



Annual Report

2021



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The Shire of Menzies respectfully acknowledges the local Indigenous peoples, the Traditional Custodians of the land upon which it conducts its business, and pays respect to Elders Past, Present and Emerging.

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Community statistics

Population	490 (ABS 2016)
Number of electors	278
Number of Dwellings	130
Distance from Perth	730km
Area	124,635 square kilometres
Suburbs and localities	Kookynie, 6431; Menzies 6436; Tjuntjuntjara 6431
Schools	Menzies Community School, Tjuntjuntjara Remote Community School
Length of sealed roads (km)	51.2
Length of unsealed roads (km)	2129
Rates levied	\$3.3M
Total revenue	\$6.9M
Council employees	20



Other interesting facts	
Tourist attractions	Lake Ballard, Niagara Dam, Lady Shenton Building, Goongarrie Cottages, Spinifex Art Centre
Local Industries	Gold mining, nickel mining, potash salt mining, pastoral, tourism, prospecting
Significant local events	Menzies CyClassic, Menzies Rodeo



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“While many of our grand old buildings are long gone, evidence of what life must have been like in the Shire of Menzies 100 years ago is all around us and just waiting to be explored.”

About the Shire

The Shire of Menzies has common borders with the Shires of Yilgarn, Sandstone, Leonora, Laverton, Coolgardie and the City of Kalgoorlie-Boulder. It stretches some 1025 kilometres from east to west, and encompasses an area of 124,635 square kilometres.

The three major population centres are Menzies, Kookynie to the west, and Tjuntjuntjara close to the border with South Australia. They are separated by a wide area of the country. Within this area a combination of mining and pastoral activities are undertaken.

The Shire boasts schools at Menzies and Tjuntjuntjara where students from kindergarten to Year 12 attend. Both Menzies and Tjuntjuntjara are also serviced by a Nursing Post and the Royal Flying Doctor respectively.

The Menzies Municipality was gazetted in 1895. It was dissolved and included in the North Coolgardie Road District in 1912, which was itself dissolved the same year to

form the Menzies, Kookynie and Mount Malcolm Road Districts. In 1918, Kookynie was merged into Menzies, which on 1 July 1961 became the shire of today.

Out and About

The heart of the Menzies Shire is its people and their meeting places. Visitors to the town itself can enjoy a walk around town with ‘Our Way’ and ‘Our Place’ walk trails.

Also popular is a day trip to Lake Ballard, home to the Inside Australia - Antony Gormley Sculptures. Set over 10 square kilometres the 51 sculptures represent the residents of Menzies whose bodies were scanned for casts.

Kookynie and its Grand Hotel has a long and distinguished history. Willie the horse has adopted the Hotel, and in return the town has adopted Willie. Kookynie is close to Niagara Dam (pictured above) which is another of the Shire's very popular tourist destinations.

The residents of the remote community at Tjuntjuntjara share their time between caring for the land and capturing important times and stories on canvas and other artworks.



Shire President's Report

The 2020/21 financial year has seen the completion of a number of outstanding projects, as well as ongoing works on the Shire's extensive road network.

In September, available Councillors travelled to Tjuntjuntjara for the Ordinary Meeting of Council, which gave an opportunity to inspect the completed roadworks on the Connie Sue Highway and Tjuntjuntjara Community Access Road that was commenced in May by Nullarbor Transport Services.

At the September Meeting Council accepted the resignation of Rural Ward Councillor Debbie Hansen.

Community consultation with residents in Kookynie regarding cattle roaming at large within the townsite and the concept of fencing the townsite, including the airstrip to keep the cattle out of town, limiting the damage caused by the cattle and the safety of the residents.

While 2020 had its challenges, there were also successes and, continuing the tradition, we celebrated the year at the annual Community Christmas Party, held at Menzies Hotel, with refreshments and a barbeque provided by the Shire. I wish to convey my thanks to Gary Munro for once again volunteering to cook the barbeque. Pensioner hampers were delivered to our eligible residents in Menzies, compliments of the Shire of Menzies.

In January the Shire welcomed Mr Brian Joiner, the new CEO for Menzies. Brian held his first Community event on Australia Day, with a Bacon and Eggs brunch, providing a perfect opportunity for the community to meet our new CEO.

February saw the extraordinary election for the vacant rural Councillor position. There being only one nominee, Rohan (Scott) Baird, was elected unopposed.

That month we also celebrated the opening of the shower and toilet block at the town Truck Bay. The facility has further enhanced provision of first-class amenities for truck drivers. The Shire is constantly receiving positive comments from users of the facility.

It was time to start thinking about the annual budget, Crs Mader, Dwyer J and myself undertook a comprehensive road trip incorporating Phorphy, Yarri, Mt Celia, Bindah Mine, Lake Carey Crossing, Yundamindra to Kookynie.

In April we continued our discussions on the establishment of a Volunteer Bushfire Brigade at Tjuntjuntjara. Council accepted the resignation of Town Ward Councillor Vashti Ashwin, the Minister approved that the seat would remain vacant until the upcoming elections in October.

In May Council awarded the tender of road improvements



“ It was also a great honour to conduct a Citizenship Ceremony for Dr Ruth Murdie on this long weekend, in conjunction with Rick Wilson MP.”

Cr Greg Dwyer, Shire President

and repairs of the Tjuntjuntjara access road to Fraser Range Station, with works to commence in the new financial year. Our first budget workshop was held during the month, attended by available Councillors.

Re-sheeting works were undertaken on the Menzies North-West Road in preparation for the continuation of the ongoing bitumen sealing project on this road.

Preparations for the Menzies Classic/Goldfields Cyclastic were well underway for the June long weekend. This race included the 92nd year of the Chas Egan Memorial Handicaps Race. The long weekend holiday started off with the well-recognised Leonora Inland Art Prize, of which Menzies Shire is a long-term sponsor. DJ Rev provided music and entertainment as the spectators welcomed the riders into Menzies. The Eastern Goldfields Cycle Club dinner was attended by approximately 250 people followed by the much talked about fireworks display. Sunday morning commenced with a community breakfast provided by the Shire of Menzies. The cyclists were once again entertained by DJ Rev as they departed Menzies to commence the second stage of the Race “The Leonora Golden Wheels”. The Shire staff work extremely hard in preparation for this event and I convey my thanks to those involved.

It was also a great honour to conduct a Citizenship Ceremony for Dr Ruth Murdie on this long weekend, in conjunction with Rick Wilson MP. The idea of the Ceremony in Menzies came from Rob Northcoat, a member of the Eastern Goldfields Cycle Club, as is Ruth Murdie.

Our sincere thanks go to Dr Lesley Arnott, Rick Wilson for their assistance and Alex Hawke, Minister for Immigration and Citizenship, for allowing the Ceremony to be conducted in Menzies rather than Ruth Murdie’s Local Government, City of Bayswater. Rick in turn had the honour of being the first guest to use our new, recently completed, staff house in Onslow Street.

The financial year was finished off with another trip to Tjuntjuntjara for the June OCM, where we noted the improvement of the roads in the Shire of Menzies on the Connie Sue and Community roads.

While not as disruptive as the previous year, Covid-19 has still been with us and continues to present restrictions and uncertainty. I take this opportunity to convey my thanks to all Councillors, staff, volunteers and the community for your assistance and efforts as we continue to overcome these challenges and progress. On a final note, I urge all residents within the Shire of Menzies to “Roll up for WA” so we can continue to live in a safe environment.

2020-2021 Councillors



Cr Greg Dwyer
Shire President
(Rural Ward)
Term Expires: 2021



Cr Ian Baird
Deputy Shire
President
(Rural Ward)
Term Expires: 2023



Cr Jill Dwyer
Councillor
(Rural Ward)
Term Expires: 2021



Cr Justin Lee
Councillor
(Town Ward)
Term Expires: 2021



Cr Keith Mader
Councillor
(Town Ward)
Term Expires: 2021



Cr Scott Baird
Councillor
(Rural Ward)
Term Expires: 2023



Cr Debbie Hansen
Councillor
(Rural Ward)
Resigned September
2020



Cr Vashti Ashwin
Councillor
(Town Ward)
Resigned April 2021

Councillor Committees

Internal Committees	Councillors
Audit Committee	Cr Greg Dwyer, Cr Jill Dwyer, Cr Ian Baird
Lake Ballard Management Advisory Committee	Cr Greg Dwyer, Cr Justin Lee, Cr Keith Mader, Cr Jill Dwyer
Niagara Dam Working Party	Cr Greg Dwyer, Cr Jill Dwyer
External Committees	
GVROC	Cr Jill Dwyer, Cr Keith Mader
Regional Roads Group	Cr Greg Dwyer, Cr Ian Baird
Local Emergency Management	Cr Greg Dwyer, Cr Keith Mader



Attendance records	Ordinary Council Meetings	Audit Meetings
Cr Greg Dwyer	12 from 12	2 from 2
Cr Ian Baird	12 from 12	2 from 2
Cr Jill Dwyer	11 from 12	2 from 2
Cr Vashti Ashwin	4 from 9 (resigned April 2021)	N/A
Cr Debbie Hansen	0 from 2 (resigned September 2020)	N/A
Cr Keith Mader	12 from 12	N/A
Cr Justin Lee	9 from 12	N/A
Cr Scott Baird	4 from 6 (elected January 2021)	N/A



The Plan for the Future

The Shire of Menzies Strategic Community Plan 2013 – 2023 was prepared through engagement and consultation with the community. It reflects predominant community interests and views.

In 2020– 2021 a review of the following plans has begun:

Strategic Community Plan; Corporate Business Plan; Long Term Financial Plan; Workforce Plan; Town Planning Scheme.

The Corporate Business Plan shows the expected capital expenditure for 2021-2022 as the following:

