





shire of Ashburton
reef to range

The Shire of Ashburton respectfully acknowledges
the traditional custodians of this land.

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Message from the Shire President



The Shire of Ashburton continued to achieve several outcomes, progress numerous projects and deliver key community priorities in 2019/20.

In July, Council endorsed a positive budget that included a Capital Works program totalling \$64.2m with investment in 122 new and ongoing projects. Some of the key challenges faced by the Shire this year include the need to absorb increased costs for insurance, utilities, labour, materials and transportation as a result of the upturn in new resource industry investment. Despite these factors, the Shire developed a budget that endeavoured to meet community expectations as well as respond to market conditions.

We delivered Passion of the Pilbara in August 2019 attracting a record number of people to Onslow for the biennial community event delivered in partnership with Chevron operated Wheatstone project and BHP and that celebrates our strong community spirit and unique lifestyle experiences the town provides to both residents and visitors.

As part of our commitment to supporting the local business community in each of our towns the Shire signed a Small Business Friendly Local Government Charter as part of our commitment for the enhanced development of a robust local economy in the Shire's four towns. This also aligned with the Shire's Economic and Tourism Development Strategy that mapped out the Shire's future direction to create a more vibrant and diverse future by facilitating and promoting tourism and economic growth. Further supporting our economic development strategy we launched the Ashburton Tourism Champion Program in early 2020.

Council also welcomed Deputy Prime Minister and Federal Minister for Infrastructure, Transport and Regional Development, Michael McCormack MP to Onslow showcasing the potential for diverse strong local communities and also acknowledging Federal

Government for their investment in the Pilbara

Waste Management Facility and also in the sealing of the Tom Price to Karratha Road.

Local Government elections were held in October which saw Cr Foster, Tom Price Ward; Cr Richardson, Tableland Ward; and Cr De Pledge, Ashburton Ward elected to Council along with myself reelected into the Shire President Chair. Cr Thomas also retired in October, and I would like to take this opportunity to thank her for her commitment during her tenure.

Following the devastating bushfires in the Eastern States that unfolded over the Christmas and New Year period, Council unanimously passed a motion to donate to the Australia Wide Bushfire Appeal, donating \$5000 each to the NSW Rural Fire Service, Victoria Country Fire Association, Queensland Fire and Rescue and the South Australia Country Fire Service.

We choose to donate directly to fire brigades as we felt money would go direct to those organisations to aid firefighting efforts, disaster relief and recovery efforts and recognise the efforts of these bushfire brigades and their volunteers.

In mid-March, local, state and indeed worldwide events took an unprecedented turn as we cancelled all events for four weeks in line with the federal government response to the outbreak of COVID-19.

From that point on COVID-19 updates became part and parcel of our regular news and the Shire undertook all necessary measures to protect our community and to ensure we did what we could to lessen the impact of COVID-19 in our region.

We maintained essential services to our communities and were able to redeploy all our staff into alternate roles while we navigated through lockdown and restricted movements.

Council also endorsed a series of financial support and relief measures to be made available to the community at the April Ordinary Meeting of Council to assist community groups, sporting clubs and small businesses. We held rates, fees and charges, offered rent relief and deferred rates notices with special payment arrangements extended.

We established a \$500,000 COVID-19 Small Business and Community Grants Fund for those businesses, community groups and sporting clubs suffered demonstrate hardship and/or losses due to the restrictions put in place to reduce the spread of the pandemic. This was then supported with a \$1M contribution from Rio Tinto towards the Shire's COVID-19 Relief package to assist those in Tom Price,

Paraburdoo and Pannawonica and \$1M made available by Chevron to the Chevron Onslow Relief Fund that will enable the provision of financial support and critical health services to Onslow residents, Aboriginal communities, local businesses and the unemployed.

We also welcomed Kenn Donohoe as Chief Executive Officer to the Shire and to lead the organisation to achieve the long-term strategic goals and objectives of Council and the community.

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

Cr Kerry White

Shire President
Shire of Ashburton



About Council

Our Councillors

Cr Kerry White	Shire President Onslow Ward
Cr Doug Diver	Deputy Shire President Tom Price Ward
Cr Rory de Pledge	Ashburton Ward
Cr Melanie Gallanagh	Pannawonica Ward
Cr Douglas (Ivan) Dias	Paraburdoo Ward
Cr Linton Rumble	Paraburdoo Ward
Cr Peter Foster	Tom Price Ward
Cr Matthew Lynch	Tom Price Ward
Cr Jamie Richardson	Tableland Ward
Cr Thomas (Retired 18/10/2019)	Tableland Ward

Council Attendance

Elected Member	Ordinary Council Meeting (11)	Audit and Risk	Tourism	Pilbara Regional Waste (1)	Special Meetings (2)	AGM CHUB Electors (1)	CHUB (1)
Cr White	11	4	1	1	2	1	1
Cr Diver	11	2	1	1	2	1	1
Cr Rumble	11	2	1	N/A	2	1	1
Cr Dias	10	2	N/A	N/A	0	1	1
Cr Foster	11	4	N/A	N/A	2	1	1
Cr Gallanagh	8	1	0	N/A	2	0	0
Cr Lynch	11	4	1	1	2	1	1
Cr de Pledge	10	2	N/A	N/A	1	1	1
Cr Thomas Retired 18/10/2019	3	N/A	1	N/A	1	N/A	1
Cr Richardson	8	2	N/A	N/A	1	1	N/A

Message from the CEO



I am immensely proud to have stepped into the role of Chief Executive Officer at the Shire of Ashburton this year.

Over the past year the Shire has continued to focus on delivering positive and valuable outcomes for the community and one of the key areas that I will focus on initially is getting a series of capital works projects off the ground and progressing so that Council's vision for the Shire can be achieved.

The Shire's capital works program for the next twelve months has value of \$73M including 12 tier one projects that will have significant economic and community impact.

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

Progressing projects such as Tom Price Childcare Centre, which this year Rio Tinto committed funding to in addition to the Shire's commitment to increase childcare options and support for families in Tom Price.

A \$600,000 improvement works program was completed at Judy Woodvine Oval in Paraburdoo, transforming the current facilities and adding lighting, dugouts and fencing to the facility, which completed the Paraburdoo Community Hub, made possible through funding from the Shire of Ashburton, Rio Tinto and the State Government through the Pilbara Development Commission.

An intensive \$1.1M footpath repair and kerbing program was completed, improving community and pedestrian safety to users in Onslow, Tom Price and Paraburdoo.

Despite the challenges of COVID-19, the Shire of Ashburton is continuing to press ahead with a \$6 million road improvement and road renewal program this year in addition to a \$2.2M Unsealed Rural Roads Project that has been ongoing and expected to conclude late August 2020.

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

Kenn Donohoe
Chief Executive Officer

Executive Team

Kenn Donohoe, Chief Executive Officer

Since April 2020

The Chief Executive Officer is the principal non-elected officer of the Shire and is directly responsible to the Council for the operations of the organisation.

The Chief Executive Officer's core functions are to;

- Advise the Council in relation to the functions of the Shire and ensure that relevant advice and information is available to it;
- Cause Council decisions to be implemented; and
- Manage the day to day operations of the Shire and the staff, in accordance with the Corporate Plan's direction, and within Council Policy parameters.

The Chief Executive Officer also works closely with the President and the other Elected Members of Council to ensure that the many and varied day-to-day issues faced by the Shire are managed and addressed in an efficient, effective, fair and consistent manner.

