Movements in Carrying Amounts																
Purpose	Lease Number	Institution	Lease Interest Rate	Lease Term	Actual Lease Principal 1 July 2019	30 June 2020 Actual Lease Principal Repayments	30 June 2020 Actual Lease Principal Outstanding	30 June 2020 Actual Lease Interest Repayments	Budget Lease Principal 1 July 2019	30 June 2020 Budget Lease Principal Repayments	30 June 2020 Budget Lease Principal Outstanding	30 June 2020 Budget Lease Interest Repayments	Actual Lease Principal 1 July 2018	30 June 2019 Actual Lease Principal Repayments	30 June 2019 Actual Lease Principal Outstanding	30 June 2019 Actual Lease Interest Repayments
					\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Community amenities																
LCDC Vehicle - Holden Colorado	1706081/1	Custom Service Leasing Ltd	25.0%	24 months	7,360	3,350	4,010	70	7,360	0	7,360	4,266	0		0	5,872
Recreation and culture																
Matrix Spin Bicycles (x11)	000041	Maia Financial Pty Ltd T/a Alleasing	n/a	60 months	14,164	4,294	9,870	159	14,164	0	14,164	4,899	0		0	4,453
Other property and services																
CESM Vehicle - Isuzu D-Max Ute	491912/001	SG Fleet Australia Pty Ltd	26.69%	48 months	55,178	10,750	44,428	655	55,178	0	55,178	9,840	0		0	10,660
					76,702	18,394	58,308	884	76,702	0	76,702	19,005	0	0	0	20,985

18. INFORMATION ON BORROWINGS

(a) Borrowings

	2020	2019
	\$	\$
Current	190,853	210,796
Non-current	2,335,060	2,525,913
	2,525,913	2,736,709

(b) Repayments - Borrowings

Particulars	Loan Number	Institution	Interest Rate	Actual	30 June 2020	30 June 2020	30 June 2020	Budget	30 June 2020	30 June 2020	30 June 2020	30 June 2020	Actual	30 June 2019	30 June 2019	30 June 2019
				Principal	Actual	Actual	Actual		Budget	Budget	Budget	Budget		Actual	Actual	Actual
				1 July 2019	Principal repayments	Interest repayments	Principal outstanding		Principal 1 July 2019	New Loans	Principal repayments	Interest repayments		Principal outstanding	Principal 1 July 2018	Principal repayments
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Governance																
New Administration Building	158	WATC*	3.80%	2,414,608	88,667	99,251	2,325,941	2,414,608	0	88,668	107,617	2,325,940	2,500,000	85,392	110,773	2,414,608
Aged & Key Worker Accommodation	n/a	WATC*	n/a	0	0	0	0		710,000	0	0	710,000	0	0	0	0
Recreation and culture																
Katanning Aquatic Centre	148	WATC*	5.97%	25,693	25,693	1,233	0	25,693	0	25,693	1,376	0	49,918	24,225	2,930	25,693
Other property and services																
Footpath Sweeper	155	WATC*	3.43%	0	0	0	0	0	0	0	0	0	14,113	14,113	414	0
Road Sweeper	156	WATC*	2.42%	179,396	58,366	4,650	121,030	179,396	0	58,366	5,146	121,030	236,375	56,979	6,906	179,396
Tipping Truck	157	WATC*	2.42%	117,012	38,070	3,033	78,942	117,012	0	38,070	3,357	78,942	154,177	37,165	4,504	117,012
				2,736,709	210,796	108,167	2,525,913	2,736,709	710,000	210,797	117,496	3,235,912	2,954,583	217,874	125,528	2,736,709

* WA Treasury Corporation

All loan repayments were financed by general purpose revenue.

18. INFORMATION ON BORROWINGS (Continued)

(c) New Borrowings - 2019/20

Particulars/Purpose	Institution	Loan Type	Term Years	Interest Rate	Amount Borrowed		Amount (Used)		Total Interest & Charges	Actual Balance Unspent
					2020 Actual	2020 Budget	2020 Actual	2020 Budget		
				%	\$	\$	\$	\$	\$	\$
Aged & Key Worker Accommodat	WATC*	Debenture	15	2.20%	0	710,000	0	710,000	0	0
* WA Treasury Corporation					0	710,000	0	710,000	0	0

(d) Undrawn Borrowing Facilities Credit Standby Arrangements

	2020	2019
	\$	\$
Bank overdraft limit	250,000	250,000
Credit card limit	65,000	65,000
Credit card balance at balance date	(2,607)	(6,375)
Total amount of credit unused	312,393	308,625

Loan facilities

Loan facilities - current	190,853	210,796
Loan facilities - non-current	2,335,060	2,525,913
Lease liabilities - current	19,589	0
Lease liabilities - non-current	38,719	0
Total facilities in use at balance date	2,584,221	2,736,709

Unused loan facilities at balance date	0	0
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SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

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

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

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

Borrowing costs

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

Risk

Information regarding exposure to risk can be found at Note 32.

19. EMPLOYEE RELATED PROVISIONS

(a) Employee Related Provisions

Opening balance at 1 July 2019

Current provisions
Non-current provisions

Additional provision
Amounts used
Balance at 30 June 2020

Comprises

Current
Non-current

	Provision for Annual Leave	Provision for Long Service Leave	Total
	\$	\$	\$
Opening balance at 1 July 2019			
Current provisions	401,717	265,858	667,575
Non-current provisions	0	169,586	169,586
	401,717	435,444	837,161
Additional provision	222,905	1,767	224,673
Amounts used	(254,693)	(26,394)	(281,088)
Balance at 30 June 2020	369,929	410,817	780,746
Comprises			
Current	369,929	288,046	657,975
Non-current	0	122,771	122,771
	369,929	410,817	780,746

Amounts are expected to be settled on the following basis:

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

	2020	2019
	\$	\$
Less than 12 months after the reporting date	338,178	470,999
More than 12 months from reporting date	501,132	467,203
Expected reimbursements from other WA local governments	(58,564)	(101,041)
	780,746	837,161

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

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

Short-term employee benefits

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

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

Other long-term employee benefits

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

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

Other long-term employee benefits (Continued)

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

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

Provisions

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

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

20. OTHER PROVISIONS

	Provision for Remediation	
	Costs	Total
	\$	\$
Opening balance at 1 July 2018 (Restated)		
Non-current provisions	886,812	886,812
	<u>886,812</u>	<u>886,812</u>
Increase in the discounted amount arising because of time and the effect of any change in the discounted rate	26,605	26,605
Balance at 30 June 2019 (Restated)	<u>913,417</u>	<u>913,417</u>
Comprises		
Current	0	0
Non-current	913,417	913,417
	<u>913,417</u>	<u>913,417</u>
(Restated)		
Increase in the discounted amount arising because of time and the effect of any change in the discounted rate	27,402	27,402
Balance at 30 June 2020	<u>940,819</u>	<u>940,819</u>
Comprises		
Current	0	0
Non-current	940,819	940,819
	<u>940,819</u>	<u>940,819</u>

Provision for remediation costs

Comparative figures for this note were zero in previous annual financial reports, where no costing information was available. During the year the Shire commissioned an assessment of the Shire of Katanning Landfill site closure costs, providing a reasonably reliable estimate relating to the future costs and timing of closing the landfill site. A correction of prior year error (refer to Note 36) has been raised to provide for the costs of closure as at 1 July 2018 and increase the cost of waste facility assets at the same time. Amendments were made to the 30 June 2019 balances for the depreciation of the assets and change in the present value of the provision during the year ended 30 June 2019.

Under the licence for the operation of the Katanning Landfill site, the Shire has a legal obligation to restore the site.

20. OTHER PROVISIONS (Continued)

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 obligation is unable to be reliably estimated as it is dependent on the remaining life of the waste facility.

The expected closure date of the landfill site is currently assessed as 30 June 2035, which is an estimate of trench life for putrescible waste. The recent construction of the regional transfer station on this site signifies an unlimited life as a waste transfer facility.

The Shire had no other provisions as at the financial year ended 30 June 2020.

21. NOTES TO THE STATEMENT OF CASH FLOWS

Reconciliation of Cash

For the purposes of the Statement of Cash Flows, cash includes cash and cash equivalents, net of outstanding bank overdrafts. Cash at the end of the reporting period is reconciled to the related items in the Statement of Financial Position as follows:

	2020 Actual \$	2020 Budget \$	2019 Actual \$
Cash and cash equivalents	11,995,238	12,252,302	15,761,111
Reconciliation of Net Cash Provided By Operating Activities to Net Result			
Net result	3,909,549	7,624,483	1,417,939
Non-cash flows in Net result:			
Depreciation on non-current assets	6,036,761	5,960,636	5,362,165
(Profit)/loss on sale of asset	(24,535)	0	33,087
Loss on revaluation of fixed assets	0	0	0
Changes in assets and liabilities:			
(Increase)/decrease in receivables	(484,278)	0	333,376
(Increase)/decrease in other assets	8,236	0	0
(Increase)/decrease in inventories	(10,508)	0	243
Increase/(decrease) in payables	(4,895,929)	(7,236,395)	(7,025,259)
Increase/(decrease) in provisions	(29,013)	0	(7,421)
Increase/(decrease) in contract liabilities	615,809	0	0
Non-operating grants, subsidies and contributions	(7,778,529)	(12,958,981)	(4,463,828)
Net cash from operating activities	(2,652,437)	(6,610,257)	(4,349,698)

22. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2020	2019
	\$	\$
Governance	13,714,091	7,365,963
General purpose funding	1,406,775	0
Law, order, public safety	533,245	257,913
Health	209,057	226,587
Education and welfare	1,090,205	305,167
Housing	7,202,898	6,166,834
Community amenities	6,595,133	1,805,062
Recreation and culture	32,969,060	31,947,664
Transport	138,869,555	140,703,639
Economic services	23,919,524	22,503,739
Other property and services	2,738,024	30,625
Unallocated	5,105,241	23,854,317
	234,352,807	235,167,510

23. CONTINGENT LIABILITIES

The Shire of Katanning has in compliance with the *Contaminated Sites Act 2003* section 11 identified the following sites - in relation to land owned, vested or leased - that is known to be or suspected of being contaminated.

Until the Shire conducts an investigation to determine the presence and scope of contamination, assess the risk and agree with the Department of Water and Environmental Regulation the need and criteria for remediation on a risk based approach, the amount of the contingent liability is unknown. This approach is consistent with the Department of Water and Environmental Regulation Guidelines.

1. The Old Saleyard - Lot 505 Dore Street, Katanning

According to Department of Water and Environmental Regulation records, this land has been reported as a known or suspected contaminated site. It includes 24 parcels listed as "contaminated - restricted use" and one parcel listed as "remediated for restricted use", identified following a contamination assessment to assess the Site's suitability for a proposed change of land use from a livestock saleyard to light industrial. Based on the available information, the Site appears suitable for continued commercial/industrial land use, however further assessment of potential contamination will be undertaken before any change to a more sensitive land use.

The Shire has engaged a contractor to undertake a post closure management plan, with further costing details expected by 30 June 2021. When this information becomes available, prior year adjustments will be made to the financial statements as required in the 2020/21 Annual Financial Report.

2. Katanning Regional Sheep Saleyard - Crown Reserve 50922, Lot 500 Katanning-Nyabing Road, Katanning

This site is suspected of being contaminated but has not been assessed at this time.

3. Shire Depot - Lot 996 Cullen Street, Katanning

This site is suspected of being contaminated but has not been assessed at this time.

24. CAPITAL COMMITMENTS

(a) Capital Expenditure Commitments

Contracted for:

- capital expenditure projects	2,824,327	724,688
- plant & equipment purchases	511,526	0
	3,335,853	724,688

Payable:

- not later than one year	3,335,853	724,688
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The capital expenditure project outstanding at the end of the current reporting period represents the construction of the Piesse Lake Residential Development and Great Southern Aged Accommodation Project.

The plant & equipment purchases outstanding at the end of the current reporting period represents the purchase of a John Deere Backhoe, Case Front End Loader and two Fuso Canter Trucks.

The prior year commitment was for the construction of the tip shed, all ages playground, relocation of the bowling green, solar lights and housing project.

25. RELATED PARTY TRANSACTIONS

Elected Members Remuneration

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

	2020 Actual	2020 Budget	2019 Actual
	\$	\$	\$
Meeting fees	87,500	90,000	80,000
President's allowance	20,000	20,000	20,000
Deputy President's allowance	5,000	5,000	5,000
Travelling expenses	0	2,000	0
Telecommunications allowance	9,625	9,900	8,800
	122,125	126,900	113,800

Key Management Personnel (KMP) Compensation Disclosure

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

	2020 Actual	2019 Actual
	\$	\$
Short-term employee benefits	639,789	814,482
Post-employment benefits	61,974	86,672
Other long-term benefits	14,475	20,842
Termination benefits	48,910	1,508
	765,148	923,504

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.

25. 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.

The following transactions occurred with related parties:

	2020 Actual	2019 Actual
	\$	\$
Sale of goods and services	69,693	22,604
Purchase of goods and services	75,609	147,605
Amounts outstanding from related parties:		
Trade and other receivables	1,965	550

Related Parties

The Shire's main related parties are as follows:

i. Key management personnel

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

ii. Other Related Parties

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

iii. Entities subject to significant influence by the Shire

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

26. INVESTMENT IN ASSOCIATE AND JOINT ARRANGEMENTS

The Shire had no investment in associate or joint venture arrangements during the financial year ended 30 June 2020.

27. INVESTMENT IN ASSOCIATES

The Shire of Katanning had no investment in associates as at the 30 June 2020.

28. MAJOR LAND TRANSACTIONS

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

29. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

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

30. RATING INFORMATION

(a) Rates

RATE TYPE	Rate in \$	Number of Properties	2019/20 Actual Rateable Value	2019/20 Actual Rate Revenue	2019/20 Actual Interim Rates	2019/20 Actual Back Rates	2019/20 Actual Total Revenue	2019/20 Budget Rate Revenue	2019/20 Budget Interim Rate	2019/20 Budget Back Rate	2019/20 Budget Total Revenue	2018/19 Actual Total Revenue
Differential general rate / general rate			\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Gross rental valuations												
Gross rental value	0.101250	1,194	19,901,778	2,015,055	35,802	1,987	2,052,844	2,013,205	4,000	0	2,017,205	1,939,090
Unimproved valuations												
Unimproved value	0.010400	209	131,649,500	1,369,155	0	0	1,369,155	1,369,155	0	0	1,369,155	1,295,799
Sub-Total		1,403	151,551,278	3,384,210	35,802	1,987	3,421,999	3,382,360	4,000	0	3,386,360	3,234,889
Minimum payment												
Minimum \$												
Gross rental valuations												
Gross rental value	979	607	3,916,780	594,253	0	0	594,253	594,253	0	0	594,253	642,897
Unimproved valuations												
Unimproved value	979	121	6,262,342	118,459	0	0	118,459	118,459	0	0	118,459	118,991
Sub-Total		728	10,179,122	712,712	0	0	712,712	712,712	0	0	712,712	761,888
		2,131	161,730,400	4,096,922	35,802	1,987	4,134,711	4,095,072	4,000	0	4,099,072	3,996,777
Discounts & Write-offs (Note 30(d))							(7,225)				(1,500)	(44,432)
Concessions (Note 30(e))							(1,840)				0	(1,492)
Rates Adjustment							(221)				(500)	(476)
Total amount raised from general rate							4,125,426				4,097,072	3,950,377
Ex-gratia rates							4,358				4,400	4,192
Totals							4,129,783				4,101,472	3,954,569

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.

30. RATING INFORMATION (Continued)

(b) Specified Area Rate

The Shire did not raise specified area rates for the year ended 30 June 2020.

(c) Service Charges

The Shire did not raise service charges for the year ended 30 June 2020.

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

Rates Discounts

Rate or Fee Discount Granted	Discount	Discount	2020 Actual	2020 Budget	2019 Actual	Circumstances in which Discount is Granted
	%	\$	\$	\$	\$	
General Rates	2.00%		0	0	44,432	A discount on rates was not offered in FY19/20.
Rates Written Off			7,225	0	0	Rates written off in prior year per Council resolution.
			7,225	0	44,432	

(e) Waivers or Concessions

Rate or Fee and Charge to which the Waiver or Concession is Granted	Type	Discount	Discount	2020 Actual	2020 Budget	2019 Actual
		%	\$	\$	\$	\$
Katanning Country Club	Concession	0.50%		1,840	1,500	1,492
				1,840	1,500	1,492
Total discounts/concessions (Note 30(a))				9,065	1,500	45,924

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
Katanning Country Club	Council resolved to continue providing a 50% concession in rates otherwise payable on Lots 2, 130 & 4 Round Drive, commencing 1 July 2014 for a period of 10 years, in recognition of the recreation facilities the Club provides to the Katanning community.		