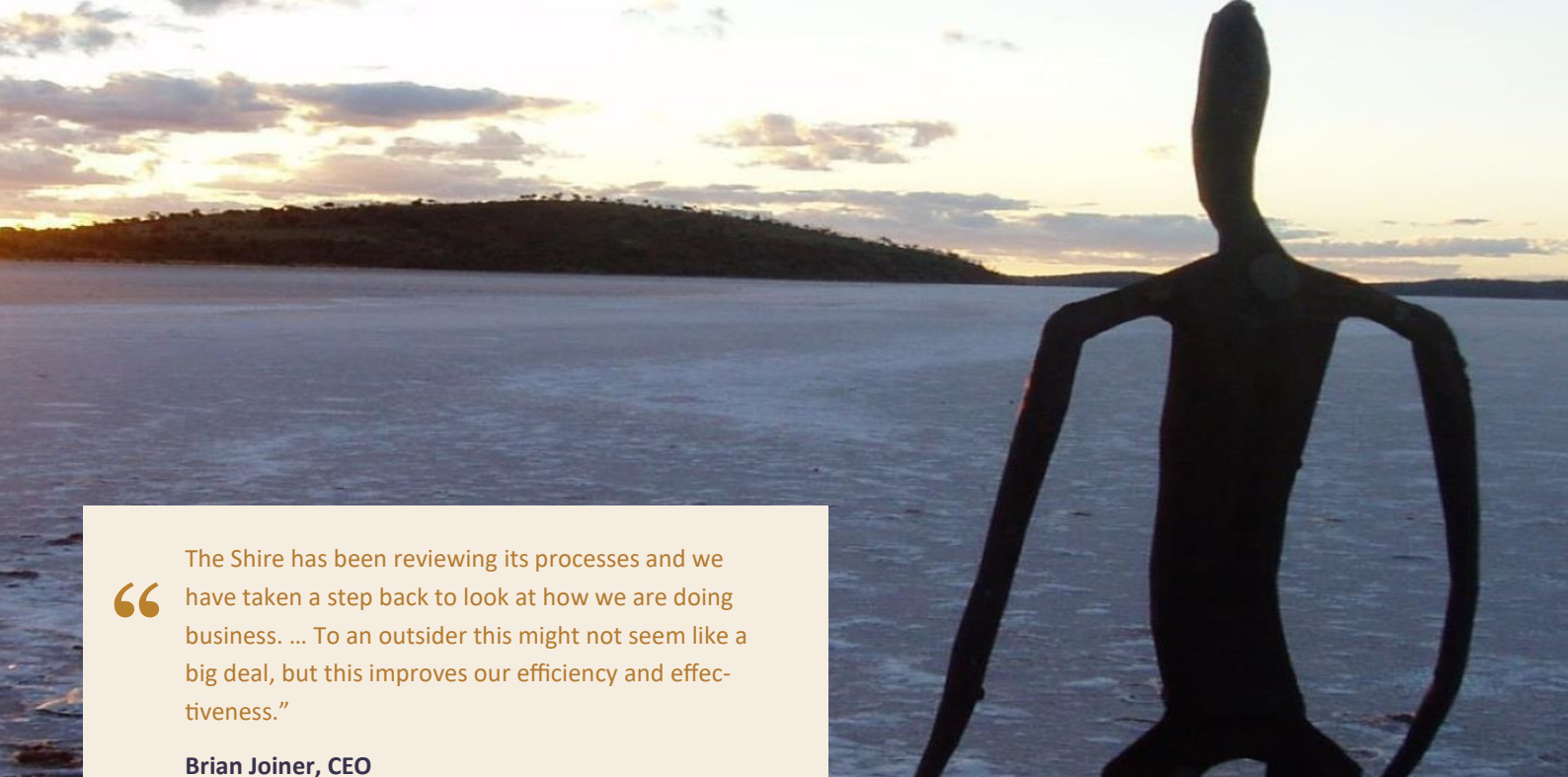
Project	\$2020-2021
Building Infrastructure upgrades and renewal	2,190,500
Plant and Equipment upgrades and renewal	144,000
Road Infrastructure upgrades and renewal	2,772,000
Footpaths Infrastructure upgrades and renewal	200,000
Other Infrastructure upgrades and renewal	1,119,000

The capital projects in the Annual Budget are decided by referring to the Shire's Strategic Community Plan, Long Term Financial Plan and Corporate Business Plan.

The capital projects listed in the table below were anticipated to commence during the 2020-2021 financial year.

Project	Projected Cost
Comet Vale Cemetery Fence	50,000
Build new staff housing	420,000
Shade at Tjuntjuntjara Cemetery	50,000
Footpaths in Menzies	100,000
Church Hall landscaping and fencing	25,000
Menzies North West Road — 5km bitumen	1,100,000
Tjuntjuntjara Access Road	220,000
Mechanics vehicle	72,000





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The Shire has been reviewing its processes and we have taken a step back to look at how we are doing business. ... To an outsider this might not seem like a big deal, but this improves our efficiency and effectiveness.”

Brian Joiner, CEO

CEO's Report

I am proud to present my second Annual Report for the Shire of Menzies. Once again, we have gone through an interesting year, which created an unpredictable business environment. We have still managed to provide all our services and deliver projects while remaining in a strong financial position.

During the first half of the financial year the Shire went through a recruiting process for a new CEO which resulted in my appointment. Local Government CEO recruitment is a regulated process and takes some time to conclude. Unfortunately, this led to a period of instability within the Shire with a few acting CEOs over the six month period. It is pleasing to be able to report the Shire is now fully staffed with a team of quality people working for the community. We are now fully focussed on providing responsible management, delivering projects, and growing the communities within the Shire.

The COVID-19 saga continued to roll on throughout the year causing restrictions and uncertainty within our lives to remain. Vaccinations commenced across the Shire, targeting our most vulnerable people first and then moving into other demographics. It has been a constant source of frustration that we have not been able to get accurate statistics for our Shire and we are lumped together as the 'Goldfields'. I don't believe this reflects the take up rate

within our Shire and I thank everyone for doing the right thing to protect others within our communities.

We did manage to deliver a few projects within the reporting period. These included the toilet facilities at the truck stop, a new staff house in Onslow Street, road upgrades, and various smaller projects. Many more projects were commenced for delivery within the next financial year.

The Shire has been reviewing its processes and we have taken a step back to look at how we are doing business. There were five large bodies of work completed encompassing adoption of strategic plans, implementation of new work health safety processes to comply with the new WHS Act, reviewing all our policies and plans, reviewing all our Local Laws, and overhauling our HR systems. To an outsider this might not seem like a big deal, but this improves our efficiency and effectiveness.

Our Council had a few changes over the year and I would sincerely like to thank all who have put their hand up to take on this role. Many of our Council meeting agendas go over 300 pages with a lot of reports dealing in process interspersed with others that can split the community. This is a tough job which is essentially volunteer time with quite small payments made for their time.

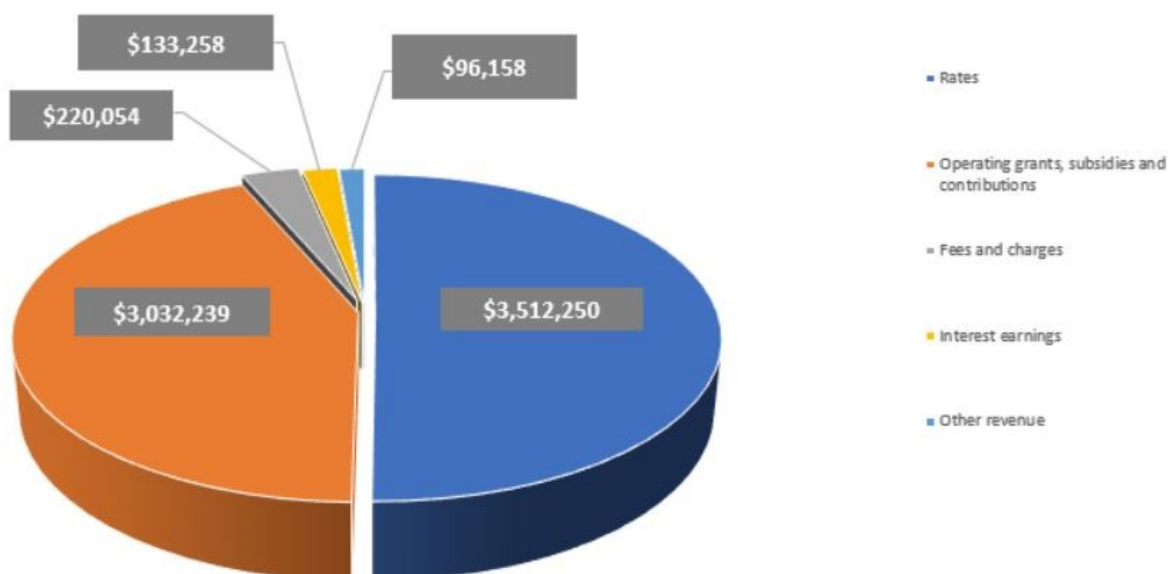
To end this year's report I would like to thank all of the hard-working Shire staff who have worked with me to make the Shire of Menzies one of the most respected Shires within WA. Your efforts don't go unnoticed and you have my gratitude for everything you do.

Revenue and expenditure

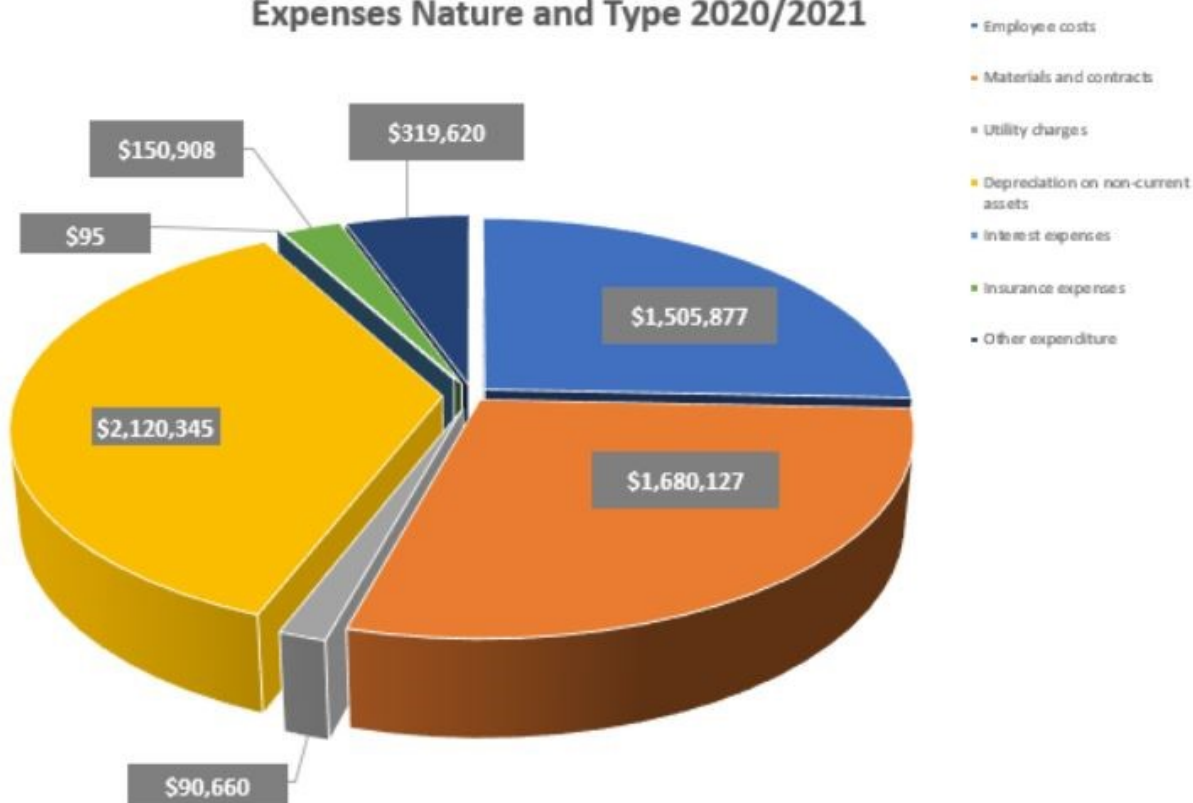
Below is a breakdown of the shire's revenue and expenditure by Nature and Type for the year ending 30th June

2020 and for which there are more details in the attached audited financial statements.