Chantelle McGurk, Acting Director Planning & Building Services

Since May 2020

- Contract Management
- Town Planning & Building
- Facility Maintenance
- Project Management
- GIS
- Environmental Health
- Ranger Services
- Emergency Services
- Traders Permits (food)
- Land Development
- Commercial Leases
- Pools, Halls and Facilities
- Staff Housing

Brian Cameron, Director Planning & Building Services

- Contract Management
- Town Planning & Building
- Facility Maintenance
- Project Management
- GIS
- Environmental Health
- Ranger Services
- Emergency Services
- Traders Permits (food)
- Land Development
- Commercial Leases
- Pools, Halls and Facilities
- Staff Housing

Kellie Bartley, Director Community Services

- Project Initiation and Coordination
- Relationship Management
- Community Engagement
- Club Development
- Community Events and Activities
- Sport and Recreation
- Social Planning
- Disability Access and Inclusion

Mike Hudson, Director Infrastructure Services

- Airport
- Asset Management
- Engineering
- Fleet
- Parks, Gardens and Infrastructure
- Private Works
- Roads
- Waste Management
- Depots
- Camps

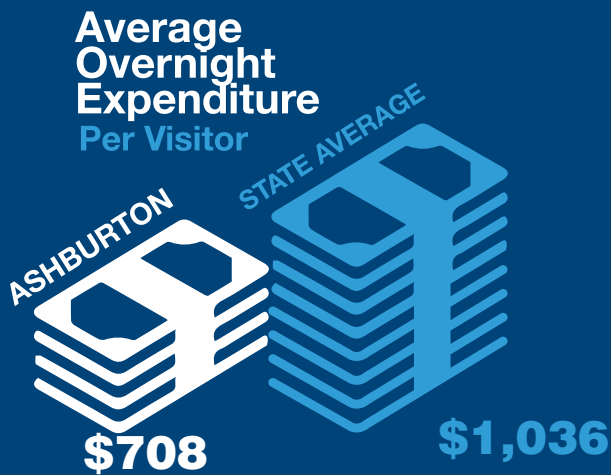
John Bingham, Director Corporate Services

- Financial Services and Reporting
- Budget Preparation, Dissemination and Training
- Administration
- IT, GIS and Knowledge Management
- Financial
- Grants
- Visitor Centre



Highlights

TOURISM OPPORTUNITIES



INFRASTRUCTURE AND LAND TO SUPPORT INVESTMENT



Airport Industrial Precinct (34Ha)
2 Airports

ASHBURTON 2019/2020

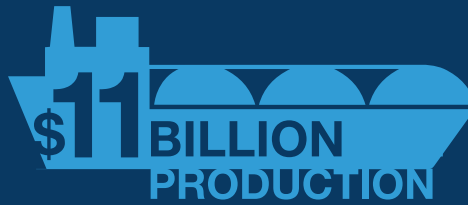
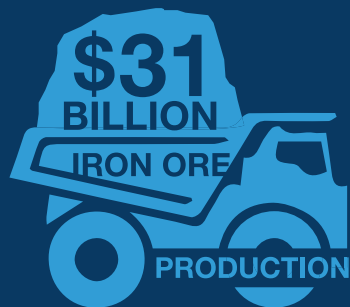
Highlights

ECONOMIC POWERHOUSE

Western Australia's fastest growing economies



\$46
Billion
IN EXPORTS



HIGH CONTRIBUTORS TO AUSTRALIA'S GDP



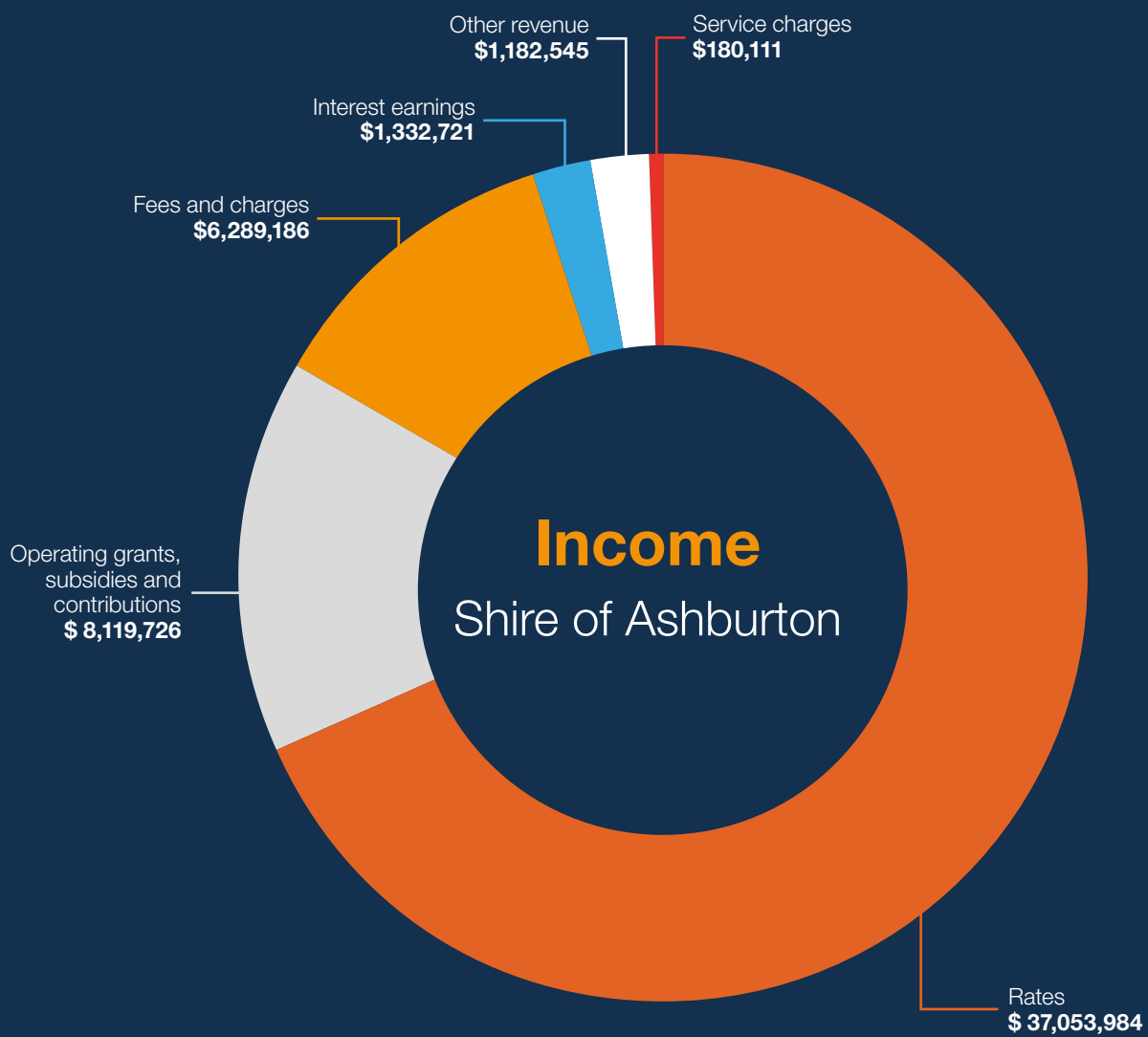
Rio Tinto investing \$967 million into Robe Valley