30. RATING INFORMATION (Continued)

(f) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
Option One				
Single full payment	10/01/2019	0.00	0.00%	11.00%
Option Two				
First instalment	10/01/2019	10.00	5.50%	11.00%
Second instalment	2/03/2020	10.00	5.50%	11.00%
Option Three				
First instalment	10/01/2019	10.00	5.50%	11.00%
Second instalment	12/02/2019	10.00	5.50%	11.00%
Third instalment	2/03/2020	10.00	5.50%	11.00%
Fourth instalment	4/06/2020	10.00	5.00%	11.00%

	2020 Actual \$	2020 Budget \$	2019 Actual \$
Interest on unpaid rates	95,485	75,000	82,197
Interest on instalment plan	11,757	13,000	12,745
Charges on instalment plan	9,990	10,800	10,670
	117,232	98,800	105,612

31. RATE SETTING STATEMENT INFORMATION

Note	2019/20 (30 June 2020 Carried Forward)	2019/20 Budget (30 June 2020 Carried Forward)	2019/20 (1 July 2019 Brought Forward)	2018/19 (30 June 2019 Carried Forward)
	\$	\$	\$	\$
(a) Non-cash amounts excluded from operating activities				
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .				
Adjustments to operating activities				
Less: Profit on asset disposals	11(a)	(55,228)	0	(68,684)
Less: Reversal of prior year loss on revaluation of fixed assets		0	0	0
Movement in provision (current)		(9,600)	0	0
Movement in pensioner deferred rates (non-current)		(30,450)	0	0
Movement in employee benefit provisions (non-current)		(46,813)	0	(4,194)
Movement in bonds and deposits held		0	0	10,426
Movement in other provisions (non-current)		27,402	0	27,139
Movement in retained surplus		0	0	0
Amherst Equity Movement		102,389	0	(197,700)
Add: Loss on disposal of assets	11(a)	30,693	0	101,771
Add: Depreciation on non-current assets	11(b)	6,036,761	5,960,636	5,362,165
Non cash amounts excluded from operating activities		6,055,154	5,230,923	5,204,318
(b) Surplus/(deficit) after imposition of general rates				
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.				
Adjustments to net current assets				
Less: Reserves - cash/financial asset backed	4	(9,369,288)	(8,087,950)	(8,282,831)
Less: Current assets not expected to be received at end of year				
- Local Government House Equity		124,637	0	122,620
Add: Current liabilities associated with restricted assets		0	(4,254,802)	0
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings	18(a)	190,853	231,195	210,796
- Current portion of lease liabilities		19,589	0	0
- Accrued wages and interest		0	23,594	0
- Amherst Deposits		1,036,928	0	934,539
- Employee benefit provisions		657,975	679,190	667,575
- Bonds and deposit held		0	(250)	
Total adjustments to net current assets		(7,339,306)	(11,409,023)	(6,347,301)
Net current assets used in the Rate Setting Statement				
Total current assets		20,136,864	13,651,968	23,623,300
Less: Total current liabilities		(10,286,316)	(2,242,944)	(14,438,518)
Less: Total adjustments to net current assets		(7,339,306)	(11,409,023)	(6,347,301)
Net current assets used in the Rate Setting Statement		2,511,242	0	2,837,481
(c) Adjustments to current assets and liabilities at 1 July 2019 on application of new accounting standards				
Total current assets at 30 June 2019				
- Contract assets	34(a)			23,623,300
Total current assets at 1 July 2019				23,623,300
Total current liabilities at 30 June 2019				
- Contract liabilities from contracts with customers	34(a)			(14,438,518)
Total current liabilities at 1 July 2019				(14,647,189)

32. 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 Corporate and Community Services department under policies approved by the Council. The Corporate and Community Services department identifies, evaluates and manages financial risks in close co-operation with Council. 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
	%	\$	\$	\$	\$
2020					
Cash and cash equivalents	0.15%	11,995,238	0	11,921,948	73,290
Financial assets at amortised cost - term deposits	0.09%	6,558,609	0	6,558,609	0
2019					
Cash and cash equivalents	1.22%	15,761,111	1,603,206	14,157,905	0
Financial assets at amortised cost	2.15%	6,664,473	6,664,473	0	0

Sensitivity

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

	2020	2019
	\$	\$
Impact of a 1% movement in interest rates on profit and loss and equity*	119,219	141,579

* 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 18(b).

32. 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 effect of COVID-19 needs to be considered. Financial assistance provided to ratepayers is expected to adversely affect the Shire's cash flows.

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

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

The expected loss rates are based on the payment profiles of rates and fees and charges over a period of 36 months before 1 July 2019 or 1 July 2020 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as the ability of ratepayers and residents to settle the receivables. Housing prices and unemployment rates have been identified as the most relevant factor in repayment rates, and accordingly adjustments are made to the expected credit loss rate based on these factors. Re-negotiation of repayment terms is expected due to the COVID-19 pandemic.

The loss allowance as at 30 June 2020 for rates receivable was determined as follows and takes into account the waiver of penalty interest due to the impact of COVID-19.

	Current	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total
30 June 2020					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	13,474	495,530	208,895	498,042	1,215,941
Loss allowance	0	0	0	0	0
30 June 2019					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	40,670	310,903	175,962	355,577	883,111
Loss allowance	0	0	0	0	0

The loss allowance as at 30 June 2020 and 30 June 2019 was determined as follows for trade receivables.

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
30 June 2020					
Trade and other receivables					
Expected credit loss	0.00%	0.00%	0.00%	58.42%	
Gross carrying amount	196,331	4,097	12,767	519,656	732,851
Loss allowance	0	0	0	(303,583)	(303,583)
30 June 2019					
Trade and other receivables					
Expected credit loss	0.00%	0.00%	0.00%	87.22%	
Gross carrying amount	293,015	7,951	8,595	348,086	657,647
Loss allowance	0	0	0	(303,608)	(303,608)

32. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

Payables and borrowings

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
	\$	\$	\$	\$	\$
2020					
Payables	2,033,003	6,631,215	0	8,664,218	8,664,218
Borrowings	190,853	617,301	1,717,759	2,525,913	2,525,913
Contract liabilities	824,480	0	0	824,480	824,480
Lease liabilities	19,589	38,719	0	58,308	58,308
	<u>3,067,925</u>	<u>7,287,235</u>	<u>1,717,759</u>	<u>12,072,919</u>	<u>12,072,919</u>
2019					
Payables	13,560,147	22,565	0	13,582,712	13,582,712
Borrowings	309,466	1,104,000	2,334,650	3,748,116	2,736,709
	<u>13,869,613</u>	<u>1,126,565</u>	<u>2,334,650</u>	<u>17,330,828</u>	<u>16,319,421</u>

33. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Shire.

34. INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS

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

(a) AASB 15: Revenue from Contracts with Customers

The Shire adopted AASB 15 Revenue from Contracts with Customers (issued December 2014) on 1 July 2019 resulting in changes in accounting policies. In accordance with the transition provisions AASB 15, the Shire adopted the new rules retrospectively with the cumulative effect of initially applying these rules recognised on 1 July 2019. In summary the following adjustments were made to the amounts recognised in the statement of financial position at the date of initial application (1 July 2019):

	Note	AASB 118 carrying amount 30 June 2019 \$	Reclassification \$	AASB 15 carrying amount 01 July 2019 \$
Contract liabilities - current				
Contract liabilities from contracts with customers		0	(208,671)	(208,671)
Adjustment to retained surplus from adoption of AASB 15	35(b)	0	(208,671)	(208,671)

(b) AASB 1058: Income For Not-For-Profit Entities

The Shire adopted AASB 1058 Income For Not-For-Profit Entities on 1 July 2019. There is no impact on the financial statements as at 1 July 2019.

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

	Note	2020 \$ As reported under AASB 15 and AASB 1058	Adjustment due to application of AASB 15 and AASB 1058	2020 \$ Compared to AASB 118 and AASB 1004
Statement of Comprehensive Income				
Revenue				
Rates	30(a)	4,129,783	0	4,129,783
Operating grants, subsidies and contributions	2(a)	2,720,527	824,480	3,545,007
Fees and charges	2(a)	1,847,901	0	1,847,901
Non-operating grants, subsidies and contributions	2(a)	7,778,529	0	7,778,529
Net result		3,909,549	824,480	4,734,029
Statement of Financial Position				
Contract liabilities	16	824,480	(824,480)	0
Net assets		220,606,557	824,480	221,431,037
Statement of Changes in Equity				
Net result		3,909,549	824,480	4,734,029
Retained surplus		96,664,061	824,480	97,488,541

Refer to Note 2(a) for new revenue recognition accounting policies as a result of the application of AASB 15 and AASB 1058.

34. INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS (Continued)

(c) AASB 16: Leases

The Shire adopted AASB 16 retrospectively from 1 July 2019 which resulted in changes in accounting policies. In accordance with the transition provisions of AASB 16, the Shire has applied this Standard to its leases retrospectively, with the cumulative effect of initially applying AASB16 recognised on 1 July 2019. In applying AASB 16, under the specific transition provisions chosen, the Shire will not restate comparatives for prior reporting periods.

On adoption of AASB 16, the Shire recognised lease liabilities in relation to leases which had previously been classified as an 'operating lease' applying AASB 117 (excluding short term and low value leases). These lease liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate on 1 July 2019. The weighted average lessee's incremental borrowing weight applied to the lease liabilities on 1 July 2019 was 1.31%.

	Note	2020
		\$
Operating lease commitments at 30 June 2019 applying AAS 117		80,284
Discount applied using incremental borrowing rate		(3,582)
Lease liability recognised as 1 July 2019	17(b)	76,702
Lease liability - current		18,394
Lease liability - non-current		58,308
Right-of-use assets recognised at 1 July 2019		76,702

On adoption of AASB 16, the Shire recognised a right-of-use asset in relation to leases which has previously been classified as an 'operating lease' applying AASB 117. This right-of-use asset is deemed to be equal to the lease liability adjusted by the amount of any prepaid or accrued lease payments.

Property, plant and equipment and lease liabilities increased by \$76,702 on 1 July 2019 resulting in no impact on retained surplus.

On adoption of AASB 16 Leases (issued February 2016), for leases which had previously been classified as an 'operating lease' when applying AASB 117, the Shire is not required to make any adjustments on transition for leases for which the underlying asset is of low value. 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).

In applying AASB 16 for the first time, the Shire will use the following practical expedient permitted by the standard.

- The exclusion of initial direct costs from the measurement of the right-of-use asset at the date of initial application.

35. CHANGE IN ACCOUNTING POLICIES

(a) Change in Accounting Policies due to regulation changes

Effective 6 November 2020, *Local Government (Financial Management) Regulation 16* was deleted and *Local Government (Financial Management) Regulation 17A* was amended with retrospective application. The changes were effective for financial years ending on or after 30 June 2020 so are required to be applied retrospectively with cumulative effect applied initially on 1 July 2019.

In accordance with the changes, the Shire was required to remove the values attributable to certain crown land assets previously required to be recognised, as well as the associated revaluation surplus at 1 July 2019. These assets have been measured as concessionary lease right-of-use assets at zero cost in accordance with AASB 16. For further details relating to these changes, refer to Note 11.

In summary the following adjustments were made to the amounts recognised in the statement of financial position at the date of initial application (1 July 2019):

	Note	Carrying amount 30 June 2019 \$	Reclassification \$	Carrying amount 01 July 2019 \$
Property, plant and equipment	9	58,805,824	(191,832)	58,613,992
Revaluation surplus	14	114,477,285	95,923	114,573,208
Retained earnings	35(b)	94,337,395	(287,755)	94,049,640

Also, following changes 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 the change.

(b) Changes in equity due to change in accounting policies

The impact on the Shire's opening revaluation surplus resulting from *Local Government (Financial Management) Regulation 16* being deleted and the amendments to *Local Government (Financial Management) Regulation 17A* as at 1 July 2019 was as follows:

	Note	Adjustments	2019 \$
Revaluation surplus - 30 June 2019			114,477,285
Adjustment to revaluation surplus from deletion of FM Reg 16 and amendment to FM Reg 17A	35(a)	95,923	95,923
Revaluation surplus - 1 July 2019			114,573,208

The impact on the Shire's opening retained earnings resulting from *Local Government (Financial Management) Regulation 16* being deleted, the amendments to *Local Government (Financial Management) Regulation 17A* and the adoption of AASB 15 and AASB 1058 as at 1 July 2019 was as follows:

	Note	Adjustments	2019 \$
Retained earnings - 30 June 2019			94,337,395
Adjustment to retained earnings from adoption of AASB 15	34(a)	(208,671)	(208,671)
Adjustment to retained earnings from deletion of FM Reg 16 and amendment to FM Reg 17A	35(a)	(287,755)	(287,755)
Retained earnings - 1 July 2019			93,840,969

36. CORRECTION OF ERROR

During the year the Shire commissioned an assessment of the Shire of Katanning Landfill site closure costs, providing a reasonably reliable estimate relating to the future costs and timing of closing the landfill site. A correction of prior year error has been raised to provide for the costs of closure as at 1 July 2018 and increase the cost of waste facility assets at the same time. Amendments were made to the 30 June 2019 balances for the depreciation of the assets and change in the present value of the provision during the year ended 30 June 2019.

Statement of Financial Position (Extract)	NOTE	30 June 2019 \$	Increase/ (Decrease) \$	30 June 2019 (Restated) \$	30 June 2018 \$	Increase/ (Decrease) \$	01 July 2018 (Restated) \$
NON-CURRENT ASSETS							
Rehabilitation Assets	13	0	66,928	66,928	0	71,111	71,111
NON-CURRENT LIABILITIES							
Other Provisions	20	0	(913,417)	(913,417)	0	(886,812)	(886,812)
Net assets		0	(846,489)	(846,489)	0	(815,701)	(815,701)
EQUITY							
Retained earnings		95,183,884	(846,489)	94,337,395	92,472,022	(815,701)	91,656,321
Total equity		95,183,884	(846,489)	94,337,395	92,472,022	(815,701)	91,656,321

Statement of Comprehensive Income (Extract)	2019 \$	Increase/ (Decrease) \$	2019 (Restated) \$
<i>By Nature or Type</i>			
Depreciation on non-current assets	(5,357,982)	(4,183)	(5,362,165)
Other Expenditure	(335,706)	(26,605)	(362,311)
<i>By program</i>			
Expenses			
Community amenities	(1,125,000)	(30,788)	(1,155,788)
Net result for the period	1,448,727	(30,788)	1,417,939
Total comprehensive income for the period	1,448,727	(30,788)	1,417,939

37. TRUST FUNDS

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

	1 July 2019	Amounts Received	Amounts Paid	Reclassification to Municipal	30 June 2020
	\$	\$	\$	\$	\$
Carpark Contribution Liability	8,168	0	0	0	8,168
Public Open Space Contributions	38,000	0	0	0	38,000
Agricultural Society Contributions	15,818	0	0	(15,818)	0
Katanning Cinema Project Contributions	5,400	0	0	(5,400)	0
Local Fire Bridage Funds	0	5,904	0	(5,904)	0
	67,386	5,904	0	(27,122)	46,168

38. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

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

c) Rounding off figures

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

d) Comparative figures

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

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

e) Budget comparative figures

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

f) Superannuation

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

g) Fair value of assets and liabilities

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

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

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

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

h) Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

i) Impairment of assets

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

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

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

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

39. ACTIVITIES/PROGRAMS

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

PROGRAM NAME AND OBJECTIVES	ACTIVITIES
GOVERNANCE To provide a decision making process for the efficient allocation of scarce resources.	Administration and operation of facilities and services to members of Council. Other costs that relate to the tasks of assisting elected members and ratepayers on matters which do not concern specific council services.
GENERAL PURPOSE FUNDING To collect revenue to allow for the provision of services.	Rates, general purpose government grants and interest revenue.
LAW, ORDER, PUBLIC SAFETY To provide services to help ensure a safer and environmentally conscious community.	Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services.
HEALTH To provide an operational framework for environmental and community health.	Food quality and pest control, inspection of abbatoir and operation of child health clinic, analytical testing and Environmental Health administration.
EDUCATION AND WELFARE To provide services to disadvantaged persons, the elderly, children and youth.	Year round care, housing for the aged and educational services.
HOUSING To provide and maintain staff and elderly residents housing.	Provision and maintenance of staff and elderly residents housing.
COMMUNITY AMENITIES To provide services required by the community.	Rubbish and recycling collection services, operation of rubbish disposal site, litter control, construction and maintenance of urban storm water drains, protection of the environment and administration of town planning schemes, cemetery and public conveniences.
RECREATION AND CULTURE To establish and effectively manage infrastructure and resource which will help the social well being of the community.	Maintenance of town hall, public halls, civic centres, aquatic centre, recreation centres and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of library, art gallery and other cultural facilities.
TRANSPORT To provide safe, effective and efficient transport services to the community.	Construction and maintenance of roads, streets, bridges, footpaths, depot, airport and traffic control. Cleaning of streets and maintenance of street trees and street lighting. Purchase and disposal of Council's Road Plant.
ECONOMIC SERVICES To help promote the Shire and its economic wellbeing.	Tourism and area promotion. Maintenance and operation of the Saleyards. Building Control. Provision of rural services including weed control, vermin control and standpipes.
OTHER PROPERTY AND SERVICES To monitor and control Council's overheads operating accounts.	Private works operation, plant repair and operational costs and engineering operation costs.

