



Annual Report

2020/21

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Introduction

Our Vision

Leads the Way

Our Mission

We will achieve our vision by maintain and enhancing the Bruce Rock lifestyle, increase business and employment opportunities and achieve population growth in an environmentally sustainable way.

Our Values

We will conduct our business with:

Respect

- Value people and places and the contribution they make to the Shire
- Develop an environment of respect for different cultures
- Be appreciative of the aspirations of the community and what it does for itself

Inclusiveness

- Be receptive, proactive and responsive as an organisation
- Foster the community that has the ability to capacity build
- Demonstrate leadership by promoting Council and community teamwork

Fairness and equity

- Maintain a 'whole of Shire' outlook, but recognise that each community is unique and likely to have variations on their needs
- Provide services for a variety of ages and needs
- Respond to the community in a fair and equal way depending on need

Communication

- Create opportunities for consultation with the broad community
- Ensure appropriate, accessible information will be made available to the community





Our Shire

The Shire of Bruce Rock covers an area of 2,772 km² in the Wheatbelt of Western Australia and has a population of approximately 930 (ABS, Census, 2016).

Shire of Bruce Rock

Localities

Ardath, Babakin, Belka, Bruce Rock, Kwolyin, Shackleton

Significant Local Events

Bruce Rock Agricultural Show – Biannually in September

Back to the Bush Reunion – Annually - 1st Weekend in November

Ordinary Council Meeting

Meets third Thursday of each month except January



Tourist Attractions

Granite Way, including Kokerbin Rock
Kwolyin Camping Grounds
Shackleton – “Australia’s Smallest Bank”
Steve’s Art Shackleton
Mosaic and Centenary Path, Bruce Rock
Babakin – the underground orchid
Spring Wildflowers
Bruce’s Rock
Bruce Rock Museum
Ardath Hotel
Railway Dam
Ardath Lake
Scenic Rural Vistas
Federation Amphitheatre and Sculpture Park
Remembrance Park



Local Industries

Wheat and other cereals, steel fabrication, livestock and agricultural support industries.



Council Statistics (2020-21)

Distance from Perth (km)	245
Area (sq. km)	2,772
Length of Sealed Roads (km)	501.1
Length of Unsealed Roads (km)	757.6
Population	930
Number of Electors	642
Number of Dwellings	470
Total Rates Levied	\$1,559,947
Total Revenue	\$6,849,423
Number of Employees	48



The Council

Council meets on every third Thursday of the month, except January, to consider local and regional issues of importance to the district.

The Council is made up of nine Councillors representing the Bruce Rock District.

President

Cr SA Strange

Deputy President

Cr R Rajagopalan

Councillors	Telephone	Years of Service	Term Expires
Cr Stephen Strange	0429 611 324	32	2023
Cr Ramesh Rajagopalan	0448 012 656	12	2021
Cr Ian Dolton	0427 623 010	22	2021
Cr Phillip Negri	0428 611 228	6	2023
Cr Brendan Waight	0428 149 654	4	2021
Cr Natalie Kilminster	0428 611 975	4	2021
Cr Anthony Crooks	0428 911 922	3	2023
Cr Kevin Foss	0427 998 878	3	2023
Cr Rebecca Waye	0429 683 428	2	2023

Council elections are held on the third Saturday in October. The next election will be held on Saturday 16th October 2021.

Contact Information

Office Hours

8.30am to 4.30pm

Shire Office	9061 1377
Workshop / Fax	9061 1030
Swimming Pool	9061 1278
Bruce Rock Supermarket	0408 000 140

After Hours

Chief Executive Officer	Darren Mollenoyux	0428 611 377
Deputy Chief Executive Officer	Alan O'Toole	0408 383 530
Manager of Works and Services	Dave Holland	0418 745 217

Contact

Phone 08 9061 1377
 Fax 08 9061 1340

Email admin@brucerock.wa.gov.au

Website www.bruckerock.wa.gov.au

Street Address
 54 Johnson Street
 Bruce Rock WA 6418

Postal Address
 PO Box 113
 Bruce Rock WA 6418



Fire Contact Numbers

Emergency 000

Emergency Numbers

Ambulance/Police/Fire 000

Police Station 9007 9140

Hospital 9061 0222

Doctor's Surgery 9061 1166

Dental Surgery 9061 1954

Water Corporation 13 13 75

Synergy 13 13 53



President's Report



I am pleased to provide this report on the activities of the Shire of Bruce Rock for the year ending 30 June 2021.

The 2020-2021 financial year has seen the continued effects of the global Covid-19 pandemic across our State and community. Disappointingly, sporting groups saw their sporting fixtures cancelled or seasons shortened, or community events cancelled. Council had no option than to cancel the 20 Year Anniversary of the Back to the Bush Reunion in November 2020.

But as 2021 dawned, a renewed optimism has been visible in the community. Council is keen to push ahead with its budgeted projects, even with a shortage of contractors and supplies which has caused delayed across many projects.

However, many of these projects will be completed as soon as possible. This includes the redevelopment of Remembrance Park, the War Memorial and Amphitheatre which will be completed in time for the opening at the Back to the Bush Reunion in early November 2021.

Council has received several large stimulus funding packages from the Federal Government which will be utilized towards the reconstruction for the supermarket in the main street. Council has been working with an Architect and consultants to ensure that this once in a

lifetime project will service the community now and well into the future. This is one of the largest projects Council has ever undertaken, however community consultation has been ongoing and the support of the community provides Council with the impetus to push forward with this project.

Councillors continue to attend a variety of meetings and workshops throughout the course of the year in addition to the regular monthly Council meetings and briefings. The following is a selection of the types of events that Councillors and staff have attended or participated in:

- Wheatbelt East Regional Organisation of Councils (WEROC);
- Wheatbelt Communities Inc.
- WA Local Government Association (WALGA) Zone;
- WA Local Government Association Annual Conference;
- Regional Road Group;
- Local and Regional Health;
- Local and District Fire Advisory meetings;
- Local Emergency Management;
- Structural Reform and Strategic Planning;
- Grain Freight Network Meetings
- Central East Aged Care Alliance; and
- Local community and recreation group meetings.

I attended the ALGA's 27th National General Assembly in Canberra in June

2021 and this provided many networking and lobbying opportunities.

Council was also proactive in inviting the newly elected Minister for Local Government, Honourable John Carey MLA to meet with myself, the CEO and staff. This meeting provided the Minister with a first-hand view of the community of Bruce Rock and our approach in delivering for our community.

A key role of Council is to oversee and advise in the area of essential infrastructure and the importance of maintaining and developing the roads in the Shire so that they meet the needs of the community, both residential and business. Therefore, over the past twelve months, Shire staff have worked hard on road construction and maintenance, building works, and town landscaping and gardens. All the Shire-owned buildings and facilities including the Aquatic Centre and Medical Centre have received significant attention and maintenance over the year to ensure they remain a valuable resource for the community.

While we have many challenges still ahead in transforming the remainder of our many community projects into a reality, the way that the whole community pulled together last year is a reminder of how lucky we are to live in the Shire of Bruce Rock.

We were thrilled to be awarded the Western Australian Winner of the 2020 Resilient Australia Award for establishing the temporary supermarket and were also Highly Commended at the National Awards.

I would like to thank my fellow Councillors for the leadership they have

shown in the community and particularly the support over the past twelve months.

Thank you also to the Shire CEO, Darren Mollenoyux, and his dedicated staff for another outstanding year of achievement in the face of adversity.

Cr Stephen Strange

PRESIDENT

Chief Executive Officer's Report



I am pleased to present the 2020-2021 Annual Report to all the residents and ratepayers of the Shire of Bruce Rock.

Covid-19 is still a focus for Council and staff ensuing we meet all the legislative requirements implemented by the State Government and also ensuring that we assist in keeping our community safe.

Council continues to operate the temporary supermarket in the Shire Hall

Our works crews have been very busy with maintenance grading around the Shire as well as there are plenty of projects happening in town currently including improved water catchments, asphaltting of the Recreation Centre carpark and Main Street revitalisation works.

New Supermarket

Council and staff have been working hard in developing a strategy for the construction of a new supermarket and attracting a suitable retailer to operate the new business. The Office of Regional Architecture have been appointed as the architect and project manager to provide guidance, relevant documents and requirements. Works have also been undertaken to prepare a business case for inclusion into the Architect Briefing. This information is vital in ensuring that plans meet the requirements of the shop in the short term and well into the future as well constructing a new supermarket

that will meet the needs of the community.

Whilst Council understand that the public are keen to see progress, this is not a quick or simple process and we need to ensure that we get it designed right the first time as it will provide for the community for generations to come. Council will be holding a community briefing around September/October 2021.

Doctor Recruitment

Council's Doctor Recruitment Panel and staff have been working closely with Rural HealthWest in the later part of the 2020/2021 financial year to attract a suitable Doctor to replace Dr Chow who has informed Council he will be leaving in September 2021. The process is thorough and there has certainly been some interest.

Remembrance Park

Works are well underway with the revitalization works at the Bruce Rock War Memorial and conversion of sculpture park to the new Memorial Park. Council staff have consulted with the local Vietnam Veterans representatives though the redesign process. These works have been possible through Federal Government Grant Funding and the project is scheduled to be completed in readiness for the 2021 Back to the Bush Veterans Reunion.

Main Street Revitalisation

Stage 1 of the Main Street Revitalisation Strategy is well under way with the construction of the new permeant parklets well progressed and due to be finished in September 2021. The new electronic noticeboard in the main street

will be a great addition, not only does it look great it will provide a valuable resource to promote community events and provide public notices to the public, as well as emergency information when required.

I acknowledge and thank the President Stephen Strange and all Councillors for their flexibility, decision making and strategic vision with the many major projects being planned to improve facilities for the community and visitors.

I would like to thank all staff members for your efforts throughout the year serving and keeping the community safe and supporting each other.

I look forward to facing the challenges ahead, as we continue to work through the pandemic and the impacts that still flow from it, with a major priority being the long-term solution for our new grocery store.

Once again, thank you to the President, Councillors, staff and the community. The past year has shown the strength of our community and what a great place Bruce Rock is.

Darren Mollenoyux

CHIEF EXECUTIVE OFFICER



Corporate and Community

The Corporate and Community Directorate of the Shire of Bruce Rock is responsible for the following areas:

- Administration and Office Support
- IT
- Records Management
- Compliance
- Emergency Management
- Integrated Planning
- NRMO
- Library
- Bruce Rock Aquatic Centre
- Bruce Rock Medical Centre

During the 2020-2021 year, a major focus has been towards compliance with legislation and regulation in areas such as continuing with upgrading our record keeping, it service providers and also with reviewing and improving internal systems, where appropriate.

The Covid-19 pandemic has also consumed many hours with ensuring that the Shire is compliant with safety precautions. Staff have also assisted businesses and community groups to complete Covid Plans ensuring the health and safety of the public.

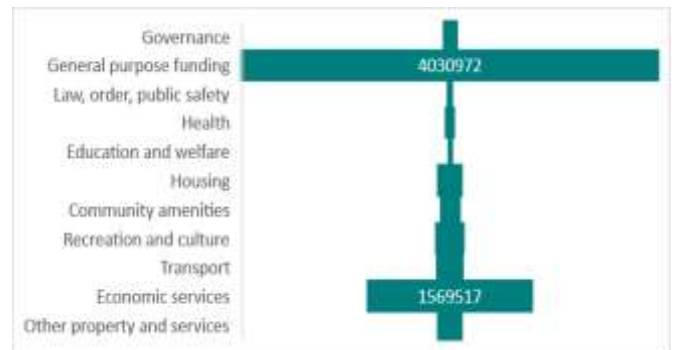
Records management has been a focus this year with work completed to ensure that the records management process is compliant and easier to use. It is hoped to transition to the new system early in the new financial year.

Finance

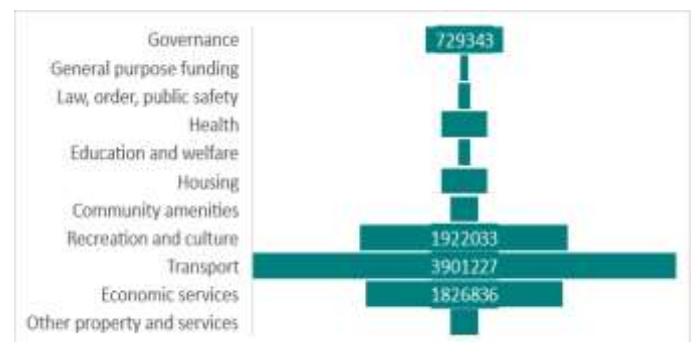
The Finance department is responsible for the sound financial management of the Shire. It maintains accurate accounting records and produces financial reports to Council each month. The department is also responsible for the preparation and presentation of the Shire’s Annual Financial Reports, Annual Budgets and Strategic Resources Plan (Long Term Financial Plan & Asset Management Plans).