FMG Investing \$1.7 billion into its new Eliwana mine

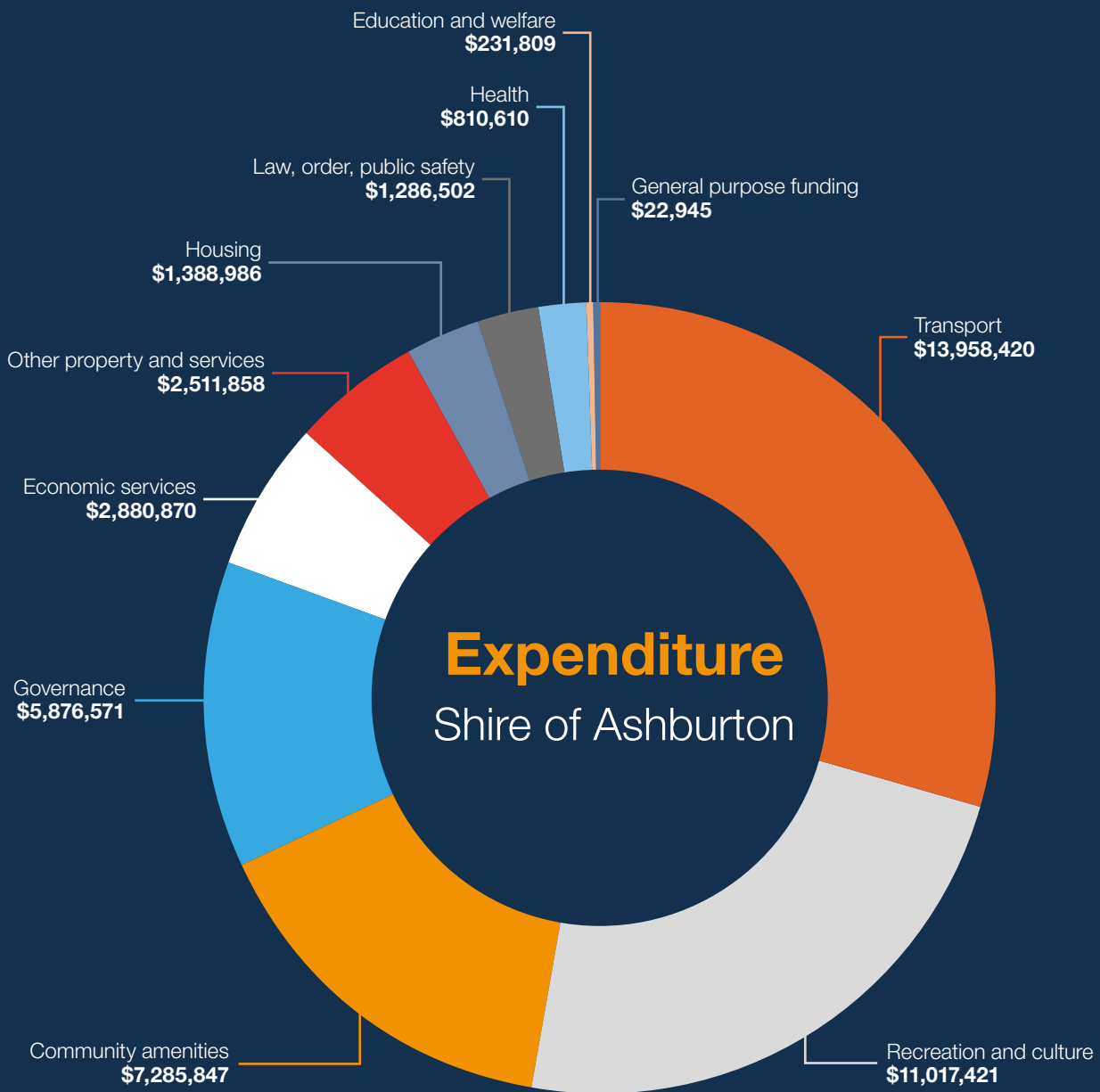
BREAKDOWN OF

Income & Expenditure



BREAKDOWN OF

Income & Expenditure



About Ashburton

The Shire of Ashburton is comprised of diverse towns and communities that stretch across pristine coastal and inland Pilbara environments. Our communities consist of people from a range of backgrounds whom enjoy the economic and employment opportunities on offer, while also relishing the unique lifestyle that this part of the world provides.

Serving the communities of Onslow, Tom Price, Paraburdoo and Pannawonica in Australia's North West, and encompassing the communities of Bindi Bindi, Wakathuni, Bellary, Youngaleena and Ngurawaana, the Shire of Ashburton is recognised for mining, agriculture and fishing, and for its rugged, ancient landscape.

At nearly half the size of the state of Victoria (105 647 square km), our Shire boasts some of the world's largest open cut mines, largest pastoral leases and cattle farming.

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

Our Shire delivers 38.1% or \$15.943 billion to the Gross Regional Product of the Pilbara region and 18% to the WA economy.

Boasting a unique lifestyle, our residents live next door to Karijini and Millstream Chichester National Parks and avail of idyllic coastal living as our Shire stretches from reef to range.

Tourism continues to be a secondary economic driver for the Shire with approximately 330,000 visitors to the Shire in 2019.

The Shire is advocating for support and funding to develop accommodation, recreation, attractions, eco-tourism and geo-tourism products that define the heritage, culture and diversity of Ashburton and the Pilbara.

The Shire of Ashburton is committed to achieve its vision and will do this by courageously imagining the future, and partnering with the government, industry and the community to build strong communities and robust economies where we live life to the fullest.







Strategic Community Plan

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

Corporate Business Plan

Achieving the community's vision and the Shire's strategic objectives requires the development of actions to address each strategy contained within the Strategic Community Plan. Careful operational planning and prioritisation is required to achieve the objectives and desired outcomes due to the limited resources available.

The Corporate Business Plan converts the Strategic Community Plan into action through the adoption of an Annual Budget.

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

Key projects in the 2019/20 year included in this update are:

- 1.3.1.3 Develop Child Care Facilities in Tom Price
- 1.3.1.4 Completion of the Paraburdoo CHUB
- 3.2.3.2 Development of Pilbara Regional Waste Management Facility
- 4.1.2.2 Plan and develop Onslow Marina
- 4.2.1.3 Road Infrastructure upgrades and renewals
- 4.2.5.2 Development of Emergency Services Precinct in Tom Price






The tables over page detail the actions under each of the five key strategic goals that were progressed in the 2019/20 financial year.

- Completed 2018/19 or earlier
- Completed during 2019/20
- Programmed for Future year

GOAL 1 VIBRANT AND ACTIVE COMMUNITIES

Objective 1.1: Connected, caring and engaged communities

Outcome: People feel connected and actively involved in the community




STRATEGY		ACTIONS		PROJECTS	2019/20 PROGRESS
1.1.1	Encourage and provide a range of opportunities to community members and stakeholders to inform and participate in decision making.	1.1.1.1	Develop communication and engagement strategy.	Draft Local Planning Strategy completed addressing and incorporating industry and economic trends, planned for completion early 2019.	
		1.1.1.2	Engage community and stakeholders in accordance with Communication and Engagement Strategy.	Community Scorecard completed and results presented to Council at March 2020 OCM and for consideration as part of the 20/21 Marketing & Communications Strategy.	
1.1.2	Establish a strategic approach to community development planning that focuses on building social capital, developing community capability and addresses social isolation and dislocation all residents across the Shire.	1.1.2.1	Undertake strategic planning to ensure integration of informing plans for adequate resourcing and service delivery.	The Shire's current Integrated Planning Framework comprises of up to date strategic documents, including the CBP and Strategic Community Plan (SCP) to assist service delivery requirements.	
1.1.3	Continue to develop programs that welcome and induct new residents and transient workers into their host communities; Engage and celebrate local culture, both Indigenous and non-Indigenous.	1.1.3.1	Continue to develop programs welcoming new residents and transient workers into the community.	Many events had to be cancelled due to COVID-19 but the Shire provided alternative support for new community members.	
		1.1.3.2	Engage and celebrate local culture, both Indigenous and non-Indigenous.	Naidoc Week activities suffered the COVID-19 pandemic with communities closed. By November 2020 things looked better and NAIDOC events were successfully held for 2020.	

GOAL 1

VIBRANT AND ACTIVE COMMUNITIES

Objective 1.2: Sustainable Services, Clubs, Associations and Facilities

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

STRATEGY		ACTIONS		PROJECTS	2019/20 PROGRESS
1.2.1	Develop and implement a cohesive, whole Shire strategy to encourage and support club and community group development through a focus on increased volunteerism and capacity building that utilises the skills and experience of residents and visitors.	1.2.1.1	Develop and implement a cohesive strategy to encourage and support club and community group development.	Strategy developed for Tom Price, Paraburdoo and Pannawonica through RTIO Partnership. Also taking part in the State Government 'Every Club Program', a number of workshops and learning opportunities (face to face and online) were held across the Shire of Ashburton to the benefit of many clubs and groups.	
1.2.2	Review existing club and community organisations' governance and operating processes to identify possible synergies, collaborations or alternative models that can increase community involvement, reduce workloads and increase sustainability.	1.2.2.1	As per action 1.2.1.1	As above action.	
1.2.3	Collaborate with industry to encourage FIFO participation in their host communities through a concerted campaign to increase engagement in community activities; leisure and recreation pursuits.	1.2.3.1	Collaborate with partners, key stakeholders and other organisations where appropriate.	Collaboration with Sodexo and Rio Tinto for events to incorporate FIFO inclusion. All event flyers shared with lifestyle coordinator at Sodexo to increase promotion within the camp FIFO community.	