Revenue Nature and Type 2020/2021



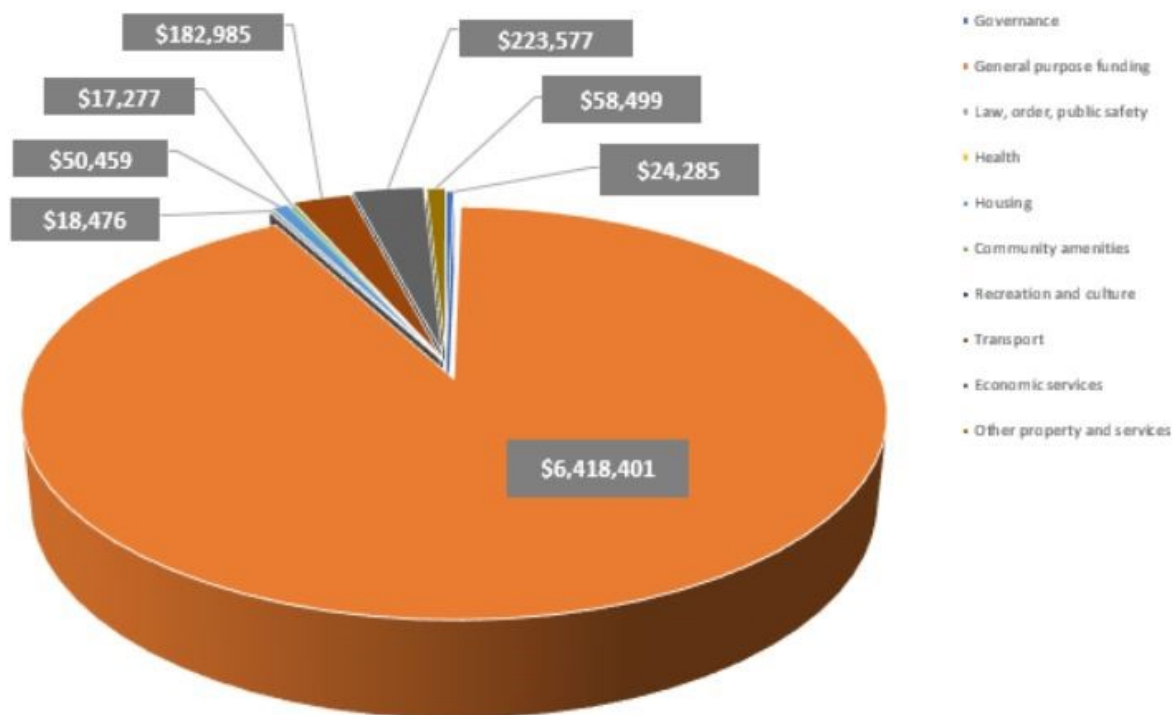
Expenses Nature and Type 2020/2021



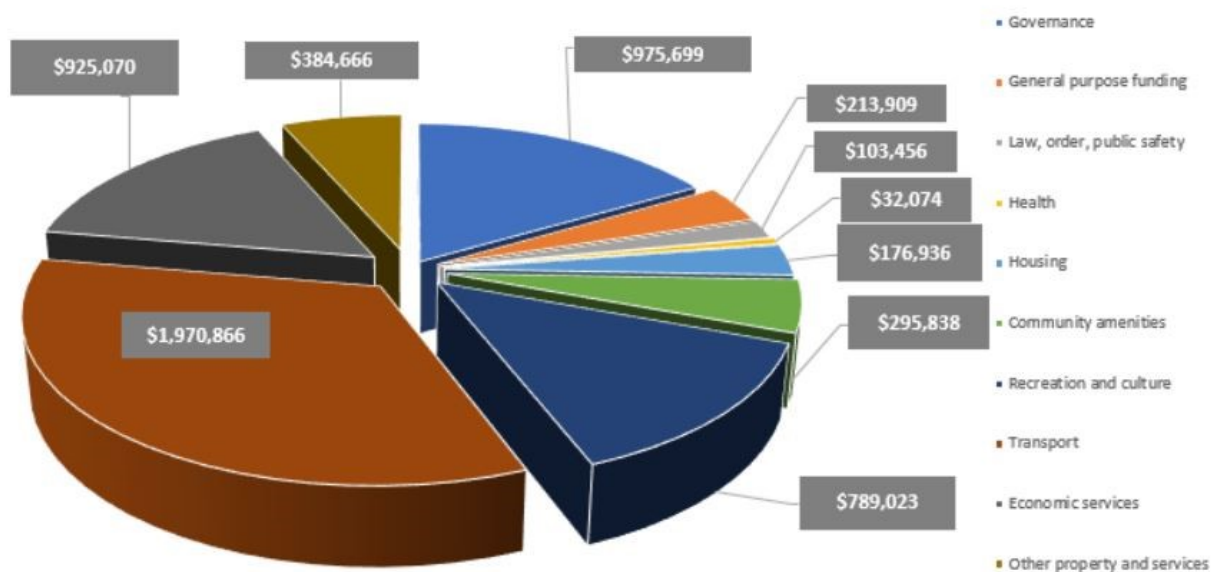
Below are graphical representations of the final revenues and expenditures by Program for the year ending 30 June 2021. Grants, Subsidies &

contributions includes grants from Federal taxes (GST) for the maintaining of roads and general infrastructure. A Full explanation of the compo-

Revenue by Program 2020/2021



Expenses by Program 2020/2021



Activities of Council

Personal Involvement

Elected members are involved with many organisations within the community, and are also active in representing Menzies at a regional and state level. Council's nomination to other organisations include:

- Goldfields Tourism Network Association
- Goldfields Regional Road Group
- Goldfields Voluntary Regional Organisation of Councils
- Local Emergency Management Committee
- Goldfields Esperance Regional Collaborative Group (GERCG)
- Lake Ballard Management Advisory Committee.

Agendas

To ensure that all items are included in the Agenda for Council meetings, it is requested that items for consideration be submitted to the Chief Executive Officer at least 14 days prior to Council meeting. This will permit your item to be researched if necessary, and be presented to Council with a recommendation for decision, if appropriate. Agendas are prepared for members and are distributed 7 days prior to the meeting. Copies of the Agenda are available prior to the meeting in accordance with the Local Government Act (1995).

Minutes

The Minutes of Council and Committee meetings are available for inspection after the meeting in accordance with the Local Government Act 1995, and are available on the Council website. Please note

that all Minutes are subject to confirmation by Council.

Public Library

The Shire of Menzies Public Library is situated within the Lady Shenton Building (Menzies Visitor Centre). It is open the same hours as the Lady Shenton Building. New books, DVDs and magazines are received each month.

Caravan Park

The Shire of Menzies Caravan Park is adjacent to the Menzies Visitor Centre (08) 9024 2702. After hours for caravans works on a honesty system. The caravan park has powered caravan sites, and tent sites available. A camp kitchen and guest laundry are also available. Two chalet with a double and a single bed is available for booking.

Visitor Centre

The Menzies Visitor Centre is located within the Lady Shenton Building. Facilities co-located within the Visitor Centre include a Community Postal Agency, Internet Access, Gift Shop and Public Library. The Visitor Centre is open weekdays (except public holidays).

Emergency Services Buildings

The Emergency Services Buildings are situated on Archibald Street in the Emergency Services Area. This area comprises the Volunteer Bushfire Brigade Headquarters, Menzies Nursing Post, and Menzies St John Ambulance Sub Centre. Details of times for the Nursing Post and visiting Doctors and other medical agencies are published in the Menzies Matters each month.





Airstrip

The Menzies Airstrip is located 1km north of the Menzies townsite off Goldfields Highway. The airstrip for Kookynie is adjacent to the townsite.

Dog and Cat registrations

Dog registrations become due on the 1 November each year. All dogs and cats over 3 months and over must be registered and microchipped. All cats must be sterilised.

Dog Impoundment

Dog owners have an obligation to keep their dogs under effective control at all times. Dogs wandering at large present a nuisance and are a danger to the public. Dog patrols will be carried out by the ranger and complaints will be acted upon.

The Dog Act 1976 provides heavy penalties for owners whose dogs are impounded.

Health and Building information

Dog The Principal Environmental Health Officer / Building Surveyor, Mr David Hadden is located at the Shire of Leonora Administration Offices.

Any matters concerning Health and Building can be directed to Mr Hadden on (04) 2837 6044.

Community services

The Shire of Menzies provides an extensive variety of services for the community under a wide range of legislation. Services provided include: Building Control; Bush Fire Control & Fire Prevention; Cemeteries (Tourism Value and Maintenance Only); Citizenship Ceremonies; Crossovers; Demolition Permits; Dog Control; Environmental Health; Library Services; Street Bins; Media Releases; Playground Equipment; Public Buildings for Hire; Public Toilets; Recreation/Sporting Facilities; Roads and Footpaths; Rubbish Collection; Street Lighting; Traffic Control Works; Local Emergency Management Committee (LEMC); Weed Control on Reserves; Planning Controls; Parks and Reserves; Youth Activities and School Holiday Programs.

The Shire provide financial and/or other support to a number of organisations such as Menzies Community School; Royal Flying Doctor Service; Menzies Volunteer Bushfire Brigade; Menzies Classic Cycle Race; Golden Quest Trail Association; Menzies St John Ambulance Sub Centre; Tjuntjuntjara Community; and Menzies Aboriginal Corporation.



Statutory Compliance

Access to Council documents

The following documents are available for inspection at the Council Administration Office and the Town Library free of charge. Copies of the documents can be made available, although some will incur a charge to cover the cost of photocopying. The Local Government Act 1995 does stipulate minimum requirements for documents to be made available for public inspection, and these include:

- Minutes and Agenda of Council and Committee Meetings
- Policy Manual, Annual Budgets Annual Report
- Annual Financial Statements
- Council Local Laws
- Town Planning Scheme
- Town Planning Policy Manual
- Financial Interest Register.

State Records Act 2000

The State Records Act 2000 requires the Shire to maintain and dispose of all records in the prescribed manner.

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 Require-

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

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

The organisation conducts a record keeping training program, when required.

The efficiency and effectiveness of the record keeping training program is reviewed from time to time. The organisation's induction program addresses employee roles and responsibilities in regard to their compliance with the organisation's record keeping plan.

Compliance Audit Return

All local governments are required to carry out an annual Compliance Audit Return (CAR) for the period 1 January to 31 December as specified by the Local Government Act 1995. The CAR includes a range of compliance categories to be met. The Completed CAR for 2020 was received by Council at its March 2021 meeting and was subsequently submitted to the Department of Local Government prior to 31 March 2021 in accordance with Regulations 14 and 15 of the Local Government (Audit) Regulations 1996.

Freedom of Information Statement

The Shire of Menzies is responsible for the good governance of the district and carries out functions as required including statutory compliance and provision of facilities and services.



The Council meets once each month to make decisions relating to the policy and direction of the Shire. All meetings are open to the public and the meeting dates and venues are advertised to the public. Members of the public are able to ask questions during public question time at the commencement of each meeting.

Council maintains records relating to each property within the Shire and also records relating to the function and administration of the Shire including minutes of meetings, financial interests register, register of delegations, rates book, electoral roll, financial statements and local laws.

These documents can be inspected at the Shire Office, Shenton Street Menzies, Monday to Friday between the hours of 8.30am and 4.30pm. Changes to personal information should be made in writing.

Requests for information under the Freedom of Information Act can be sent to the Chief Executive Officer, Shire of Menzies, PO Box 4 Menzies WA 6436. The Shire of Menzies received no applications under the Freedom of Information Act 1992. A copy of the Council's FOI statement is available on the website.

Disclosure of annual salaries

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

The number of employees of the Shire entitled to an annual salary of \$130,00 or more; and the number of employees with an annual salary entitlement that falls within each band of \$10,000 over \$130,000.

Set out below, in bands of \$10,000, is the number of employees of the Shire entitled to an annual salary of \$130,000 or more for 2020/2021:

\$ from	\$ to	Number of employees
130,000	139,999	2
140,000	149,999	1
200,000	210,000	1

Note: The amount paid to the CEO includes the total remuneration package, as defined in the *Salaries and Allowances Act 1975*.



Primary and Annual Returns

In accordance with Section 5.75 and 5.76 of the Local Government Act 1995 all relevant persons lodged an Annual Return by the due date of 31 August 2020 and a primary return within 3 months of their start date. All returns are managed by the Chief Executive Officer and are available for viewing by members of the public upon request.

Complaints

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 2020/21 financial year.

Public Interest Disclosure

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. The Shire of Menzies had no Public

Interest Disclosures during the reporting period 2020/21.

Competitive Neutrality

This principle deals with ensuring that government business operations have no advantage or disadvantage in comparison with the private sector. The Shire of Menzies complied with this principle.

Legislative Review

All local governments are required to assess which of their local laws might impact on competition and conduct a review of each to determine how any restrictive practices might be overcome.

Where necessary Clause 7 legislation review principles will be complied with and the Shire of Menzies remains committed to reviewing its existing local laws, as well as proposed local laws.