Council completed 2020/21 with a net operating loss of \$2,208,511. This reflected a total operating revenue of \$6,849,423, \$1,149,645 of Non-Operating Grants and total operating expenditure of \$10,072,246.

Operating Revenue by Program



Operating Expense by Program



Capital Expenditure

Council also undertook an extensive capital works program totaling \$1,899,398. This expenditure consisted of \$382,332 in land and buildings, \$173,321 in plant acquisition, and \$1,277,317 in roads and other infrastructure development. Some projects have been delayed due to availability of contractors or supplies.

Debt Management

Through a conservative approach to financial management Council has been able to retain its loan indebtedness to low levels allowing Council in the future access to loan funds for large projects. Most projects are funded by operating income or the use of reserve funds. Careful use of loan borrowings is considered to be an effective way to fund large projects and spread the cost burden over a number of years. As at 30 June 2021 Council has only one loan which is to part fund the construction of a second residence in Curlew Drive, which Council has since leased to GROH for a 10 year lease.

Regulatory

The Regulatory Services department is responsible for the following areas:

- Waste Management, public health and food hygiene
- Health Compliance
- Environmental management
- Local Laws and Local Law Enforcement
- Building control
- Town Planning

The Regulatory Services Department completed the following in relation to Building Control, Health, and Waste Management:

Assisting with the Covid-19 State of Emergency, and Public Health Emergency, by liaising with the WA Country Health Service, Department of Health, Environmental Health Directorate, Public Health Emergency Operations Centre, and Shire staff. Information as it came to hand was reviewed, interpreted, and provided to affected businesses and events as well being used to assist the local Police Force in their undertakings.

Assisting people and licensed plumbers with septic tank and disposal field decommissioning as well as advising re: connections to the Septic Tank Effluent Disposal System operated by Water Corporation.

Received Building Permit have been reviewed and matters requiring attention have been discussed with applicants to ensure suitable for lodgment with the Shire of Bruce Rock and dealing with planning issues.

Building works undertaken not in accordance with an issued and served Building Permit have been investigated and a mutually satisfactory outcome achieved for compliance.

Inspections of food premises and lodging accommodations occurred as scheduled and/or necessary. Public Health and Safety Inspections were undertaken prior to public events at Halls and Recreation Grounds to ensure potential hazards to the public were identified and managed. Compliance through education is at the forefront of engaging with persons undertaking food businesses. Registration of Food Businesses as well as changes to Proprietors have been undertaken using the delegated authority of Council.

Routine monitoring of the Hydrotherapy and Aquatic Centre facilities/swimming pools has been undertaken including upgrades to aging infrastructure. Housing, public buildings and commercial buildings were inspected, and a schedule of works listed for ongoing maintenance and replacements.

The landfill and septage pit facilities is monitored with ongoing works to ensure longevity of this asset. Routine compliance inspections with the landfill contractor are ongoing to ensure that contractual arrangements are maintained in a satisfactory manner.

Planning matters have been undertaken to provide constructive outcomes with good controls for a variety of business and residential developments within the townsite of Bruce Rock and the rural areas.

Historical compliance matters are being followed up to achieve a mutually

beneficial outcome for the Shire of Bruce Rock and persons who have been made previously aware of compliance issues.

Works and Services

The Works and Services Department is responsible for:

- Roads Construction and Maintenance
- Town Maintenance
- Private Works
- Plant and Equipment Management
- Bruce Rock Recreation Centre

Construction Crew

In the 2020-2021 year the Construction Crew worked on the following projects:

- Regional Road Group
 - Final section of Bruce Rock-Naremben Rd
- Roads to Recovery
 - Reseals on Hines Hill Road, Belka West Road, Totadgin Road
 - Gravel resheeting on Carger Road, Cole Boundary Road, Kwoylin South Road, Old Beverley Road and Cook Road
- Black Spot Projects
 - Wogarl Wed and Totadgin Road Intersection
 - Cumminin Road and Lawrie Road Intersection

Town Crew

The Town Crew in the 2020-2021 year worked on the following projects:

- Footpath repairs
- Storm water drainage sealing
- Drainage works at Rec Centre
- Footpath on Butcher Street
- Picnic facilities at Bruce's Rock and Cumminin Rock
- Bridge Conversion works to culverts on Bruce Rock South

Road, Babakin South East Road, Narembeen Boundary Road and Old Beverley Road.

- Private Works
- General Maintenance and Gardening around the townsites

Workshop

The following Plant and Equipment were purchased throughout the 2020-2021 year:

- BK1 (CEO's vehicle)
- BK3 (MOWS vehicle)
- BK09 (Doctor's vehicle)
- BK010 (Mechanic's vehicle)
- Retro fitted interlocks on 3 trailers

The Year Ahead 2021/22

The major sources of funding for the 2021-2022 budget are;

- \$1.26 million from Federal Financial Assistance Grants. Council again received an advance payment of \$1.285 million in June 2021.
- \$1.617 million in rates
- Phase 2 LRCI of \$0.526 towards the reconstruction of the supermarket
- \$0.574 million from the Federal Government's Roads to Recovery Program
- \$0.406 million for Specific road and bridge funding through Main Roads and the WA Grants Commission.
- \$1.08 million for safety improvements on Bruce Rock Corrigin Road.

Council's total operating expenditure will be \$10.95 million for the 2021-2022 financial year. In addition to this, Council will have significant expenditure on

capital works and purchases of \$7.07 million.

The 2021-2022 budget has been set during a time of unprecedented challenges as the State of Emergency related to Covid-19 continues. It continues to reference where possible the Strategic Community Plan and focuses on supporting local residents, businesses and economic groups through these trying economic times. Council will continue to fund the maintenance of many of its buildings and community facilities, however the following is an overview of expenditure on new projects and improvements.

Key highlights include:

- Reconstruction of supermarket
- Upgrades to Caravan Park including new ablutions
- Installation of electronic notice board and parklets in Main Street
- Continued funding allocation for Council subsidy for connection to the new STED Scheme
- Exciting upgrades to the Amphitheatre, Sculpture Park and War Memorial.
- Upgrade to apron at Airstrip

The safety and efficiency of our transport network throughout the Shire remains a priority and includes:

- Old Beverley Road
- Completion of Black Spot Projects on Lawrie Road and Cumminin Intersection and Bruce Rock Narembeen and Cumminin Road intersection.
- Roads to Recovery funded projects on Totadgin Road – reconstruction and sealing, Yarding North Road – gravel resheet, Yarding Ardath

Road – widen and reseal, Butcher and Dampier Streets – reseals.

- Safety improvements on Bruce Rock Corrigin Road fully funded by State Government
- Replace bridges with culverts on Yarding Ardath Road, Old Beverley Road, Shackleton Bilbarin Road and Belka East Road.
- Various kerb replacements in townsite
- Footpath construction on Noonajin Road

Statutory Compliance

Disabilities Service Plan

Council reviews the provision of facilities and services on a regular basis to identify barriers that may prevent the effective delivery of the services to people with a disability.

As Council continues to build new facilities and improve others it is always mindful of considering and improving access for people with disabilities.

Recent initiatives to support people with disabilities within Bruce Rock include:

- Ensuring Bruce Rock Temporary Supermarket is accessible
- Supporting the Bruce Rock Community Resource Centre's Colour Run Event
- Australia Day Celebrations at the Aquatic Centre
- Blue Light Disco held at the Bruce Rock Aquatic Centre
- Major renovation to Bruce Rock Amphitheatre to provide level access.
- Continued work to improve the footpath network around the town;

Disability Access And Inclusion Plan

The Disability Services Act 1993 was amended in December 2003, creating a requirement for public authorities to develop and implement Disability Access and Inclusion Plans (DAIPs). These plans replace and build on the achievements of the Disability Services Plans (DSPs).

The Disability Services Commission requires Local Governments to report on the seven outcomes relating to DAIPs to the public annually.

Outcome 1: Services and Events

Council is continually adapting our existing services to give people with disabilities the same opportunities as other people to access the services of, and any events organised by the Shire.

Council ensures people with disabilities are given access to all Shire events and to access the services of the Shire. Council held Australia Day celebrations at the Aquatic Centre and were involved with the Colour Run and Blue Light Disco.

Outcome 2: Buildings and Other Facilities

Council also continues with improvements to buildings and footpath infrastructure to assist with both wheelchair and gopher access.

Outcome 3: Information

Wherever possible people with disabilities can receive information from the Shire in a format that will enable them to access the information readily as other people are able to access it.

People with disabilities can access information produced by the Shire of Bruce Rock in different formats. Anyone requiring a different format are encouraged to contact the Shire Office. Council also has a website which enables ease of access to public documents, information and other Council related data.

Outcome 4: Level and Quality of Service

The staff is encouraged and supported to be aware of the needs of people with disabilities to ensure they receive the same level and quality of service as other people receive.

Staff at the Shire of Bruce Rock are made aware that people with disabilities may have different needs. Staff are encouraged to ensure that people with disabilities receive the same level and quality of service as other people receive.

Outcome 5: Complaints Process

People with disabilities have the same opportunities as other people to make complaints to staff, and can be via written letters, email, SMS or verbally. People with disabilities are able to make complaints and can do this via written letters, email, SMS or verbally.

Outcome 6: Public Consultation Process

Council provides many ways for people to participate in public consultation and we are more than happy to discuss any grievances community members may have regarding the services available to the disabled.

Council has made the DAIP available on the website for the community to access.

Council consulted with all parts of the community when planning for the Main Street Revitalisation to ensure compliance with universal design principles.

Outcome 7: Employment

During the year Council maintained its awareness of reducing barriers to employment for people with disability. As a number of works had been conducted in the previous year, no further capital money was spent, however Council remained aware of its obligations when recruiting.

Integrated Strategic Planning

The changes to the *Local Government Act 1995* have replaced the need for the Plan for the Future of the District with the requirement that Local Governments produce plans that are in line with the Integrated Strategic Planning and Reporting Framework.

In March 2018 Council revised the Strategic Community Plan 2017-2027. This plan contains a number of strategic outcomes and drivers which are classified into four key areas:

1. Infrastructure;
2. Economy;
3. Community; and
4. Governance

This plan builds on the innovations and achievements of Bruce Rock – our success in attracting new businesses and residents to the Shire, the quality of our facilities and lifestyle, the financial sustainability of the Shire Council, and most importantly, the strengths, energy and commitment of our community. It was developed in consultation with the community and is available for viewing on the Shire's website. While this is the overarching document, the development of this plan included the creation of a number of other informing strategies which include the Long Term Financial Plan, Asset Management Plan, Workforce Plan and Corporate Business Plan.

Key goals for the community that have been identified by the Strategic Community Plan 2017-2027 are:

- Road infrastructure meets the freight task and is sustainable in the long term

- A recognizable Shire of Bruce Rock identity;
- Asset maintenance and preservation is in line with community needs and Shire financial resources advocate and provide for an integrated transport network;
- Appealing and vibrant main street in Bruce Rock;
- Actively used main street in Bruce Rock;
- Occupied business units;
- Workers and their families reside in and contribute to the local economy;
- Reliable telecommunications and an extension of coverage across the whole Shire;
- Our tourism profile is increased in the region and State;
- Residents can age in-home;
- Bruce Rock Hospital is retained;
- Improved Civic leadership within the community;
- Less reliance on the Shire to lead projects and change;
- Improved mental and physical health outcomes for local residents;
- There are enough volunteers for voluntary services to be retained;
- Access to local early childhood programs and services is retained;
- Our community feels safe;
- Building upon our positive work culture;
- Collaboration amongst staff units;
- Improved understanding of each other's roles in the organization (works and administration staff);

- Technology reduces delays and improves accuracy in organisational processes;
- Be part of a strong regional group representing all members;
- We are financially viable while meeting all levels of compliance;
- Sustainable resource, land and waste management.

Major Initiatives proposed or continuing during 2021-2022 are:

- Upgrade of the Ablutions at the Caravan Park
- Upgrade to Amphitheatre and visitor facilities
- Implementation of the strategic planning, asset management, workforce plan and other integrated strategic plans.
- Work towards solutions on the current shortage of long and short term accommodation within Bruce Rock.
- Continue to investigate options regarding the demand and requirements to further develop facilities for retirees, the aged and frail aged people.
- Continue to work with the Water Corporation on the implementation of a STED scheme.