1.2.4	Prepare plans, programs and schedules that provide cost effective access and optimisation of existing community facilities – and provide new or upgraded facilities to accommodate future needs.	1.2.4.1	Seek to deliver community facility services and outcomes within resource capacity.	Multiple facilities throughout the shire available for use. These facilities are maintained and upgraded in accordance with plans and budget allocations.	●
		1.2.4.2	Provide community facilities as per asset management planning.	Paraburdoo Community Hub (CHUB) completed March 2019.	●

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

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






STRATEGY	ACTIONS	PROJECTS	2019/20 PROGRESS		
1.3.1	Play a leadership role in advocating to, and engaging with, relevant government and private sector stakeholders to foster a whole of Shire approach to the provision of quality education, training, healthcare, childcare, aged care, youth services and facility provision.	1.3.1.1	Continue to advocate on behalf of the community.	2019/2020 emphasised the importance of collaboration with the Shire President, the Chief Executive Officer (CEO), Directors, Managers, staff and corporate partners, Federal and State Governments who acted quickly and precisely during the COVID-19 pandemic. Providing guidance, assistance and well-being across whole of Ashburton Shire services, industries and communities.	●
		1.3.1.2	Provision of aged care services and housing.	Planned for 2020/21 financial year	●
		1.3.1.3	Develop child care facilities in Tom Price.	Funding secured January 2020. Land transaction to secure the site. Construction works to begin in march 2021 works to be complete early 2022.	●
		1.3.1.4	Construction of the Paraburdoo CHUB.	Completed March 2019	●

GOAL 1

VIBRANT AND ACTIVE COMMUNITIES

Objective 1.4: A rich cultural life

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




STRATEGY		ACTIONS		PROJECTS	2019/20 PROGRESS
1.4.1	Encourage and support community involvement with and appreciation of, arts and culture.	1.4.1.1	Encourage and support community involvement with and appreciation of, arts and culture.	In collaboration with the Shire President, the CEO and Directors advocate directly with corporate partners, Federal and State Governments to promote opportunities, supporting community and local organisations involvement with and appreciation of, arts and culture.	
1.4.2	Develop and deliver a whole of Shire Cultural Plan that includes 'place management' approaches.	1.4.2.1	Develop and deliver a whole of Shire Cultural Plan.	Comprehensive community consultation to understand what each community requires and will be delivered within the cultural plan.	
1.4.3	Continue to work collaboratively with the community to deliver town events.	1.4.3.1	Continue to work collaboratively with the community to deliver town events.	Multiple events held throughout the 2019/20 year. Even with COVID-19 good numbers attending School Holiday activities (1800), Ashburton Driveways at Dawn Anzac Day, Australia Day (800), Onslow Gala Ball, Community Showcase's, and Passion of the Pilbara. Club Development Officers working with community groups and Not For Profit's to lead out on additional events, including Wave for Volunteers day.	
1.4.4	Increase opportunities for children, youth and Indigenous residents to be part of the wider community.	1.4.4.1	As per Action 1.4.2.1	Shire staff attended Employment Expos with other Ashburton employers to expose younger residents to the vast array of careers right here at home.	
1.4.5	Continue to foster industry and government social investments and participation in community arts and cultural initiatives.	1.4.5.1	As per Action 1.4.2.1	The Shire partnered with the Karijini Experience being a sponsor for the 2019 Event. The Shire and Water Corporation have partnered to bring a mural artist to paint the Onslow Water Tanks in the 2019/20 financial year.	



GOAL 2 ECONOMIC PROSPERITY

Objective 2.1: Strong local economies

Outcome: A diverse and strong economy

STRATEGY		ACTIONS		PROJECTS	2019/20 PROGRESS
2.1.1	Develop local capability and capacity to understand and adapt to economic trends and better meet needs of local businesses.	2.1.1.1	As per action 2.2.2.1	We became members of OCCI and PICCI and assisted them with their Buy Local campaigns.	
2.1.2	Develop policies and programs to support existing businesses and encourage business attraction to meet the changing needs of local and regional areas.	2.1.2.1	As per action 2.2.2.1	Hosted small business workshop with PICCI in October 2019 Marketing Masterclass for Tourism in November 2019.	
2.1.3	Proactively engage with government and industry to support business development and community enterprise and to plan for present and future training and employment needs.	2.1.3.1	As per action 2.2.2.1	The Shire continued this through the Ashburton Tourism Champion Program, and through the Small Business Friendly Local Government Program.	
2.1.4	Facilitate timely release of land to support the local economy.	2.1.4.1	Facilitate timely release of land to support the local economy.	Continue to liaise with corporate partners, Federal and State governments to identify and promote land release where available.	

GOAL 2 ECONOMIC PROSPERITY

Objective 2.2: Enduring partnerships with industry and government





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

STRATEGY		ACTIONS		PROJECTS	2019/20 PROGRESS
2.2.1	Partner with industry and government to target their investment in stimulating more diversified business and economic development to benefit communities and the local economy.	2.2.1.1	Advocate for more diversified business and economic development in accordance with Economic Development Strategy.	The Shire continued to work with OCCI, PICCI, the PTA, and Australia's North West to develop business opportunities for industry.	
2.2.2	Develop a Shire Economic Development Strategy that includes engagement with industry and government to support local economic development initiatives.	2.2.2.1	Develop and implement Shire Economic Development Strategy.	Economic & Tourism Development strategy adopted and released in September 2019.	



Objective 2.3: Well-managed tourism

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

STRATEGY		ACTIONS		PROJECTS	2019/20 PROGRESS
2.3.1	Work with the tourism industry, key stakeholders and agencies to collaboratively develop a regional Tourism Strategy that promotes the unique Pilbara offering of distinctive landscapes, seascapes and communities.	2.3.1.1	Develop Tourism Strategy.	Economic & Tourism Development strategy adopted and released in September 2019.	
2.3.2	Continue to plan for, invest in, and advocate for the development of key tourist infrastructure including increased accommodation options; tourism attractions and signage.	2.3.2.1	Continue to plan for, invest in, and advocate for the development of key tourist infrastructure in accordance with Tourism Strategy.	Economic & Tourism Development strategy adopted and released in September 2019.	
2.3.3	Explore Aboriginal tourism opportunities.	2.3.3.1	Encourage Aboriginal tourism opportunities in accordance with Tourism Strategy.	Economic & Tourism Development strategy adopted and released in September 2019.	
2.3.4	Plan for improved tourism accommodation, camping grounds and associated facilities.	2.3.4.1	Plan for improved tourism accommodation, camping grounds and associated facilities in accordance with Tourism Strategy.	Paraburdoo Visitor Information Bay upgrade completed – Tom Price planned for future.	
2.3.5	Engage with industry to manage the interface with tourism to optimise opportunities and minimise competing interests.	2.3.5.1	As per action 1.1.1.1	The Tom Price Visitors Centre (TPVC) continues to implement the TPVC strategic plan.	



GOAL 3 UNIQUE HERITAGE AND ENVIRONMENT

Objective 3.1: Flourishing natural environments

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

STRATEGY		ACTIONS		PROJECTS	2019/20 PROGRESS
3.1.1	Partner with government agencies, industry, traditional owners, non-government organisations, local governments, research institutions, pastoralists and the community to better manage natural assets and deliver improved conservation outcomes that reflect the region's high biodiversity and landscape values.	3.1.1.1	Advocate for the protection of natural assets and sustainable use of resources and utilities.	Whole of Shire ongoing advocacy.	
3.1.2	Improve recreational access to natural environments with a focus on signage, access and safety.	3.1.2.1	Improve recreational access to natural environments with a focus on signage, access and safety.	Signage upgrades completed throughout the Shire focusing on Fire Danger and access. Rural signage to be installed September 2020.	