40. FINANCIAL RATIOS

	2020 Actual	2019 Actual	2018 Actual
Current ratio	1.13	0.26	2.58
Asset consumption ratio	0.60	0.62	0.67
Asset renewal funding ratio	0.89	0.97	0.89
Asset sustainability ratio	0.46	1.34	0.62
Debt service cover ratio	7.57	7.11	7.11
Operating surplus ratio	(0.59)	(0.44)	(0.46)
Own source revenue coverage ratio	0.47	0.52	0.46

The above ratios are calculated as follows:

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



Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Councillors of the Shire of Katanning

Report on the Audit of the Financial Report

Opinion

I have audited the annual financial report of the Shire of Katanning which comprises the Statement of Financial Position as at 30 June 2020, and the Statement of Comprehensive Income by Nature or Type, Statement of Comprehensive Income by Program, Statement of Changes in Equity, Statement of Cash Flows and Rate Setting Statement for the year then ended, as well as notes comprising a summary of significant accounting policies and other explanatory information, and the Statement by the Chief Executive Officer.

In my opinion the annual financial report of the Shire of Katanning:

- (i) is based on proper accounts and records; and
- (ii) fairly represents, in all material respects, the results of the operations of the Shire for the year ended 30 June 2020 and its financial position at the end of that period in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

Basis for Opinion

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

Emphasis of Matter – Basis of Accounting

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

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

Responsibilities of the Chief Executive Officer and Council for the Financial Report

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

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

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

Auditor's Responsibility for the Audit of the Financial Report

The objectives of my audit are to obtain reasonable assurance about whether the annual financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the annual financial report.

A further description of my responsibilities for the audit of the annual financial report is located on the Auditing and Assurance Standards Board website at https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This includes the identification and assessment of the risk of material misstatement due to fraud arising from management override of controls. This description forms part of my auditor's report.

Report on Other Legal and Regulatory Requirements

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

- (i) In my opinion, the following material matters indicate significant adverse trends in the financial position of the Shire:
 - a. The Operating Surplus Ratio has been below the Department of Local Government, Sport and Cultural Industries (DLGSCI) standard for the past three years.
- (ii) The following material matters indicating non-compliance with Part 6 of the *Local Government Act 1995*, the Local Government (Financial Management) Regulations 1996 or applicable financial controls of any other written law were identified during the course of my audit:
 - a. Bank reconciliations for the period 30 June 2020 for the Municipal, Reserve and trust bank accounts were not prepared and reviewed in a timely manner. In addition the Municipal bank included uncleared reconciling items in excess of 6 months.
 - b. We noted 2 of the purchase orders we sampled were dated after the dates of the corresponding supplier invoices. This practice increases the risk of unauthorised purchases occurring.
- (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 annual financial report were supported by verifiable information and reasonable assumptions.

Matters Relating to the Electronic Publication of the Audited Financial Report

This auditor's report relates to the annual financial report of the Shire of Katanning for the year ended 30 June 2020 included on the Shire's website. The Shire's management is responsible for the integrity of the Shire's website. This audit does not provide assurance on the integrity of the Shire's website. The auditor's report refers only to the annual financial report described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this annual financial report. If users of the annual financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited annual financial report to confirm the information contained in this website version of the annual financial report.



KELLIE TONICH
SENIOR DIRECTOR FINANCIAL AUDIT
Delegate of the Auditor General for Western Australia
Perth, Western Australia
8 March 2020



Department of
**Local Government, Sport
and Cultural Industries**

Katanning - Compliance Audit Return 2020

Certified Copy of Return

Please submit a signed copy to the Director General of the Department of Local Government, Sport and Cultural Industries together with a copy of the relevant minutes.

Commercial Enterprises by Local Governments					
No	Reference	Question	Response	Comments	Respondent
1	s3.59(2)(a) F&G Regs 7,9,10	Has the local government prepared a business plan for each major trading undertaking that was not exempt in 2020?	N/A		Denise Gobbart
2	s3.59(2)(b) F&G Regs 7,8,10	Has the local government prepared a business plan for each major land transaction that was not exempt in 2020?	N/A	October 2018 - for project commenced 2019	Denise Gobbart
3	s3.59(2)(c) F&G Regs 7,8,10	Has the local government prepared a business plan before entering into each land transaction that was preparatory to entry into a major land transaction in 2020?	N/A	October 2018 - for project commenced 2019	Denise Gobbart
4	s3.59(4)	Has the local government complied with public notice and publishing requirements for each proposal to commence a major trading undertaking or enter into a major land transaction or a land transaction that is preparatory to a major land transaction for 2020?	N/A		Denise Gobbart
5	s3.59(5)	During 2020, did the council resolve to proceed with each major land transaction or trading undertaking by absolute majority?	N/A		Denise Gobbart



Delegation of Power/Duty					
No	Reference	Question	Response	Comments	Respondent
1	s5.16	Were all delegations to committees resolved by absolute majority?	N/A	No delegation to committees	Denise Gobbart
2	s5.16	Were all delegations to committees in writing?	N/A		Denise Gobbart
3	s5.17	Were all delegations to committees within the limits specified in section 5.17?	N/A		Denise Gobbart
4	s5.18	Were all delegations to committees recorded in a register of delegations?	N/A		Denise Gobbart
5	s5.18	Has council reviewed delegations to its committees in the 2019/2020 financial year?	N/A	No delegations to be reviewed	Denise Gobbart
6	s5.42(1) & s5.43 Admin Reg 18G	Did the powers and duties delegated to the CEO exclude those listed in section 5.43 of the Act?	Yes		Denise Gobbart
7	s5.42(1)	Were all delegations to the CEO resolved by an absolute majority?	Yes	OCM 28 April 2020	Denise Gobbart
8	s5.42(2)	Were all delegations to the CEO in writing?	Yes	29 October 2020	Denise Gobbart
9	s5.44(2)	Were all delegations by the CEO to any employee in writing?	No	EMCC - Hannagan & Gobbart do not appear to have letters	Denise Gobbart
10	s5.16(3)(b) & s5.45(1)(b)	Were all decisions by the council to amend or revoke a delegation made by absolute majority?	Yes	28 April 2020	Denise Gobbart
11	s5.46(1)	Has the CEO kept a register of all delegations made under Division 4 of the Act to the CEO and to employees?	Yes		Denise Gobbart
12	s5.46(2)	Were all delegations made under Division 4 of the Act reviewed by the delegator at least once during the 2019/2020 financial year?	Yes	28 April 2020	Denise Gobbart
13	s5.46(3) Admin Reg 19	Did all persons exercising a delegated power or duty under the Act keep, on all occasions, a written record in accordance with Admin Reg 19?	Yes		Julian Murphy

Disclosure of Interest					
No	Reference	Question	Response	Comments	Respondent
1	s5.67	Where a council member disclosed an interest in a matter and did not have participation approval under sections 5.68 or 5.69, did the council member ensure that they did not remain present to participate in discussion or decision making relating to the matter?	Yes		Denise Gobbart



No	Reference	Question	Response	Comments	Respondent
2	s5.68(2) & s5.69 (5) Admin Reg 21A	Were all decisions regarding participation approval, including the extent of participation allowed and, where relevant, the information required by Admin Reg 21A, recorded in the minutes of the relevant council or committee meeting?	N/A		Denise Gobbart
3	s5.73	Were disclosures under section sections 5.65, 5.70 or 5.71A(3) recorded in the minutes of the meeting at which the disclosures were made?	Yes		Denise Gobbart
4	s5.75 Admin Reg 22, Form 2	Was a primary return in the prescribed form lodged by all relevant persons within three months of their start day?	No	Work Supervisor has a power or duty delegated under Division 4	Denise Gobbart
5	s5.76 Admin Reg 23, Form 3	Was an annual return in the prescribed form lodged by all relevant persons by 31 August 2020?	No	Work Supervisor has a power or duty delegated under Division 4	Denise Gobbart
6	s5.77	On receipt of a primary or annual return, did the CEO, or the mayor/president, give written acknowledgment of having received the return?	Yes		Denise Gobbart
7	s5.88(1) & (2)(a)	Did the CEO keep a register of financial interests which contained the returns lodged under sections 5.75 and 5.76?	Yes		Denise Gobbart
8	s5.88(1) & (2)(b) Admin Reg 28	Did the CEO keep a register of financial interests which contained a record of disclosures made under sections 5.65, 5.70, 5.71 and 5.71A, in the form prescribed in Admin Reg 28?	Yes		Denise Gobbart
9	s5.88(3)	When a person ceased to be a person required to lodge a return under sections 5.75 and 5.76, did the CEO remove from the register all returns relating to that person?	Yes		Denise Gobbart
10	s5.88(4)	Have all returns removed from the register in accordance with section 5.88(3) been kept for a period of at least five years after the person who lodged the return(s) ceased to be a person required to lodge a return?	Yes		Denise Gobbart
11	s5.89A(1), (2) & (3) Admin Reg 28A	Did the CEO keep a register of gifts which contained a record of disclosures made under sections 5.87A and 5.87B, in the form prescribed in Admin Reg 28A?	Yes		Denise Gobbart
12	s5.89A(5) & (5A)	Did the CEO publish an up-to-date version of the gift register on the local government's website?	Yes		Denise Gobbart
13	s5.89A(6)	When a person ceases to be a person who is required to make a disclosure under section 5.87A or 5.87B, did the CEO remove from the register all records relating to that person?	No	Cr Alep Mydie, Andrus Budrikis, Wade Newton	Denise Gobbart



No	Reference	Question	Response	Comments	Respondent
14	s5.89A(7)	Have copies of all records removed from the register under section 5.89A (6) been kept for a period of at least five years after the person ceases to be a person required to make a disclosure?	N/A	Details have yet to be removed	Denise Gobbart
15	Rules of Conduct Reg 11(1), (2) & (4)	Where a council member had an interest that could, or could reasonably be perceived to, adversely affect the impartiality of the person, did they disclose the interest in accordance with Rules of Conduct Reg 11(2)?	Yes		Denise Gobbart
16	Rules of Conduct Reg 11(6)	Where a council member disclosed an interest under Rules of Conduct Reg 11 (2) was the nature of the interest recorded in the minutes?	Yes		Denise Gobbart
17	s5.70(2) & (3)	Where an employee had an interest in any matter in respect of which the employee provided advice or a report directly to council or a committee, did that person disclose the nature and extent of that interest when giving the advice or report?	Yes	CEO Review Reports	Denise Gobbart
18	s5.71A & s5.71B (5)	Where council applied to the Minister to allow the CEO to provide advice or a report to which a disclosure under s5.71A(1) relates, did the application include details of the nature of the interest disclosed and any other information required by the Minister for the purposes of the application?	N/A		Denise Gobbart
19	s5.71B(6) & s5.71B(7)	Was any decision made by the Minister under subsection 5.71B(6) recorded in the minutes of the council meeting at which the decision was considered?	N/A		Denise Gobbart
20	s5.103 Admin Regs 34B & 34C	Has the local government adopted a code of conduct in accordance with Admin Regs 34B and 34C to be observed by council members, committee members and employees?	Yes		Denise Gobbart
21	Admin Reg 34B(5)	Has the CEO kept a register of notifiable gifts in accordance with Admin Reg 34B(5)?	Yes		Denise Gobbart

Disposal of Property

No	Reference	Question	Response	Comments	Respondent
1	s3.58(3)	Where the local government disposed of property other than by public auction or tender, did it dispose of the property in accordance with section 3.58(3) (unless section 3.58(5) applies)?	Yes	523 Dore Street & 77 Piesse Street Katanning	Denise Gobbart
2	s3.58(4)	Where the local government disposed of property under section 3.58(3), did it provide details, as prescribed by section 3.58(4), in the required local public notice for each disposal of property?	Yes	Published in the Great Southern Herald	Denise Gobbart



Elections					
No	Reference	Question	Response	Comments	Respondent
1	Elect Regs 30G(1) & (2)	Did the CEO establish and maintain an electoral gift register and ensure that all disclosure of gifts forms completed by candidates and donors and received by the CEO were placed on the electoral gift register at the time of receipt by the CEO and in a manner that clearly identifies and distinguishes the forms relating to each candidate?	Yes		Denise Gobbart
2	Elect Regs 30G(3) & (4)	Did the CEO remove any disclosure of gifts forms relating to an unsuccessful candidate, or a successful candidate that completed their term of office, from the electoral gift register, and retain those forms separately for a period of at least two years?	N/A	No election in 2020	Denise Gobbart
3	Elect Regs 30G(5) & (6)	Did the CEO publish an up-to-date version of the electoral gift register on the local government's official website in accordance with Elect Reg 30G(6)?	No	This had not been done at the time the review was undertaken	Denise Gobbart

Finance					
No	Reference	Question	Response	Comments	Respondent
1	s7.1A	Has the local government established an audit committee and appointed members by absolute majority in accordance with section 7.1A of the Act?	N/A	Established 22/10/2019	Denise Gobbart
2	s7.1B	Where the council delegated to its audit committee any powers or duties under Part 7 of the Act, did it do so by absolute majority?	N/A	No delegations	Denise Gobbart
3	s7.3(1) & s7.6(3)	Was the person or persons appointed by the local government to be its auditor appointed by an absolute majority decision of council?	N/A		Denise Gobbart
4	s7.3(3)	Was the person(s) appointed by the local government under s7.3(1) to be its auditor a registered company auditor or an approved auditor?	N/A		Denise Gobbart
5	s7.9(1)	Was the auditor's report for the financial year ended 30 June 2020 received by the local government by 31 December 2020?	No		Denise Gobbart
6	s7.12A(3)	Where the local government determined that matters raised in the auditor's report prepared under s7.9 (1) of the Act required action to be taken, did the local government ensure that appropriate action was undertaken in respect of those matters?	N/A	Audit Report 30/06/2020 not yet received	Denise Gobbart



No	Reference	Question	Response	Comments	Respondent
7	s7.12A(4)(a)	Where matters identified as significant were reported in the auditor's report, did the local government prepare a report that stated what action the local government had taken or intended to take with respect to each of those matters?	N/A	Audit Report 30/06/2020 not yet received	Denise Gobbart
8	s7.12A(4)(b)	Where the local government was required to prepare a report under s.7.12A(4)(a), was a copy of the report given to the Minister within three months of the audit report being received by the local government?	N/A	Audit Report 30/06/2020 not yet received	Denise Gobbart
9	s7.12A(5)	Within 14 days after the local government gave a report to the Minister under s7.12A(4)(b), did the CEO publish a copy of the report on the local government's official website?	N/A	Audit Report 30/06/2020 not yet received	Denise Gobbart
10	Audit Reg 7	Did the agreement between the local government and its auditor include the objectives and scope of the audit, a plan for the audit, details of the remuneration and expenses paid to the auditor, and the method to be used by the local government to communicate with the auditor?	Yes	20 March 2020 Audit Strategy Memorandum issued. Advised 27 March 2020 fees to be held at same level as prior year.	Denise Gobbart
11	Audit Reg 10(1)	Was the auditor's report for the financial year ending 30 June received by the local government within 30 days of completion of the audit?	N/A	Audit Report 30/06/2020 not yet received	Denise Gobbart

Integrated Planning and Reporting

No	Reference	Question	Response	Comments	Respondent
1	Admin Reg 19C	Has the local government adopted by absolute majority a strategic community plan? If Yes, please provide the adoption date or the date of the most recent review in the Comments section?	Yes	Adopted 28/11/2017 Desktop review Adopted 24/04/2019	Denise Gobbart
2	Admin Reg 19DA (1) & (4)	Has the local government adopted by absolute majority a corporate business plan? If Yes, please provide the adoption date or the date of the most recent review in the Comments section?	Yes	Adopted 24 April 2018. No further review undertaken	Denise Gobbart
3	Admin Reg 19DA (2) & (3)	Does the corporate business plan comply with the requirements of Admin Reg 19DA(2) & (3)?	No	Corporate Business Plan is now only one year to run	Denise Gobbart