Copies of these plans are available from the Shire Office or can be downloaded from the Council's website at www.brucerock.wa.gov.au

National Competition Policy

National Competition Policy (NCP) is designed to enhance the efficiency and effectiveness of public sector agencies and lead to more efficient use of all economic resources. There are a number of specific requirements placed on Local Government in the areas of competitive neutrality, legislation review and structural reform. Each Local Government is required to report its progress in achieving NCP reforms in its annual report.

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

- No business enterprise of the Shire has been classified by the Australian Bureau of Statistics as either a Public Trading Enterprise or a Public Financial Enterprise.
- Competitive neutrality has not been 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 enterprise.
- The principles of competitive neutrality were implemented in respect of any relevant activities undertaken during the 2020-2021 year.

A further requirement of the National Competition Policy is that all Council Local Laws are reviewed every 8 years to determine whether they are in conflict with competitive neutrality and comply with the Local Government Act 1995.

State Recordkeeping Act

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

The Shire of Bruce Rock carried out a review of its Record Keeping Plan in 2018 with amendments finalised in 2019.

Standard 2, 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 of Bruce Rock has complied with items 1-4. The Shire reviewed the recordkeeping plan during 2018 financial year and the new Record Keeping Plan was adopted by the State Records Commission in March 2019. The Shire continued the implementation of the new Record keeping Plan in 2020-2021.

Public Interest Disclosures

The *Public Interest Disclosure Act 2003* facilitates the disclosure of public interest information, and provides for the protection of those making such disclosure and those who are subject of the 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 the obligation under the Act, including:

- appointing the Deputy Chief Executive Officer as the PID Officer for the Shire of Bruce Rock and publishing an internal procedure manual relating to the Shire's obligations.
- providing protection from detrimental action or the threat of detrimental action for any employee of the Shire who makes an appropriate disclosure of public interest information.

The Shire of Bruce Rock had no Public Interest Disclosures during the reporting period 2020-2021.

Freedom Of Information

Part 5 of the *Freedom of Information Act 1992* requires an agency such as a local government to prepare and publish an Information Statement.

The Shire of Bruce Rock has developed an Information Statement which can be inspected via Council's website or by contacting the Shire Office. This Information Statement was adopted in 2007 and reviewed in 2018.

The Shire of Bruce Rock received no valid applications under the *Freedom of Information Act 1992* during 2020-2021.

Register Of Certain Complaints For Minor Breaches

For the purpose of Section 5.121 of the *Local Government Act 1995* Council must report entries recorded in the Register of Complaints during the financial year. Council did not receive any complaints during the 2020-2021 financial year.



Payments Order By The Local Government Standards Panel

Regulation 19B of the *Local Government (Administration) Regulations 1996* require a local government to report any amount ordered under section 5.110(6)(b)(iv) to be paid by a person against whom a complaint was made under sections 5.107(1), 5.109(1) or 5.114(1) to the local government during the financial year. The amount ordered this financial year was \$0.

Remuneration And Allowances Paid To The Local Government Standards Panel

For the 2020-2021 financial year, the amount the Shire paid in sitting fees to the standards panel was \$0.

Employee Payments

Regulation 19B of the *Local Government (Administration) Regulations 1996* requires the following to be reported;

1. The number of employees of the Local Government entitled to an annual salary of \$130,000 or more; and
2. The number of those employees with an annual salary entitlement that fall within each band of \$10,000 over \$130,000.

The Shire of Bruce Rock has 1 employee entitled to an annual cash salary \$130,000 or more:

\$130,000 - \$139,999	1
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CEO remuneration *	\$186,115
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* (This includes cash and non-cash benefits)

Elected Member Information

Regulation 19B of the *Local Government (Administration) Regulations 1996* requires the age and gender of elected members to be reported.

Gender of Members	Number
Female	2
Male	7

Age of Members	Number
18 years to 24 years	0
25 years to 34 years	0
35 years to 44 years	2
45 years to 54 years	2
55 years to 64 years	3
over the age of 64 years	2

It is not known how many elected members identified as Aboriginal or Torres Strait Islander, or their country of birth or linguistic background.

Attendance At Council Meetings

Attendance of Elected Members at Council and Committee meetings is detailed in the following tables. The table reflects meetings held while each Elected members was in office.

Elected Members	Ordinary Council Meetings				Special Council Meetings	
	Held	Attended	Apologies	Approved Leave	Held	Attended
Cr Stephen STRANGE	11	11	0	0	1	1
Cr Ram RAJAGOPALAN	11	9	2	0	1	1
Cr Tony CROOKS	11	11	0	0	1	1
Cr Ian DOLTON	11	11	0	0	1	1
Cr Kevin FOSS	11	11	0	0	1	1
Cr Natalie KILMINSTER	11	9	1	1	1	1
Cr Phillip NEGRI	11	11	0	0	1	1
Cr Brendan WAIGHT	11	11	0	0	1	1
Cr Rebecca WAYE	11	10	1	0	1	1

Elected Members	Audit Committee			Works and Services Committee		
	Held	Attended	Apologies/ Leave of absence	Held	Attended	Apologies/ Leave of absence
Cr Stephen STRANGE	5	5	0	3	3	0
Cr Ram RAJAGOPALAN	5	4	1	3	2	1
Cr Tony CROOKS	5	5	0	3	2	1
Cr Ian DOLTON	5	5	0	3	3	0
Cr Kevin FOSS	5	5	0	3	3	0
Cr Natalie KILMINSTER	5	4	1	3	N/A	N/A
Cr Phillip NEGRI	5	5	0	3	N/A	N/A
Cr Brendan WAIGHT	5	5	0	3	3	0
Cr Rebecca WAYE	5	3	2	3	N/A	N/A

SHIRE OF BRUCE ROCK
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

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COMMUNITY VISION

The Shire of Bruce Rock "Leads the Way" by maintaining and enhancing the lifestyles, and increasing business and employment opportunities in an environmental sustainable way.

Principal place of business:
54 Johnson St
Bruce Rock

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

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

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

Signed on the 15 day of DECEMBER 2021



Darren Mollenoyux
Chief Executive Officer



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

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
Revenue				
Rates	26(a)	1,559,947	1,550,092	1,503,228
Operating grants, subsidies and contributions	2(a)	3,090,631	1,568,179	3,164,492
Fees and charges	2(a)	1,937,575	1,764,566	1,010,847
Interest earnings	2(a)	20,200	22,216	49,720
Other revenue	2(a)	241,070	60,500	57,426
		6,849,423	4,965,553	5,785,713
Expenses				
Employee costs		(2,608,303)	(2,555,210)	(2,529,998)
Materials and contracts		(2,481,247)	(2,383,874)	(1,642,809)
Utility charges		(269,192)	(208,330)	(229,310)
Depreciation on non-current assets	11(b)	(4,298,757)	(5,577,968)	(4,841,355)
Interest expenses	2(b)	(5,993)	(3,958)	(3,103)
Insurance expenses		(261,498)	(184,328)	(232,936)
Other expenditure		(147,256)	(363,127)	(160,294)
		(10,072,246)	(11,276,795)	(9,639,805)
		(3,222,823)	(6,311,242)	(3,854,092)
Non-operating grants, subsidies and contributions	2(a)	1,149,645	2,225,963	1,143,697
Profit on asset disposals	11(a)	1,731	4,000	9,887
(Loss) on asset disposals	11(a)	(137,064)	(79,000)	(128,835)
(Loss) on revaluation of Other infrastructure - airstrip	10(a)	0	0	(127,206)
		1,014,312	2,150,963	897,543
Net result for the period		(2,208,511)	(4,160,279)	(2,956,549)
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	13	780,306	0	(18,747,660)
Total other comprehensive income for the period		780,306	0	(18,747,660)
Total comprehensive income for the period		(1,428,205)	(4,160,279)	(21,704,209)

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



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

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
Revenue				
Governance		103,352	82,290	73,680
General purpose funding		4,030,972	2,746,760	4,209,791
Law, order, public safety		19,597	30,398	25,276
Health		61,850	53,042	54,856
Education and welfare		9,947	4,142	4,081
Housing		200,162	203,000	194,574
Community amenities		160,350	129,776	136,854
Recreation and culture		251,683	50,197	163,556
Transport		233,109	295,120	268,645
Economic services		1,569,517	1,117,028	259,009
Other property and services		208,884	253,800	395,390
		6,849,423	4,965,553	5,785,712
Expenses				
Governance		(729,343)	(743,800)	(802,124)
General purpose funding		(86,262)	(85,083)	(147,084)
Law, order, public safety		(112,154)	(129,281)	(128,135)
Health		(423,105)	(566,101)	(401,970)
Education and welfare		(118,691)	(117,653)	(116,452)
Housing		(423,359)	(412,829)	(401,881)
Community amenities		(263,359)	(237,903)	(215,383)
Recreation and culture		(1,922,033)	(1,833,372)	(1,738,453)
Transport		(3,901,227)	(5,306,554)	(4,402,479)
Economic services		(1,826,836)	(1,614,202)	(829,776)
Other property and services		(259,884)	(226,059)	(452,964)
		(10,066,253)	(11,272,837)	(9,636,701)
Finance Costs				
Housing	2(b)	(5,159)	(3,958)	(672)
Recreation and culture		(31)	0	(422)
Economic services		(417)	0	(1,544)
Other property and services		(386)	0	(465)
		(5,993)	(3,958)	(3,103)
		(3,222,823)	(6,311,242)	(3,854,092)
Non-operating grants, subsidies and contributions	2(a)	1,149,645	2,225,963	1,143,697
Profit on disposal of assets	11(a)	1,731	4,000	9,887
(Loss) on disposal of assets	11(a)	(137,064)	(79,000)	(128,835)
(Loss) on revaluation of Other infrastructure - airstrip	10(a)	0	0	(127,206)
		1,014,312	2,150,963	897,543
Net result for the period		(2,208,511)	(4,160,279)	(2,956,549)
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	13	780,306	0	(18,747,660)
Total other comprehensive income for the period		780,306	0	(18,747,660)
Total comprehensive income for the period		(1,428,205)	(4,160,279)	(21,704,209)

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



BUTLER SETTINERI (AUDIT) PTY LTD

SHIRE OF BRUCE ROCK
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	NOTE	2021	2020
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	3	2,994,992	2,069,240
Trade and other receivables	6	290,735	238,338
Other financial assets	5(a)	1,608,322	1,331,661
Inventories	7	83,792	82,106
Contract assets	2(a)	0	74,205
Other assets	8	4,726	8,746
TOTAL CURRENT ASSETS		4,982,567	3,804,296
NON-CURRENT ASSETS			
Trade and other receivables	6	13,877	12,753
Other financial assets	5(b)	73,807	71,221
Property, plant and equipment	9	32,762,785	33,440,314
Infrastructure	10	55,620,586	56,983,813
Right-of-use assets	12(a)	17,789	21,792
TOTAL NON-CURRENT ASSETS		88,488,844	90,529,893
TOTAL ASSETS		93,471,411	94,334,189
CURRENT LIABILITIES			
Trade and other payables	14	395,333	444,584
Other liabilities	15	559,967	0
Lease liabilities	16(a)	3,892	3,763
Borrowings	17(a)	29,378	25,419
Employee related provisions	18	415,204	333,327
TOTAL CURRENT LIABILITIES		1,403,774	807,093
NON-CURRENT LIABILITIES			
Lease liabilities	16(a)	14,500	18,392
Borrowings	17(a)	217,203	246,581
Employee related provisions	18	46,552	44,539
TOTAL NON-CURRENT LIABILITIES		278,255	309,512
TOTAL LIABILITIES		1,682,029	1,116,605
NET ASSETS		91,789,382	93,217,584
EQUITY			
Retained surplus		26,435,977	28,921,149
Reserves - cash/financial asset backed	4	1,608,324	1,331,661
Revaluation surplus	13	63,745,081	62,964,774
TOTAL EQUITY		91,789,382	93,217,584

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



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

		RESERVES CASH/FINANCIAL			
	NOTE	RETAINED SURPLUS	ASSET BACKED	REVALUATION SURPLUS	
		\$	\$	\$	
				TOTAL EQUITY	
				\$	
Balance as at 1 July 2019		31,949,231	1,260,128	81,712,434	114,921,793
Comprehensive income					
Net result for the period		(2,956,549)	0	0	(2,956,549)
Other comprehensive income	13	0	0	(18,747,660)	(18,747,660)
Total comprehensive income		(2,956,549)	0	(18,747,660)	(21,704,209)
Transfers from reserves	4	36,700	(36,700)	0	0
Transfers to reserves	4	(108,233)	108,233	0	0
Balance as at 30 June 2020		28,921,149	1,331,661	62,964,774	93,217,584
Comprehensive income					
Net result for the period		(2,208,511)	0	0	(2,208,511)
Other comprehensive income	13	0	0	780,306	780,306
Total comprehensive income		(2,208,511)	0	780,306	(1,428,205)
Transfers from reserves	4	18,368	(18,368)	0	0
Transfers to reserves	4	(295,029)	295,029	0	0
Balance as at 30 June 2021		26,435,977	1,608,324	63,745,081	91,789,382