Public participation

Members of the public have a number of opportunities to put forward their views on particular items before Council. These include deputations to Council and public question time available at each Council meeting; submissions; petitions; and written requests. Elected members are also available to discuss issues relevant to Council.

Disability Services Plan

The Shire of Menzies is committed to ensuring that the community is accessible for people with disabilities, their families and their carers.

People with disabilities who live in country areas should be given the support to remain in the community of their own choice. The Disability Services Act 1999 requires Council to report on its Disability Services Plan achievements within its Annual Report.

Council adopted the Disability Access and Inclusion Plan July 2020 to June 2025 on 28 January 2021 and submitted a progress report to the Disability Services Commission annually. Many of the outcomes and strategies identified within the plan are being implemented on an ongoing basis.

When Council is addressing the issue of accessibility to Council's facilities and functions it is aware that by providing better access for people with disabilities it is providing better access for the whole community. Work continues to improve footpaths and access ways around the Menzies townsite as part of recognising the Disability Access and Inclusion Plan.

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

Outcome 1: Services and Events

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

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

Council 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 Menzies 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 always encouraged 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 Menzies 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

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

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. The community is also given the opportunity to comment on the DAIP prior to it being adopted by Council.



Financial Ratios Explained

The Annual Financial Report for the year ended 30 June 2021 includes a set of financial ratios. The trends have been extrapolated to provide an indication of past performance on these ratios, and the effect that striving to meet industry standards may have on future decisions and direction of Council.

They have been set to guide Council to good governance,

ensuring the future viability of the shire.

Of the seven ratios following, four exceed the industry targets, one meets the industry target, one is not assessed (Asset Renewal Funding) and one is not applicable (Debt Service Cover) as the Shire has no loans. Awareness and understanding of these ratios by all stakeholders will be important as Council enters into forward planning.

Shire's Actual Ratios

Ratio		Basic Standard	2021	2020	2019
Current Ratio		≥ 1.00	10.86	4.41	3.26
Asset Consumption		≥ 0.75	0.96	0.98	0.98
Asset Renewal Funding		≥ 1.05	2.43	2.78	N/A
Asset Sustainability		≥ 0.90	0.71	1.41	2.79
Debt Service Cover		≥ 2.00	N/A	N/A	N/A
Operating Surplus		≥ 0.15	0.29	0.01	0.19
Own Source Revenue Coverage		≥ 0.60	0.68	0.59	0.64
		Above Target	Within Acceptable Banding	Below Acceptable Banding	

¹ Target ratios per Department of Local Government and Communities (DLGC) Guidelines for Basic standard.

Current Ratio measures the liquidity position that has arisen from past year's transactions. This continues to be above the industry benchmark of ≥ 1 . It is calculated by dividing current unrestricted assets by current unrestricted liabilities.

A ratio of less than 1 means Council does not have sufficient cash to meet its immediate cash commitments. We have a very healthy Current Ratio, and therefore can readily meet our immediate cash requirements.

- 2016 6.43
- 2017 9.59
- 2018 5.24
- 2019 3.26
- 2020 4.21
- 2021 10.86

Asset Sustainability Ratio (ASR) measures the extent to which assets are being renewed/replaced compared to the amount consumed (depreciation). A ratio of more than 0.90 indicates the Council has a sustained capital investment program sufficient to renew/replace assets while also negating the effect of inflation on purchasing power over time.

- 2016 1.35
- 2017 0.46
- 2018 1.49
- 2019 2.79
- 2020 1.41
- 2021 0.71

Debt Service Cover Ratio measures Council's ability to service debt out of uncommitted or general purpose funds. The DLGC guideline for the basic standard is 2 and the advanced standard is 5.

This ratio is the measurement of a local government's ability to repay its debt including lease payments. The higher the ratio is, the easier it is for a local government to obtain a loan. The Shire of Menzies does not have any loans.

Operating Surplus Ratios measure Council's financial sustainability having regard to asset management and the community's service level needs. A negative ratio indicates the local government is experiencing an operating deficit. A sustained period of deficits will erode Council's ability to maintain both its operational service level and asset base over the longer term.

The target for this ratio is a positive between 0.01 and 0.15 for the basic standard, and greater than 0.15 for the advanced standard. The trend for this ratio has been up and down. This year the ratio is within the industry standard.

- 2016 (0.60)
- 2017 0.60

- 2018 0.21
- 2019 0.19
- 2020 0.01
- 2021 0.29

Own Source Revenue Coverage Ratio measures the Shire's ability to cover operating expenses from its own source revenue given current levels of operating expenses. A basic standard is achieved if the ratio is between 0.40 and 0.90, and advanced standard is greater than 0.90. These different standards have been established to recognise the varying revenue raising capacities across the sector.

Council meets the basic standard and can improve this ratio by either increasing rates, fees and charges or reducing operating expenses.

- 2016 0.47
- 2017 0.59
- 2018 0.61
- 2019 0.64
- 2020 0.59
- 2021 0.68

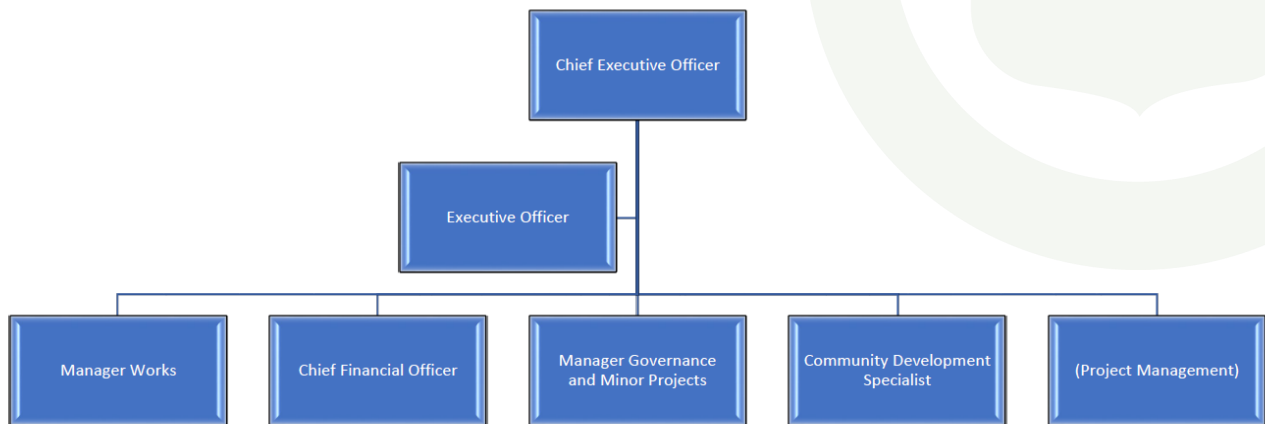
Asset Consumption Ratio (ACR) measures the extent to which depreciable assets have been consumed by comparing their written down value to their replacement cost. The standard is met if the ratio is 0.50 and above, and improving if the ratio is between 0.60 and 0.75. Council has consistently met the target for this ratio.

- 2016 1.72
- 2017 0.79
- 2018 0.99
- 2019 0.98
- 2020 0.98
- 2021 0.96

Asset Renewal Funding Ratio measures the shire's ability to fund its projected asset renewal/replacements in the future. The standard is met if the ratio is between .75 and .95, and improving if the ratio is between 0.95 and 1.05 and the ASR falls within the range of 0.90 and 1.10 and ACR falls within the range of 0.5 to .75.

- 2016 0.99
- 2017 1.00
- 2018 N/A
- 2019 N/A
- 2020 2.78
- 2021 2.43

Organisational Structure



Service Provision

Manager Works looks after the following areas:

Menzies Town Services; Camping Grounds and Facilities; Maintenance Grading; Kookynie Town Services; Airstrips; Building Maintenance.

Chief Financial Officer looks after the following areas:

Rates Accounts Receivable; Payroll; Accounts Payable; Financial Reporting; Asset Management (Financial).

Manager Works looks after the following areas:

Menzies Town Services; Camping Grounds and Facilities; Maintenance Grading; Kookynie Town Services; Airstrips.

Manager Governance and Minor Projects looks after the following areas:

Records and Communication; Statutory Reporting and Compliance; Human Resources.

Community Development Specialist looks after the following areas:

Lady Shenton Building Services; Visitor Centre (Tourism); Community Resource Centre; Collections and History; Library; Menzies Post Office; Community Activities and Events; Caravan Park Management.

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

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COMMUNITY VISION

The Shire will endeavour to provide the community services and facilities to meet the needs of the community and enable them to enjoy a pleasant and healthy way of life.

Principal place of business:
124 Shenton Street
Menzies WA 6436

**SHIRE OF MENZIES
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 Menzies 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 Menzies 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 10TH day of DECEMBER 2021



Chief Executive Officer

Brian Joiner



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

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
Revenue				
Rates	24(a)	3,512,250	3,562,400	3,352,627
Operating grants, subsidies and contributions	2(a)	3,032,239	1,515,687	2,690,890
Fees and charges	2(a)	220,054	192,830	257,335
Interest earnings	2(a)	133,258	211,640	252,350
Other revenue	2(a)	96,158	23,050	98,911
		6,993,959	5,505,607	6,652,113
Expenses				
Employee costs		(1,505,877)	(2,020,866)	(1,966,860)
Materials and contracts		(1,680,127)	(2,307,568)	(1,867,224)
Utility charges		(90,660)	(80,588)	(93,809)
Depreciation on non-current assets	10(b)	(2,120,345)	(2,225,431)	(2,242,127)
Interest expenses	2(b)	(95)	0	(529)
Insurance expenses		(150,908)	(129,692)	(122,358)
Other expenditure		(319,620)	(580,435)	(278,405)
		(5,867,632)	(7,344,580)	(6,571,312)
		1,126,327	(1,838,973)	80,801
Non-operating grants, subsidies and contributions	2(a)	1,454,744	2,241,861	3,564,550
Profit on asset disposals	10(a)	7,977	0	1,417
(Loss) on asset disposals	10(a)	0	0	(35,329)
Fair value adjustments to financial assets at fair value through profit or loss		18,452	0	0
		1,481,173	2,241,861	3,530,638
Net result for the period		2,607,500	402,888	3,611,439
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	12	0	0	1,883,862
Total other comprehensive income for the period		0	0	1,883,862
Total comprehensive income for the period		2,607,500	402,888	5,495,301

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



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

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
Revenue				
Governance	2(a)	24,285	100	6,634
General purpose funding		6,418,401	4,974,022	5,558,933
Law, order, public safety		18,476	11,462	10,686
Health		0	300	450
Housing		50,459	65,700	88,687
Community amenities		17,277	25,630	27,964
Recreation and culture		0	800	16,730
Transport		182,985	198,034	643,435
Economic services		223,577	207,359	246,923
Other property and services		58,499	22,200	51,671
		6,993,959	5,505,607	6,652,113
Expenses				
Governance	2(b)	(975,699)	(746,054)	(881,861)
General purpose funding		(213,909)	(421,679)	(264,419)
Law, order, public safety		(103,456)	(75,511)	(110,478)
Health		(32,074)	(46,337)	(38,541)
Housing		(176,936)	(270,951)	(194,735)
Community amenities		(295,838)	(326,485)	(379,856)
Recreation and culture		(789,023)	(767,059)	(805,794)
Transport		(1,970,866)	(2,820,848)	(2,318,875)
Economic services		(925,070)	(1,258,356)	(921,397)
Other property and services		(384,666)	(611,300)	(654,827)
		(5,867,537)	(7,344,580)	(6,570,783)
Finance Costs				
Governance	2(b)	(95)	0	0
Other property and services		0	0	(529)
		(95)	0	(529)
		1,126,327	(1,838,973)	80,801
Non-operating grants, subsidies and contributions	2(a)	1,454,744	2,241,861	3,564,550
Profit on disposal of assets	10(a)	7,977	0	1,417
(Loss) on disposal of assets	10(a)	0	0	(35,329)
Fair value adjustments to financial assets at fair value through profit or loss		18,452	0	0
		1,481,173	2,241,861	3,530,638
Net result for the period		2,607,500	402,888	3,611,439
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	12	0	0	1,883,862
Total other comprehensive income for the period		0	0	1,883,862
Total comprehensive income for the period		2,607,500	402,888	5,495,301