Objective 3.2: Leading regional sustainability

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

STRATEGY		ACTIONS		PROJECTS	2019/20 PROGRESS
3.2.1	Promote and encourage protection of natural assets and sustainable use of resources and utilities.	3.2.1.1	As per Action 3.1.1.1	Whole of Shire ongoing advocacy.	
3.2.2	Collaborate with State Government and Rio Tinto (the providers of water resources in the Shire) to promote water-wise practices across the Shire.	3.2.2.1	Collaborate with stakeholders to promote water-wise practices across the Shire.	We continue to encourage providers of water within the Shire to promote water-wise practices .	

3.2.3	Encourage and implement improved waste minimisation practices, including proactive approaches to recycling and reuse.	3.2.3.1	Encourage and implement improved waste minimisation practices.	Shire continuing plans to establish a waste strategy which will address recycling and waste minimisation in all towns.	●
		3.2.3.2	Development of Pilbara Regional Waste Management Facility.	Construction works commenced during the 2019/20 financial year with opening early 2021.	●

Objective 3.3: Celebration of history and heritage

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

STRATEGY	ACTIONS	PROJECTS	2019/20 PROGRESS	
3.3.1	Develop strategies to recognise and celebrate the Aboriginal and Non-Aboriginal history and heritage of the Shire, including providing cultural awareness training opportunities.	3.3.1.1	Recognise and celebrate the Shire's Aboriginal and Non-Aboriginal history and heritage. Continue to support NAIDOC week and other celebrations of aboriginal history and culture NAIDOC 2019 was the result of high levels of collaboration across many organisations. According to community and local elders it was very well celebrated and supported. Ashburton continued participation in the Reconciliation Action Committee learning and sharing with other LGAs and Communities.	●
		3.3.1.2	Support and encourage cultural awareness opportunities. Continue to support NAIDOC week and other celebrations of aboriginal history and culture. Reconciliation Action Plan to be developed	●


GOAL 4

QUALITY SERVICES AND INFRASTRUCTURE

Objective 4.1: Quality public infrastructure







Outcome: Adequate, accessible and sustainable public infrastructure

STRATEGY		ACTIONS		PROJECTS	2019/20 PROGRESS
4.1.1	Advocate to, and partner with, government to facilitate the development of the Tom Price – Karratha Road to link Tom Price and Paraburdoo to the Pilbara Cities.	4.1.1.1	Advocate to, and partner with stakeholders to facilitate the development of the Tom Price – Karratha Road to link Tom Price and Paraburdoo to the Pilbara Cities.	Shire continues to advocate for the facilitation of the development of the Tom Price – Karratha Road. Stage 3 of Tom Price-Karratha Rd majority completed, planned open September 2020 and renaming to Manuwarra Red Dog Hwy.	
4.1.2	Provide and maintain affordable infrastructure that serves the current and future needs of the community, environment, industry and business.	4.1.2.1	Provide and maintain infrastructure in accordance with asset management plans.	\$268,000 spent on drainage upgrades and \$346,000 spent on drainage maintenance in Tom Price, Paraburdoo and Onslow.	
		4.1.2.2	Plan and develop Onslow Marina.	Building Better Regions application unsuccessful, The Shire has funded \$6m for and Chevron \$1.5m for Stage 1 construction works due to commence May 2021.	
4.1.3	Actively engage with State Government, Aboriginal Corporations and communities to support strategies to effectively manage the planned transition of municipal services in Aboriginal communities (upon the completion of the Aboriginal Communities Review by the WA State Government).	4.1.3.1	Advocate for the provision of appropriate services to all of the community.	In collaboration with the President, the CEO and Directors to advocate for support strategies to effectively manage the planned transition of municipal services in Aboriginal communities.	

4.1.4	Actively advocate for the effective supply of utilities and services that meet commercial, industrial and retail needs.	4.1.4.1	As per Action 4.1.2.1	Continue to advocate for supply of utilities and services that meet commercial, industrial and retail needs.	
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Objective 4.2: Accessible and safe towns

Outcome: Transportation into and throughout towns are improved

STRATEGY	ACTIONS	PROJECTS	2019/20 PROGRESS		
4.2.1	Advocate to, and partner with, key government and industry to develop an air strip at Tom Price and improve public transport and roads between the Shire's towns.	4.2.1.1	Advocate and partner with key stakeholders to develop an air strip at Tom Price.	Shire continuing to advocate to relevant stakeholders.	
		4.2.1.2	Advocate to improve public transport and roads between the Shire's towns.	In collaboration with the Shire President, the CEO and Directors continued to advocate for improved public transport and roads between the Shire's towns.	
		4.2.1.3	Maintain and improve road infrastructure in accordance with asset management plans.	Over \$5,500,000 spent on road renewal and upgrade projects throughout the Shire.	
		4.2.1.4	Maintain and improve air transport infrastructure in accordance with asset management plans.	Shade structures over airport lighting distribution board / system. Runway pavement assessment undertaken.	
4.2.2	Continue to improve and maintain condition of footpaths, cycleway, kerbs and signage to provide enhanced amenities and connections with towns.	4.2.2.1	Maintain and improve footpaths, cycleway, kerbs and signage in line with asset management planning.	\$564,000 spent on footpath and kerb renewals throughout the 2019/20 financial year.	
4.2.3	Maintain and improved existing public lighting and increase coverage of lighting where appropriate.	4.2.3.1	Advocate for improved public lighting where appropriate.	Onslow Street lighting project. Multiple lighting upgrades completed.	

GOAL 4

QUALITY SERVICES AND INFRASTRUCTURE

Objective 4.2: Accessible and safe towns


Outcome: Transportation into and throughout towns are improved

STRATEGY	ACTIONS	PROJECTS	2019/20 PROGRESS	
4.2.4	Shire to continue to work with police, stakeholders and the community to promote positive crime prevention and safety initiatives.	4.2.4.1 Continue to work with police, stakeholders and the community to promote positive crime prevention and safety initiatives.	Councillors and the CEO continued to advocate for positive crime prevention and safety initiatives.	
4.2.5	Effectively communicate and manage natural hazards, risks and other community emergencies through the development of an emergency management strategy that includes educating stakeholders and community on how to prevent and address emergencies.	4.2.5.1 Continue to effectively communicate emergency management plans and educate stakeholders and community on how to prevent and address emergencies.	In collaboration with Local Emergency Management Committees, Shire staff and Department of Fire and Emergency Services (DFES) to improve and implement emergency management strategies that includes educating stakeholders and community.	
		4.2.5.2 Development of Emergency Services Precinct in Tom Price.	Conditional subdivision approval obtained, however progressing into the 2019/20 financial year.	
		4.2.5.3 Develop RFDS Airstrip infrastructure.	Shire resolution to advocate only.	

Objective 4.3: Well-planned towns

Outcome: Distinctive and well-functioning towns







STRATEGY	ACTIONS	PROJECTS	2019/20 PROGRESS	
4.3.1	Continue to monitor industry and economic trends and ensure town planning schemes respond appropriately to future housing, accommodation and commercial needs.	4.3.1.1 Continue to monitor industry and economic trends and ensure town planning schemes respond appropriately to future housing, accommodation and commercial needs.	Approval granted by DPLH for the Local Planning Strategy following approved modifications.	

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

GOAL 5 INSPIRING GOVERNANCE





Objective 5.1: Effective Planning for the Future

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

STRATEGY		ACTIONS		PROJECTS	2019/20 PROGRESS
5.1.1	Ensure the Strategic Community Plan and Corporate Business Plan are used effectively to guide all planning and decision making in the delivery of quality services and facilities.	5.1.1.1	As per Action 1.1.2.1	Strategic Community Plan and Corporate Business Plans considered and used to drive the final adopted annual budget.	
		5.1.1.2	Review, update and implement asset management plans.	Asset management planning is under review with our new Asset Management Strategy proposed for early 2021 year.	
5.1.2	Regular communication and engagement with stakeholders and community to generate a sound understanding, support and buy-in to the Shire's plans and strategies.	5.1.2.1	As per Action 1.1.1.1	Community Scorecard Survey completed late 2019 and results informed to Council March 2020.	
5.1.3	Monitor trends, anticipate needs and capitalise on opportunities to build strong communities.	5.1.3.1	As per Action 1.2.4.1	Marketing Audit identified improvements and other mediums to review. Will be taken into account in recommendations of Marketing & Communications Strategy.	
5.1.4	Develop a Reconciliation Action Plan and seek greater Aboriginal engagement and representation in decision making.	5.1.4.1	Develop a Reconciliation Action Plan and seek greater Aboriginal engagement and representation in decision making.	Reconciliation Action Committee proposed for 2020/21.	
5.1.5	Regularly monitor, review and revise the Strategic Community Plan (SCP) and develop a four year Corporate Business Plan (CBP) that reflects the evolving community needs and aspirations.	5.1.5.1	As per Action 1.1.2.1	Completed.	