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

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

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		1,578,068	1,550,092	1,535,465
Operating grants, subsidies and contributions		3,673,157	1,578,179	3,111,243
Fees and charges		1,985,517	1,764,566	1,010,847
Interest received		20,200	22,216	49,720
Other revenue		241,070	60,500	57,426
		7,498,012	4,975,553	5,764,701
Payments				
Employee costs		(2,431,259)	(2,553,710)	(2,626,656)
Materials and contracts		(2,621,349)	(2,666,323)	(1,970,761)
Utility charges		(269,192)	(208,330)	(229,310)
Interest expenses		(5,930)	(3,958)	(3,103)
Insurance paid		(261,498)	(184,328)	(232,936)
Goods and services tax paid		(67,969)	0	0
Other expenditure		(147,253)	(363,127)	(160,300)
		(5,804,450)	(5,979,776)	(5,223,066)
Net cash provided by (used in) operating activities	19	1,693,562	(1,004,223)	541,635
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	9(a)	(622,081)	(2,287,502)	(968,812)
Payments for construction of infrastructure	10(a)	(1,277,317)	(1,459,089)	(1,496,520)
Non-operating grants, subsidies and contributions	2(a)	1,149,645	2,225,963	1,143,697
Proceeds from financial assets at fair values through other comprehensive income		(276,661)	0	(71,533)
Proceeds from financial assets at fair values through profit and loss		(2,586)		(1,153)
Net payments for financial assets at amortised cost		0	128,530	
Proceeds from sale of property, plant & equipment	11(a)	290,372	352,500	56,601
Net cash provided by (used in) investment activities		(738,628)	(1,039,598)	(1,337,720)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	17(b)	(25,419)	(25,419)	(70,719)
Payments for principal portion of lease liabilities	16(b)	(3,763)	0	(3,639)
Proceeds from new borrowings	17(b)	0	0	272,000
Net cash provided by (used in) financing activities		(29,182)	(25,419)	197,642
Net increase (decrease) in cash held		925,752	(2,069,240)	(598,437)
Cash at beginning of year		2,069,240	2,069,240	2,667,677
Cash and cash equivalents at the end of the year	19	2,994,992	0	2,069,240

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

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

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)	27 (b)	1,810,024	1,796,138	1,981,242
		1,810,024	1,796,138	1,981,242
Revenue from operating activities (excluding rates)				
Governance		103,352	82,290	73,680
General purpose funding		2,486,475	1,195,668	2,721,563
Law, order, public safety		19,597	30,398	25,276
Health		61,850	53,042	54,856
Education and welfare		9,947	4,142	4,081
Housing		200,162	203,000	194,574
Community amenities		160,350	129,776	136,854
Recreation and culture		251,683	50,197	173,443
Transport		234,840	299,120	268,645
Economic services		1,569,517	1,117,028	259,009
Other property and services		208,884	253,800	395,390
		5,306,657	3,418,461	4,307,371
Expenditure from operating activities				
Governance		(734,737)	(749,800)	(810,610)
General purpose funding		(86,262)	(85,083)	(147,084)
Law, order, public safety		(112,154)	(129,281)	(128,135)
Health		(425,781)	(566,101)	(401,970)
Education and welfare		(118,691)	(117,653)	(116,452)
Housing		(428,518)	(416,787)	(402,553)
Community amenities		(263,359)	(237,903)	(215,383)
Recreation and culture		(1,922,064)	(1,835,372)	(1,738,875)
Transport		(4,003,367)	(5,371,554)	(4,431,271)
Economic services		(1,855,617)	(1,620,202)	(922,049)
Other property and services		(260,270)	(226,059)	(580,635)
		(10,210,820)	(11,355,795)	(9,895,017)
Non-cash amounts excluded from operating activities	27(a)	4,434,979	5,652,968	5,067,125
Amount attributable to operating activities		1,340,840	(486,075)	1,460,721
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	2(a)	1,149,645	2,225,963	1,143,697
Proceeds from disposal of assets	11(a)	290,372	352,500	56,601
Purchase of property, plant and equipment	9(a)	(622,081)	(2,287,502)	(968,812)
Purchase and construction of infrastructure	10(a)	(1,277,317)	(1,459,089)	(1,496,520)
Amount attributable to investing activities		(459,381)	(1,168,128)	(1,265,034)
FINANCING ACTIVITIES				
Repayment of borrowings	17(b)	(25,419)	(25,419)	(70,719)
Proceeds from borrowings	17(c)	0	0	272,000
Payments for principal portion of lease liabilities	16(b)	(3,763)	0	(3,639)
Transfers to reserves (restricted assets)	4	(295,029)	(74,816)	(108,233)
Transfers from reserves (restricted assets)	4	18,368	203,346	36,700
Amount attributable to financing activities		(305,843)	103,111	126,109
Surplus/(deficit) before imposition of general rates		575,616	(1,551,092)	321,796
Total amount raised from general rates	26(a)	1,544,497	1,551,092	1,488,228
Surplus/(deficit) after imposition of general rates	27(b)	2,120,113	0	1,810,024

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

SHIRE OF BRUCE ROCK
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FOR THE YEAR ENDED 30 JUNE 2021

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

1. BASIS OF PREPARATION

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

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

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

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

THE LOCAL GOVERNMENT REPORTING ENTITY

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

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 30 to these financial statements.

INITIAL APPLICATION OF ACCOUNTING STANDARDS

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

These were:

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

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

NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE YEARS

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

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

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

CRITICAL ACCOUNTING ESTIMATES

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

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

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

2. REVENUE AND EXPENSES

(a) Grant revenue

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

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Operating grants, subsidies and contributions			
Governance	102,237	81,700	72,962
General purpose funding	2,444,502	1,274,213	2,652,047
Law, order, public safety	16,983	20,765	20,629
Health	8,028	100	0
Education and welfare	7,433	1,642	1,573
Housing	8,482	11,100	10,751
Community amenities	3,229	4,000	0
Recreation and culture	10,989	4,000	114,699
Transport	228,822	245,120	256,454
Economic services	239,276	11,500	8,035
Other property and services	20,650	63,800	27,342
	3,090,631	1,717,940	3,164,492
Non-operating grants, subsidies and contributions			
General purpose funding	125,225	1,026,302	0
Law, order, public safety	4,233	4,233	0
Recreation and culture	251,671	179,290	76,733
Transport	754,736	960,032	1,066,964
Economic services	13,780	20,106	0
	1,149,645	2,189,963	1,143,697
Total grants, subsidies and contributions	4,240,276	3,907,903	4,308,189
Fees and charges			
Governance	1,114	590	719
General purpose funding	3,736	2,000	3,644
Law, order, public safety	2,614	5,400	4,648
Health	50,457	53,675	51,314
Education and welfare	2,515	2,500	2,508
Housing	191,680	191,900	183,823
Community amenities	157,120	125,776	136,854
Recreation and culture	52,631	46,197	48,857
Transport	0	50,000	12,190
Economic services	1,330,241	1,103,528	250,974
Other property and services	145,467	183,000	315,316
	1,937,575	1,764,566	1,010,847

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

SIGNIFICANT ACCOUNTING POLICIES

Grants, subsidies and contributions

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

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

Fees and Charges

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

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

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)	2021 Actual \$	2021 Budget \$	2020 Actual \$
Contracts with customers and transfers for recognisable non-financial assets			
Revenue from contracts with customers and transfers to enable the acquisition or construction of recognisable non-financial assets to be controlled by the Shire was recognised during the year for the following nature or types of goods or services:			
Operating grants, subsidies and contributions	3,090,631	1,717,940	3,164,492
Fees and charges	1,937,575	1,764,566	1,010,847
Other revenue	241,070	60,500	57,426
Non-operating grants, subsidies and contributions	1,149,645	2,225,963	1,143,697
	6,418,921	5,768,969	5,376,462
Revenue from contracts with customers and transfers to enable the acquisition or construction of recognisable non-financial assets to be controlled by the Shire is comprised of:			
Revenue recognised in the current period from performance obligations satisfied in previous periods	0	0	74,205
Revenue from contracts with customers recognised during the year	5,269,276	3,543,006	4,232,765
Revenue from transfers intended for acquiring or constructing recognisable non financial assets during the year	1,149,645	2,225,963	1,143,697
	6,418,921	5,768,969	5,450,667
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:			
Contract assets	0		74,205
Contract liabilities under transfer to acquire or construction of recognisable non-financial assets	(559,967)		0

Contract assets primarily relate to the Shire's right to consideration for work completed but not billed at 30 June 2020. Assets associated with contracts with customers were not subject to an impairment charge. Contract liabilities for contracts with customers primarily relate to grants with performance obligations received in advance, for which revenue is recognised over time as the performance obligations are met. Information is not provided about remaining performance obligations for contracts with customers that had an original expected duration of one year or less. Consideration from contracts with customers is included in the transaction price. Performance obligations in relation to contract liabilities from transfers for recognisable non financial assets are satisfied as project milestones are met or completion of construction or acquisition of the asset. All associated performance obligations are expected to be met over the next 12 months.

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

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Revenue from statutory requirements

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

General rates

2021 Actual \$	2021 Budget \$	2020 Actual \$
1,544,497	1,535,642	1,488,228
1,544,497	1,535,642	1,488,228
Other revenue		
Other		
241,069	58,500	57,426
241,069	58,500	57,426
Interest earnings		
Interest on reserve funds		
16,030	13,316	23,108
Rates instalment and penalty interest (refer Note 26(e))		
5,790	3,750	12,488
Other interest earnings		
(1,620)	5,150	14,124
20,200	22,216	49,720

Other revenue

Other

Interest earnings

Interest on reserve funds

Rates instalment and penalty interest (refer Note 26(e))

Other interest earnings

SIGNIFICANT ACCOUNTING POLICIES

Interest earnings

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

Interest earnings (continued)

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

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

2. REVENUE AND EXPENSES (Continued)

(b) Expenses	Note	2021 Actual \$	2021 Budget \$	2020 Actual \$
Auditors remuneration				
- Audit of Annual Financial Report		28,300	32,000	30,700
		28,300	32,000	30,700
Interest expenses (finance costs)				
Borrowings	17(b)	3,958	3,958	1,280
Interest expenses accrued		1,323	0	986
Lease liabilities	16(b)	712	0	837
		5,993	3,958	3,103
Other expenditure				
Impairment loss on trade and other receivables		4,898	0	31,161
Sundry expenses		142,358	363,127	129,133
		147,256	363,127	160,294

SHIRE OF BRUCE ROCK
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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2. REVENUE AND EXPENSES

REVENUE RECOGNITION POLICY

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Timing of revenue recognition
Rates	General Rates	Over time	Payment dates adopted by Council during the year	None	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Grant contracts with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants, subsidies or contributions for the construction of non-financial assets	Construction or acquisition of recognisable non-financial assets to be controlled by the local government	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants with no contract commitments	General appropriations and contributions with no reciprocal commitment	No obligations	Not applicable	Not applicable	Cash received	On receipt of funds	Not applicable	When assets are controlled
Licences/ Registrations/ Approvals	Building, planning, development and animal management, having the same nature as a licence regardless of naming.	Single point in time	Full payment prior to issue	None	Set by State legislation or limited by legislation to the cost of provision	Based on timing of issue of the associated rights	No refunds	On payment and issue of the licence, registration or approval
Pool inspections	Compliance safety check	Single point in time	Equal proportion based on an equal annually fee	None	Set by State legislation	Apportioned equally across the inspection cycle	No refunds	After inspection complete based on a 4 year cycle
Other inspections	Regulatory Food, Health and Safety	Single point in time	Full payment prior to inspection	None	Set by State legislation or limited by legislation to the cost of provision	Applied fully on timing of inspection	Not applicable	Revenue recognised after inspection event occurs
Waste management collections	Kerbside collection service	Over time	Payment on an annual basis in advance	None	Adopted by council annually	Apportioned equally across the collection period	Not applicable	Output method based on regular weekly and fortnightly period as proportionate to collection service
Waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	Adopted by council annually	Based on timing of entry to facility	Not applicable	On entry to facility
Property hire and entry	Use of halls, rec centres 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
Residential & commercial property rent	Rental of residential properties, units or housing	Single point in time	Paid at least weekly or monthly in advance	Refund if tenancy cancelled within 28 days	Adopted by council annually	Based on timing of entry to property	Returns limited to repayment of transaction price	Revenue recognised during tenancy of property
Memberships	Gym and pool membership	Over time	Payment in full in advance	Refund for unused portion on application	Adopted by council annually	Applied fully based on timing of provision	Returns limited to repayment of transaction price	When membership paid for
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	Supermarket and other miscellaneous stock	Single point in time	Payment in full on sale	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	Over time	Payment in full on sale	None	Set by mutual agreement with the customer	On receipt of funds	Not applicable	When assets are controlled
Reimbursements	Insurance claims	Single point in time	Payment in arrears for claimable event	None	Set by mutual agreement with the customer	When claim is agreed	Not applicable	When claim is agreed