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



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

	NOTE	2021 \$	2020 \$
CURRENT ASSETS			
Cash and cash equivalents	3	15,838,467	12,901,851
Trade and other receivables	5	477,636	673,083
Inventories	6	15,211	13,623
Other assets	7(a)	12,797	17,642
TOTAL CURRENT ASSETS		16,344,111	13,606,199
NON-CURRENT ASSETS			
Other assets	7(b)	18,452	0
Property, plant and equipment	8	10,222,623	10,565,699
Infrastructure	9	119,026,520	118,875,551
Right-of-use assets	11(a)	2,430	6,340
TOTAL NON-CURRENT ASSETS		129,270,025	129,447,590
TOTAL ASSETS		145,614,136	143,053,789
CURRENT LIABILITIES			
Trade and other payables	13	381,708	392,694
Lease liabilities	14(a)	2,363	3,985
Employee related provisions	16	192,238	197,107
TOTAL CURRENT LIABILITIES		576,309	593,786
NON-CURRENT LIABILITIES			
Lease liabilities	14(a)	0	2,363
Employee related provisions	16	14,362	41,675
TOTAL NON-CURRENT LIABILITIES		14,362	44,038
TOTAL LIABILITIES		590,671	637,824
NET ASSETS		145,023,465	142,415,965
EQUITY			
Retained surplus		20,894,053	18,733,641
Reserves - cash backed	4	12,303,243	11,856,155
Revaluation surplus	12	111,826,169	111,826,169
TOTAL EQUITY		145,023,465	142,415,965

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



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

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2019		18,481,111	8,497,246	109,942,307	136,920,664
Comprehensive income					
Net result for the period		3,611,439	0	0	3,611,439
Other comprehensive income	12	0	0	1,883,862	1,883,862
Total comprehensive income		3,611,439	0	1,883,862	5,495,301
Transfers from reserves	4	277,292	(277,292)	0	0
Transfers to reserves	4	(3,636,201)	3,636,201	0	0
Balance as at 30 June 2020		18,733,641	11,856,155	111,826,169	142,415,965
Comprehensive income					
Net result for the period		2,607,500	0	0	2,607,500
Total comprehensive income		2,607,500	0	0	2,607,500
Transfers from reserves	4	758,358	(758,358)	0	0
Transfers to reserves	4	(1,205,446)	1,205,446	0	0
Balance as at 30 June 2021		20,894,053	12,303,243	111,826,169	145,023,465

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

SHIRE OF MENZIES
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		3,712,489	3,562,400	3,317,435
Operating grants, subsidies and contributions		3,056,360	1,515,687	2,684,013
Fees and charges		127,690	192,830	257,335
Interest received		133,258	211,640	252,350
Goods and services tax received		308,889	0	552,567
Other revenue		96,158	23,050	98,911
		7,434,844	5,505,607	7,162,611
Payments				
Employee costs		(1,520,315)	(2,020,866)	(1,973,197)
Materials and contracts		(1,736,211)	(2,307,568)	(2,324,012)
Utility charges		(90,660)	(80,588)	(93,809)
Interest expenses		(95)	0	(529)
Insurance paid		(150,908)	(129,692)	(122,358)
Goods and services tax paid		(210,282)	0	(483,157)
Other expenditure		(319,620)	(580,435)	(278,405)
		(4,028,091)	(5,119,149)	(5,275,467)
Net cash provided by (used in) operating activities	17	3,406,753	386,458	1,887,144
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	8(a)	(786,962)	(2,084,500)	(1,134,117)
Payments for construction of infrastructure	9(a)	(1,146,661)	(4,091,000)	(2,248,588)
Non-operating grants, subsidies and contributions	2(a)	1,454,744	2,241,861	3,564,550
Proceeds from sale of property, plant & equipment	10(a)	12,727	0	233,001
Net cash provided by (used in) investment activities		(466,152)	(3,933,639)	414,846
CASH FLOWS FROM FINANCING ACTIVITIES				
Payments for principal portion of lease liabilities	14(b)	(3,985)	0	(33,906)
Net cash provided by (used in) financing activities		(3,985)	0	(33,906)
Net increase (decrease) in cash held		2,936,616	(3,547,181)	2,268,084
Cash at beginning of year		12,901,851	12,703,555	10,633,767
Cash and cash equivalents at the end of the year	3	15,838,467	9,156,374	12,901,851

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

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

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)	25 (b)	1,357,349	811,748	1,994,974
		1,357,349	811,748	1,994,974
Revenue from operating activities (excluding rates)				
Governance		42,737	100	6,634
General purpose funding		2,906,151	1,411,622	2,206,306
Law, order, public safety		18,476	11,462	10,686
Health		0	300	450
Housing		50,459	65,700	88,687
Community amenities		17,277	25,630	27,964
Recreation and culture		0	800	16,730
Transport		190,962	198,034	644,852
Economic services		223,577	207,359	246,923
Other property and services		58,499	22,200	51,671
		3,508,138	1,943,207	3,300,903
Expenditure from operating activities				
Governance		(975,794)	(746,054)	(881,861)
General purpose funding		(213,909)	(421,679)	(264,419)
Law, order, public safety		(103,456)	(75,511)	(110,478)
Health		(32,074)	(46,337)	(38,541)
Housing		(176,936)	(270,951)	(194,735)
Community amenities		(295,838)	(326,485)	(379,856)
Recreation and culture		(789,023)	(767,059)	(805,794)
Transport		(1,970,866)	(2,820,848)	(2,354,204)
Economic services		(925,070)	(1,258,356)	(921,397)
Other property and services		(384,666)	(611,300)	(655,356)
		(5,867,632)	(7,344,580)	(6,606,641)
Non-cash amounts excluded from operating activities	25(a)	2,066,280	2,225,431	2,293,455
Amount attributable to operating activities		1,064,135	(2,364,194)	982,691
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	2(a)	1,454,744	2,241,861	3,564,550
Proceeds from disposal of assets	10(a)	12,727	0	233,001
Purchase of property, plant and equipment	8(a)	(786,962)	(2,084,500)	(1,134,117)
Purchase and construction of infrastructure	9(a)	(1,146,661)	(4,091,000)	(2,248,588)
		(466,152)	(3,933,639)	414,846
Amount attributable to investing activities		(466,152)	(3,933,639)	414,846
FINANCING ACTIVITIES				
Payments for principal portion of lease liabilities	14(b)	(3,985)	0	(33,906)
Transfers to reserves (restricted assets)	4	(1,205,446)	(100,000)	(3,636,201)
Transfers from reserves (restricted assets)	4	758,358	2,835,433	277,292
Amount attributable to financing activities		(451,073)	2,735,433	(3,392,815)
Surplus/(deficit) before imposition of general rates		146,910	(3,562,400)	(1,995,278)
Total amount raised from general rates	24(a)	3,512,250	3,562,400	3,352,627
Surplus/(deficit) after imposition of general rates	25(b)	3,659,160	0	1,357,349

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

SHIRE OF MENZIES
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FOR THE YEAR ENDED 30 JUNE 2021

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SHIRE OF MENZIES
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.

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 MENZIES
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			
General purpose funding	2,759,447	1,197,422	1,943,165
Law, order, public safety	10,436	6,522	5,406
Transport	180,613	196,034	621,410
Economic services	81,743	115,709	120,909
	3,032,239	1,515,687	2,690,890
Non-operating grants, subsidies and contributions			
General purpose funding	489,788	0	0
Recreation and culture	10,328	200,000	20,242
Transport	954,628	1,494,406	3,423,720
Economic services	0	547,455	120,588
	1,454,744	2,241,861	3,564,550
Total grants, subsidies and contributions	4,486,983	3,757,548	6,255,440
Fees and charges			
General purpose funding	9,763	6,500	13,810
Law, order, public safety	100	800	710
Health	0	300	450
Housing	50,359	65,700	81,098
Community amenities	17,277	25,630	27,964
Recreation and culture	0	500	0
Economic services	141,834	91,300	126,537
Other property and services	721	2,100	6,766
	220,054	192,830	257,335

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

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Contracts with customers and transfers for recognisable non-financial assets

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

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Fees and charges	212,762	192,830	0
Other revenue	2,372	0	0
Non-operating grants, subsidies and contributions	1,454,744	2,241,861	3,564,550
	1,669,878	2,434,691	3,564,550

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

Revenue from contracts with customers recognised during the year	215,134	192,830	0
Revenue from transfers intended for acquiring or constructing recognisable non financial assets during the year	1,454,744	2,241,861	3,564,550
	1,669,878	2,434,691	3,564,550

Information about receivables, contract assets and contract liabilities from contracts with customers along with financial assets and associated liabilities arising from transfers to enable the acquisition or construction of recognisable non financial assets is:

Trade and other receivables from contracts with customers	0	0	30,803
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No assets associated with contracts with customers are considered to be impaired. 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 MENZIES
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:

Note	2021 Actual \$	2021 Budget \$	2020 Actual \$
General rates	3,512,250	3,562,400	3,352,627
	3,512,250	3,562,400	3,352,627
Other revenue			
Reimbursements and recoveries	85,346	23,050	50,160
Other	10,812	0	48,751
	96,158	23,050	98,911
Interest earnings			
Interest on reserve funds	57,387	100,000	132,870
Rates instalment and penalty interest (refer Note 24(b))	65,667	96,640	99,706
Other interest earnings	10,204	15,000	19,774
	133,258	211,640	252,350

SIGNIFICANT ACCOUNTING POLICIES

Interest earnings

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

Interest earnings (continued)

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

(b) Expenses

Auditors remuneration

- Audit of the Annual Financial Report

Interest expenses (finance costs)

Lease liabilities

Other expenditure

Reduction in allowance for impairment of receivables

Sundry expenses

	48,000	45,000	74,000
	48,000	45,000	74,000
14(b)	95	0	529
	95	0	529
	(92,364)	0	0
	411,984	580,435	278,405
	319,620	580,435	278,405

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

2. REVENUE AND EXPENSES (continued)

REVENUE RECOGNITION POLICY

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Timing of revenue recognition
Rates - general rates	General rates	Over time	Payment dates adopted by council during the year	None	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Service charges	Charge for specific service	Over time	Payment dates adopted by council during the year	Refund in event monies are unspent	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Grant contracts with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants, subsidies or contributions for the construction of non-financial assets	Construction or acquisition of recognisable non-financial assets to be controlled by the local government	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the funding body	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations
Grants, subsidies or contributions with no contractual commitments	General appropriations and contributions with no reciprocal commitment	No obligations	Not applicable	Not applicable	Cash received	On receipt of funds	Not applicable	When assets are controlled
Fees and charges - licences, registrations, approvals	Building, planning, development and animal management, having the same nature as a licence 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 of the licence, registration or approval
Fees and charges - 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
Fees and charges - 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
Fees and charges - waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	Adopted by council annually	Based on timing of entry to facility	Not applicable	On entry to facility
Fees and charges - property hire and entry	Use of halls and facilities	Single point in time	In full in advance	Refund if event cancelled within 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
Fees and charges - memberships	Gym and pool membership	Over time	Payment in full in advance	Refund for unused portion on application	Adopted by council annually	Apportioned equally across the access period	Returns limited to repayment of transaction price	Output method over 12 months matched to access right
Fees and charges for other goods and services	Cemetery services, library fees, reinstatements and private works	Single point in time	Payment in full in advance	None	Adopted by council annually	Applied fully based on timing of provision	Not applicable	Output method based on provision of service or completion of works
Fees and charges - sale of stock	Aviation fuel, kiosk and visitor centre stock	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	Adopted by council annually, set by mutual agreement	Applied fully based on timing of provision	Returns limited to repayment of transaction price	Output method based on goods
Fees and charges - fines	Fines issued for breaches of local laws	Single point in time	Payment in full within defined time	None	Adopted by council through local law	When taxable event occurs	Not applicable	When fine notice is issued
Other revenue - commissions	Commissions on licencing and ticket sales	Over time	Payment in full on sale	None	Set by mutual agreement with the customer	On receipt of funds	Not applicable	When assets are controlled
Other revenue - 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 MENZIES
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		15,838,467	9,647,641
Term deposits		0	3,254,210
Total cash and cash equivalents		15,838,467	12,901,851
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		12,303,243	11,856,155
		12,303,243	11,856,155
The restricted assets are a result of the following specific purposes to which the assets may be used:			
Reserves - cash backed	4	12,303,243	11,856,155
Total restricted assets		12,303,243	11,856,155