Local Government Employees					
No	Reference	Question	Response	Comments	Respondent
1	Admin Reg 18C	Did the local government approve a process to be used for the selection and appointment of the CEO before the position of CEO was advertised?	N/A		Denise Gobbart
2	s5.36(4) & s5.37 (3) Admin Reg 18A	Were all CEO and/or senior employee vacancies advertised in accordance with Admin Reg 18A?	Yes	Executive Manager Corporate & Community	Denise Gobbart
3	Admin Reg 18E	Was all information provided in applications for the position of CEO true and accurate?	N/A		Denise Gobbart
4	Admin Reg 18F	Was the remuneration and other benefits paid to a CEO on appointment the same remuneration and benefits advertised for the position under section 5.36(4)?	N/A		Denise Gobbart
5	s5.37(2)	Did the CEO inform council of each proposal to employ or dismiss senior employee?	Yes	Executive Manager Corporate & Community	Denise Gobbart
6	s5.37(2)	Where council rejected a CEO's recommendation to employ or dismiss a senior employee, did it inform the CEO of the reasons for doing so?	N/A		Denise Gobbart

Official Conduct					
No	Reference	Question	Response	Comments	Respondent
1	s5.120	Has the local government designated a senior employee as defined by section 5.37 to be its complaints officer?	No		Denise Gobbart
2	s5.121(1)	Has the complaints officer for the local government maintained a register of complaints which records all complaints that resulted in a finding under section 5.110(2)(a)?	Yes		Denise Gobbart
3	s5.121(2)	Does the complaints register include all information required by section 5.121 (2)?	Yes		Denise Gobbart
4	s5.121(3)	Has the CEO published an up-to-date version of the register of the complaints on the local government's official website?	Yes		Denise Gobbart

Optional Questions					
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No	Reference	Question	Response	Comments	Respondent
1	Financial Management Reg 5 (2)(c)	Did the CEO review the appropriateness and effectiveness of the local government's financial management systems and procedures in accordance with Financial Management Reg 5(2)(c) within the three years prior to 31 December 2020? If yes, please provide the date of council's resolution to accept the report.	No	Completed April 2017 by Moore Stephens	Denise Gobbart
2	Audit Reg 17	Did the CEO review the appropriateness and effectiveness of the local government's systems and procedures in relation to risk management, internal control and legislative compliance in accordance with Audit Reg 17 within the three years prior to 31 December 2020? If yes, please provide date of council's resolution to accept the report.	Yes	Completed June 2020 by Avant Edge Consulting	Denise Gobbart
3	s5.87C(2)	Where a disclosure was made under sections 5.87A or 5.87B, was the disclosure made within 10 days after receipt of the gift?	N/A	No Gifts disclosed	Denise Gobbart
4	s5.87C	Where a disclosure was made under sections 5.87A or 5.87B, did the disclosure include the information required by section 5.87C?	N/A	No Gifts disclosed	Denise Gobbart
5	s5.90A(2)	Did the local government prepare and adopt by absolute majority a policy dealing with the attendance of council members and the CEO at events?	Yes	Policy adopted 24 March 2020 vote carried 9/0 minutes reflect simple majority	Denise Gobbart
6	s.5.90A(5)	Did the CEO publish an up-to-date version of the attendance at events policy on the local government's official website?	Yes		Denise Gobbart
7	s5.96A(1), (2), (3) & (4)	Did the CEO publish information on the local government's website in accordance with sections 5.96A(1), (2), (3), and (4)?	No	Still working on publishing s 5.96A(1) (b) & (h)	Denise Gobbart
8	s5.128(1)	Did the local government prepare and adopt (by absolute majority) a policy in relation to the continuing professional development of council members?	Yes	Policy adopted 24 March 2020 vote carried 9/0 minutes reflect simple majority	Denise Gobbart
9	s5.127	Did the local government prepare a report on the training completed by council members in the 2019/2020 financial year and publish it on the local government's official website by 31 July 2020?	Yes	Published 15 July 2020	Denise Gobbart
10	s6.4(3)	By 30 September 2020, did the local government submit to its auditor the balanced accounts and annual financial report for the year ending 30 June 2020?	Yes	Report prepared for Auditors for the on-site visit 15/18 September 2020	Denise Gobbart



Tenders for Providing Goods and Services

No	Reference	Question	Response	Comments	Respondent
1	F&G Reg 11A(1) & (3)	Does the local government have a current purchasing policy that complies with F&G Reg 11A(3) in relation to contracts for other persons to supply goods or services where the consideration under the contract is, or is expected to be, \$250,000 or less or worth \$250,000 or less?	Yes		Denise Gobbart
2	F&G Reg 11A(1)	Did the local government comply with its current purchasing policy in relation to the supply of goods or services where the consideration under the contract was, or was expected to be, \$250,000 or less or worth \$250,000 or less?	No	Evidence is not available that we are meeting our record keeping requirements. We are taking action to ensure that all documentation is recorded.	Denise Gobbart
3	s3.57 F&G Reg 11	Subject to F&G Reg 11(2), did the local government invite tenders for all contracts for the supply of goods or services where the consideration under the contract was, or was expected to be, worth more than the consideration stated in F&G Reg 11(1)?	Yes		Denise Gobbart
4	F&G Regs 11(1), 12(2), 13, & 14(1), (3), and (4)	When regulations 11(1), 12(2) or 13 required tenders to be publicly invited, did the local government invite tenders via Statewide public notice in accordance with F&G Reg 14(3) and (4)?	Yes		Denise Gobbart
5	F&G Reg 12	Did the local government comply with F&G Reg 12 when deciding to enter into multiple contracts rather than a single contract?	N/A		Denise Gobbart
6	F&G Reg 14(5)	If the local government sought to vary the information supplied to tenderers, was every reasonable step taken to give each person who sought copies of the tender documents or each acceptable tenderer notice of the variation?	Yes	RFT 11-2020	Denise Gobbart
7	F&G Regs 15 & 16	Did the local government's procedure for receiving and opening tenders comply with the requirements of F&G Regs 15 and 16?	No	Can't find evidence of when the tenders were published on our official website.	Denise Gobbart
8	F&G Reg 17	Did the information recorded in the local government's tender register comply with the requirements of F&G Reg 17 and did the CEO make the tenders register available for public inspection and publish it on the local government's official website?	No	Unable to find the Tender Register on the official website	Denise Gobbart
9	F&G Reg 18(1)	Did the local government reject any tenders that were not submitted at the place, and within the time, specified in the invitation to tender?	Yes	RFT 04-2020 tender received after closing date	Denise Gobbart



No	Reference	Question	Response	Comments	Respondent
10	F&G Reg 18(4)	Were all tenders that were not rejected assessed by the local government via a written evaluation of the extent to which each tender satisfies the criteria for deciding which tender to accept?	Yes		Denise Gobbart
11	F&G Reg 19	Did the CEO give each tenderer written notice containing particulars of the successful tender or advising that no tender was accepted?	Yes	This was done through Tenderlink. We have no documentation to show that written notice was given.	Denise Gobbart
12	F&G Regs 21 & 22	Did the local government's advertising and expression of interest processes comply with the requirements of F&G Regs 21 and 22?	N/A		Denise Gobbart
13	F&G Reg 23(1) & (2)	Did the local government reject any expressions of interest that were not submitted at the place, and within the time, specified in the notice or that failed to comply with any other requirement specified in the notice?	N/A		Denise Gobbart
14	F&G Reg 23(3)	Were all expressions of interest that were not rejected assessed by the local government?	N/A		Denise Gobbart
15	F&G Reg 23(4)	After the local government considered expressions of interest, did the CEO list each person considered capable of satisfactorily supplying goods or services as an acceptable tenderer?	N/A		Denise Gobbart
16	F&G Reg 24	Did the CEO give each person who submitted an expression of interest a notice in writing of the outcome in accordance with F&G Reg 24?	N/A		Denise Gobbart
17	F&G Regs 24AD(2) & (4) and 24AE	Did the local government invite applicants for a panel of pre-qualified suppliers via Statewide public notice in accordance with F&G Reg 24AD(4) and 24AE?	N/A		Denise Gobbart
18	F&G Reg 24AD(6)	If the local government sought to vary the information supplied to the panel, was every reasonable step taken to give each person who sought detailed information about the proposed panel or each person who submitted an application notice of the variation?	N/A		Denise Gobbart
19	F&G Reg 24AF	Did the local government's procedure for receiving and opening applications to join a panel of pre-qualified suppliers comply with the requirements of F&G Reg 16, as if the reference in that regulation to a tender were a reference to a pre-qualified supplier panel application?	N/A		Denise Gobbart
20	F&G Reg 24AG	Did the information recorded in the local government's tender register about panels of pre-qualified suppliers comply with the requirements of F&G Reg 24AG?	N/A		Denise Gobbart



No	Reference	Question	Response	Comments	Respondent
21	F&G Reg 24AH(1)	Did the local government reject any applications to join a panel of pre-qualified suppliers that were not submitted at the place, and within the time, specified in the invitation for applications?	N/A		Denise Gobbart
22	F&G Reg 24AH(3)	Were all applications that were not rejected assessed by the local government via a written evaluation of the extent to which each application satisfies the criteria for deciding which application to accept?	N/A		Denise Gobbart
23	F&G Reg 24AI	Did the CEO send each applicant written notice advising them of the outcome of their application?	N/A		Denise Gobbart
24	F&G Regs 24E & 24F	Where the local government gave regional price preference, did the local government comply with the requirements of F&G Regs 24E and 24F?	No	Part 1 advertising complied with. No evidence of it being returned to Council for adoption.	Denise Gobbart

I certify this Compliance Audit Return has been adopted by council at its meeting on _____

Signed Mayor/President, Katanning

Signed CEO, Katanning

**SHIRE OF KATANNING
BUDGET REVIEW REPORT
FOR THE PERIOD ENDED 28TH FEBRUARY 2021**

**LOCAL GOVERNMENT ACT 1995
LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996**

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SHIRE OF KATANNING
STATEMENT OF BUDGET REVIEW
(NATURE OR TYPE)
FOR THE PERIOD ENDED 28TH FEBRUARY 2021

Note	Budget v Actual		Predicted			Material Variance
	Adopted Annual Budget (a)	YTD Actual (b)	Variance Permanent (c)	Variance Timing (Carryover) (d)	Year End (a)+(c)+(d)	
	\$	\$	\$	\$	\$	
OPERATING ACTIVITIES						
Net current assets at start of financial year surplus/(deficit)	2,475,548	2,511,242	35,694	0	2,511,242	▲
Revenue from operating activities (excluding rates)						
Specified area rates	0	0	0	0	0	
Operating grants, subsidies and contributions	1,952,912	1,283,980	51,833	0	2,004,745	▲
Fees and charges	1,726,003	1,425,372	100,375	0	1,826,378	▲
Service charges	0	0	0	0	0	
Interest earnings	202,669	76,112	(78,445)	0	124,224	▼
Other revenue	582,295	327,696	241,082	0	823,377	▲
Profit on asset disposals	124,678	422,394	0	0	124,678	
	4,588,557	3,535,554	314,845	0	4,903,402	
Expenditure from operating activities						
Employee costs	(4,178,391)	(2,727,082)	(62,842)	0	(4,241,233)	▲
Materials and contracts	(2,722,161)	(1,276,908)	(142,589)	0	(2,864,750)	▲
Utility charges	(480,420)	(280,084)	0	0	(480,420)	
Depreciation on non-current assets	(6,018,038)	0	0	0	(6,018,038)	
Interest expenses	(123,742)	(65,862)	(3,153)	0	(126,895)	▲
Insurance expenses	(355,621)	(344,778)	0	0	(355,621)	
Other expenditure	(372,584)	(208,138)	(190,040)	0	(562,624)	▲
Loss on asset disposals	(251,613)	(148,175)	0	0	(251,613)	
	(14,502,570)	(5,051,027)	(398,624)	0	(14,901,194)	
Non-cash amounts excluded from operating activities	6,144,973	(76,470)		0	6,144,973	
Amount attributable to operating activities	(1,293,492)	919,299	(48,085)	0	(1,341,577)	
INVESTING ACTIVITIES						
Non-operating grants, subsidies and contributions	7,838,032	4,124,214	334,839	0	8,172,871	▲
Purchase land held for resale	0	0	0	0	0	
Purchase investment property	0	0	0	0	0	
Purchase land and buildings	(8,107,318)	(4,436,311)	(1,350,642)	0	(9,457,960)	▲
Purchase plant and equipment	(1,508,759)	(1,867,173)	(912,050)	0	(2,420,809)	▲
Purchase furniture and equipment	(25,000)	0	0	0	(25,000)	
Purchase and construction of infrastructure - roads	(1,519,918)	(310,162)	14,500	0	(1,505,418)	▼
Purchase and construction of infrastructure - footpaths	(721,812)	(35,112)	(20,793)	0	(742,605)	▲
Purchase and construction of infrastructure - parks	0	0	(30,000)	0	(30,000)	▲
Purchase and construction of infrastructure - other	(851,950)	(280,039)	(143,898)	0	(995,848)	▲
Purchase of right of use assets	0	0	0	0	0	
Purchase of investments	0	0	0	0	0	
Proceeds from self supporting loans	0	0	0	0	0	
Proceeds from disposal of assets	757,200	849,970	213,512	0	970,712	▼
Proceeds from sale of investments	0	0	0	0	0	
Amount attributable to investing activities	(4,139,525)	(1,954,613)	(1,894,532)	0	(6,034,057)	
FINANCING ACTIVITIES						
Repayment of borrowings	(269,271)	(94,696)	36,779	0	(232,492)	▲
Principal elements of finance lease payments	(13,634)	(10,140)	0	0	(13,634)	
Proceeds from new borrowings	1,130,000	1,130,000	0	0	1,130,000	
Proceeds from new leases liabilities	0	0	0	0	0	
Advances of self supporting loans	0	0	0	0	0	
Proceeds from advances	0	0	0	0	0	
Transfers to cash backed reserves (restricted assets)	(1,111,758)	(6,499)	(492,908)	0	(1,604,666)	▲
Transfers from cash backed reserves (restricted assets)	1,462,709	0	2,443,528	0	3,906,237	▲
Amount attributable to financing activities	1,198,046	1,018,665	1,987,399	0	3,185,445	
Budget deficiency before general rates	(4,234,971)	(16,650)	44,782	0	(4,190,189)	
Estimated amount to be raised from general rates	4,234,971	4,188,864	(44,782)	0	4,190,189	▼
Closing Funding Surplus(Deficit)	2	0	4,172,214	(0)	0	▼