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

3. CASH AND CASH EQUIVALENTS

	NOTE	2021	2020
		\$	\$
Cash at bank and on hand		2,994,992	2,069,240
Total cash and cash equivalents		2,994,992	2,069,240
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		563,233	3,904
- Financial assets at amortised cost		1,608,322	1,331,661
		2,171,555	1,335,565
The restricted assets are a result of the following specific purposes to which the assets may be used:			
Reserves - cash/financial asset backed	4	1,608,324	1,331,661
Bonds & deposits held	14	3,264	3,904
Contract liabilities from contracts with customers	15	559,967	0
Total restricted assets		2,171,555	1,335,565

SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

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

Restricted assets

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

SHIRE OF BRUCE ROCK
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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4. RESERVES - CASH/FINANCIAL ASSET BACKED	2021 Actual	2021 Actual	2021 Actual	2021 Actual	2021 Budget	2021 Budget	2021 Budget	2021 Budget	2020 Actual	2020 Actual	2020 Actual	2020 Actual
	Opening Balance	Transfer to	Transfer (from)	Closing Balance	Opening Balance	Transfer to	Transfer (from)	Closing Balance	Opening Balance	Transfer to	Transfer (from)	Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Long Service Leave Reserve	115,300	1,074	0	116,374	115,299	1,153	0	116,452	113,319	1,981	0	115,300
(b) Plant Replacement Reserve	6,287	59	0	6,348	6,287	63	0	6,350	6,179	108	0	6,287
(c) Housing Reserve	228,033	2,123	0	230,156	228,033	2,280	0	230,313	224,116	3,917	0	228,033
(d) Council Housing Reserve	3,667	34	0	3,701	3,667	37	0	3,704	3,604	63	0	3,667
(e) Transport Infrastructure Reserve	741,062	10,383	0	751,445	741,062	7,411	(203,346)	545,127	756,794	13,968	(29,700)	741,062
(f) Sports Facility Replacement Reserve	97,940	20,894	0	118,834	97,939	20,979	0	118,918	86,429	11,511	0	97,940
(g) Bowls Sporting Club Facility Replacement Reserve	18,420	6,226	(18,000)	6,646	18,420	6,184	0	24,604	12,148	6,272	0	18,420
(h) Cricket Sporting Club Facility Replacement Reserve	15,282	6,187	0	21,469	15,282	6,153	0	21,435	9,079	6,203	0	15,282
(i) Football Sporting Club Facility Replacement Reserve	4,922	60	0	4,982	4,922	6,049	0	10,971	11,661	261	(7,000)	4,922
(j) Hockey Sporting Club Facility Replacement Reserve	18,420	6,225	0	24,645	18,420	6,184	0	24,604	12,148	6,272	0	18,420
(k) Netball Sporting Club Facility Replacement Reserve	13,535	3,166	0	16,701	13,535	6,135	0	19,670	12,138	1,397	0	13,535
(l) Squash Sporting Club Facility Replacement Reserve	383	4	0	387	383	6,004	0	6,387	375	8	0	383
(m) Tennis Sporting Club Facility Replacement Reserve	18,410	6,226	0	24,636	18,410	6,184	0	24,594	12,138	6,272	0	18,410
(n) Supermarket Guarantee Reserve	50,000	368	(368)	50,000	50,000	0	0	50,000	0	50,000	0	50,000
(o) Supermakret Reconstruction Reserve	0	217,000	0	217,000	0	0	0	0	0	0	0	0
(p) Shire Hockey Turf Facility Replacement Reserve	0	15,000	0	15,000	0	0	0	0	0	0	0	0
	1,331,661	295,029	(18,368)	1,608,324	1,331,659	74,816	(203,346)	1,203,129	1,260,128	108,233	(36,700)	1,331,661

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) Long Service Leave Reserve	Ongoing	To be used to fund long service leave requirements for employees.
(b) Plant Replacement Reserve	Ongoing	To be used to fund major plant purchases.
(c) Housing Reserve	Ongoing	To be used for the construction of future joint venture housing projects.
(d) Council Housing Reserve	Ongoing	To be used for the construction of housing for Council staff.
(e) Transport Infrastructure Reserve	Ongoing	To be used for the road infrastructure network within the Shire.
(f) Sports Facility Replacement Reserve	Ongoing	To be used towards the replacement of sporting playing surfaces and facilities within the Shire.
(g) Bowls Sporting Club Facility Replacement Reserve	Ongoing	To be used for the Bruce Rock Bowls Club's contribution to upgrade or replacement of facilities at the Bruce Rock Recreation Centre.
(h) Cricket Sporting Club Facility Replacement Reserve	Ongoing	To be used for the Bruce Rock Shackleton Ardath Cricket Club's contribution to upgrade or replacement of facilities at the Bruce Rock Recreation Centre.
(i) Football Sporting Club Facility Replacement Reserve	Ongoing	To be used for the Bruce Rock Football Club's contribution to upgrade or replacement of facilities at the Bruce Rock Recreation Centre.

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- (j) Hockey Sporting Club Facility Replacement Reserve
- (k) Netball Sporting Club Facility Replacement Reserve
- (l) Squash Sporting Club Facility Replacement Reserve
- (m) Tennis Sporting Club Facility Replacement Reserve
- (n) Supermarket Guarantee Reserve
- (o) Supermakret Reconstruction Reserve
- (p) Shire Hockey Turf Facility Replacement Reserve

Ongoing

To be used for the Bruce Rock Hockey Club's contribution to upgrade or replacement of facilities at the Bruce Rock Recreation Centre.

Ongoing

To be used for the Bruce Rock Netball Club's contribution to upgrade or replacement of facilities at the Bruce Rock Recreation Centre.

Ongoing

To be used for the Bruce Rock Squash Club's contribution to upgrade or replacement of facilities at the Bruce Rock Recreation Centre.

Ongoing

To be used for the Bruce Rock Tennis Club's contribution to upgrade or replacement of facilities at the Bruce Rock Recreation Centre.

Ongoing

To be used as a bank security guarantee for a trading account with Metcash Trading Ltd to purchase groceries and stock for the Bruce Rock Supermarket.

Ongoing

To be used for the reconstruction of the supermarket

Ongoing

To be used towards the replacement of the Hockey Turf at the Bruce Rock Recreation Centre.

SHIRE OF BRUCE ROCK
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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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

	2021	2020
	\$	\$
	1,608,322	1,331,661
	1,608,322	1,331,661
	1,608,322	1,331,661
	1,608,322	1,331,661
	73,807	71,221
	73,807	71,221
	73,807	71,221
	73,807	71,221

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 28.

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

6. TRADE AND OTHER RECEIVABLES

Current

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

Non-current

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

Reconciliation of changes in the allowance for impairment of receivables:

Balance at the start of the year	
Restated balance at the start of the period	
Expected credit losses expense	
Amount written off during the period	

Balance at end of the period

	2021	2020
	\$	\$
	79,712	98,988
	147,952	170,511
	67,969	0
	(4,898)	(31,161)
	290,735	238,338
	13,877	12,753
	13,877	12,753
	(31,161)	0
	0	0
	(4,898)	(31,161)
	31,161	0
	(4,898)	(31,161)

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 28.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Classification and subsequent measurement

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

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

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

SHIRE OF BRUCE ROCK
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7. INVENTORIES

Current

Fuel and materials
 Supermarket stock

	2021	2020
	\$	\$
	20,722	37,133
	63,070	44,973
	83,792	82,106
	82,106	34,774
	(935,948)	(348,536)
	937,634	395,868
	83,792	82,106

The following movements in inventories occurred during the year:

Balance at beginning of year

Inventories expensed during the year
 Additions to inventory

Balance at end of year

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.

SHIRE OF BRUCE ROCK
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8. OTHER ASSETS

Other assets - current

Accrued income

	2021	2020
	\$	\$
	4,726	8,746
	4,726	8,746

SIGNIFICANT ACCOUNTING POLICIES

Other current assets

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

SHIRE OF BRUCE ROCK
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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9. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Balances

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

	Land	Buildings	Total land and buildings	Furniture and equipment	Plant and equipment	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2019	1,446,607	28,935,961	30,382,568	151,381	3,571,475	34,105,424
Additions	2,242	648,163	650,405	30,060	288,347	968,812
(Disposals)	(99,729)	0	(99,729)	(540)	(75,280)	(175,549)
Revaluation increments / (decrements) transferred to revaluation surplus	0	0	0	(7,669)	503,204	495,535
Depreciation (expense)	0	(1,434,908)	(1,434,908)	(35,755)	(407,195)	(1,877,858)
Transfers	0	(76,050)	(76,050)	0	0	(76,050)
Balance at 30 June 2020	1,349,120	28,073,166	29,422,286	137,477	3,880,551	33,440,314
Comprises:						
Gross balance amount at 30 June 2020	1,349,120	32,346,721	33,695,841	137,477	3,885,648	37,718,966
Accumulated depreciation at 30 June 2020	0	(4,273,555)	(4,273,555)	0	(5,097)	(4,278,652)
Balance at 30 June 2020	1,349,120	28,073,166	29,422,286	137,477	3,880,551	33,440,314
Additions	47,216	335,116	382,332	66,428	173,321	622,081
(Disposals)	(66,000)	0	(66,000)	0	(359,705)	(425,705)
Revaluation increments / (decrements) transferred to revaluation surplus	138,664	641,642	780,306	0	0	780,306
Depreciation (expense)	0	(1,416,527)	(1,416,527)	(11,262)	(226,421)	(1,654,210)
Balance at 30 June 2021	1,469,000	27,633,397	29,102,397	192,643	3,467,746	32,762,786
Comprises:						
Gross balance amount at 30 June 2021	1,469,000	27,636,199	29,105,199	203,905	3,687,860	32,996,964
Accumulated depreciation at 30 June 2021	0	(2,802)	(2,802)	(11,262)	(220,115)	(234,179)
Balance at 30 June 2021	1,469,000	27,633,397	29,102,397	192,643	3,467,745	32,762,785

9. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Land and buildings					
Land	2	Market approach using recent observable market data for similar properties/income approach using discounted cashflow methodology	Independent registered valuers	June 2021	Price per hectare/ market borrowing rate
Buildings	3	Market approach using recent observable market data for similar properties/income approach using discounted cashflow methodology	Independent registered valuers	June 2021	Construction costs (level 2) and current condition (level 3), residential values and remaining useful life assessments (level 3) inputs
(ii) Cost					
Furniture and equipment	2	Market approach using recent observable market data for similar assets	Independent registered valuers	June 2020	Market price per item
Plant and equipment	2	Market approach using recent observable market data for similar assets	Independent registered valuers	June 2020	Market price per item

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 level 2 or 3 inputs.