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 MENZIES

4. RESERVES - CASH BACKED

RESERVES - CASH BACKED												
	2021 Actual	2021 Actual	2021 Actual	2021 Actual	2021 Actual	2021 Actual	2021 Actual	2021 Actual	2021 Actual	2021 Actual	2021 Actual	2021 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) Leave reserve	205,074	993	0	206,067	204,689	1,724	0	206,413	201,642	3,432	0	205,074
(b) Building reserve	2,795,090	1,161,596	(494,427)	3,462,259	2,777,045	23,774	(1,098,433)	1,702,386	2,298,078	599,304	(102,292)	2,795,090
(c) Plant reserve	1,946,393	9,422	(32,840)	1,922,975	1,957,365	16,370	(72,000)	1,901,735	1,395,073	551,320	0	1,946,393
(d) Road reserves	2,755,425	13,336	(36,113)	2,732,648	2,752,496	23,183	(600,000)	2,175,679	1,529,390	1,226,035	0	2,755,425
(e) Main Street reserve	140,456	677	0	141,133	140,192	1,181	0	141,373	138,105	2,351	0	140,456
(f) Staff Amenities reserve	575,564	2,782	(181,100)	397,246	574,565	4,847	(420,000)	159,412	74,299	501,265	0	575,564
(g) TV reserve	17,889	87	0	17,976	18,712	150	0	18,862	17,590	299	0	17,889
(h) Caravan Park reserve	431,416	2,090	(4,000)	429,506	430,584	3,626	(150,000)	284,210	434,027	7,389	(10,000)	431,416
(i) Bitumen reserve	603,847	2,921	0	606,768	603,087	5,079	0	608,166	397,087	206,760	0	603,847
(j) Rates creditors reserve	51,144	247	0	51,391	50,875	428	0	51,303	50,119	1,025	0	51,144
(k) Niagara Dam reserve	1,252,493	6,061	(9,878)	1,248,676	1,249,909	10,525	(85,000)	1,175,434	1,349,520	22,973	(120,000)	1,252,493
(l) Water reserve	299,813	1,452	0	301,265	299,625	2,524	0	302,149	98,143	201,670	0	299,813
(m) Waste Management reserve	59,515	287	0	59,802	59,319	499	0	59,818	102,766	1,749	(45,000)	59,515
(n) Former Post Office reserve	418,406	2,025	0	420,431	417,624	3,517	(410,000)	11,141	411,407	6,999	0	418,406
(o) Commercial Enterprise reserve	101,210	488	0	101,698	100,000	857	0	100,857	0	101,210	0	101,210
(p) Land Purchase reserve	202,452	982	0	203,402	200,000	1,716	0	201,716	0	202,420	0	202,420
	11,856,155	1,205,446	(758,358)	12,303,243	11,836,087	100,000	(2,835,433)	9,100,654	8,497,246	3,636,201	(277,292)	11,856,155

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

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

		Anticipated date of use	Purpose of the reserve
Name of Reserve	(a)	Leave reserve	To be used to fund annual and long service leave requirements.
	(b)	Building reserve	To be used for the acquisition of future building and renovation of existing buildings.
	(c)	Plant reserve	To be used for the purchase of major plant.
	(d)	Road reserves	To be used to fund major road works.
	(e)	Main Street reserve	Established for the beautification of the main street.
	(f)	Staff Amenities reserve	Established for the purpose of providing staff housing and amenities.
	(g)	TV reserve	To be used to fund upgrades to the rebroadcasting equipment.
	(h)	Caravan Park reserve	Established for the purpose of upgrading the caravan park.
	(i)	Bitumen reserve	Established to fund future resealing of roads.
	(j)	Rates creditors reserve	Established for future rates claims.
	(k)	Niagara Dam reserve	Established for ongoing upgrade of Niagara Dam valve workings and other maintenance.
	(l)	Water reserve	Established to provide a water park.
	(m)	Waste Management reserve	To provide for the statutory reinstatement and development of the reserve.
	(n)	Former Post Office reserve	To provide for the restoration and maintenance of the Former Post Office.
	(o)	Commercial Enterprise reserve	To fund an activity or purchase with a view to producing a profit.
	(p)	Land Purchase reserve	To be used for purchase of selective properties with development potential.

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

5. TRADE AND OTHER RECEIVABLES

Current

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

2021	2020
\$	\$
663,136	863,375
6,682	30,803
128,630	192,081
(320,812)	(413,176)
477,636	673,083

SIGNIFICANT ACCOUNTING POLICIES

Trade and other receivables

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

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

Impairment and risk exposure

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 26.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Classification and subsequent measurement

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

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

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

SHIRE OF MENZIES

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

6. INVENTORIES

Current

Fuel and materials
Stock

The following movements in inventories occurred during the year:

Balance at beginning of year

Inventories expensed during the year

Additions to inventory

Balance at end of year

	2021	2020
	\$	\$
	13,623	13,623
	1,588	0
	15,211	13,623
	13,623	10,706
	(84,294)	(107,117)
	85,882	110,034
	15,211	13,623

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

7. OTHER ASSETS

(a) Other assets - current

Prepayments
Accrued income

(b) Other assets - non current

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
\$	\$
0	9,284
12,797	8,358
12,797	17,642
18,452	0
18,452	0
18,452	0
18,452	0

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.

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.

SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment and risk

Information regarding impairment and exposure to risk can be found at Note 26

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

8. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Balances

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

	Land	Buildings - non- specialised	Buildings - specialised	Total land and buildings	Furniture and equipment	Plant and equipment	Work in progress	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2019	684,000	2,104,053	4,521,354	7,309,407	87,270	1,983,900	0	9,380,577
Additions	0	0	23,698	23,698	0	746,688	363,731	1,134,117
(Disposals)	0	0	0	0	0	(266,913)	0	(266,913)
Revaluation increments / (decrements) transferred to revaluation surplus	(127,500)	168,477	1,169,547	1,210,524	0	0	0	1,210,524
Depreciation (expense)	0	(122,530)	(273,599)	(396,129)	(16,082)	(504,755)	0	(916,966)
Transfers	0	0	0	0	0	24,360	0	24,360
Balance at 30 June 2020	556,500	2,150,000	5,441,000	8,147,500	71,188	1,983,280	363,731	10,565,699
Comprises:								
Gross balance amount at 30 June 2020	556,500	2,150,000	5,441,000	8,147,500	87,270	2,449,949	363,731	11,048,450
Accumulated depreciation at 30 June 2020	0	0	0	0	(16,082)	(466,669)	0	(482,751)
Balance at 30 June 2020	556,500	2,150,000	5,441,000	8,147,500	71,188	1,983,280	363,731	10,565,699
Additions	0	411,993	304,978	716,971	17,713	51,278	1,000	786,962
(Disposals)	0	0	0	0	0	(4,750)	0	(4,750)
Depreciation (expense)	0	(99,399)	(268,298)	(367,697)	(11,200)	(402,760)	0	(781,657)
Transfers	0	0	20,100	20,100	0	0	(363,731)	(343,631)
Balance at 30 June 2021	556,500	2,462,594	5,497,780	8,516,874	77,701	1,627,048	1,000	10,222,623
Comprises:								
Gross balance amount at 30 June 2021	556,500	2,561,993	5,766,078	8,884,571	104,983	2,484,226	1,000	11,474,780
Accumulated depreciation at 30 June 2021	0	(99,399)	(268,298)	(367,697)	(27,282)	(857,178)	0	(1,252,157)
Balance at 30 June 2021	556,500	2,462,594	5,497,780	8,516,874	77,701	1,627,048	1,000	10,222,623

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

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Land and buildings					
Land	2	Market approach using recent market data for similar properties	Independent Registered Valuer	June 2020	Price per hectare
Buildings - non-specialised	2 & 3	Market approach using recent market data for similar properties	Independent Registered Valuer and Management Valuation	June 2020	Improvements to land using construction costs (Level 2) and current condition, residual values and remaining useful life assessments (Level 3) inputs.
Buildings - specialised	2 & 3	Market approach using recent market data for similar properties	Independent Registered Valuer and Management Valuation	June 2020	Improvements to land using construction costs (Level 2) and current condition, residual values and remaining useful life assessments (Level 3) inputs.

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

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

(ii) Cost

Furniture and equipment

Purchase cost

Plant and equipment

Purchase cost

Work in progress

Purchase cost

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

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

9. INFRASTRUCTURE

(a) Movements in Balances

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

	Infrastructure - roads	Infrastructure - other	Infrastructure - footpaths	Infrastructure - parks and ovals	Work in progress	Total Infrastructure
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2019	112,987,368	3,905,956	115,118	260,790	0	117,269,232
Additions	2,099,900	127,328	0	16,815	4,545	2,248,588
Revaluation increments / (decrements) transferred to revaluation surplus	0	0	673,338	0	0	673,338
Depreciation (expense)	(1,143,735)	(156,642)	(8,363)	(6,867)	0	(1,315,607)
Balance at 30 June 2020	113,943,533	3,876,642	780,093	270,738	4,545	118,875,551
Comprises:						
Gross balance at 30 June 2020	116,229,005	4,178,642	893,336	284,473	4,545	121,590,001
Accumulated depreciation at 30 June 2020	(2,285,472)	(302,000)	(113,243)	(13,735)	0	(2,714,450)
Balance at 30 June 2020	113,943,533	3,876,642	780,093	270,738	4,545	118,875,551
Additions	985,170	104,154	31,373	0	25,964	1,146,661
Depreciation (expense)	(1,146,290)	(159,172)	(21,608)	(7,708)	0	(1,334,778)
Transfers from Property, Plant & Equipment	0	343,631	0	0	0	343,631
Transfer to Statement of Financial Position	0	0	0	0	(4,545)	(4,545)
Balance at 30 June 2021	113,782,413	4,165,255	789,858	263,030	25,964	119,026,520
Comprises:						
Gross balance at 30 June 2021	117,214,175	4,626,427	924,709	284,473	25,964	123,075,748
Accumulated depreciation at 30 June 2021	(3,431,762)	(461,172)	(134,851)	(21,443)	0	(4,049,228)
Balance at 30 June 2021	113,782,413	4,165,255	789,858	263,030	25,964	119,026,520

Prior year works in progress was identified as not reaching the \$5,000 limit under *Financial Management Reg 17A (5)* and has been expensed within the 2020-21 year.