Objective 5.2: Community ownership

Outcome: An engaged and well-informed constituency

STRATEGY		ACTIONS		PROJECTS	2019/20 PROGRESS
5.2.1	Ensure equitable and broad representation on committees and in community engagement activities to ensure there is well informed decision making.	5.2.1.1	As per Action 1.1.1.1	Marketing and Communications Audit completed June 2020. Results to feed into a Marketing & Communications Strategy.	
5.2.2	Ensure broad participation and diverse representation in research, planning and decision making.	5.2.2.1	As per Action 1.1.1.1	Marketing and Communications Audit completed June 2020. Results to feed into a Marketing & Communications Strategy.	
5.2.3	Develop a communications and engagement strategy that ensures the provision of quality information on Shire activities and uses modern methods to foster high levels of community awareness and involvement.	5.2.3.1	As per Action 1.1.1.1	Marketing and Communications Audit completed June 2020. Results to feed into a Marketing & Communications Strategy.	
5.2.4	Be a strong voice and advocate for the local community in regional, state and federal settings.	5.2.4.1	As per Action 1.3.1.1	<ul style="list-style-type: none"> • Suite of marketing Ashburton collateral – invest in one of the fastest growing economies in WA – tourism, industry, infrastructure. • Beadon Creek Marina brochure. • TPCC advocacy brochure. 	

GOAL 5 INSPIRING GOVERNANCE

Objective 5.3: Council leadership

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

STRATEGY		ACTIONS		PROJECTS	2019/20 PROGRESS
5.3.1	Support and strengthen the effectiveness of Councillors, and educate the community on their roles, responsibilities and achievements.	5.3.1.1	As per Action 1.3.1.1	Elected Members attended training through WALGA to support and strengthen their effectiveness. Compulsory training was undertaken online due to COVID-19 restrictions.	
		5.3.1.2	Support and strengthen the effectiveness of Councillors.	The CEO and Directors continue to keep Elected Members informed to strengthen the effectiveness of Council through workshops and provision of industry information.	
		5.3.1.2	Seek to educate the community on the roles, responsibilities and achievements of Council.	Communication re local elections 2019, role of Council and what's involved. Good news stories of Council continue to form regular online content and printed material.	
		5.3.1.3	Continue to provide quality regulatory services.	We continue to provide and improve Shire regulatory services and establish service standards with Rangers located in Tom Price, Paraburdoo and Onslow.	
5.3.2	Improve civic engagement and leadership to increase the involvement of under-represented groups including youth, the Aboriginal community and seniors.	5.3.2.1	As per Action 1.1.1.1	Youth Strategy to be developed in line with ADM08 Community Engagement Policy. A Youth CHUB activation program is planned for 2020/21.	

Objective 5.4: Exemplary team and work environment

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

STRATEGY	ACTIONS	PROJECTS	2019/20 PROGRESS	
5.4.1	Develop an inspired and engaged workforce through the provision of a targeted workforce development plan that includes strategies to attract and retain skilled and capable staff.	5.4.1.1 Undertake staff engagement survey to identify strategies to attract and retain staff.	Perception Survey update and action items were rolled out Shire wide June 2019. Subsequent perception survey was conducted in 2020, but no actions were implemented due to lack of HR capacity and ELT decision based on employee change fatigue at the time.	●
		5.4.1.2 Review and maintain Workforce Plan and associated plans.	Draft workforce plan was done by HR. Subsequent decision was made to temporarily move the workforce plan to Corporate Services which has since been outsourced.	●
		5.4.1.3 Implement strategies with Workforce Plan.	Implementation strategies as an outcome of the Workforce Plan review Plan in draft format, yet to be reviewed.	●
5.4.2	Promote an innovative and engaging corporate culture underpinned by the organisation's vision and mission.	5.4.2.1 Promote an innovative and engaging corporate culture underpinned by the organisation's vision.	The CEO and Directors to continue to liaise with staff and lead by example in the role of the Shire and the need to provide outstanding customer service This is an ongoing initiative and therefore a work in progress.	●



Statutory Reports

Freedom of Information

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

The Shire received 5 valid freedom of information applications in 2019-2020. All were finalised internally. 0 were transferred to another agency.

Financial Year	2019/20
FOI Requests Received	5
Finalised Internally	5
3rd Party Consultations	1

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

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

Record-keeping Plan

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

Training and Awareness

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

Information Management Systems

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

Annual Salaries

The *Local Government Act 1995* requires Council to provide the number of employees who are entitled to an annual salary of \$100,000 or more and to break those employees into salary bands of \$10,000.

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

Of these employees;

Annual Salary	# of Employees
100-110,000	15
110-120,000	20
120-130,000	4
130-140,000	12
140-150,000	2
150-160,000	0
160-170,000	0
170-180,000	0
180-190,000	2
190-200,000	4
310-320,000	1

Register of Complaints

No complaints were received by the Shire during the reporting period.



Citizenship Ceremonies

1 July – 31 December 2019

8 Ceremonies

12 Conferees became Australian Citizens in 2019:

- Brittany Hamilton, United Kingdom
- Emily Rutherford, Canada
- Ksenia and Emilia Reed, Ukraine
- Maureen Hastings, New Zealand
- William Turner, New Zealand
- Clodagh Scanlon, Ireland
- Michelle Sibta, Pakistan
- Maria Dela Cruz, Philippines
- Jerry Dela Cruz, Philippines
- Carl Dela Cruz, Philippines
- Craig Dela Cruz, Philippines

1 January - 30 June 2020

7 Ceremonies

11 Conferees became Australian Citizens in 2020:

- Chuntana Soonjan, Thailand
- Clinton Cullimore, New Zealand
- David Russell, United Kingdom
- Martin Ferreira, South Africa
- Anje Ferreira, South Africa
- Tyler Ferreira, South Africa
- Navaaz Cooper, India
- Rachel Easton, Scotland
- Ruben Maglante, Philippines
- Marivic Maglante, Philippines
- Mark Amoroto, Philippines



Financial Report

FOR THE YEAR ENDED 30 JUNE 2020

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Community Vision

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

Statement by Chief Executive Officer

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

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

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

Signed on the 16th day of February 2021



Chief Executive Officer

Mr. Kenn Donohoe

Name of Chief Executive Officer

Statement by Comprehensive Income by nature or type

FOR THE YEAR ENDED 30 JUNE 2020

	NOTE	2020 Actual \$	2020 Budget \$	2019 Actual \$
Revenue				
Rates	23(a)	37,053,984	37,931,090	32,374,843
Operating grants, subsidies and contributions	2(a)	8,119,726	3,937,157	8,467,984
Fees and charges	2(a)	6,289,186	6,128,206	7,366,563
Service charges	23(b)	180,111	180,300	173,268
Interest earnings	2(a)	1,332,721	1,223,132	1,534,904
Other revenue	2(a)	1,182,545	975,681	579,037
		54,158,273	50,375,566	50,496,599
Expenses				
Employee costs		(18,949,088)	(20,386,764)	(16,603,201)
Materials and contracts		(12,846,528)	(20,038,325)	(20,116,767)
Utility charges		(1,606,495)	(1,342,566)	(1,192,230)
Depreciation on non-current assets	10(b)	(11,760,791)	(11,603,060)	(11,903,173)
Interest expenses	2(b)	(135,011)	(140,534)	(200,648)
Insurance expenses		(1,077,178)	(1,297,955)	(1,151,290)
Other expenditure		(1,031,759)	(2,146,591)	(711,049)
		(47,406,850)	(56,955,795)	(51,878,358)
		6,751,423	(6,580,229)	(1,381,759)
Non-operating grants, subsidies and contributions	2(a)	4,564,552	30,966,305	11,166,128
Profit on asset disposals	10(a)	58,823	9,889	35,262
(Loss) on asset disposals	10(a)	(504,371)	(83,471)	(372,104)
		4,119,004	30,892,723	10,829,286
Net result for the period		10,870,427	24,312,494	9,447,527
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	11	(10,438,982)	0	628,865
Total other comprehensive income for the period		(10,438,982)	0	628,865
Total comprehensive income for the period		431,445	24,312,494	10,076,392