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

SHIRE OF BRUCE ROCK
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10. INFRASTRUCTURE

(a) Movements in Balances

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

	Infrastructure - roads	Other infrastructure - bridges	Other infrastructure - footpaths	Other infrastructure - drainage	Other infrastructure - other	Other infrastructure - airstrip	Other infrastructure - carparks	Total Infrastructure
	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2019	43,973,647	22,733,807	966,822	7,041,178	2,531,926	491,630	2,128	77,741,138
Additions	1,119,258	232,592	0	95,242	49,428	0	0	1,496,520
Revaluation increments / (decrements) transferred to revaluation surplus	0	(11,497,055)	(182,232)	(5,491,529)	(2,281,586)	(46,826)	256,033	(19,243,195)
Revaluation (loss) / reversals transferred to profit or loss	0	0	0	0	0	(127,206)	0	(127,206)
Depreciation (expense)	(2,190,418)	(499,844)	(40,590)	(157,391)	(33,492)	(37,598)	(161)	(2,959,494)
Transfers	0	0	0	0	76,050	0	0	76,050
Balance at 30 June 2020	42,902,487	10,969,500	744,000	1,487,500	342,326	280,000	258,000	56,983,813
Comprises:								
Gross balance at 30 June 2020	45,092,905	10,969,500	744,000	1,487,500	345,915	280,000	258,000	59,177,820
Accumulated depreciation at 30 June 2020	(2,190,418)	0	0	0	(3,589)	0	0	(2,194,007)
Balance at 30 June 2020	42,902,487	10,969,500	744,000	1,487,500	342,326	280,000	258,000	56,983,813
Additions	750,743	271,735	10,432	160,023	3,180	0	81,204	1,277,317
Depreciation (expense)	(2,208,338)	(237,211)	(24,022)	(32,862)	(36,108)	(93,333)	(8,670)	(2,640,544)
Balance at 30 June 2021	41,444,892	11,004,024	730,410	1,614,661	309,398	186,667	330,534	55,620,586
Comprises:								
Gross balance at 30 June 2021	45,843,648	11,241,235	754,432	1,647,523	349,095	280,000	339,204	60,455,137
Accumulated depreciation at 30 June 2021	(4,398,756)	(237,211)	(24,022)	(32,862)	(39,697)	(93,333)	(8,670)	(4,834,551)
Balance at 30 June 2021	41,444,892	11,004,024	730,410	1,614,661	309,398	186,667	330,534	55,620,586

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

10. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

(i) Fair Value	Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
	Infrastructure - roads	3	Cost approach using depreciated replacement cost	Independent valuation	June 2019	Construction costs (level 2) and current condition (level 3), residual values and remaining useful life assessments (level 3) inputs
	Other infrastructure - bridges	3	Cost approach using depreciated replacement cost	Independent valuation	June 2020	Construction costs (level 2) and current condition (level 3), residual values and remaining useful life assessments (level 3) inputs
	Other infrastructure - footpaths	3	Cost approach using depreciated replacement cost	Independent valuation	June 2020	Construction costs (level 2) and current condition (level 3), residual values and remaining useful life assessments (level 3) inputs
	Other infrastructure - drainage	3	Cost approach using depreciated replacement cost	Independent valuation	June 2020	Construction costs (level 2) and current condition (level 3), residual values and remaining useful life assessments (level 3) inputs
	Other infrastructure - other	3	Cost approach using depreciated replacement cost	Independent valuation	June 2020	Construction costs (level 2) and current condition (level 3), residual values and remaining useful life assessments (level 3) inputs
	Other infrastructure - airstrip	3	Cost approach using depreciated replacement cost	Independent valuation	June 2020	Construction costs (level 2) and current condition (level 3), residual values and remaining useful life assessments (level 3) inputs
	Other infrastructure - carparks	3	Cost approach using depreciated replacement cost	Independent valuation	June 2020	Construction costs (level 2) and current condition (level 3), residual values and remaining useful life assessments (level 3) inputs

Level 3 inputs are based on assumption 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.

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

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.

Revaluation (Continued)

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

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

AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY

Land under roads from 1 July 2019

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

Vested improvements from 1 July 2019

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

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

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

11. FIXED ASSETS

(a) Disposals of Assets

	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss	2021 Budget Net Book Value	2021 Budget Sale Proceeds	2021 Budget Profit	2021 Budget Loss	2020 Actual Net Book Value	2020 Actual Sale Proceeds	2020 Actual Profit	2020 Actual Loss
Land	\$ 66,000	\$ 37,636	\$	\$ (28,364)	\$ 36,000	\$ 30,000	\$	\$ (6,000)	\$ 99,729	\$ 9,000	\$	\$ (90,729)
Buildings	0	0		0	75,000	75,000		0				
Furniture and equipment	0	0		0					540	0		(540)
Plant and equipment	359,705	252,736	1,731	(108,700)	316,500	247,500	4,000	(73,000)	75,280	47,601	9,887	(37,566)
	425,705	290,372	1,731	(137,064)	427,500	352,500	4,000	(79,000)	175,549	56,601	9,887	(128,835)

The following assets were disposed of during the year.

	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss
Plant and Equipment				
Governance				
BK 1 - Toyota Prado	55,849	50,455	0	(5,394)
Health				
BK09 - Nissan X-Trail	19,948	17,273	0	(2,675)
Transport				
BK029 - Street sweeper	67,085	17,702	0	(49,383)
9MT181 - Dozer	98,319	64,545	0	(33,774)
BK010 - Single Cab Utility	19,714	13,636	0	(6,078)
BK3 - Dual Cab Utility	31,768	32,727	959	0
BK792 - Single Cab Utility	8,357	6,650	0	(1,707)
BK041 - Dual Cab Utility	39,001	39,773	772	0
BK238 - Tipper Truck	9,832	3,800	0	(6,032)
BK237 - Tipper Truck	9,832	6,175	0	(3,657)
	359,705	252,736	1,731	(108,700)
Land				
Economic services				
Lot 427 Dampier St	24,000	18,818	0	(5,182)
Lot 428 Dampier St	24,000	18,818	0	(5,182)
Lot 25 Mills St, Shackleton	9,000	0	0	(9,000)
Lot 26 Mills St, Shackleton	9,000	0	0	(9,000)
	66,000	37,636	0	(28,364)
	425,705	290,372	1,731	(137,064)

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

11. FIXED ASSETS

(b) Depreciation

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Buildings	1,416,527	1,436,428	1,434,908
Furniture and equipment	11,262	35,755	35,755
Plant and equipment	226,421	407,195	407,195
Infrastructure - roads	2,208,338	3,698,590	2,190,418
Other infrastructure - bridges	237,211	0	499,844
Other infrastructure - footpaths	24,022	0	40,590
Other infrastructure - drainage	32,862	0	157,391
Other infrastructure - other	36,108	0	33,492
Other infrastructure - airstrip	93,333	0	37,598
Other infrastructure - carparks	8,670	0	161
Right-of-use assets - land	4,003	0	4,003
	4,298,757	5,577,968	4,841,355

SIGNIFICANT ACCOUNTING POLICIES

Depreciation

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

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

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

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

Depreciation rates

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

Asset Class	Useful life
Buildings	5 to 50 years
Furniture and equipment	4 to 20 years
Plant and equipment	5 to 15 years
Sealed roads and streets formation	not depreciated
pavement seal	20 to 50 years
- bituminous seals	20 to 50 years
- asphalt surfaces	20 to 50 years
Gravel roads formation	not depreciated
pavement	10 years
Bridges	80 years
Footpaths	30 to 65 years
Drainage	10 to 80 years
Other Infrastructure	10 to 80 years
Airstrip	5 to 50 years
Carparks	10 to 50 years
Right of use (land)	Based on the remaining lease

Depreciation on revaluation

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

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

(b) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Amortisation

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

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

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

12. LEASES

(a) Right-of-Use Assets

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

	Right-of-use assets - land	Right-of-use assets Total
	\$	
Balance at 1 July 2019	25,795	25,795
Depreciation (expense)	(4,003)	(4,003)
Balance at 30 June 2020	21,792	21,792
Depreciation (expense)	(4,003)	(4,003)
Balance at 30 June 2021	17,789	17,789

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

	2021 Actual	2020 Actual
	\$	\$
Depreciation expense on lease liabilities	(4,003)	(4,003)
Interest expense on lease liabilities	(712)	(837)
Total amount recognised in the statement of comprehensive income	(4,715)	(4,840)
Total cash outflow from leases	(4,475)	(4,476)

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.

SHIRE OF BRUCE ROCK
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FOR THE YEAR ENDED 30 JUNE 2021

12. LEASES (CONTINUED)

(b) Property, Plant and Equipment Subject to Lease

The table below represents a maturity analysis of the undiscounted lease payments to be received after the reporting date.

Less than 1 year
 1 to 5 years
 > 5 years

	2021 Actual	2020 Actual
	\$	\$
	77,856	62,949
	216,290	332,910
	124,560	162,800
	418,706	558,659

Residential properties are leased to GROH (Government Regional Officers Housing) under long-term leases with rentals payable monthly. Minimum lease payments receivable on leases of residential properties are detailed above.

SIGNIFICANT ACCOUNTING POLICIES

The Shire as Lessor

Upon entering into each contract as a lessor, the Shire assesses if the lease is a finance or operating lease.

The contract is classified as a finance lease when the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases not within this definition are classified as operating leases. Rental income received from operating leases is recognised on a straight-line basis over the term of the specific lease.

Initial direct costs incurred in entering into an operating lease (eg legal cost, cost to setup) are included in the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

When a contract is determined to include lease and non-lease components, the Entity applies AASB 15 to allocate the consideration under the contract to each component.

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

13. REVALUATION SURPLUS

	2021 Opening Balance	2021 Revaluation Increment	2021 Revaluation (Decrement)	Total Movement on Revaluation	2021 Closing Balance	2020 Opening Balance	2020 Revaluation Increment	2020 Revaluation (Decrement)	Total Movement on Revaluation	2020 Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land	1,272,266	223,678	(85,014)	138,664	1,410,930	1,272,266	0	0	0	1,272,266
Revaluation surplus - Buildings	22,358,743	2,684,973	(2,043,331)	641,642	23,000,386	22,358,743	0	0	0	22,358,743
Revaluation surplus - Furniture and equipment	84,064	0	0	0	84,064	91,733	0	(7,669)	(7,669)	84,064
Revaluation surplus - Plant and equipment	1,057,395	0	0	0	1,057,395	554,191	503,204	0	503,204	1,057,395
Revaluation surplus - Infrastructure - roads	25,637,680	0	0	0	25,637,680	25,637,680	0	0	0	25,637,680
Revaluation surplus - Other infrastructure - bridges	10,512,101	0	0	0	10,512,101	22,009,156	0	(11,497,055)	(11,497,055)	10,512,101
Revaluation surplus - Other infrastructure - footpaths	248,629	0	0	0	248,629	430,861	0	(182,232)	(182,232)	248,629
Revaluation surplus - Other infrastructure - drainage	1,516,982	0	0	0	1,516,982	7,008,511	0	(5,491,529)	(5,491,529)	1,516,982
Revaluation surplus - Other infrastructure - other	20,881	0	0	0	20,881	2,302,468	0	(2,281,586)	(2,281,586)	20,881
Revaluation surplus - Other infrastructure - airstrip	0	0	0	0	0	46,826	0	(46,826)	(46,826)	0
Revaluation surplus - Other infrastructure - carpark	256,033	0	0	0	256,033	0	256,033	0	256,033	256,033
	62,964,774	2,908,651	(2,128,345)	780,306	63,745,081	81,712,435	759,237	(19,506,897)	(18,747,660)	62,964,774

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

14. TRADE AND OTHER PAYABLES

Current

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

2021	2020
\$	\$
220,361	260,736
13,985	14,016
102,217	63,960
54,897	0
3,264	3,904
609	672
0	101,296
395,333	444,584

SIGNIFICANT ACCOUNTING POLICIES

Trade and other payables

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

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

Prepaid rates

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

15. OTHER LIABILITIES

Current

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

2021	2020
\$	\$
559,967	0
559,967	0

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

Less than 1 year

Contract liabilities	Liabilities under transfers to acquire or construct non-financial assets to be controlled by the entity
\$	\$
559,967	0
559,967	0

SIGNIFICANT ACCOUNTING POLICIES

Contract liabilities

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

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

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

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

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

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

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

16. LEASE LIABILITIES

(a) Lease Liabilities

	2021	2020
	\$	\$
Current	3,892	3,763
Non-current	14,500	18,392
	<u>18,392</u>	<u>22,155</u>

(b) Movements in Carrying Amounts

Purpose	Lease Number	Institution	Lease Interest Rate	Lease Term	Actual	30 June 2021	30 June 2021	30 June 2021	Budget	30 June 2021	30 June 2021	30 June 2021	Actual	30 June 2020	30 June 2020	30 June 2020
					Lease Principal 1 July 2020	Actual Lease Principal Repayments	Actual Lease Principal Outstanding	Actual Lease Interest Repayments	Lease Principal 1 July 2020	Lease Principal Repayments	Lease Principal Outstanding	Lease Interest Repayments	Lease Principal 1 July 2019	Actual Lease Principal Repayments	Actual Lease Principal Outstanding	Actual Lease Interest Repayments
					\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Economic services																
PTAWA - Saleyards (50%)	L7109	Burgess Rawson	3.60%	10 yrs	9,821	(1,312)	8,509	(327)	0	0	0	0	11,086	(1,265)	9,821	(373)
Other property and services																
PTAWA - Batching Plant (50%)	L7109	Burgess Rawson	3.60%	10 yrs	9,820	(1,311)	8,509	(326)	0	0	0	0	11,086	(1,266)	9,820	(372)
PTAWA - Sandpit	L7338	Burgess Rawson	3.00%	10 yrs	2,514	(1,140)	1,374	(59)	0	0	0	0	3,622	(1,108)	2,514	(92)
					<u>22,155</u>	<u>(3,763)</u>	<u>18,392</u>	<u>(712)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>25,794</u>	<u>(3,639)</u>	<u>22,155</u>	<u>(837)</u>

SHIRE OF BRUCE ROCK
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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17. INFORMATION ON BORROWINGS

(a) Borrowings	2021	2020
	\$	\$
Current	29,378	25,419
Non-current	217,203	246,581
	246,581	272,000

(b) Repayments - Borrowings

Particulars	Loan Number	Institution	Interest Rate	Actual	30 June 2021	30 June 2021	30 June 2021	30 June 2021	Budget	30 June 2021	30 June 2021	30 June 2021	30 June 2021	Actual	30 June 2020	30 June 2020	30 June 2020	30 June 2020
				Principal	Actual	Actual	Actual	Principal	Interest	Principal	Interest	Principal	Principal	New	Actual	Actual	Actual	Actual
				1 July 2020	New Loans	Principal repayments	Interest repayments	Principal outstanding	Principal 1 July 2020	New Loans	Principal repayments	Interest repayments	Principal outstanding	1 July 2019	New Loans	Principal repayments	Interest repayments	Principal outstanding
Housing				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
44 Curlew Dr - House	3	WATC	1.49%	272,000	0	(25,419)	(3,958)	246,581	272,000	0	(25,419)	(3,958)	246,581	0	272,000	0	0	272,000
Recreation and culture																		
Solar Panels	2	WATC	2.41%	0	0	0	0	0	0	0	0	0	0	18,295	0	(18,295)	(331)	0
Economic services																		
Caravan Park Accommodation	1	WATC	2.41%	0	0	0	0	0	0	0	0	0	0	52,424	0	(52,424)	(949)	0
				272,000	0	(25,419)	(3,958)	246,581	272,000	0	(25,419)	(3,958)	246,581	70,719	272,000	(70,719)	(1,280)	272,000

SHIRE OF BRUCE ROCK
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17. INFORMATION ON BORROWINGS (Continued)

(c) New Borrowings - 2020/21

The Shire did not have any new borrowings for the year ended 30th June 2021.