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

9. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Infrastructure - roads	2 & 3	Cost approach using depreciated replacement cost	Management Valuation	June 2018	Construction costs (Level 2) and current conditions, residual values and remaining useful life assessments (Level 3) inputs.
Infrastructure - other	2 & 3	Cost approach using depreciated replacement cost	Management Valuation	June 2018	Construction costs (Level 2) and current conditions, residual values and remaining useful life assessments (Level 3) inputs.
Infrastructure - footpaths	2 & 3	Cost approach using depreciated replacement cost	Management Valuation	June 2020	Construction costs (Level 2) and current conditions, residual values and remaining useful life assessments (Level 3) inputs.
Infrastructure - parks and ovals	2 & 3	Cost approach using depreciated replacement cost	Management Valuation	June 2018	Construction costs (Level 2) and current conditions, residual values and remaining useful life assessments (Level 3) inputs.
Work in progress		Cost	Cost		Purchase cost

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

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

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

10. FIXED ASSETS

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

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

Initial recognition and measurement between mandatory revaluation dates

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

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

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

Individual assets that are land, buildings and infrastructure 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 and infrastructure is determined at least every five years in accordance with the regulatory framework. This includes buildings and infrastructure items which were pre-existing improvements (i.e. vested improvements) on vested land acquired by the Shire.

AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY Revaluation (Continued)

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

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

Land under roads from 1 July 2019

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

Vested improvements from 1 July 2019

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

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

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

10. FIXED ASSETS

(a) Disposals of Assets

	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss	2021 Budget Net Book Value	2021 Budget Sale Proceeds	2021 Budget Profit	2021 Budget Loss	2020 Actual Net Book Value	2020 Actual Sale Proceeds	2020 Actual Profit	2020 Actual Loss
Plant and equipment	\$ 4,750	\$ 12,727	\$ 7,977	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 266,913	\$ 233,001	\$ 1,417	\$ (35,329)
	4,750	12,727	7,977	0	0	0	0	0	266,913	233,001	1,417	(35,329)

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				
Transport				
Sale of Volkswagen Amarok	4,750	12,727	7,977	0
	4,750	12,727	7,977	0

SHIRE OF MENZIES
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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10. FIXED ASSETS

(b) Depreciation

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Buildings - non-specialised	99,399	121,194	122,530
Buildings - specialised	268,298	270,614	273,599
Furniture and equipment	11,200	15,907	16,082
Plant and equipment	402,760	517,059	504,755
Infrastructure - roads	1,146,290	1,131,261	1,143,735
Infrastructure - other	159,172	154,933	156,642
Infrastructure - footpaths	21,608	7,670	8,363
Infrastructure - parks and ovals	7,708	6,793	6,867
Right-of-use assets - plant and equipment	0	0	5,644
Right of use assets - furniture and equipment	3,910	0	3,910
	2,120,345	2,225,431	2,242,127

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	20 to 50 years
Furniture and equipment	4 to 10 years
Plant and equipment	4 to 15 years
Sealed roads and streets	
formation	not depreciated
pavement	25 to 100 years
seal	25 to 100 years
- bituminous seals	20 - 100 years
- asphalt surfaces	25 - 100 years
Gravel roads	
formation	not depreciated
pavement	25 to 100 years
Footpaths	25 to 50 years
Parks and Ovals	20 to 50 years
Infrastructure Other	4 to 50 years
Right of use	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:

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

SHIRE OF MENZIES
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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11. LEASES

(a) Right-of-Use Assets

Movement in the balance of each class of right-of-use asset between the beginning and the end of the current financial year.	Right of use assets -		
	Right-of-use assets - plant and equipment	furniture and equipment	Right-of-use assets Total
	\$	\$	
Balance at 1 July 2019	30,004	10,250	40,254
Transfer of right of use asset to plant and equipment	(24,360)	0	(24,360)
Depreciation (expense)	(5,644)	(3,910)	(9,554)
Balance at 30 June 2020	0	6,340	6,340
Depreciation (expense)	0	(3,910)	(3,910)
Balance at 30 June 2021	0	2,430	2,430

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	(3,910)	(9,554)
Interest expense on lease liabilities	(95)	(529)
Total amount recognised in the statement of comprehensive income	(4,005)	(10,083)
Total cash outflow from leases	(4,080)	(34,435)

SIGNIFICANT ACCOUNTING POLICIES

Leases

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

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

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

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

Right-of-use assets - valuation

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

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

Right-of-use assets - depreciation

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

SHIRE OF MENZIES
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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12. REVALUATION SURPLUS

	2021 Opening Balance	2021 Revaluation Increment	2021 Revaluation (Decrement)	2021 Total Movement on Revaluation	2021 Closing Balance	2020 Opening Balance	2020 Change in Accounting Policy	2020 Revaluation Increment	2020 Revaluation (Decrement)	2020 Total Movement on Revaluation	2020 Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land - freehold land	552,943	0	0	0	552,943	680,443	0	0	0	(127,500)	552,943
Revaluation surplus - Buildings - non-specialised	3,419,463	0	0	0	3,419,463	3,250,986	0	168,477	0	168,477	3,419,463
Revaluation surplus - Buildings - specialised	1,387,003	0	0	0	1,387,003	217,456	0	1,169,547	0	1,169,547	1,387,003
Revaluation surplus - Plant and equipment	0	0	0	0	0	1,343,109	(1,343,109)	0	0	0	0
Revaluation surplus - Infrastructure - roads	105,024,948	0	0	0	105,024,948	105,024,948	0	0	0	0	105,024,948
Revaluation surplus - Infrastructure - other	768,474	0	0	0	768,474	768,474	0	0	0	0	768,474
Revaluation surplus - Infrastructure - footpaths	673,338	0	0	0	673,338	673,338	0	673,338	0	673,338	673,338
	111,826,169	0	0	0	111,826,169	111,285,416	(1,343,109)	2,011,362	(127,500)	1,883,862	111,826,169

Movements on revaluation of property, plant and equipment (including infrastructure) are not able to be reliably attributed to a program as the assets were revalued by class as provided for by AASB 116 Aus 40.1. Vested land is no longer required to be recognised at fair value. Land under golf courses, show grounds, race courses or any other sporting or recreational facility of state or regional significance should be recognised at zero cost.

SHIRE OF MENZIES
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13. TRADE AND OTHER PAYABLES

Current

Sundry creditors
Accrued salaries and wages
ATO liabilities
Bonds and deposits held
Other payables
Rates in advance

2021	2020
\$	\$
256,381	311,055
5,297	22,709
35,156	0
12,713	2,523
45,840	30,086
26,321	26,321
381,708	392,694

SIGNIFICANT ACCOUNTING POLICIES

Trade and other payables

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

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

Prepaid rates

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

SHIRE OF MENZIES
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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14. LEASE LIABILITIES

	2021	2020
(a) Lease Liabilities	\$	\$
Current	2,363	3,985
Non-current	0	2,353
	2,363	6,348

(b) Movements in Carrying Amounts

Purpose	Lease Number	Institution	Lease Interest Rate	Lease Term	Actual Lease Principal 1 July 2020	30 June 2021 Actual Repayments	30 June 2021 Actual Lease Principal Outstanding	30 June 2021 Budget Repayments	30 June 2021 Budget Lease Principal Outstanding	Actual Lease Principal 1 July 2020	30 June 2020 Actual Repayments	30 June 2020 Actual Lease Principal Outstanding	30 June 2020 Actual Lease Interest Repayments
Other property and services													
Motor Vehicle	6224365	Fleet Management	2.40%	60 months	0	0	0	0	0	0	30,004	30,004	(351)
Smart Board	IE1338	Your payment solution	2.10%	48 months	6,348	(3,985)	2,363	0	0	10,250	(3,902)	6,348	(178)
					6,348	(3,985)	2,363	0	0	40,254	(33,606)	6,348	(529)

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

15. INFORMATION ON BORROWINGS

	2021	2020
	\$	\$
Undrawn Borrowing Facilities		
Credit Standby Arrangements		
Credit card limit	25,000	25,000
Credit card balance at balance date	(3,634)	(1,174)
Total amount of credit unused	21,366	23,826
Loan facilities		
Lease liabilities - current	2,363	3,985
Lease liabilities - non-current	0	2,363
Total facilities in use at balance date	2,363	6,348
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 26.

SHIRE OF MENZIES
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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16. 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	120,398	76,709	197,107
Non-current provisions	0	41,675	41,675
	120,398	118,384	238,782
Additional provision	82,054	12,743	94,797
Amounts used	(95,927)	(31,052)	(126,979)
Balance at 30 June 2021	106,525	100,075	206,600
Comprises			
Current	106,525	85,713	192,238
Non-current	0	14,362	14,362
	106,525	100,075	206,600

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	132,272	197,107
More than 12 months from reporting date	73,758	48,354
Expected reimbursements from other WA local governments	570	(6,679)
	206,600	238,782

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.

17. NOTES TO THE STATEMENT OF CASH FLOWS

Reconciliation of Cash

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

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Cash and cash equivalents	15,838,467	9,156,374	12,901,851
Reconciliation of Net Cash Provided By Operating Activities to Net Result			
Net result	2,607,500	402,888	3,611,439
Non-cash flows in Net result:			
Adjustments to fair value of financial assets at fair value through profit and loss	(18,452)	0	0
Depreciation on non-current assets	2,120,345	2,225,431	2,242,127
(Profit)/loss on sale of asset	(7,977)	0	33,912
Work in progress expensed	4,545	0	0
Changes in assets and liabilities:			
(Increase)/decrease in receivables	195,447	0	27,341
(Increase)/decrease in other assets	4,845	0	10,444
(Increase)/decrease in inventories	(1,588)	0	(2,917)
Increase/(decrease) in payables	(10,986)	0	(488,069)
Increase/(decrease) in employee provisions	(32,182)	0	17,417
Non-operating grants, subsidies and contributions	(1,454,744)	(2,241,861)	(3,564,550)
Net cash from operating activities	3,406,753	386,458	1,887,144

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18. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2021	2020
	\$	\$
Governance	2,430	8,140
General purpose funding	393,780	501,408
Law, order, public safety	81,493	86,455
Education and welfare	0	300,000
Housing	1,922,936	2,867,925
Community amenities	636,778	866,992
Recreation and culture	6,070,569	4,399,256
Transport	121,219,185	121,072,992
Economic services	5,461,221	5,408,693
Other property and services	4,875,578	6,913,673
Unallocated	4,950,166	628,255
	145,614,136	143,053,789

19. CONTINGENT LIABILITIES

The Shire of Menzies has in compliance with the Contaminated Sites Act 2003 section 11 listed sites to be possible sources of contamination: - Memorial M995306 ML, Lot 8 on Plan 222795 as shown in the certificate of title 1096/558 known as Shenton Street, Menzies WA 6436. Until the Shire conducts an investigation to determine the presence and scope of 'contamination, assess the risk and degree with the Department of Water and Environment Regulation the need and criteria for remediation, the Shire is unable to accurately quantify its clean-up liabilities for potentially contaminated sites. The Shire is continuing to monitor the sites and will progressively undertake site investigations and remediation on a risk based approach. This approach is consistent with the Department of Water and Environment Regulation guidelines.

20. LEASING COMMITMENTS

Operating Lease Commitments

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

Payable:

- not later than one year
- later than one year but not later than five years
- later than five years

2021	2020
\$	\$
1,810	23,282
0	0
0	0
1,810	23,282

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.