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



Statement by Comprehensive Income by program

FOR THE YEAR ENDED 30 JUNE 2020

	NOTE	2020 Actual \$	2020 Budget \$	2019 Actual \$
Revenue				
	2(a)			
Governance		1,061,666	606,098	170,384
General purpose funding		42,516,009	41,226,819	37,408,763
Law, order, public safety		96,171	76,103	123,468
Health		300,330	73,791	235,507
Education and welfare		243,960	45,300	54,218
Housing		477,438	294,973	432,324
Community amenities		2,705,963	2,387,589	2,142,423
Recreation and culture		1,300,384	1,427,094	4,664,914
Transport		3,013,689	2,670,657	3,668,580
Economic services		2,274,277	1,292,888	1,433,978
Other property and services		168,386	274,254	162,040
		54,158,273	50,375,566	50,496,599
Expenses				
	2(b)			
Governance		(5,876,571)	(8,901,969)	(6,993,977)
General purpose funding		(22,945)	(83,136)	(12,287)
Law, order, public safety		(1,286,502)	(1,374,419)	(1,047,311)
Health		(810,610)	(779,209)	(661,520)
Education and welfare		(231,809)	(318,868)	(282,934)
Housing		(1,388,986)	(1,324,223)	(1,191,756)
Community amenities		(7,285,847)	(9,077,691)	(6,714,854)
Recreation and culture		(11,017,421)	(12,683,686)	(9,167,531)
Transport		(13,958,420)	(15,408,636)	(20,953,723)
Economic services		(2,880,870)	(3,518,082)	(2,385,382)
Other property and services		(2,511,858)	(3,345,342)	(2,266,435)
		(47,271,839)	(56,815,261)	(51,677,710)
Finance Costs				
	2(b)			
Governance		(22,357)	(22,415)	(28,702)
Housing		(44,557)	(47,993)	(74,191)
Community amenities		(58,462)	(60,309)	(83,222)
Recreation and culture		(408)	(610)	(3,114)
Transport		(9,227)	(9,207)	(11,419)
		(135,011)	(140,534)	(200,648)
		6,751,423	(6,580,229)	(1,381,759)
Non-operating grants, subsidies and contributions	2(a)	4,564,552	30,966,305	11,166,128
Profit on disposal of assets	10(a)	58,823	9,889	35,262
(Loss) on disposal of assets	10(a)	(504,371)	(83,471)	(372,104)
		4,119,004	30,892,723	10,829,286
Net result for the period		10,870,427	24,312,494	9,447,527
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	11	(10,438,982)	0	628,865
Total other comprehensive income for the period		(10,438,982)	0	628,865
Total comprehensive income for the period		431,445	24,312,494	10,076,392



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

Statement of Financial Position

AS AT 30 JUNE 2020

	NOTE	2020	2019
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	3	69,882,380	60,252,679
Trade and other receivables	5	3,603,509	4,272,597
Inventories	6	145,831	702,729
Other assets	7	1,366,477	509,793
TOTAL CURRENT ASSETS		74,998,197	65,737,798
NON-CURRENT ASSETS			
Inventories	6	1,149,169	400,892
Property, plant and equipment	8	118,971,059	113,550,978
Infrastructure	9	395,445,907	406,571,728
TOTAL NON-CURRENT ASSETS		515,566,135	520,523,598
TOTAL ASSETS		590,564,332	586,261,396
CURRENT LIABILITIES			
Trade and other payables	12	10,720,658	8,583,757
Contract liabilities	13	4,083,109	0
Borrowings	14(a)	779,810	766,294
Employee related provisions	15	1,703,074	1,536,357
TOTAL CURRENT LIABILITIES		17,286,651	10,886,408
NON-CURRENT LIABILITIES			
Borrowings	14(a)	2,267,294	3,047,102
Employee related provisions	15	306,716	336,761
TOTAL NON-CURRENT LIABILITIES		2,574,010	3,383,863
TOTAL LIABILITIES		19,860,661	14,270,271
NET ASSETS		570,703,671	571,991,125
EQUITY			
Retained surplus		224,053,769	221,718,386
Reserves - cash backed	4	55,970,608	48,394,463
Revaluation surplus	11	290,679,294	301,878,276
TOTAL EQUITY		570,703,671	571,991,125

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



Statement of Changes in Equity

AS AT 30 JUNE 2020

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2018		219,287,941	41,377,381	301,249,411	561,914,733
Comprehensive income					
Net result for the period		9,447,527	0	0	9,447,527
Other comprehensive income	11	0	0	628,865	628,865
Total comprehensive income		9,447,527	0	628,865	10,076,392
Transfers from reserves	4	15,062,387	(15,062,387)	0	0
Transfers to reserves	4	(22,079,469)	22,079,469	0	0
Balance as at 30 June 2019		221,718,386	48,394,463	301,878,276	571,991,125
Change in accounting policy	27(e)	(958,899)	0	(760,000)	(1,718,899)
Restated total equity at 1 July 2019		220,759,487	48,394,463	301,118,276	570,272,226
Comprehensive income					
Net result for the period		10,870,427	0	0	10,870,427
Other comprehensive income	11	0	0	(10,438,982)	(10,438,982)
Total comprehensive income		10,870,427	0	(10,438,982)	431,445
Transfers from reserves	4	6,482,008	(6,482,008)	0	0
Transfers to reserves	4	(14,058,153)	14,058,153	0	0
Balance as at 30 June 2020		224,053,769	55,970,608	290,679,294	570,703,671

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



Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2020

NOTE	2020 Actual \$	2020 Budget \$	2019 Actual \$	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates	36,523,739	37,931,090	35,117,466	
Operating grants, subsidies and contributions	7,098,955	3,892,157	11,031,561	
Fees and charges	6,289,186	6,128,206	7,366,563	
Service charges	180,111	180,300	173,268	
Interest received	1,332,721	1,223,132	1,534,904	
Goods and services tax received	4,150,769	2,182,586	4,540,623	
Other revenue	1,182,545	975,681	579,037	
	56,758,026	52,513,152	60,343,422	
Payments				
Employee costs	(18,351,504)	(20,386,764)	(16,351,355)	
Materials and contracts	(9,873,404)	(19,888,357)	(19,997,654)	
Utility charges	(1,606,495)	(1,342,566)	(1,192,230)	
Interest expenses	(135,011)	(140,534)	(180,282)	
Insurance paid	(1,077,178)	(1,297,955)	(1,151,290)	
Goods and services tax paid	(4,275,862)	(730,654)	(4,542,925)	
Other expenditure	(1,031,759)	(2,146,591)	(711,049)	
	(36,351,213)	(45,933,421)	(44,126,785)	
Net cash provided by (used in) operating activities	16	20,406,813	6,579,731	16,216,637
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for development if land held for resale	0	(369,343)	0	
Payments for purchase of property, plant & equipment	8(a)	(5,288,301)	(18,008,398)	(11,635,267)
Payments for construction of infrastructure	9(a)	(12,827,830)	(46,159,659)	(6,146,840)
Non-operating grants, subsidies and contributions		7,688,762	30,966,305	11,166,128
Proceeds from sale of property, plant & equipment	10(a)	416,551	315,000	356,520
Net cash provided by (used in) investment activities		(10,010,818)	(33,256,095)	(6,259,459)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	14(b)	(766,294)	(766,294)	(752,680)
Proceeds from new borrowings	14(b)	0	1,726,000	0
Net cash provided by (used in) financing activities		(766,294)	959,706	(752,680)
Net increase (decrease) in cash held		9,629,701	(25,716,658)	9,204,498
Cash at beginning of year		60,252,679	60,572,612	50,920,344
Transfer from Trust		0	0	127,837
Cash and cash equivalents at the end of the year	16	69,882,380	34,855,954	60,252,679