(d) Unspent Borrowings

The Shire did not have any unspent borrowings for the year ended 30th June 2021.

	2021	2020
	\$	\$
(e) Undrawn Borrowing Facilities		
Credit Standby Arrangements		
Bank Guarantee (Cash backed)	50,000	50,000
Credit card limit	5,000	5,000
Credit card balance at balance date	(1,232)	(106)
Total amount of credit unused	53,768	54,894
Loan facilities		
Loan facilities - current	29,378	25,419
Loan facilities - non-current	217,203	246,581
Lease liabilities - current	3,892	3,763
Lease liabilities - non-current	14,500	18,392
Total facilities in use at balance date	264,973	294,155
Unused loan facilities at balance date	NIL	NIL

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 28.

18. EMPLOYEE RELATED PROVISIONS

(a) Employee Related Provisions

Opening balance at 1 July 2020

Current provisions
 Non-current provisions

Additional provision
 Amounts used

Balance at 30 June 2021

Comprises

Current
 Non-current

	Provision for Annual Leave	Provision for Long Service Leave	Total
	\$	\$	\$
Opening balance at 1 July 2020			
Current provisions	186,213	147,114	333,327
Non-current provisions	0	44,539	44,539
	186,213	191,653	377,866
Additional provision	179,029	58,618	237,647
Amounts used	(144,713)	(9,044)	(153,757)
Balance at 30 June 2021	220,529	241,227	461,756
Comprises			
Current	220,529	194,675	415,204
Non-current	0	46,552	46,552
	220,529	241,227	461,756

Amounts are expected to be settled on the following basis:

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

	2021	2020
	\$	\$
Less than 12 months after the reporting date	415,204	333,327
More than 12 months from reporting date	54,553	52,540
Expected reimbursements from other WA local governments	(8,001)	(8,001)
	461,756	377,866

Timing of the payment of current leave liabilities is difficult to determine as it is dependent on future decisions of employees.

Expected settlement timings are based on information obtained from employees and historical leave trends and assumes no events will occur to impact on these historical trends.

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

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

Short-term employee benefits

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

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

Other long-term employee benefits

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

Other long-term employee benefits (Continued)

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

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

Provisions

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

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

19. NOTES TO THE STATEMENT OF CASH FLOWS

Reconciliation of Cash

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

	2021 Actual	2020 Actual
	\$	\$
Cash and cash equivalents	2,994,992	2,069,240
Reconciliation of Net Cash Provided By Operating Activities to Net Result		
Net result	(2,208,511)	(2,956,549)
Non-cash flows in Net result:		
Depreciation on non-current assets	4,298,757	4,841,355
(Profit)/loss on sale of asset	135,333	118,948
Reversal of loss on revaluation of fixed assets	0	127,206
Changes in assets and liabilities:		
(Increase)/decrease in receivables	(53,521)	32,996
(Increase)/decrease in other assets	3,958	(696)
(Increase)/decrease in inventories	(1,686)	(47,332)
(Increase)/decrease in contract assets	74,205	(74,205)
Increase/(decrease) in payables	(49,188)	(201,500)
Increase/(decrease) in employee provisions	83,890	(93,499)
Increase/(decrease) in other liabilities	559,970	0
Non-operating grants, subsidies and contributions	(1,149,645)	(1,143,697)
Net cash from operating activities	1,693,562	603,027

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20. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2021	2020
	\$	\$
Governance	203,663	159,382
Law, order, public safety	207,492	216,883
Health	126,308	113,838
Education and welfare	45,954	51,012
Housing	3,368,665	3,449,483
Community amenities	69,164	75,912
Recreation and culture	7,320,264	7,552,183
Transport	54,060,314	56,432,065
Economic services	2,467,472	1,347,281
Other property and services	181,332	197,178
Unallocated	25,420,783	24,738,972
	93,471,411	94,334,189

21. CONTINGENT LIABILITIES

The Shire has identified the following sites, in relation to land owned, vested or leased, that is known to be, or is suspected of being contaminated.

i. Belka - Reserve 20196 (Lot 25322 on Plan 154374) and corresponding Road Reserve

As per Department of Water and Environment Regulation (DWER), notification these sites were contaminated and have been remediated such that is suitable for the current land use, but may not be suitable for a more sensitive land use. Therefore, DWER has classified these sites as 'remediated for restricted use'.

ii. Shackleton - Lot 424 - Old Rubbish Tip Site

As per DWER notification, the site was historically used as a rubbish disposal facility for an unknown period of time. This is a land use that has the potential to cause contamination.

As the site has not been investigated, a comment cannot be made on the suitability of the site as a whole for any land use. The site is classified by DWER as 'possibly contaminated - investigation required'. However DWER have confirmed that investigation is only required if the land is to be sold, exit the site or development for a more sensitive land use.

22. CAPITAL AND LEASING COMMITMENTS

(a) Capital Expenditure Commitments

Contracted for:

- capital expenditure projects
- plant & equipment purchases

Payable:

- not later than one year

	2021	2020
	\$	\$
	3,347,560	0
	215,000	0
	<u>3,562,560</u>	<u>0</u>
	3,562,560	0

SIGNIFICANT ACCOUNTING POLICIES

Leases

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

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

Leases (Continued)

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

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

23. ELECTED MEMBERS REMUNERATION

	2021 Actual	2020 Actual
	\$	\$
Elected member - Cr Stephen Strange		
President's annual allowance	14,140	14,140
Meeting attendance fees	7,189	7,070
ICT expenses	500	1,500
Travel and accommodation expenses	1,280	975
	23,109	23,685
Elected member - Cr Ram Rajagopalan		
Deputy President's annual allowance	3,535	3,535
Meeting attendance fees	2,130	2,383
ICT expenses	505	505
Travel and accommodation expenses	213	0
	6,383	6,423
Elected member - Cr Anthony Crooks		
ICT expenses	1,515	0
	1,515	0
Elected member - Cr Kevin Foss		
ICT expenses	1,515	0
	1,515	0
Elected member - Cr Natalie Kilminster		
Meeting attendance fees	1,776	0
ICT expenses	1,010	0
	2,786	0
Elected member - Cr Brendan Waight		
Meeting attendance fees	1,413	1,320
ICT expenses	505	505
	1,918	1,825
Elected member - Cr Rebecca Waye		
Meeting attendance fees	0	273
ICT expenses	0	1,515
	0	1,788
	37,226	33,721
Fees, expenses and allowances to be paid or reimbursed to elected council members.		
President's allowance	14,140	14,140
Deputy President's allowance	3,535	3,535
Meeting attendance fees	12,508	11,046
ICT expenses	5,550	4,025
Travel and accommodation expenses	1,493	975
	37,226	33,721

24. RELATED PARTY TRANSACTIONS

Key Management Personnel (KMP) Compensation Disclosure

	2021 Actual	2020 Actual
	\$	\$
The total of remuneration paid to KMP of the Shire during the year are as follows:		
Short-term employee benefits	586,591	635,732
Post-employment benefits	71,977	76,651
Other long-term benefits	11,267	42,172
Termination benefits	0	23,091
	669,835	777,646

Short-term employee benefits

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

Post-employment benefits

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

Other long-term benefits

These amounts represent long service benefits accruing during the year.

Termination benefits

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

24. 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:

	2021 Actual	2020 Actual
	\$	\$
Sale of goods and services	39,883	40,144
Purchase of goods and services	152,321	263,130
Short term employee benefits -other related parties	151,094	201,504
Amounts outstanding from related parties:		
Trade and other receivables	112	282
Amounts payable to related parties:		
Trade and other payables	13,369	12,809

Related Parties

The Shire's main related parties are as follows:

i. Key management personnel

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

ii. Other Related Parties

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

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

iii. Entities subject to significant influence by the Shire

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

25. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

Bruce Rock Supermarket

(a) Details

The Shire is operating a temporary grocery store or supermarket from the Shire Hall in Johnson Street, Bruce Rock. The temporary store was opened as a direct emergency response to the loss of the town's only grocery store to arson in March 2020.

The Shire was unable to comply with the requirements of section 3.59 of the Local Government Act 1995, in completing a Business Plan prior to opening the supermarket. The Shire did seek a retrospective exemption from section 3.59 by providing the Department of Local Government, Sport and Cultural Industries (DLGSCI).

The Minister for Local Government has acknowledged in a letter dated 16 June 2021 that he is unable to retrospectively grant an exemption for the approval. However he advised that the DLGSCI will not take any further action in this regard.

Council is preparing to construct a building on the original site of the supermarket and lease it to a private leaseholder who will operate a supermarket. The construction is budgeted to commence in 2021-22 and operations commencing in early 2023.

(b) Current year transactions

Income

- Fees and Charges

Expenditure

- Employee costs
- Materials and contracts
- Utilities
- Insurance
- Other

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
- Fees and Charges	1,172,391	982,328	117,592
- Employee costs	(183,565)	(176,113)	(50,884)
- Materials and contracts	(1,013,526)	(802,965)	(120,233)
- Utilities	(13)	0	0
- Insurance	(3,397)	(2,000)	0
- Other	(1,250)	(1,250)	(312)
	(29,360)	0	(53,837)

The above operating revenue for the sale of grocery items is reflected in fees and charges and operating expenditure for the purchase of groceries and operating expenses is reflected in employee costs, materials and contracts, utilities, insurance and other under Economic Services.

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(c) Expected future cash flows

	2021/22	2022/23	2023/24	2024/25	Total
	\$	\$	\$	\$	\$
Cash outflows					
- Supermarket operating costs	(1,273,493)	(500,000)	0	0	(1,773,493)
	(1,273,493)	(500,000)	0	0	(1,773,493)
Cash inflows					
- Supermarket revenue	1,213,514	500,000	0	0	1,713,514
	1,213,514	500,000	0	0	1,713,514
Net cash flows	(59,979)	0	0	0	(59,979)

This information has not been audited and is presented for information purposes only.