21. ELECTED MEMBERS REMUNERATION

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Elected member - President			
President's annual allowance	19,864	19,864	19,864
Meeting attendance fees	19,410	19,410	19,410
Annual allowance for ICT expenses	1,100	1,100	1,100
Travel and accommodation expenses	8,969	9,000	10,977
	49,343	49,374	51,351
Elected member - Deputy President			
Deputy President's annual allowance	4,966	4,966	4,966
Meeting attendance fees	9,410	9,410	9,410
Annual allowance for ICT expenses	1,100	1,100	1,100
Travel and accommodation expenses	4,722	4,000	5,682
	20,198	19,476	21,158
Elected member -1			
Meeting attendance fees	9,410	9,410	9,410
Annual allowance for ICT expenses	1,100	1,100	1,100
Travel and accommodation expenses	142	2,000	1,931
	10,652	12,510	12,441
Elected member - 2			
Meeting attendance fees	9,410	9,410	9,410
Annual allowance for ICT expenses	1,100	1,100	1,100
Travel and accommodation expenses	0	2,000	243
	10,510	12,510	10,753
Elected member - 3			
Meeting attendance fees	9,410	9,410	7,057
Annual allowance for ICT expenses	1,100	1,100	825
Travel and accommodation expenses	4,817	4,000	1,679
	15,327	14,510	9,561
Elected member - 4			
Meeting attendance fees	3,921	9,410	0
Annual allowance for ICT expenses	458	1,100	0
Travel and accommodation expenses	3,346	4,000	0
	7,725	14,510	0
Elected member - 5			
Meeting attendance fees	7,842	0	6,273
Annual allowance for ICT expenses	917	0	733
Travel and accommodation expenses	0	0	355
	8,759	0	7,361
Elected member - 6			
Meeting attendance fees	0	0	2,445
Annual allowance for ICT expenses	0	0	183
Travel and accommodation expenses	0	0	5,031
	0	0	7,659
Elected member - 7			
Meeting attendance fees	2,353	9,410	9,410
Annual allowance for ICT expenses	275	1,100	1,100
Travel and accommodation expenses	0	0	2,039
	2,628	10,510	12,549
	125,142	133,400	132,833

21. ELECTED MEMBERS REMUNERATION (Continued)

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Fees, expenses and allowances to be paid or reimbursed to elected council members.			
President's allowance	19,864	19,864	19,864
Deputy President's allowance	4,966	4,966	4,966
Meeting attendance fees	71,166	75,870	72,825
Annual allowance for ICT expenses	7,150	7,700	7,241
Travel and accommodation expenses	21,996	25,000	27,937
	125,142	133,400	132,833

SHIRE OF MENZIES
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22. RELATED PARTY TRANSACTIONS

Key Management Personnel (KMP) Compensation Disclosure

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

	2021 Actual \$	2020 Actual \$
Short-term employee benefits	464,830	560,388
Post-employment benefits	46,449	100,187
Other long-term benefits	12,555	29,194
	523,834	689,769

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.

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	6,297	7,398
Purchase of goods and services	0	39

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.

23. INVESTMENT IN ASSOCIATES AND JOINT ARRANGEMENTS

Share of joint operations

The Shire together with the City of Kalgoorlie Boulder, Shires of Coolgardie, Dundas, Esperance, Laverton, Leonora, Ngaanyatjaraku, Ravensthorpe and Wiluna have a joint arrangement, classified as a joint operation with regards to the provision of a Regional Records Service. Management have determined this as a joint operation.

The assets included in the joint venture are one tenth share as follows:-

Current assets
Non current assets
Total assets

Current liabilities
Total liabilities

Net assets

Net increase/(decrease) in share of associate entity's net assets

- Share of associates profit/(loss) from ordinary activities
- Share of associates total comprehensive income arising during the period

Balance at 1 July

- Share of associates total comprehensive income arising during the period

Balance at 30 June

	2021	2020
	\$	\$
	2,728	7,445
	71,420	75,118
	74,148	82,563
	4,605	0
	4,605	0
	69,543	82,563
	(13,020)	(373)
	(10,206)	11,680
	(10,206)	11,680
	13,463	1,783
	(10,206)	11,680
	3,257	13,463

SIGNIFICANT ACCOUNTING POLICIES

Interests in joint arrangements

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

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

Interests in joint arrangements (Continued)

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

24. RATING INFORMATION

RATE TYPE

Total amount raised from general rate

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.

24. RATING INFORMATION (Continued)

(b) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge	Instalment Plan Interest Rate	Unpaid Rates Interest Rate
		\$	%	%
Option One				
Single full payment	27/08/2020	0	0.0%	8.0%
Option Two				
First instalment	27/08/2020	0	0.0%	8.0%
Second instalment	27/10/2020	10	5.5%	8.0%
Third instalment	11/01/2021	10	5.5%	8.0%
Fourth instalment	11/03/2021	10	5.5%	8.0%

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Interest on unpaid rates	60,098	91,140	94,733
Interest on instalment plan	5,569	5,500	4,973
Charges on instalment plan	5,280	5,500	4,795
	70,947	102,140	104,501

SHIRE OF MENZIES
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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25. RATE SETTING STATEMENT INFORMATION

		2020/21 2020/21 Budget	2019/20 2019/20 Budget
		(30 June 2021 (30 June 2021 Carried Forward)	(30 June 2020 (30 June 2020 Carried Forward)
Note		\$	\$
(a) Non-cash amounts excluded from operating activities			
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .			
Adjustments to operating activities			
Less: Profit on asset disposals	10(a)	(7,977)	0
Less: Fair value adjustments to financial assets at fair value through profit and loss		(18,452)	0
Infrastructure work in progress transferred to Statement of Comprehensive Income		4,545	0
Movement in employee benefit provisions		(32,181)	0
Add: Loss on disposal of assets	10(a)	0	35,329
Add: Depreciation on non-current assets	10(b)	2,120,345	2,242,127
Non cash amounts excluded from operating activities		2,066,280	2,293,455
(b) Surplus/(deficit) after imposition of general rates			
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.			
Adjustments to net current assets			
Less: Reserves - cash backed	4	(12,303,243)	(11,856,155)
Add: Current liabilities not expected to be cleared at end of year			
- Current portion of lease liabilities		2,363	3,985
- Employee benefit provisions		192,238	197,106
Total adjustments to net current assets		(12,108,642)	(11,655,064)
Net current assets used in the Rate Setting Statement			
Total current assets		16,344,111	13,606,199
Less: Total current liabilities		(576,309)	(593,786)
Less: Total adjustments to net current assets		(12,108,642)	(11,655,064)
Net current assets used in the Rate Setting Statement		3,659,160	1,357,349

SHIRE OF MENZIES
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FOR THE YEAR ENDED 30 JUNE 2021

26. FINANCIAL RISK MANAGEMENT

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

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

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

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

(a) Interest rate risk

Cash and cash equivalents

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

Excess cash and cash equivalents are invested in fixed interest rate term deposits which do not expose the Shire to cash flow interest rate risk. At 30 June 2021 these funds were placed in a non interest bearing account for the short term. 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 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	0.01%	15,838,467	0	15,837,402	1,065
2020					
Cash and cash equivalents	1.22%	12,901,851	3,254,210	9,646,321	1,320

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*	158,374	96,463

* Holding all other variables constant

Borrowings

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

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26. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Trade and Other Receivables

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

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

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

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

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

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

	Current	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total
30 June 2021					
Rates receivable					
Expected credit loss	0.00%	2.22%	35.51%	82.20%	
Gross carrying amount	5,925	218,828	95,088	343,295	663,136
Loss allowance	0	4,858	33,766	282,188	320,812
30 June 2020					
Rates receivable					
Expected credit loss	0.00%	5.70%	100.00%	100.00%	
Gross carrying amount	340,758	116,059	75,063	331,493	863,373
Loss allowance	0	6,620	75,063	331,493	413,176

No loss allowance was provided for trade and other receivables at 30 June 2021 and 30 June 2020 as it was deemed immaterial.

26. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

Payables

Payables are 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 15.

The contractual undiscounted cash flows of the Shire's Payables 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	381,708	0	0	381,708	381,708
Lease liabilities	2,363	0	0	2,363	2,363
	384,071	0	0	384,071	384,071
2020					
Payables	392,694	0	0	392,694	392,694
Lease liabilities	3,985	2,363	0	6,348	6,348
	396,679	2,363	0	399,042	399,042

27. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

Council did not have any events occurring after the end of the reporting period of consequence.

SHIRE OF MENZIES
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28. 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 revised budget estimate for the relevant item of disclosure.

f) Superannuation

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

g) Fair value of assets and liabilities

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

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

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

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

h) Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

i) Impairment of assets

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

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

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

For non-cash generating specialised assets that are measured under the revaluation model, such as roads, drains, public buildings and the like, no annual assessment of impairment is required. Rather AASB 116/31 applies and revaluations need only be made with sufficient regulatory to ensure the carrying value does not differ materially from that which would be determined using fair value at the end of the reporting period.

SHIRE OF MENZIES
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29. ACTIVITIES/PROGRAMS

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

PROGRAM NAME AND OBJECTIVES	ACTIVITIES
GOVERNANCE To provide a decision making process for the efficient allocation of scarce resources.	Includes the members of council and the administrative support available to the council for the provision of the governance of the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific council services.
GENERAL PURPOSE FUNDING To collect revenue to allow for the provision of services.	The reporting of the Shire's general rating income and the recognition of the Western Australian Grants Commission payment together with interest on investments and costs associated with the collection of funds.
LAW, ORDER, PUBLIC SAFETY To provide services to help ensure a safer and environmentally conscious community.	Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services.
HEALTH To provide an operational framework for environmental and community health.	Inspection of food outlets and their control, provision of meat inspection services, noise control and waste disposal compliance.
EDUCATION AND WELFARE To provide services to disadvantaged persons, the elderly, children and youth.	Expenditure to assist in the education of the children and youth within the Shire.
HOUSING To provide and maintain housing.	Income and expenditure associated with the provision of housing to staff and others.
COMMUNITY AMENITIES To provide services required by the community.	Rubbish collection services, operation of rubbish disposal sites, litter control, construction and maintenance of urban storm water drains, protection of the environment and administration of town planning schemes, cemetery and public conveniences.
RECREATION AND CULTURE To establish and effectively manage infrastructure and resources which will help the social well being of the community.	The reporting of income and expenditure associated with the Town Hall, library and recreation area, oval and reserves operated by Council.
TRANSPORT To provide safe, effective and efficient transport services to the community.	Construction and maintenance of roads, grids, footpaths, depots, cycle ways, parking facilities and traffic control. Cleaning of streets and maintenance of street trees, street lighting and the maintenance of the Council's airstrips.
ECONOMIC SERVICES To help promote the Shire and its economic well being.	The reporting of income and expenditure including the operation of Council's caravan park and administration of the Building Code of Australia.
OTHER PROPERTY AND SERVICES To monitor and control Shire's overheads operating accounts.	Involves the expenditure and allocation of employee overheads and plant costs. Also included is the accounting for private works; salary and wages reconciliation and other incomes and expenditure not included elsewhere.

30. FINANCIAL RATIOS

	2021 Actual	2020 Actual	2019 Actual
Current ratio	10.86	4.41	3.26
Asset consumption ratio	0.96	0.98	0.98
Asset renewal funding ratio	2.43	2.78	N/A
Asset sustainability ratio	0.71	1.41	2.79
Debt service cover ratio	N/A	N/A	N/A
Operating surplus ratio	0.29	0.01	0.19
Own source revenue coverage ratio	0.68	0.59	0.64

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 Menzies

To the Councillors of the Shire of Menzies

Report on the audit of the annual financial report

Opinion

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

- 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) The following material matter indicating non-compliance with Part 6 of the Act, the Regulations or applicable financial controls of any other relevant written law were identified during the course of my audit:
 - a) There is no evidence that the ordering of goods was approved prior to ordering as purchase orders were dated on or after the suppliers' invoices were received.
 - b) There was insufficient documentation to indicate that the required number of quotations had been obtained and evaluated. This practice increased the likelihood of not receiving value for money in procurement and/or pricing change between quotation and invoicing.
- (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 Menzies 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.



Nayna Raniga
Senior Director Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
15 December 2021



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