SHIRE OF KATANNING
STATEMENT OF BUDGET REVIEW
(STATUTORY REPORTING PROGRAM)
FOR THE PERIOD ENDED 28TH FEBRUARY 2021

Note	Budget v Actual		Predicted			Material Variance
	Adopted Annual Budget (a)	YTD Actual (b)	Variance Permanent (c)	Variance Timing (Carryover) (d)	Year End (a)+(c)+(d)	
	\$	\$	\$	\$	\$	
OPERATING ACTIVITIES						
Net current assets at start of financial year surplus/(deficit)	2,475,548	2,511,242	35,694	0	2,511,242	▲
Revenue from operating activities (excluding rates)						
Governance	276,495	139,223	70,363	0	346,858	▲
General purpose funding	1,192,931	825,413	(64,266)	0	1,128,665	▼
Law, order, public safety	237,218	146,501	1,004	0	238,222	▲
Health	2,550	1,548	0	0	2,550	
Education and welfare	193,815	79,085	0	0	193,815	
Housing	182,423	337,774	370,000	0	552,423	▲
Community amenities	938,144	886,030	6,000	0	944,144	▲
Recreation and culture	415,066	283,352	(70,379)	0	344,687	▼
Transport	215,971	403,002	12,748	0	228,719	▲
Economic services	787,482	440,312	6,375	0	793,857	▲
Other property and services	146,462	(6,686)	(17,000)	0	129,462	▼
	4,588,557	3,535,554	314,845	0	4,903,402	
Expenditure from operating activities						
Governance	(1,175,403)	(699,024)	(28,629)	0	(1,204,032)	▲
General purpose funding	(295,149)	(149,055)	0	0	(295,149)	
Law, order, public safety	(568,163)	(274,605)	(37,800)	0	(605,963)	▲
Health	(193,486)	(95,610)	0	0	(193,486)	
Education and welfare	(547,531)	(214,253)	0	0	(547,531)	
Housing	(577,900)	(266,890)	(182,498)	0	(760,398)	▲
Community amenities	(1,199,431)	(666,589)	(13,731)	0	(1,213,162)	▲
Recreation and culture	(4,011,072)	(1,549,799)	(67,248)	0	(4,078,320)	▲
Transport	(4,306,153)	(937,573)	126,166	0	(4,179,987)	▼
Economic services	(1,511,717)	(406,909)	(55,045)	0	(1,566,762)	▲
Other property and services	(116,565)	209,280	(139,839)	0	(256,404)	▲
	(14,502,570)	(5,051,027)	(398,624)	0	(14,901,194)	
Non-cash amounts excluded from operating activities	6,144,973	(76,470)	0	0	6,144,973	
Amount attributable to operating activities	(1,293,492)	919,299	(48,085)	0	(1,341,577)	
INVESTING ACTIVITIES						
Non-operating grants, subsidies and contributions	7,838,032	4,124,214	334,839	0	8,172,871	▼
Purchase land held for resale	0	0	0	0	0	
Purchase investment property	0	0	0	0	0	
Purchase land and buildings	(8,107,318)	(4,436,311)	(1,350,642)	0	(9,457,960)	▲
Purchase plant and equipment	(1,508,759)	(1,867,173)	(912,050)	0	(2,420,809)	▲
Purchase furniture and equipment	(25,000)	0	0	0	(25,000)	
Purchase and construction of infrastructure - roads	(1,519,918)	(310,162)	14,500	0	(1,505,418)	▼
Purchase and construction of infrastructure - footpaths	(721,812)	(35,112)	(20,793)	0	(742,605)	
Purchase and construction of infrastructure - parks	0	0	(30,000)	0	(30,000)	▲
Purchase and construction of infrastructure - other	(851,950)	(280,039)	(143,898)	0	(995,848)	▲
Purchase of right of use assets	0	0	0	0	0	
Purchase of investments	0	0	0	0	0	
Proceeds from self supporting loans	0	0	0	0	0	
Proceeds from disposal of assets	757,200	849,970	213,512	0	970,712	▼
Proceeds from sale of investments	0	0	0	0	0	
Amount attributable to investing activities	(4,139,525)	(1,954,613)	(1,894,532)	0	(6,034,057)	
FINANCING ACTIVITIES						
Repayment of borrowings	(269,271)	(94,696)	36,779	0	(232,492)	▼
Principal elements of finance lease payments	(13,634)	(10,140)	0	0	(13,634)	
Proceeds from new borrowings	1,130,000	1,130,000	0	0	1,130,000	
Proceeds from new leases liabilities	0	0	0	0	0	
Advances of self supporting loans	0	0	0	0	0	
Proceeds from advances	0	0	0	0	0	
Transfers to cash backed reserves (restricted assets)	(1,111,758)	(6,499)	(492,908)	0	(1,604,666)	▲
Transfers from cash backed reserves (restricted assets)	1,462,709	0	2,443,528	0	3,906,237	▼
Amount attributable to financing activities	1,198,046	1,018,665	1,987,399	0	3,185,445	
Budget deficiency before general rates	(4,234,971)	(16,650)	44,782	0	(4,190,189)	
Estimated amount to be raised from general rates	4,234,971	4,188,864	(44,782)	0	4,190,189	
Closing Funding Surplus(Deficit)	0	4,172,214	(0)	0	(0)	▼

1. BASIS OF PREPARATION

The budget has been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and interpretations of the Australian Accounting Standards Board, and the *Local Government Act 1995* and accompanying regulations. The *Local Government (Financial Management) Regulations 1996* take precedence over Australian Accounting Standards. Regulation 16 prohibits a local government from recognising as assets Crown land that is a public thoroughfare, such as land under roads, and land not owned by but under the control or management of the local government, unless it is a golf course, showground, racecourse or recreational facility of State or regional significance. Consequently, some assets, including land under roads acquired on or after 1 July 2008, have not been recognised in this budget. This is not in accordance with the requirements of *AASB 1051 Land Under Roads* paragraph 15 and *AASB 116 Property, Plant and Equipment* paragraph 7.

Accounting policies which have been adopted in the preparation of this budget have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the budget 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 of Katanning controls resources to carry on its functions have been included in the financial statements forming part of this budget review.

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

All monies held in the Trust Fund are excluded from the financial statements.

CRITICAL ACCOUNTING ESTIMATES

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

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

2020/21 ACTUAL BALANCES

Balances shown in this budget review report as 2020/21 Actual are as forecast at the time of budget review preparation and are subject to final adjustments.

ROUNDING OFF FIGURES

All figures shown in this budget review report are rounded to the nearest dollar.

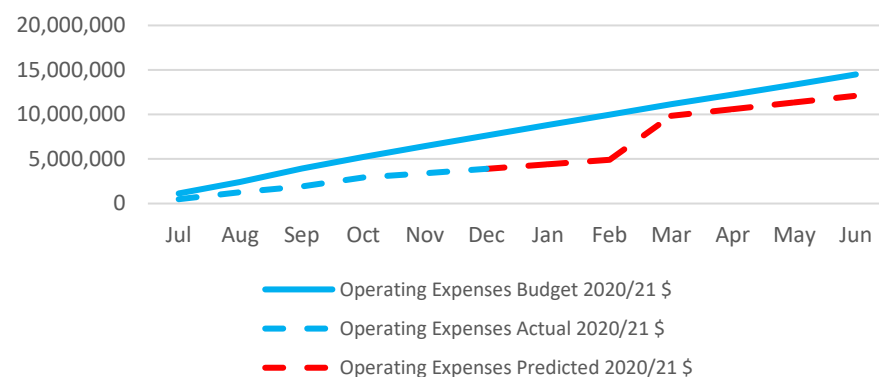
BUDGET COMPARATIVE FIGURES

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

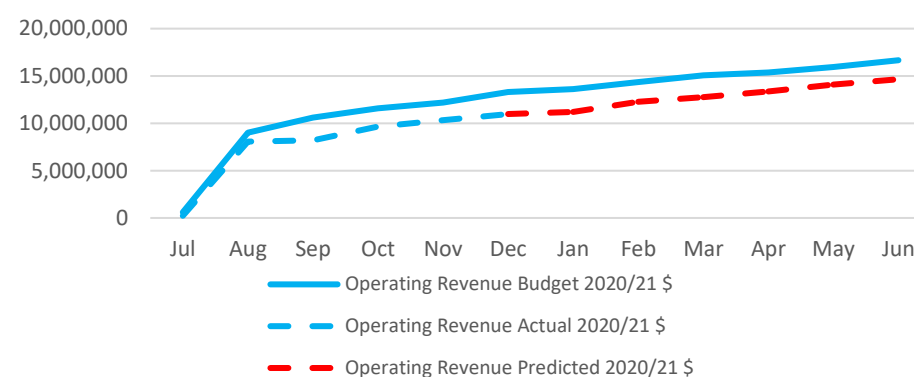
SHIRE OF KATANNING
SUMMARY GRAPHS - BUDGET REVIEW
FOR THE PERIOD ENDED 28TH FEBRUARY 2021

2. SUMMARY GRAPHS - BUDGET REVIEW

Operating Expenses



Operating Revenue



SHIRE OF KATANNING
NOTES TO THE BUDGET REVIEW REPORT
FOR THE PERIOD ENDED 28TH FEBRUARY 2021

3 NET CURRENT FUNDING POSTION

EXPLANATION OF DIFFERENCE IN NET CURRENT ASSETS AND SURPLUS/(DEFICIT)

Operating activities excluded from budgeted deficiency

When calculating the budget deficiency for the purpose of Section 6.2 (2)(c) of the *Local Government Act 1995* the following amounts have been excluded as provided by *Local Government (Financial Management) Regulation 32* which will not fund the budgeted expenditure.

(i) Operating activities excluded from budgeted deficiency

The following non-cash revenue or expenditure has been excluded from operating activities within the Rate Setting Statement.

	ACTUAL 30 June 2020	ACTUAL 01 July 2020	BUDGET 01 July 2020	BUDGET 30 June 2021	ACTUAL 28 February 2021
				\$	\$
Adjustments to operating activities					
Less: Profit on asset disposals	(55,228)	(55,228)	(124,678)	(124,678)	(422,394)
Less: Movement in provision (current)	(9,600)	(9,600)	0	0	0
Less: Movement in pensioner deferred rates (non-current)	(30,450)	(30,450)	0	0	0
Less: Movement in employee benefit provisions (non-current)	(46,813)	(46,813)	0	0	0
Less: Movement in liabilities associated with restricted cash	0	0	0	0	(11,311)
Add: Movement in other provisions (non-current)	27,402	27,402	0	0	0
Add: Loss on asset disposals	30,693	30,693	251,613	251,613	148,175
Add: Amherst Reducing Equity	102,389	102,389	0	0	209,060
Add: Movement in retained surplus	0	0	0	0	0
Add: Change in accounting policies	0	0	0	0	0
Add: Depreciation on non-current assets	6,036,761	6,036,761	6,018,038	6,018,038	0
Non-cash amounts excluded from operating activities	6,055,154	6,055,154	6,144,973	6,144,973	(76,470)

(ii) Current assets and liabilities excluded from budgeted deficiency

The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement.

Adjustments to net current assets

Less: Restricted cash	(9,369,288)	(9,369,288)	(9,024,134)	(9,024,134)	(9,375,787)
Less : Current assets not expected to be received at end of year		0			
Add: Long term borrowings	190,853	190,853	0	0	96,157
Less : Current portion of lease liabilities	19,589	19,589	(13,634)	(13,634)	11,411
Add: Provisions - employee	657,975	657,975	627,377	627,377	646,664
Add: Local Government House Trust	124,637	124,637	124,637	124,637	124,637
Add: Amherst Deposits	1,036,928	1,036,928	1,036,928	1,036,928	1,245,988
Add: Change in accounting policy					
Total adjustments to net current assets	(7,339,306)	(7,339,306)	(7,248,826)	(7,248,826)	(7,250,930)

(iii) Composition of estimated net current assets

Current assets

Cash unrestricted	2,625,950	2,625,950	5,719,494	5,719,494	2,483,318
Cash restricted	9,369,288	9,369,288	9,024,136	9,024,136	9,375,787
Cash - restricted unspent borrowings		0	-	-	
Financial assets - unrestricted	6,558,609	6,558,609	0	0	4,480,370
Financial assets - restricted reserves		0	0	0	
Receivables - rates and rubbish	954,475	954,475	0	0	1,263,314
Receivables - other	613,207	613,207	481,486	481,486	982,744
Other current assets	250	250	0	0	250
Contract assets		0	0	0	
Inventories	15,086	15,086	15,086	15,086	3,853
	20,136,864	20,136,864	15,240,202	15,240,202	18,589,636

Less: current liabilities

Payables	(8,593,419)	(8,593,419)	(7,350,366)	(7,350,366)	(5,905,873)
Contract liabilities	(824,480)	(824,480)	0	0	(506,387)
Lease liabilities	(19,589)	(19,589)	(13,634)	(13,634)	(11,411)
Long term borrowings	(190,853)	(190,853)	0	0	(96,157)
Provisions	(657,975)	(657,975)	(627,377)	(627,377)	(646,664)
	(10,286,316)	(10,286,316)	(7,991,376)	(7,991,376)	(7,166,492)

Net current assets

	9,850,548	9,850,548	7,248,826	7,248,826	11,423,144
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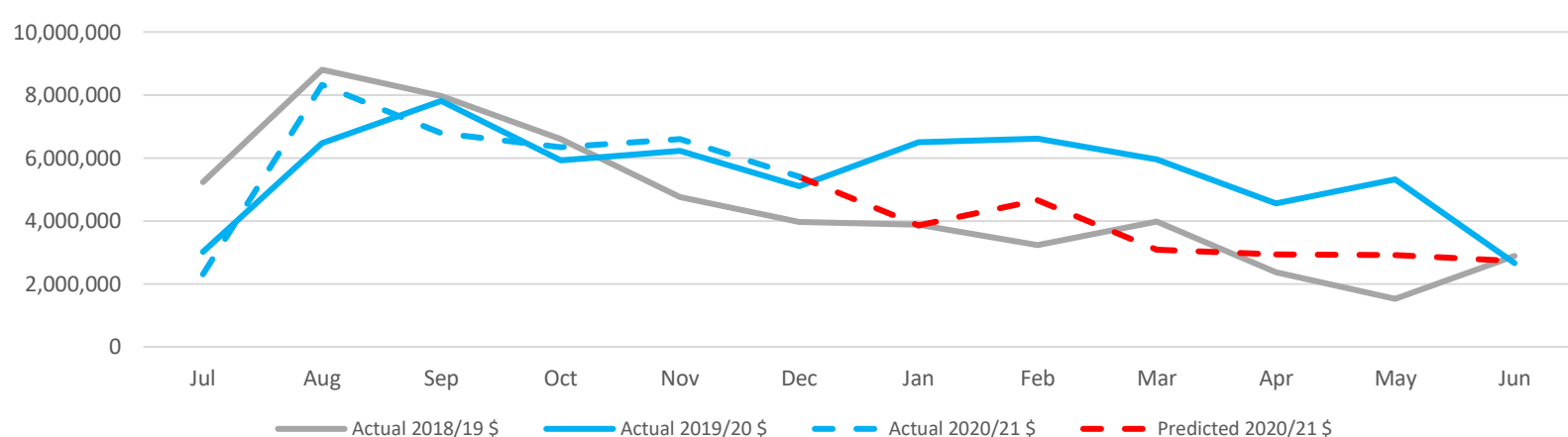
Less: Total adjustments to net current assets

	(7,339,306)	(7,339,306)	(7,248,826)	(7,248,826)	(7,250,930)
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Closing funding surplus / (deficit)

	2,511,242	2,511,242	0	0	4,172,214
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Liquidity Over the Year



3. COMMENTS/NOTES - NET CURRENT FUNDING POSITION (CONTINUED)

SIGNIFICANT ACCOUNTING POLICIES

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks, other short term highly liquid investments 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 shown as short term borrowings in current liabilities.

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.

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.

Collectability of trade and other receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that they will not be collectible.

INVENTORIES

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.

CURRENT AND NON-CURRENT CLASSIFICATION

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Shire of Katanning's operational cycle. In the case of liabilities where the Shire of Katanning 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 even if not expected to be realised in the next 12 months except for land held for sale where it is held as non-current based on the Shire of Katanning's intentions to release for sale.

CONTRACT ASSETS

A contract asset is the right to consideration in exchange for goods or services the entity has transferred to a customer when that right is conditioned on something other than the passage of time.

LOANS AND RECEIVABLES

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss. Loans and receivables are included in current assets where they are expected to mature within 12 months after the end of the reporting period.

TRADE AND OTHER PAYABLES

Trade and other payables represent liabilities for goods and services provided to the Shire of Katanning prior to the end of the financial year that are unpaid and arise when the Shire of Katanning 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.

CONTRACT LIABILITIES

An entity's obligation to transfer goods or services to a customer for which the entity has received consideration (or the amount is due) from the customer. Grants to acquire or construct recognisable non-financial assets to be controlled by the Shire of Katanning are recognised as a liability until such time as the Shire of Katanning satisfies its obligations under the agreement.