(d) Assets and liabilities

Supermarket inventory is included within Note 7	2021	2020
	\$	\$
Current Inventory		
Supermarket Inventory		
Supermarket Groceries	60,880	43,005
Supermarket Pallets and Crates	2,190	1,969
	63,070	44,974

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26. RATING INFORMATION

(a) Rates

RATE TYPE	Rate in \$	Number of Properties	2020/21 Actual Rateable Value \$	2020/21 Actual Rate Revenue \$	2020/21 Actual Interim Rates \$	2020/21 Actual Back Rates \$	2020/21 Actual Total Revenue \$	2020/21 Budget Rate Revenue \$	2020/21 Budget Interim Rate \$	2020/21 Budget Back Rate \$	2020/21 Budget Total Revenue \$	2019/20 Actual Total Revenue \$
Differential general rate / general rate												
Gross rental valuations												
General Rate (GRV)	0.072150	208	1,819,508	131,277	6,177	3,756	141,210	131,278	0	0	131,278	119,876
Unimproved valuations												
General Rate (UV)	0.011973	319	112,763,000	1,350,111	60	0	1,350,171	1,350,111	0	0	1,350,111	1,311,922
Sub-Total		527	114,582,508	1,481,388	6,237	3,756	1,491,381	1,481,389	0	0	1,481,389	1,431,798
Minimum payment												
Minimum payment												
Gross rental valuations												
General Rate (GRV)	483	160	564,438	77,280	1,211	0	78,491	77,280	0	0	77,280	82,544
Unimproved valuations												
General Rate (UV)	483	28	625,800	13,524	0		13,524	13,524	0	0	13,524	11,725
Mining Tenaments (UV)	483	3	5,514	1,449	719	52	2,220	1,449	0	0	1,449	1,407
Sub-Total		191	1,195,752	92,253	1,930	52	94,235	92,253	0	0	92,253	95,676
		718	115,778,260	1,573,641	8,167	3,808	1,585,616	1,573,642	0	0	1,573,642	1,527,474
Discounts/concessions (Note 26(d))							(41,119)				(38,000)	(39,246)
Total amount raised from general rate							1,544,497				1,535,642	1,488,228
Ex-gratia rates							15,450				15,450	15,000
Prepaid rates							(13,985)				0	(14,016)
Totals							1,545,962				1,551,092	1,489,212

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.

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26. RATING INFORMATION (Continued)

(b) Specified Area Rate

No specified area rates were imposed by the Shire.

(c) Service Charges

No service charges were imposed by the Shire.

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26. RATING INFORMATION (Continued)

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

Rates Discounts

Rate or Fee Discount Granted	Discount	Discount	2021 Actual	2021 Budget	2020 Actual	Circumstances in which Discount is Granted
	%	\$	\$	\$	\$	
Rates	3%	0	41,119	38,000	39,246	A discount of 3% of the current rates levied (excluding service charges) was offered to rate payers who made payment of the full amount owing, including arrears and service charges on or before the 9th October 2020 or 35 days after the date of service appearing on the rates notice, whichever was the later.
			41,119	38,000	39,246	

Waivers or Concessions

Rate or Fee and Charge to which the Waiver or Concession is Granted	Type	Discount	Discount	2021 Actual	2021 Budget	2020 Actual
		%	\$	\$	\$	\$
Rubbish charge	Pensioner	50%	143.50	16,568	13,059	16,382
	Senior	25%	71.75	0	1,220	
Recycling charge	Pensioner	50%	57.50	6,236	4,850	6,155
	Senior	25%	28.75	0	489	
				22,804	19,618	22,537
Total discounts/concessions (Note 26(a))				63,923	57,618	61,783

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
Rubbish charge	Rate payer must be registered as a pensioner, concession card holder or senior under the Rates & Charges (Rebates & Deferrals) Act 1992.	Discount of 50% applicable for pensioners and 25% applicable for seniors for rubbish charge.	Reduction in service charge if registered as a pensioner, senior, concessioner cardholder.
Recycling charge	Rate payer must be registered as a pensioner, concession card holder or senior under the Rates & Charges (Rebates & Deferrals) Act 1992.	Discount of 50% applicable for pensioners and 25% applicable for seniors for rubbish charge.	Reduction in service charge if registered as a pensioner, senior, concessioner cardholder.

26. RATING INFORMATION (Continued)

(e) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
Option One				
Single full payment	9/10/2020	0	0%	8%
Option Two				
First instalment	9/10/2020	0	0%	8%
Second instalment	11/12/2020	0	0%	8%
Option Three				
First instalment	9/10/2020	0	0%	8%
Second instalment	11/12/2020	0	0%	8%
Third instalment	12/02/2021	0	0%	8%
Fourth instalment	16/04/2021	0	0%	8%

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Interest on unpaid rates	5,790	3,750	11,429
Interest on instalment plan	0	0	1,059
Charges on instalment plan	0	0	1,466
	5,790	3,750	13,954

SHIRE OF BRUCE ROCK
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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27. RATE SETTING STATEMENT INFORMATION

Note	2020/21 (30 June 2021 Carried Forward) \$	2020/21 (1 July 2020 Brought Forward) \$	2019/20 (30 June 2020 Carried Forward) \$	
(a) Non-cash amounts excluded from operating activities				
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .				
Adjustments to operating activities				
Less: Profit on asset disposals	11(a)	(1,731)	(9,887)	(9,887)
Movement in pensioner deferred rates (non-current)		(1,124)	(1,684)	(1,684)
Movement in employee benefit provisions (non-current)		2,013	(18,700)	(18,700)
Add: Loss on disposal of assets	11(a)	137,064	128,835	128,835
Add: Loss on revaluation of fixed assets	10(a)	0	127,206	127,206
Add: Depreciation on non-current assets	11(b)	4,298,757	4,841,355	4,841,355
Non cash amounts excluded from operating activities		4,434,979	5,067,125	5,067,125
(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	(1,608,324)	(1,331,661)	(1,331,661)
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings	17(a)	29,378	25,419	25,419
- Current portion of lease liabilities		3,892	3,763	3,763
- Employee benefit provisions		116,374	115,300	115,300
Total adjustments to net current assets		(1,458,680)	(1,187,179)	(1,187,179)
Net current assets used in the Rate Setting Statement				
Total current assets		4,982,567	3,804,296	3,804,296
Less: Total current liabilities		(1,403,774)	(807,093)	(807,093)
Less: Total adjustments to net current assets		(1,458,680)	(1,187,179)	(1,187,179)
Net current assets used in the Rate Setting Statement		2,120,113	1,810,024	1,810,024

28. 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

(a) Interest rate risk

Cash and cash equivalents

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

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

	Weighted Average Interest Rate	Carrying Amounts	Fixed Interest Rate	Variable Interest Rate	Non Interest Bearing
	%	\$	\$	\$	\$
2021					
Cash and cash equivalents	0.05%	2,994,992	0	2,992,792	2,200
Financial assets at amortised cost - term deposits	0.59%	1,608,322	1,608,322	0	0
2020					
Cash and cash equivalents	0.24%	2,069,240	0	2,067,040	2,200
Financial assets at amortised cost - term deposits	1.56%	1,331,661	1,331,661	0	0

Sensitivity

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

	2021	2020
	\$	\$
Impact of a 1% movement in interest rates on profit and loss and equity*	29,928	20,670

* Holding all other variables constant

Borrowings

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

28. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Trade and Other Receivables

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

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

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

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

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

	Current	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total
30 June 2021					
Rates receivable					
Expected credit loss	6.14%	6.14%	6.14%	6.14%	
Gross carrying amount	6,863	21,745	19,939	31,166	79,713
Loss allowance	422	1,336	1,225	1,915	4,898
29 June 2020					
Rates receivable					
Expected credit loss	0.23%	0.23%	0.23%	79.87%	
Gross carrying amount	25,498	21,002	13,646	38,842	98,988
Loss allowance	59	48	31	31,023	31,161

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

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
30 June 2021					
Trade and other receivables					
Expected credit loss	2.55%	2.55%	2.55%	2.55%	
Gross carrying amount	84,998	62,323	22	609	147,952
Loss allowance	2,167	1,589	1	16	3,773
29 June 2020					
Trade and other receivables					
Expected credit loss	0.39%	0.39%	0.39%	0.39%	
Gross carrying amount	92,297	4,123	39,827	34,265	170,512
Loss allowance	360	16	155	134	665

28. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (Continued)

Contract Assets

The Shire's contract assets represent work completed, which have not been invoiced at year end. This is due to the Shire not having met all the performance obligations in the contract which give an unconditional right to receive consideration. The Shire applies the simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all contract assets. To measure the expected credit losses, contract assets have been grouped based on shared credit risk characteristics and the days past due. Contract assets have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Shire has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

28. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

Payables and borrowings

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

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

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
2021					
Payables	395,333	0	0	395,333	395,333
Borrowings	25,799	107,114	113,667	264,399	246,581
Lease liabilities	3,892	12,079	2,421	18,392	18,392
	<u>425,024</u>	<u>119,193</u>	<u>116,088</u>	<u>678,124</u>	<u>660,306</u>
2020					
Payables	444,584	0	0	444,584	444,584
Borrowings	25,419	105,536	146,889	277,844	272,000
Lease liabilities	3,763	12,842	5,550	22,155	22,155
	<u>473,766</u>	<u>118,378</u>	<u>152,439</u>	<u>744,583</u>	<u>738,739</u>

29. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

There were no subsequent events that occurred after the end of the reporting period and no contingent liability related to the financial year ended 30 June 2021.

30. TRUST FUNDS

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

	1 July 2020	Amounts Received	Amounts Paid	30 June 2021
	\$	\$	\$	\$
Factory Unit Bonds	2,106	484	0	2,590
Vietnam Veterans	7,541	0	0	7,541
Wheatbelt Women	7,839	0	(500)	7,339
	17,486	484	(500)	17,470

SHIRE OF BRUCE ROCK

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

31. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

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

c) Rounding off figures

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

d) Comparative figures

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

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

e) Budget comparative figures

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

f) Superannuation

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

g) Fair value of assets and liabilities

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

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

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

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

h) Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

i) Impairment of assets

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

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

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

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

32. ACTIVITIES/PROGRAMS

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

PROGRAM NAME AND OBJECTIVES	ACTIVITIES
GOVERNANCE	Administration and operation of facilities and services to its members of Council and other costs that relate to the costs of the tasks of elected members and ratepayers on matters which do not concern specific areas of Council.
GENERAL PURPOSE FUNDING	Rates, general purpose government grants and interest revenue.
LAW, ORDER, PUBLIC SAFETY	Assistance to the Shire's Bush Fire Services, fire prevention, animal control, crime prevention and community safety and the supervision of various by-laws.
EDUCATION AND WELFARE	Provision of facilities for local playgroup, senior citizen association, day-care and men's shed.
HOUSING	Maintenance of the shire aged, single and community, and other houses.
COMMUNITY AMENITIES	Rubbish collection services, operation of refuse site, recycling centre, bulk litter drives and Drummuster and maintenance of cemetery.
RECREATION AND CULTURE	Maintenance and operation of amphitheatre, halls and the recreation centre, the swimming pool, various courts, cricket pitches and oval. Maintenance of Council's parks and gardens and various reserves. Operation and control of Library and Museum and heritage inventory.
TRANSPORT	Construction and maintenance of streets, roads, drainage works, lighting of streets, depot maintenance and airstrip maintenance. Vehicle inspections are conducted on behalf of Department of Transport.
ECONOMIC SERVICES	Provision of tourism promotion through caravan park and camping ground, provision of community bus, assistance with Vietnam Veterans Back to the Bush Reunion, building surveyor, saleyards and water Landcare projects. standpipes. Operation of Bruce Rock Natural Resource Management and various Landcare projects.
OTHER PROPERTY AND SERVICES	Private works operations, public works overheads, plant repairs and operation costs.

33. FINANCIAL RATIOS

	2021 Actual	2020 Actual	2019 Actual
Current ratio	2.18	3.59	2.89
Asset consumption ratio	0.95	0.93	0.69
Asset renewal funding ratio	1.21	1.17	1.19
Asset sustainability ratio	0.25	0.30	0.28
Debt service cover ratio	32.22	10.34	13.71
Operating surplus ratio	(0.89)	(1.59)	(1.99)
Own source revenue coverage ratio	0.37	0.26	0.23

The above ratios are calculated as follows:

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



Auditor General

INDEPENDENT AUDITOR'S REPORT 2021 Shire of Bruce Rock

To the Councillors of the Shire of Bruce Rock

Report on the audit of the annual financial report

Opinion

I have audited the financial report of the Shire of Bruce Rock (Shire) which comprises:

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

In my opinion the financial report of the Shire of Bruce Rock:

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

Basis for opinion

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

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

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

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

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

Auditor's responsibility for the audit of the financial report

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

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

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

Report on other legal and regulatory requirements

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

- (i) In my opinion, the following material matters indicate significant adverse trends in the financial position of the Shire:
 - a) The Operating Surplus Ratio as reported in Note 33 of the financial report is below the Department of Local Government, Sport and Cultural Industries' basic standard for the current year and past 2 years.
 - b) The Asset Sustainability Ratio as reported in Note 33 of the financial report is below the Department of Local Government, Sport and Cultural Industries' standard for the current year and past 2 years.
- (ii) All required information and explanations were obtained by me.
- (iii) All audit procedures were satisfactorily completed.
- (iv) In my opinion, the Asset Consumption Ratio and the Asset Renewal Funding Ratio included in the financial report were supported by verifiable information and reasonable assumptions.

Other information

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

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

Matters relating to the electronic publication of the audited financial report

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

Mark Ambrose
Senior Director Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
16 December 2021