EMPLOYEE BENEFITS

Short-Term Employee Benefits

Provision is made for the Shire of Katanning'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 of Katanning's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current of financial trade and other payables in the statement position. Shire of Katanning's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

PROVISIONS

Provisions are recognised when the Shire of Katanning has a 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 KATANNING
NOTES TO THE REVIEW OF THE ANNUAL BUDGET
FOR THE PERIOD ENDED 28TH FEBRUARY 2021

4. PREDICTED VARIANCES

Comments/Reason for Variance	Variance \$	
	Permanent	Timing
4.1 OPERATING REVENUE (EXCLUDING RATES)		
4.1.1 FEES AND CHARGES		
Levied Waste Rate - reflection of correct nature and type from other revenue to fees and charges. Raised through rates billing.	70,000	0
Additional Shire project planning assessments.	6,000	0
Additional building fees for SOK projects.	6,375	0
KLC entry fees and kiosk income - budgeted conservatively as pandemic longevity was unknown.	18,000	0
4.1.2 OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS		
WALGGC approved Financial Assistance Grant for 2020-21 greater than their May forecast.	14,179	0
Remainder of community safe speed promise grant offset against driver reviver signage grant - no material variance.	0	0
Gallery activators for Art on the Move exhibition - reimbursed under grant income.	3,272	0
Regional Venues Improvement Fund additional grant funds received for airconditioning and door - capital expenditure.	20,630	0
Main Roads direct road grant allocation greater than estimated.	13,752	0
4.1.6 INTEREST EARNINGS		
Reserve and municipal interest - less funds held in accounts as large grant-funded projects finalising, and minimal interest rates accounting for decreased revenue.	(58,445)	0
Rates Late Payment Penalty - increase to reflect trend in actuals.	(20,000)	0
4.1.7 OTHER REVENUE		
Levied Waste Rate - reflection of correct nature and type from other revenue to fees and charges. Raised through rates billing.	(70,000)	0
Paid parental leave for one employee. Matching income and expenditure.	13,570	0
A BAS refund was received from ATO which cannot be accounted for elsewhere.	37,000	0
Katanning Rotary Club - Contribution to Rotary Wheel design & installation.	19,793	0
Workers Compensation Reimbursed - expenditure was not budgeted. Increase to match income account.	15,000	0
Fuel rebates - budget based on 2019/20 actuals which included a one-off review adjustment. Additional rebate not expected this FY.	(32,000)	0
Water Corp reimbursement Piesse Park - treated as accrued revenue through annual report processes.	(112,281)	0
4.1.8 PROFIT ON ASSET DISPOSAL		
No material variance.	0	0
Predicted Variances Carried Forward	(55,155)	0

SHIRE OF KATANNING
NOTES TO THE REVIEW OF THE ANNUAL BUDGET
FOR THE PERIOD ENDED 28TH FEBRUARY 2021

4. PREDICTED VARIANCES

Comments/Reason for Variance	Variance \$	
	Permanent	Timing
Predicted Variances Brought Forward	(55,155)	0
4.2 OPERATING EXPENSES		
4.2.1 EMPLOYEE COSTS		
Building salaries - position filled as staff this financial year.	(23,000)	0
Paid parental leave for one employee. Matching income and expenditure.	(13,570)	0
Workers Compensation Allocated - expenditure was not budgeted. Increase to match income account.	(20,000)	0
Gallery activators for Art on the Move exhibition - reimbursed under grant income.	(6,272)	0
Reallocate expenditure to works overheads. No material variance.	0	0
4.2.2 MATERIAL AND CONTRACTS		
Remainder of community safe speed promise grant offset against driver reviver signage grant.	1,004	0
Reallocate Works Program - Training & Staff Meetings expenditure from transport to works overheads. No material variance.	0	0
Saleyards CCTV maintenance. Two visits (firmware and software upgrades - one-off to bring the system up to date) & (physical cleaning and fault finding inc provision for scissor lift)	(5,045)	0
Relief CEO Expense - Reduction to reflect actual expenditure.	10,856	0
Regional Venues Improvement Fund - additional grant funds received for airconditioning and door - rebudgeting under capital expenditure.	5,070	0
Implementation of the Altus Bank reconciliation module.	(8,230)	0
Implementation of the SynergySoft Infringements module.	(10,167)	0
Building consultants - position filled as staff this financial year.	23,000	0
Additional Ranger relief March-May.	(10,000)	0
Art collection storage enclosure - unbudgeted carry forward from 2019/20. Reallocation from Art gallery exhibitions, offset by Art Collection Maintenance. No material variance.	0	0
Cleaning Expenses - Budget included within building maintenance.	8,500	0
LCDC Vehicle Lease Expenses - Budget to match reimbursement income.	(3,731)	0
Multiple items budgeted as capital expenditure. Change to reflect operating expenditure as individually they fall below the \$5,000 asset threshold.	(27,346)	0
Multiple items budgeted as capital expenditure. Change to reflect operating expenditure as they are not creating an asset.	(84,870)	0
KLC Kiosk Expenses budgeted conservatively as pandemic longevity was unknown.	(10,000)	0
Destination Development Project - increase budget to match project budget.	(34,630)	0
Gallery activators for Art on the Move exhibition - budgeted under grant expenditure but expended under salary costs; reimbursed under grant income.	3,000	0
4.2.3 UTILITY CHARGES		
No Material Variance.	0	0
4.2.4 DEPRECIATION (NON CURRENT ASSETS)		
No Material Variance.	0	0
4.2.5 INTEREST EXPENSES		
New Admin Building loan interest - adjustment to original budget to include Loan guarantee fee.	(16,018)	0
Adjustment to original budget upon acceptance of firm quotes for three new loans.	12,865	0
4.2.6 INSURANCE EXPENSES		
No Material Variance.	0	0
4.2.7 OTHER EXPENDITURE		
No Material Variance.	0	0
4.2.8 LOSS ON ASSET DISPOSAL		
No Material Variance.	0	0
Predicted Variances Carried Forward	(263,739)	0

SHIRE OF KATANNING
 NOTES TO THE REVIEW OF THE ANNUAL BUDGET
 FOR THE PERIOD ENDED 28TH FEBRUARY 2021

4. PREDICTED VARIANCES

Comments/Reason for Variance	Variance \$	
	Permanent	Timing
Predicted Variances Brought Forward	(263,739)	0
4.3 CAPITAL REVENUE		
4.3.1 NON OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS		
Local Roads & Community Infrastructure - Extension Grant New grant funding awarded. Projects endorsed OCM December 2020.	340,793	0
Reduction to Heritage Centre Project Other Grant Funds to match awarded grant.	(19,103)	0
Great Southern Aged Accommodation Project - reduction to income as BBRF Milestone 3 payment was received last financial year.	(15,351)	0
RADS grant funding confirmed. Total project \$58,000; DOT \$43,500, SOK \$14,500. Increase in grant income to reflect confirmed funding.	28,500	0
4.3.2 PROCEEDS FROM DISPOSAL OF ASSETS		
To reflect disposals of plant and motor vehicle assets under correct programs, and where originally budgeted as net changeover.	213,512	0
4.3.3 PROCEEDS FROM NEW DEBENTURES		
No Material Variance.	0	0
4.3.4 PROCEEDS FROM SALE OF INVESTMENT		
No Material Variance.	0	0
4.3.5 PROCEEDS FROM ADVANCES		
No Material Variance.	0	0
4.3.6 SELF-SUPPORTING LOAN PRINCIPAL		
No Material Variance.	0	0
Predicted Variances Carried Forward	284,612	0

SHIRE OF KATANNING

NOTES TO THE REVIEW OF THE ANNUAL BUDGET
FOR THE PERIOD ENDED 28TH FEBRUARY 2021

4. PREDICTED VARIANCES

Comments/Reason for Variance	Variance \$	
	Permanent	Timing
Predicted Variances Brought Forward	284,612	0
4.4 CAPITAL EXPENSES		
4.4.1 LAND HELD FOR RESALE		
No Material Variance.	0	0
4.4.2 LAND AND BUILDINGS		
Items budgeted as capital expenditure. Change to reflect operating expenditure as either not creating an asset (KLC Feasibility Study 24hr Gym) or fall below the \$5,000 asset threshold (KLC Airconditioner Server room, Library Counter Gate, Library Paving repair and laying, Library Courtyard - reticulation project with outdoor sink, Gallery black out curtains and airconditioning).	41,500	0
Regional Venues Improvement Fund additional grant funds received for airconditioning and door.	(25,700)	0
CCTV upgrade & install additional 3 cameras. Project was completed in 2019/20. Budgeted as KLC but should be Saleyards.	25,000	0
The President and CEO met with the Minister for Regional Development on 26 August 2020 where the Minister reaffirmed her support for the project but in a modified form. At September 2020 OCM, Council resolved to proceed with the Early Childhood Hub project, and amend the 2020/21 Budget to provide for \$1.2M capital expenditure for the Project, funded in the first instance from grant payments received in advance currently held in Reserves.	(1,200,000)	0
Administration building courtyard project. Expenditure adjustment, which will match the budgeted transfer from land and building reserve of \$50,000.	(6,442)	0
Great Southern Aged Accommodation Project - increase to reflect full project budget less 2019/20 expenditure.	(70,000)	0
Increase expenditure on Medical Centre upgrade. Funded from Land & Building Facilities for Seniors Reserve	(115,000)	0
4.4.3 PLANT AND EQUIPMENT		
Budgeted purchases not expended in 2019/20, and not carried forward in 2020/21 budget.	(614,437)	0
Purchase of mower not previously budgeted.	(6,000)	0
Plant and motor vehicle purchases budgeted as net changeover to other property and services; reallocated to correct programs (governance, transport, economic services), identifying purchases and disposals, and reflecting actual costs.	(303,909)	0
Remainder of community safe speed promise grant offset against driver reviver signage grant.	(1,004)	0
Items budgeted as capital expenditure. Change to reflect operating expenditure as individually they fall below the \$5,000 asset threshold (Purchase of 2 Weather Stations BFB and BFB Trailer)	13,300	0
4.4.4 FURNITURE AND EQUIPMENT		
No Material Variance.	0	0
4.4.5 INFRASTRUCTURE ASSETS - ROADS		
Mitigation Works near roundabout BFB (Great Southern Hwy) budgeted as capital expenditure. Change to reflect operating expenditure as it is not creating an asset.	14,500	0
Reallocation between road construction jobs - Reduction in resheet budget to offset expenditure on Kowald Road (budgeted road construction not finalised in 2019/20, and not carried forward in 2020/21 budget). No material variance.	0	0
4.4.6 INFRASTRUCTURE ASSETS - FOOTPATHS		
Local Roads & Community Infrastructure Phase 1 Funding. To allocate sub-projects (Austral Terrace - Footpath Upgrade Works & Clive Street - Concrete Footpath Upgrade Works). No material variance.	0	0
Local Roads & Community Infrastructure Extension Grant - Bokarup Street – Upgrade of footpath.	(20,793)	0
4.4.7 INFRASTRUCTURE ASSETS - PARKS		
Local Roads & Community Infrastructure Extension Grant - Prosser Park – Upgrade of Basketball courts	(30,000)	0
Predicted Variances Carried Forward	(2,014,373)	0

SHIRE OF KATANNING

NOTES TO THE REVIEW OF THE ANNUAL BUDGET
FOR THE PERIOD ENDED 28TH FEBRUARY 2021

4. PREDICTED VARIANCES

Comments/Reason for Variance	Variance \$	
	Permanent	Timing
Predicted Variances Brought Forward	(2,014,373)	0
4.4.8 INFRASTRUCTURE ASSETS - OTHER		
Local Roads & Community Infrastructure Extension Grant - Round Drive – Installation of strategic fire fighting tanks near Katanning Country Club, Katanning Leisure Centre – Installation of energy efficient lighting, Marmion Street – Installation of solar lighting from intersection of Warren Road to Hill Way, CCTV Expansion – Installation of strategic CCTV camera's in Piesse Park and other public areas.	(290,000)	0
RADS grant funding confirmed. Total project \$58,000; increase budget to align with grant funding.	(8,000)	0
Welcome Precinct Proj Expenditure (ST) - amendment to the budget following finalisation of the annual report.	(501,894)	0
Piesse Lake Development Proj - amendment to the budget following finalisation of the annual report.	654,276	0
Saleyards replacement storage server. Saleyards CCTV network is not functional until server is replaced.	(13,000)	0
Items budgeted as capital expenditure. Change to reflect operating expenditure as they are not creating assets (Tourism Business Promotion, Katanning Art Prize, Katanning Landcare/Katanning Creek Project).	80,000	0
Saleyards paving around ram & landscaping improvements - budgeted purchase not expended in 2019/20, and not carried forward in 2020/21 budget.	(40,280)	0
CCTV Cameras at Saleyards. Budgeted as KLC but should be Saleyards (KLC CCTV upgrade was finalised in 2019/20).	(25,000)	0
4.4.9 PURCHASES OF INVESTMENT		
No Material Variance.	0	0
4.4.10 REPAYMENT OF DEBENTURES		
Adjustment to original budget upon acceptance of firm quotes for new loans for Aged & Key Worker Accommodation, Water cart and Motor grader	36,779	0
Predicted Variances Carried Forward	(2,121,492)	0

SHIRE OF KATANNING

NOTES TO THE REVIEW OF THE ANNUAL BUDGET
FOR THE PERIOD ENDED 28TH FEBRUARY 2021

4. PREDICTED VARIANCES

Comments/Reason for Variance	Variance \$	
	Permanent	Timing
Predicted Variances Brought Forward	(2,121,492)	0
4.5 OTHER ITEMS		
4.4.11 TRANSFER TO RESERVES (RESTRICTED ASSETS)		
Reduction in transfer of interest to various reserve accounts - less funds held in accounts as large grant-funded projects finalising, and minimal interest rates accounting for decreased revenue.	78,445	0
Additional transfer to reserve - Amherst deposits associated with the changeover of 3 units.	(370,000)	0
Additional transfer to reserve - transfer to Plant Replacement Reserve	(201,353)	0
4.4.12 TRANSFER FROM RESERVES (RESTRICTED ASSETS)		
Transfers from reserves budgeted in 2019/20 but not carried forward relating to replacement of the waste site loader, saleyard skid steer, saleyards paving and landscaping, and Shire contribution towards Great Southern Aged Accommodation Project.	920,443	0
New transfer from new saleyards reserve for replacement of the storage server and maintenance to enable CCTV network at the saleyards.	18,045	0
Funding for recommencement of the Early Childhood Hub as per Council resolution OC97/20.	1,200,000	0
Additional transfer from reserve - increase expenditure on Medical Centre upgrade. Funded from Land & Building Facilities for Seniors Reserve.	115,000	0
Additional transfer from reserve - Amherst refunds associated with the changeover of 4 units.	190,040	0
4.5.1 RATE REVENUE		
Rate exemptions approved by Council, and rate exemptions in accordance with s75 of the Water Corporation Act 1995.	(44,782)	
4.5.2 OPENING FUNDING SURPLUS(DEFICIT)		
The actual opening balance is more than estimated at the time of adopting the budget.	35,694	0
4.5.3 NON-CASH WRITE BACK OF PROFIT (LOSS)		
No Material Variance.	0	0
4.5.5 AMHERST REDUCING EQUITY		
Reflecting the net movement of Amherst Village tenant changes.	179,960	0
Total Predicted Variances as per Annual Budget Review	0	0

SHIRE OF KATANNING
NOTES TO THE BUDGET REVIEW REPORT
FOR THE PERIOD ENDED 28TH FEBRUARY 2021

5. BUDGET AMENDMENTS

Amendments to original budget since budget adoption. Surplus/(Deficit)

GL Account Code	Description	Council Resolution	Classification	Increase in Available Cash	Decrease in Available Cash	Amended Budget Running Balance	Comments
Budget Adoption			Opening Surplus(Deficit)	\$ 35,694	\$ 0	\$ 35,694	
103240.80	Motor Vehicle Purchase (OTG)		Capital Expenses		(65,221)	(29,527)	Budgeted purchase not expended in 2019/20, and not carried forward in 2020/21 budget. Prado 01KA
158540.80	Plant & Equipment (SAL)		Capital Expenses		(67,126)	(96,653)	Budgeted purchase not expended in 2019/20, and not carried forward in 2020/21 budget. Saleyards Skid Steer.
158860.23	Proceeds on Sale of Asset (SAL)		Capital Revenue	14,000		(82,653)	Disposal of Saleyards JCB Skid Steer KA25223
158360.83	Transfer from New Saleyard Reserve		Capital Revenue	53,126		(29,527)	Saleyards Skid Steer - net changeover funded by reserve as per 2019/20 budget review.
149540.80	Plant Equipment Purchase (PLP)		Capital Expenses		(163,810)	(193,337)	Budgeted purchase not expended in 2019/20, and not carried forward in 2020/21 budget. John Deere Backhoe KA25566
149540.80	Plant Equipment Purchase (PLP)		Capital Expenses		(78,150)	(271,487)	Purchase of KA24951 Fuso Canter - Works. Budgeted purchase not expended in 2019/20, and not carried forward in 2020/21 budget.
149540.80	Plant Equipment Purchase (PLP)		Capital Expenses		(78,150)	(349,637)	Purchase of KA0287 Fuso Canter - Civil. Budgeted purchase not expended in 2019/20, and not carried forward in 2020/21 budget.
158440.80	Other Infrastructure (SAL)		Capital Expenses		(40,280)	(389,917)	Budgeted purchase not expended in 2019/20, and not carried forward in 2020/21 budget. Saleyards paving around ram & landscaping improvements
158360.83	Transfer from New Saleyard Reserve		Capital Revenue	40,280		(349,637)	Saleyards paving around ram & landscaping improvements - funded by reserve as per 2019/20 budget review.
144600.80	Works Program - Road Construction (CRBD)		Capital Expenses		(10,170)	(359,807)	Budgeted road construction not finalised in 2019/20, and not carried forward in 2020/21 budget. Kowald Road SLK 0.00 - 4.66 (Resheet)
144600.80	Works Program - Road Construction (CRBD)		Capital Expenses	10,170		(349,637)	Reduction in resheet budget to offset expenditure on Kowald Road SLK 0.00 - 4.66 (Resheet)
124740.80	Plant Equipment Purchase (SAN)		Capital Expenses		(161,980)	(511,617)	Purchase of CASE 2020 Wheel Loader 621F (KA25381) - Waste site. Budgeted purchase not expended in 2019/20, and not carried forward in 2020/21 budget.
130650.83	Transfer from Waste Management Reserve (SAN)		Capital Revenue	161,980		(349,637)	KA25381 - Changeover funded by reserve as per 2019/20 budget review.
142320.05	Art Collection Maintenance (OCU)		Operating Expenses		(5,005)	(354,642)	Art collection storage enclosure - unbudgeted carry forward from 2019/20. Reallocation from Art gallery exhibitions
141920.05	Art Gallery Exhibitions (OCU)		Operating Expenses	5,005		(349,637)	Art collection storage enclosure - unbudgeted carry forward from 2019/20. Reallocation from Art gallery exhibitions
130340.80	PLANT & EQUIPMENT (OTHER COM AM)		Capital Expenses	565,000		215,363	Purchase of Landfill compactor budgeted in other community amenities. To reflect purchase under Sanitation.
124740.80	Plant Equipment Purchase (SAN)		Capital Expenses		(565,000)	(349,637)	Purchase of Landfill compactor budgeted in other community amenities. To reflect purchase under Sanitation.
123550.80	Plant & Vehicles Purchases		Capital Expenses	10,000		(339,637)	Pedestrian roller compactor (KA8838). To reflect purchase under Transport.
149540.80	Plant Equipment Purchase (PLP)		Capital Expenses		(16,500)	(356,137)	Pedestrian roller compactor (KA8838). Quote is higher than budgeted.
123550.80	Plant & Vehicles Purchases		Capital Expenses	16,000		(340,137)	Purchase of KA1100 Pool Car. To reflect purchase under Governance.
122040.80	Motor Vehicle Purchase (ADM)		Capital Expenses		(24,273)	(364,410)	Purchase of KA1100 Pool Car. To reflect purchase under Governance.
103050.23	Proceeds on Sale of Assets (ADM)		Capital Revenue	89,000		(275,410)	To reflect disposal of vehicles under correct account.
124750.23	Realisation on Sale of Assets (ADM)		Capital Revenue		(89,000)	(364,410)	To reflect disposal of vehicles under correct account.
123550.80	Plant & Vehicles Purchases		Capital Expenses	270,000		(94,410)	Purchase Water Cart. To reflect purchase under Transport.
149540.80	Plant Equipment Purchase (PLP)		Capital Expenses		(237,460)	(331,870)	Purchase of KA11914. To reflect purchase under Transport.
123550.80	Plant & Vehicles Purchases		Capital Expenses	45,000		(286,870)	Net Purchase of KA1337 P&G. To reflect purchase under Transport.
149540.80	Plant Equipment Purchase (PLP)		Capital Expenses		(61,756)	(348,626)	Purchase of KA1337 P&G. To reflect purchase under Transport.
141030.23	Proceeds on Sale of Assets (PLP)		Capital Revenue	16,756		(331,870)	Disposal of KA1337 P&G. Budgeted as net changeover.
123550.80	Plant & Vehicles Purchases		Capital Expenses	48,000		(283,870)	Net Purchase of KA1808 Saleyards. To reflect purchase under Saleyards.
158540.80	Plant Equipment Purchase (PLP)		Capital Expenses		(61,756)	(345,626)	Purchase of KA1808 Saleyards. To reflect purchase under Saleyards.
158860.23	Proceeds on Sale of Asset (SAL)		Capital Revenue	13,756		(331,870)	Disposal of KA1808 Saleyards. Budgeted as net changeover.
123550.80	Plant & Vehicles Purchases		Capital Expenses	27,800		(304,070)	Purchase of KA24568 Colorado Ute. To reflect purchase under Transport.
149540.80	Plant Equipment Purchase (PLP)		Capital Expenses		(27,800)	(331,870)	Purchase of KA24568 Colorado Ute. To reflect purchase under Transport.
123550.80	Plant & Vehicles Purchases		Capital Expenses	33,000		(298,870)	Purchase of KA277 P&G. To reflect purchase under Transport.
149540.80	Plant Equipment Purchase (PLP)		Capital Expenses		(39,857)	(338,727)	Purchase of KA277 P&G. To reflect purchase under Transport.
123550.80	Plant & Vehicles Purchases		Capital Expenses	36,000		(302,727)	Purchase of KA108. To reflect purchase under Transport.
149540.80	Plant Equipment Purchase (PLP)		Capital Expenses		(37,157)	(339,884)	Purchase of KA108. To reflect purchase under Transport.
123550.80	Plant & Vehicles Purchases		Capital Expenses	29,000		(310,884)	Purchase of KA24621 P&G. To reflect purchase under Transport.

SHIRE OF KATANNING
NOTES TO THE BUDGET REVIEW REPORT
FOR THE PERIOD ENDED 28TH FEBRUARY 2021

5. BUDGET AMENDMENTS

Amendments to original budget since budget adoption. Surplus/(Deficit)

GL Account Code	Description	Council Resolution	Classification	Increase in Available Cash	Decrease in Available Cash	Amended Budget Running Balance	Comments
				\$	\$	\$	
149640.80	Motor Vehicle Purchase (PLP)		Capital Expenses		(40,533)	(351,417)	Purchase of KA24621 P&G. To reflect purchase under Transport.
123550.80	Plant & Vehicles Purchases		Capital Expenses	5,000		(346,417)	Net purchase of EMIA KA189. To reflect under Transport.
149640.80	Motor Vehicle Purchase (PLP)		Capital Expenses		(37,000)	(383,417)	EMIA KA189. To reflect purchase under Transport.
141030.23	Proceeds on Sale of Assets (PLP)		Capital Revenue	32,000		(351,417)	EMIA KA189. To reflect disposal under Transport.
123550.80	Plant & Vehicles Purchases		Capital Expenses	5,000		(346,417)	Net purchase of EMCC KA472. To reflect purchase under Governance.
122040.80	Motor Vehicle Purchase (ADM)		Capital Expenses		(37,000)	(383,417)	EMCC KA472. To reflect purchase under Governance.
103050.23	Proceeds on Sale of Assets (ADM)		Capital Revenue	32,000		(351,417)	EMCC KA472. To reflect disposal under Governance.
123550.80	Plant & Vehicles Purchases		Capital Expenses	10,000		(341,417)	Purchase of KA09. To reflect purchase under Transport.
149640.80	Motor Vehicle Purchase (PLP)		Capital Expenses		(36,432)	(377,849)	Purchase of KA09. To reflect purchase under Transport.
123550.80	Plant & Vehicles Purchases		Capital Expenses	15,899		(361,950)	Purchase of KA369 - Works. To reflect purchase under Transport.
149640.80	Motor Vehicle Purchase (PLP)		Capital Expenses		(41,097)	(403,047)	Purchase of KA369 - Works. To reflect purchase under Transport.
123550.80	Plant & Vehicles Purchases		Capital Expenses	28,800		(374,247)	Purchase of KA24568. To reflect purchase under Transport.
149640.80	Motor Vehicle Purchase (PLP)		Capital Expenses		(41,097)	(415,344)	Purchase of KA24568. To reflect purchase under Transport.
123550.80	Plant & Vehicles Purchases		Capital Expenses	30,000		(385,344)	Purchase of Digger (Cemetery). To reflect purchase under Transport.
149540.80	Plant Equipment Purchase (PLP)		Capital Expenses		(32,750)	(418,094)	Purchase of Digger (Cemetery). To reflect purchase under Transport.
123550.80	Plant & Vehicles Purchases		Capital Expenses	250,000		(168,094)	Purchase of Grader 1DPP247. To reflect purchase under Transport.
149540.80	Plant Equipment Purchase (PLP)		Capital Expenses		(357,200)	(525,294)	Purchase of Grader 1DPP247. To reflect purchase under Transport. Actual was higher than budgeted.
141030.23	Proceeds on Sale of Assets (PLP)		Capital Revenue	95,000		(430,294)	Disposal of 1DPP247 Grader. Budgeted as net changeover.
123550.80	Plant & Vehicles Purchases		Capital Expenses	5,000		(425,294)	KLC vehicle changeover
138540.80	Motor Vehicle Purchase (KLC)		Capital Expenses		(38,740)	(464,034)	Purchase of KA566
139730.23	Proceeds on Sale of Assets (KLC)		Capital Revenue	31,818		(432,216)	Disposal of KA566
104160.24	Realisation on Sale of Assets (KLC)		Capital Revenue		(31,818)	(464,034)	Disposal of KA566
118240.80	Land And Buildings (KLC)		Capital Expenses	25,000		(439,034)	CCTV upgrade & install additional 3 cameras. Project was completed in 2019/20. Budgeted as KLC but should be Saleyards.
158440.80	Other Infrastructure (SAL)		Capital Expenses		(25,000)	(464,034)	CCTV Cameras at Saleyards. Budgeted as KLC but should be Saleyards.
177220.10	Salary Costs (OCU)		Operating Expenses		(6,272)	(470,306)	Gallery activators for Art on the Move exhibition - reimbursed under grant income.
153740.02	Grant Expenditure (OCU)		Operating Expenses	3,000		(467,306)	Gallery activators for Art on the Move exhibition - budgeted under grant expenditure but expended under salary costs; reimbursed under grant income.
153730.38	Grant Income (OCU)		Operating Revenue	3,272		(464,034)	Gallery activators for Art on the Move exhibition - reimbursed under grant income.
145300.80	Works Prog - Footpath construction		Capital Expenses	351,812		(112,222)	Local Roads & Community Infrastructure Phase 1 Funding. To allocate sub-projects.
145300.80	Works Prog - Footpath construction		Capital Expenses		(200,000)	(312,222)	Austral Terrace - Footpath Upgrade Works (Local Roads & Community Infrastructure Phase 1 Funding).
145300.80	Works Prog - Footpath construction		Capital Expenses		(151,812)	(464,034)	Clive Street - Concrete Footpath Upgrade Works (Local Roads & Community Infrastructure Phase 1 Funding).
124350.05	Consultants (BUC)		Operating Expenses	23,000		(441,034)	Position filled as staff this financial year.
155220.10	Salary Costs (BUC)		Operating Expenses		(23,000)	(464,034)	Position filled as staff this financial year.
146210.38	Grant Income (DPI - Country Pathways etc)		Operating Revenue		(1,004)	(465,038)	Remainder of community safe speed promise grant offset against driver reviver signage grant
120130.39	Grant Income (OLO)		Operating Revenue	1,004		(464,034)	Remainder of community safe speed promise grant offset against driver reviver signage grant
146330.02	Grant Expenditure (DPI - Country Pathways etc)		Operating Expenses	1,004		(463,030)	Remainder of community safe speed promise grant offset against driver reviver signage grant
104940.80	PLANT & EQUIPMENT		Operating Expenses		(1,004)	(464,034)	Remainder of community safe speed promise grant offset against driver reviver signage grant
128830.40	Levied Waste Rate (SAN)		Operating Revenue		(70,000)	(534,034)	Reflection of correct nature and type from other revenue to fees and charges. Raised through rates billing.
128830.33	Levied Waste Rate (SAN)		Operating Revenue	70,000		(464,034)	Reflection of correct nature and type from other revenue to fees and charges. Raised through rates billing.
142650.80	Other Infrastructure - Tourism		Capital Expenses	50,000		(414,034)	Budgeted as capital expenditure. Change to reflect operating expenditure as it is not creating an asset (Tourism Business Promotion).

SHIRE OF KATANNING
NOTES TO THE BUDGET REVIEW REPORT
FOR THE PERIOD ENDED 28TH FEBRUARY 2021

5. BUDGET AMENDMENTS

Amendments to original budget since budget adoption. Surplus/(Deficit)

GL Account Code	Description	Council Resolution	Classification	Increase in Available Cash	Decrease in Available Cash	Amended Budget Running Balance	Comments
				\$	\$	\$	
193830.05	Grant Expenditure (TOU)		Operating Expenses		(15,370)	(429,404)	Budgeted as capital expenditure. Change to reflect operating expenditure as it is not creating an asset (Tourism Business Promotion). (reduced to \$15,370 - Destination Development project)
158890.05	Grant Expenditure (EDV)		Operating Expenses		(34,630)	(464,034)	Destination Development Project - total project budget \$115,511.
142650.80	Other Infrastructure - Tourism		Capital Expenses	20,000		(444,034)	Budgeted as capital expenditure. Change to reflect operating expenditure as it is not creating an asset (Katanning Art Prize).
153740.05	Grant Expenditure (OCU)		Operating Expenses		(20,000)	(464,034)	Budgeted as capital expenditure. Change to reflect operating expenditure as it is not creating an asset (Katanning Art Prize).
126440.80	BLD PROG (CAPITAL) - KLC		Capital Expenses	25,000		(439,034)	Budgeted as capital expenditure. Change to reflect operating expenditure as it is not creating an asset (KLC Feasibility Study 24hr Gym).
188740.05	Consultants (KLC)		Operating Expenses		(25,000)	(464,034)	Budgeted as capital expenditure. Change to reflect operating expenditure as it is not creating an asset (KLC Feasibility Study 24hr Gym).
144600.80	Works Program - Road Construction (CRBD)		Capital Expenses	14,500		(449,534)	Budgeted as capital expenditure. Change to reflect operating expenditure as it is not creating an asset (Mitigation Works near roundabout BFB (Great Southern Hwy)).
115220.05	Works Program - Fire Prevention		Operating Expenses		(14,500)	(464,034)	Budgeted as capital expenditure. Change to reflect operating expenditure as it is not creating an asset (Mitigation Works near roundabout BFB (Great Southern Hwy)).
199040.80	Other Infrastructure (RUR)		Capital Expenses	10,000		(454,034)	Budgeted as capital expenditure. Change to reflect operating expenditure as it is not creating an asset (Katanning Landcare/Katanning Creek Project).
178320.05	Works Program - Protection of Environment (POE)		Operating Expenses		(10,000)	(464,034)	Budgeted as capital expenditure. Change to reflect operating expenditure as it is not creating an asset (Katanning Landcare/Katanning Creek Project).
126440.80	BLD PROG (CAPITAL) - KLC		Capital Expenses	2,500		(461,534)	Budgeted as capital expenditure. Change to reflect operating expenditure as it falls below the \$5,000 asset threshold (KLC Airconditioner Server room).
173320.05	Building Program - Katanning Leisure Centre		Operating Expenses		(582)	(462,116)	Budgeted as capital expenditure. Change to reflect operating expenditure as it falls below the \$5,000 asset threshold (KLC Airconditioner Server room).
152540.80	Bldg Program Library Capital (LIB)		Capital Expenses	3,000		(459,116)	Budgeted as capital expenditure. Change to reflect operating expenditure as it falls below the \$5,000 asset threshold (Library Counter Gate).
141320.05	Building Program - Library		Operating Expenses		(2,214)	(461,330)	Budgeted as capital expenditure. Change to reflect operating expenditure as it falls below the \$5,000 asset threshold (Library Counter Gate).
152540.80	Bldg Program Library Capital (LIB)		Capital Expenses	3,000		(458,330)	Budgeted as capital expenditure. Change to reflect operating expenditure as it falls below the \$5,000 asset threshold (Library Paving repair and laying).
141320.05	Building Program - Library		Operating Expenses		(3,250)	(461,580)	Budgeted as capital expenditure. Change to reflect operating expenditure as it falls below the \$5,000 asset threshold (Library Paving repair and laying).
152540.80	Bldg Program Library Capital (LIB)		Capital Expenses	2,000		(459,580)	Budgeted as capital expenditure. Change to reflect operating expenditure as it falls below the \$5,000 asset threshold (Library Courtyard - reticulation project with outdoor sink).
141320.05	Building Program - Library		Operating Expenses		(2,000)	(461,580)	Budgeted as capital expenditure. Change to reflect operating expenditure as it falls below the \$5,000 asset threshold (Library Courtyard - reticulation project with outdoor sink).
123550.80	Plant & Vehicles Purchases		Capital Expenses	3,500		(458,080)	Budgeted as capital expenditure. Change to reflect operating expenditure as it falls below the \$5,000 asset threshold (Purchase of BFB Trailer).
197760.05	Bushfire Brigade - Ineligible Expenditure (FPV)		Operating Expenses		(3,500)	(461,580)	Budgeted as capital expenditure. Change to reflect operating expenditure as it falls below the \$5,000 asset threshold (Purchase of BFB Trailer).
123550.80	Plant & Vehicles Purchases		Capital Expenses	9,800		(451,780)	Budgeted as capital expenditure. Change to reflect operating expenditure as individually they fall below the \$5,000 asset threshold (Purchase of 2 Weather Stations BFB)
197760.05	Bushfire Brigade - Ineligible Expenditure (FPV)		Operating Expenses		(9,800)	(461,580)	Budgeted as capital expenditure. Change to reflect operating expenditure as individually they fall below the \$5,000 asset threshold (Purchase of 2 Weather Stations BFB)
153740.02	Grant Expenditure (OCU)		Operating Expenses	5,070		(456,510)	Regional Venues Improvement Fund - additional grant funds received for airconditioning and door - rebudgeting under capital expenditure.
153730.38	Grant Income (OCU)		Operating Revenue	20,630		(435,880)	Regional Venues Improvement Fund additional grant funds received for airconditioning and door - capital expenditure.

SHIRE OF KATANNING
NOTES TO THE BUDGET REVIEW REPORT
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5. BUDGET AMENDMENTS

Amendments to original budget since budget adoption. Surplus/(Deficit)

GL Account Code	Description	Council Resolution	Classification	Increase in Available Cash	Decrease in Available Cash	Amended Budget Running Balance	Comments
				\$	\$	\$	
199640.80	LAND & BUILDINGS (OCU)		Capital Expenses		(25,700)	(461,580)	Regional Venues Improvement Fund additional grant funds received for airconditioning and door - capital expenditure.
199640.80	LAND & BUILDINGS (OCU)		Capital Expenses	6,000		(455,580)	Gallery black out curtains and airconditioning - move from capital to operating as under capitalisation threshold.
173720.05	Building Program - Gallery		Operating Expenses		(6,000)	(461,580)	Gallery black out curtains and airconditioning - move from capital to operating as under capitalisation threshold.
185420.10	Workers Compensation Allocated (S&W)		Operating Expenses		(20,000)	(481,580)	Expenditure was not budgeted. Increase and match income account.
185530.46	Workers Compensation Reimbursed (S&W)		Operating Revenue	15,000		(466,580)	Expenditure was not budgeted. Increase and match income account.
103430.10	Paid Parental Leave Expenditure (ADM)		Operating Expenses		(13,570)	(480,150)	Paid parental leave for one employee. Matching income and expenditure.
113150.40	Paid Parental Leave Reimbursements (ADM)		Operating Revenue	13,570		(466,580)	Paid parental leave for one employee. Matching income and expenditure.
126590.80	Early Childhood Hub	OC97/20	Capital Expenses		(1,200,000)	(1,666,580)	The President and CEO met with the Minister for Regional Development on 26 August 2020 where the Minister reaffirmed her support for the project but in a modified form. At September 2020 OCM, Council resolved to proceed with the Early Childhood Hub project, and amend the 2020/21 Budget to provide for \$1.2M capital expenditure for the Project, funded in the first instance from grant payments received in advance currently held in Reserves.
163340.83	Transfer from Land & Building Reserve	OC97/20	Capital Revenue	1,200,000		(466,580)	Funding for Early Childhood Hub.
112530.32	Interest - Reserves (GPI)		Operating Revenue		(78,445)	(545,025)	Less funds held in accounts as large grant-funded projects finalising, and minimal interest rates accounting for decreased revenue.
169920.82	Transfer Interest to Amherst Village Refundable Deposit Reserve (AMV)		Capital Expenses	8,806		(536,219)	Less funds held in accounts as large grant-funded projects finalising, and minimal interest rates accounting for decreased revenue.
124940.82	Transfer Interest to Employee Leave Entitlement Reserve		Capital Expenses	6,337		(529,882)	Less funds held in accounts as large grant-funded projects finalising, and minimal interest rates accounting for decreased revenue.
163780.82	Transfer Interest to Land & Building Reserve		Capital Expenses	20,856		(509,026)	Less funds held in accounts as large grant-funded projects finalising, and minimal interest rates accounting for decreased revenue.
199220.82	Transfer Interest to Land & Buildings Facilities for Seniors Reserve (AMV)		Capital Expenses	5,455		(503,571)	Less funds held in accounts as large grant-funded projects finalising, and minimal interest rates accounting for decreased revenue.
158290.82	Transfer Interest to New Saleyard Reserve		Capital Expenses	4,902		(498,669)	Less funds held in accounts as large grant-funded projects finalising, and minimal interest rates accounting for decreased revenue.
158240.82	Transfer Interest to Old Saleyard Rehabilitation Reserve		Capital Expenses	8,959		(489,710)	Less funds held in accounts as large grant-funded projects finalising, and minimal interest rates accounting for decreased revenue.
142140.82	Transfer Interest to Plant Replacement Reserve		Capital Expenses	8,340		(481,370)	Less funds held in accounts as large grant-funded projects finalising, and minimal interest rates accounting for decreased revenue.
162540.82	Transfer Interest to Quartermaine Oval Reserve (KLC)		Capital Expenses	1,254		(480,116)	Less funds held in accounts as large grant-funded projects finalising, and minimal interest rates accounting for decreased revenue.
162440.82	Transfer Interest to KLC Facilities Reserve (KLC)		Capital Expenses	1,342		(478,774)	Less funds held in accounts as large grant-funded projects finalising, and minimal interest rates accounting for decreased revenue.
196620.82	Transfer Interest to Waste Management Reserve (SAN)		Capital Expenses	9,898		(468,876)	Less funds held in accounts as large grant-funded projects finalising, and minimal interest rates accounting for decreased revenue.
166980.82	Transfer interest to Community & Economic Development Projects Reserve		Capital Expenses	2,296		(466,580)	Less funds held in accounts as large grant-funded projects finalising, and minimal interest rates accounting for decreased revenue.
121810.80	Land & Buildings (OHE)		Capital Expenses		(115,000)	(581,580)	Increase expenditure on Medical Centre upgrade. Funded from Land & Building Facilities for Seniors Reserve
166950.83	Transfer from Land & Building Facilities for Seniors Reserve		Capital Revenue	115,000		(466,580)	Increase expenditure on Medical Centre upgrade. Funded from Land & Building Facilities for Seniors Reserve
158770.44	Grant Income (EDV)	OC138/20	Operating Revenue	340,793		(125,787)	Local Roads & Community Infrastructure - Extension Grant New grant funding awarded. Receiving January 2021. Projects endorsed OCM December 2020.
130860.80	Parks & Ovals (ORS)	OC138/20	Capital Expenses		(30,000)	(155,787)	LRCI Extension Grant - Prosser Park – Upgrade of Basketball courts
119940.80	OLO - Purchase of Equipment	OC138/20	Capital Expenses		(100,000)	(255,787)	LRCI Extension Grant - CCTV Expansion – Installation of strategic CCTV camera's in Piesse Park and other public areas.
157440.80	Other Infrastructure (KLC)	OC138/20	Capital Expenses		(80,000)	(335,787)	LRCI Extension Grant - Katanning Leisure Centre – Installation of energy efficient lighting.
145300.80	Bokarup Street – Upgrade of footpath	OC138/20	Capital Expenses		(20,793)	(356,580)	LRCI Extension Grant - Bokarup Street – Upgrade of footpath

SHIRE OF KATANNING
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5. BUDGET AMENDMENTS

Amendments to original budget since budget adoption. Surplus/(Deficit)

GL Account Code	Description	Council Resolution	Classification	Increase in Available Cash	Decrease in Available Cash	Amended Budget Running Balance	Comments
				\$	\$	\$	
145900.80	Works Program - Other Infrastructure	OC138/20	Capital Expenses		(70,000)	(426,580)	LRCI Extension Grant - Marmion Street – Installation of solar lighting from intersection of Warren Road to Hill Way
120640.80	Other Infrastructure (FPV)	OC138/20	Capital Expenses		(40,000)	(466,580)	LRCI Extension Grant - Round Drive – Installation of strategic fire fighting tanks near Katanning Country Club
139240.40	Other Income/Donations (ORS)		Operating Revenue		(112,281)	(578,861)	Water Corp reimbursement Piesse Park - treated as accrued revenue through annual report processes.
183830.40	Fuel/Energy Grants/Rebates (POC)		Operating Revenue		(32,000)	(610,861)	Budget based on 2019/20 actuals which included a one-off review adjustment. Additional rebate not expected this FY.
128230.23	Proceeds on Sale of Assets (ORS)	OC141/20	Operating Revenue	10,000		(600,861)	Disposal of 77 (Lot 684) Piesse Street Katanning
111010.30	Write Off Rates (RAT)	OC87/20, OC12	Operating Revenue		(44,782)	(645,643)	Rate exemptions approved by Council, and rate exemptions in accordance with s75 of the Water Corporation Act 1995.
158440.80	Other Infrastructure (SAL)		Capital Expenses		(13,000)	(658,643)	Saleyards replacement storage server. Saleyards CCTV network is not functional until server is replaced.
193370.05	Saleyards CCTV Maintenance Costs (SAL)		Operating Expenses		(5,045)	(663,688)	Saleyards CCTV maintenance. Two visits (firmware and software upgrades - one-off to bring the system up to date) & (physical cleaning and fault finding inc provision for scissor lift)
158360.83	Transfer from New Saleyard Reserve		Capital Revenue	18,045		(645,643)	Saleyards replacement of the storage server and maintenance to enable CCTV network.
103340.80	Land & Buildings (OTG)		Capital Expenses		(6,442)	(652,085)	Courtyard Project. Expenditure adjustment, which will match the budgeted transfer from land and building reserve of \$50,000.
152840.44	Grant Income (AERO)		Operating Revenue	28,500		(623,585)	RADS grant funding confirmed. Total project \$58,000; DOT \$43,500, SOK \$14,500. Increase in grant income to reflect confirmed funding.
140860.80	Airport - Other Infrastructure		Capital Expenses	10,000		(613,585)	RADS grant funding confirmed. Total project \$58,000; DOT \$43,500, SOK \$14,500. Reduction of linemarking budget as per funding agreement.
140860.80	Airport - Other Infrastructure		Capital Expenses		(18,000)	(631,585)	RADS grant funding confirmed. Total project \$58,000; DOT \$43,500, SOK \$14,500. Concrete pad and shade shelter for fire operations.
140860.80	Airport - Other Infrastructure		Capital Expenses	6,000		(625,585)	RADS grant funding confirmed. Total project \$58,000; DOT \$43,500, SOK \$14,500. Reduction of boundary fencing budget as per funding agreement.
140860.80	Airport - Other Infrastructure		Capital Expenses		(6,000)	(631,585)	RADS grant funding confirmed. Total project \$58,000; DOT \$43,500, SOK \$14,500. New windsock lighting.
149540.80	Plant Equipment Purchase (PLP)		Capital Expenses		(6,000)	(637,585)	Purchase of Mower
102400.06	Interest on Loan 159 - Aged & Key Worker Accommodation (OTH)		Operating Expenses	7,542		(630,043)	Adjustment to original budget upon acceptance of firm quotes for new loans.
101540.06	Interest on Loan 160 - Watercart		Operating Expenses	2,157		(627,886)	Adjustment to original budget upon acceptance of firm quotes for new loans.
101550.06	Interest on Loan 161 - CAT Grader		Operating Expenses	3,166		(624,720)	Adjustment to original budget upon acceptance of firm quotes for new loans.
150090.84	Principal Repayment Loan 159 - Aged & Key Worker Accommodation (OTH)		Capital Expenses	18,937		(605,783)	Adjustment to original budget upon acceptance of firm quotes for new loans.
150120.84	Principal Repayments Loan 160 - Watercart		Capital Expenses	7,222		(598,561)	Adjustment to original budget upon acceptance of firm quotes for new loans.
150140.84	Principal Repayments Loan 161 - Motor Grader		Capital Expenses	10,620		(587,941)	Adjustment to original budget upon acceptance of firm quotes for new loans.
101520.06	Interest on Loan 158 - New Admin Building (OTG)		Operating Expenses		(16,018)	(603,959)	Adjustment to original budget to include Loan guarantee fee.
101810.38	General Purpose Grant (GPF)		Operating Revenue	10,051		(593,908)	WALGGC approved FAGS for 2020-21 greater than their May forecast.
102010.38	Untied Road Grant (GPF)		Operating Revenue	4,128		(589,780)	WALGGC approved FAGS for 2020-21 greater than their May forecast.
101710.32	Rates Late Payment Penalty (RAT)		Operating Revenue	20,000		(569,780)	Increase to reflect trend in actuals.
191130.32	Interest - Municipal (GPI)		Operating Revenue		(20,000)	(589,780)	Less funds held in accounts as large grant-funded projects finalising, and minimal interest rates accounting for decreased revenue.
111130.40	Miscellaneous Income (ADM)		Operating Revenue	37,000		(552,780)	A BAS refund was received from ATO which cannot be accounted for elsewhere.
146930.46	Contributions towards Supertowns projects		Operating Revenue	19,793		(532,987)	Katanning Rotary Club - Contribution to Rotary Wheel design & installation
126670.80	Welcome Precinct Proj Expenditure (ST)		Capital Expenses		(501,894)	(1,034,881)	Amendment to the budget following finalisation of the annual report.
126680.80	Piesse Lake Development Proj		Capital Expenses	654,276		(380,605)	Amendment to the budget following finalisation of the annual report.
126610.41	Heritage Centre Project Other Grant Funds (ST)		Operating Revenue		(19,103)	(399,708)	Reduction to income to match awarded grant.
126700.80	Great Southern Aged Accommodation Project Expenditure (ST)		Capital Expenses		(70,000)	(469,708)	Increase to reflect full project budget less 2019/20 expenditure.
126690.41	Great Southern Aged Accommodation Project Revenue (ST)		Operating Revenue		(15,351)	(485,059)	Reduction to income as BBRF Milestone 3 payment was received last financial year.
163340.83	Transfer from Land & Building Reserve		Capital Revenue	665,057		179,998	Shire contribution towards Great Southern Aged Accommodation Project.
128930.33	Planning Assessment Fees (TOW)		Operating Revenue	6,000		185,998	Additional Shire project planning assessments.
100230.33	Entry Fees (KLC)		Operating Revenue	10,000		195,998	Budgeted conservatively as pandemic longevity was unknown.
100430.33	Kiosk Income - GST Inc (KLC)		Operating Revenue	8,000		203,998	Budgeted conservatively as pandemic longevity was unknown.

SHIRE OF KATANNING
NOTES TO THE BUDGET REVIEW REPORT
FOR THE PERIOD ENDED 28TH FEBRUARY 2021

5. BUDGET AMENDMENTS

Amendments to original budget since budget adoption. Surplus/(Deficit)

GL Account Code	Description	Council Resolution	Classification	Increase in Available Cash	Decrease in Available Cash	Amended Budget Running Balance	Comments
				\$	\$	\$	
188720.25	Kiosk Expenses (KLC)		Operating Expenses		(10,000)	193,998	Budgeted conservatively as pandemic longevity was unknown.
149110.38	Direct Road Grant (MRBD)		Operating Revenue	13,752		207,750	Main Roads direct road grant allocation greater than estimated.
147030.05	Ranger Relief (ANI)		Operating Expenses		(10,000)	197,750	Additional Ranger relief March-May.
105820.05	Cleaning Expenses (ADM)		Operating Expenses	8,500		206,250	Budget included within 0592
108050.02	Relief CEO Expense		Operating Expenses	10,856		217,106	Reduction to reflect actual expenditure
178220.05	LCDC Vehicle Lease Expenses (POE)		Operating Expenses		(3,731)	213,375	Budget to match reimbursement income
156130.33	Building Fees & Licences - GST exempt (BUC)		Operating Revenue	6,375		219,750	Additional building fees for SOK projects
105120.05	Computer Software Subscriptions (ADM)		Operating Expenses		(10,167)	209,583	Implementation of the SynergySoft Infringements module.
105120.05	Computer Software Subscriptions (ADM)		Operating Expenses		(8,230)	201,353	Implementation of the Altus Bank reconciliation module.
142150.82	Transfer to Plant Replacement Reserve		Capital Expenses		(201,353)	(0)	Transfer to Plant Replacement Reserve
181520	Works Program - Training & Staff Meetings		Operating Expenses	125,162		125,162	Reallocate expenditure to works overheads.
181530	Works Program - Training & Staff Meetings		Operating Expenses		(125,162)	(0)	Reallocate expenditure to works overheads.
124240.80	Refund Amherst Capital Deposit (AMV)		Capital Expenses		(190,040)	(190,040)	Amherst refunds associated with the changeover of 4 units.
125710.83	Transfer from Amherst Village Refundable Deposit Reserve (AMV)		Capital Revenue	190,040		(0)	Amherst refunds associated with the changeover of 4 units.
125630.81	Amherst Refundable Deposits Income (AMV)		Capital Revenue	370,000		370,000	Amherst deposits associated with the changeover of 3 units.
169810.82	Transfer to Amherst Village Refundable Deposit Reserve (AMV)		Capital Expenses		(370,000)	(0)	Amherst deposits associated with the changeover of 3 units.
Amended Budget Cash Position as per Council Resolution				6,757,163	(6,757,163)	(0)	