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



Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2020

	NOTE	2020 Actual \$	2020 Budget \$	2019 Actual \$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)				
	24 (b)	8,759,579	9,684,911	12,102,225
		8,759,579	9,684,911	12,102,225
Revenue from operating activities (excluding rates)				
Governance		1,061,666	606,098	170,384
General purpose funding		5,476,145	3,295,729	5,043,806
Law, order, public safety		96,171	76,103	123,468
Health		300,330	73,791	235,507
Education and welfare		243,960	45,300	54,218
Housing		477,438	294,973	432,324
Community amenities		2,705,963	2,387,589	2,142,423
Recreation and culture		1,300,384	1,427,094	4,664,914
Transport		3,072,512	2,680,546	3,703,842
Economic services		2,274,277	1,292,888	1,433,978
Other property and services		168,386	274,254	162,040
		17,177,232	12,454,365	18,166,904
Expenditure from operating activities				
Governance		(5,898,928)	(8,924,384)	(7,022,679)
General purpose funding		(22,945)	(83,136)	(12,287)
Law, order, public safety		(1,286,502)	(1,374,419)	(1,047,311)
Health		(810,610)	(779,209)	(661,520)
Education and welfare		(231,809)	(318,868)	(282,934)
Housing		(1,691,546)	(1,372,216)	(1,265,947)
Community amenities		(7,376,746)	(9,138,000)	(6,798,076)
Recreation and culture		(11,094,179)	(12,684,296)	(9,516,333)
Transport		(14,105,228)	(15,501,314)	(20,991,558)
Economic services		(2,880,870)	(3,518,082)	(2,385,382)
Other property and services		(2,511,858)	(3,345,342)	(2,266,435)
		(47,911,221)	(57,039,266)	(52,250,462)
Non-cash amounts excluded from operating activities	24(a)	11,428,017	11,691,384	12,405,176
Amount attributable to operating activities		(10,546,393)	(23,208,606)	(9,576,157)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions		7,688,762	30,966,305	11,166,128
Proceeds from disposal of assets	10(a)	416,551	315,000	356,520
Purchase land held for resale		0	(369,343)	0
Purchase of property, plant and equipment	8(a)	(5,288,301)	(18,008,398)	(11,635,267)
Purchase and construction of infrastructure	9(a)	(12,827,830)	(46,159,659)	(6,146,840)
Amount attributable to investing activities		(10,010,818)	(33,256,095)	(6,259,459)
FINANCING ACTIVITIES				
Repayment of borrowings	14(b)	(766,294)	(766,294)	(752,680)
Proceeds from borrowings	14(c)	0	1,726,000	0
Transfers to reserves (restricted assets)	4	(14,058,153)	(844,314)	(22,079,469)
Transfers from reserves (restricted assets)	4	6,482,008	19,918,219	15,062,387
Amount attributable to financing activities		(8,342,439)	20,033,611	(7,769,762)
Surplus/(deficit) before imposition of general rates		(28,899,650)	(36,431,090)	(23,605,378)
Total amount raised from general rates	23(a)	37,039,864	37,931,090	32,364,957
Surplus/(deficit) after imposition of general rates	24(b)	8,140,214	1,500,000	8,759,579

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

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Notes to and Forming Part of the Financial Report

FOR THE YEAR ENDED 30 JUNE 2020

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 (Financial Management) Regulations 1996* take precedence over Australian Accounting Standards. Regulation 16 prohibits a local government from recognising as assets Crown land that is a public thoroughfare, such as land under roads, and land not owned by but under the control or management of the local government, unless it is a golf course, showground, racecourse or recreational facility of State or regional significance. Consequently, some assets, including land under roads acquired on or after 1 July 2008, have not been recognised in this financial report. This is not in accordance with the requirements of *AASB 1051 Land Under Roads paragraph 15* and *AASB 116 Property, Plant and Equipment paragraph 7*.

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

NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE YEARS

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

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

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

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

CRITICAL ACCOUNTING ESTIMATES

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

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

THE LOCAL GOVERNMENT REPORTING ENTITY

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

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 28 to these financial statements.

Notes to and Forming Part of the Financial Report

FOR THE YEAR ENDED 30 JUNE 2020

2. REVENUE AND EXPENSES

REVENUE RECOGNITION POLICY

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Timing of revenue recognition
Rates - general rates	General rates	over time	Payment dates adopted by council during the year	None	Adopted by council annually	when taxable event occurs	Not applicable	When rates notice is issued
Service Charges	Underground Power	over time	Payment dates adopted by council during the year	None	Adopted by council annually	when taxable event occurs	Not applicable	When rates notice is issued
Grants subsidies or contributions for other purposes & construction of non-financial assets	construction or acquisition of recognisable non-financial assets & provision of services to the community	over time	Fixed terms transfer of funds based on agreed milestones and reporting	None	Set by mutual agreement with the funding body	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms	Output method based on project milestones and/or completion date matched to performance obligations
Grants subsidies or contributions with no contractual commitments	General appropriations and contributions with no reciprocal commitment	No obligations	Not applicable	Not applicable	Cash received	On receipt of funds	Not applicable	When assets are controlled
Fees and Charges - licences, registrations, approvals	Building, planning, development and animal management, having the same nature as a licence.	Single point in time	Full payment prior to issue	None	Set by State legislation or limited by legislation to the cost of provision	Based on timing of the associated rights	No refunds	On payment of the licence, registration or approval
Fees and charges - pool inspections	Building, Planning	Single point in time	Full payment prior to inspection	None	Set by State legislation	Apportioned equally across the inspection cycle	No refunds	After inspection complete based on a 4 year cycle
Fees and charges - other inspections	Regulatory food, health and safety	Single point in time	Fully payment prior to inspection	None	Set by State legislation or limited by legislation to the cost of provision	Applied fully on timing of inspection	Not applicable	Revenue recognised after inspection event occurs
Fees and charges - Waste management entry fees	Kerbside collection service	Over time	Payment on an annual basis in advance	None	Adopted by council annually	Apportioned equally across the collection period	Not applicable	Output method based on regular weekly and fortnightly period as proportionate to collection service
Fees and charges - waste management entry fees	Waste treatment recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided monthly in arrears	None	Adopted by council annually	Not applicable	Not applicable	On entry to facility
Fees and charges airport landing charges	Permission to use facilities and runway	Single point in time	Monthly in arrears	None	Adopted by council annually	Applied fully on timing of landing/take-off	Not applicable	On landing/departure event
Fees and charges property hire and entry	Use of halls and facilities	Single point in time	In full in advance	Refund if event cancelled within specified number of days	Adopted by council annually	Based on timing of entry to facility	Returns limited to repayment of transaction	On entry or at conclusion of hire
Fees and charges - memberships	Gym and pool membership	Overtime	Payment in full in advance	Refund for unused portion on application	Adopted by Council annually	Apportioned equally across the access period	Returns limited to repayment of transaction	Output method over 12 months matched to access right
Fees and charges for other goods and services	Cemetery services, library fees, reinstatements and private works	Single point in time	Payment in full in advance	None	Adopted by council annually	Applied fully based on timing of provision	Not applicable	Output method based on provision of service or completion of works
Fees and charges - sale of stock	Kiosk and visitor centre stock	Single point in time	In full in advance on 15 day credit	Refund for faulty goods	Adopted by council annually, set by mutual agreement	Applied fully based on timing of provision	Returns limited to repayment of transaction	When fine notice is issued
Fees and charges - finds	Fine issued for breaches of local laws	Single point in time	Payment in full within defined time	None	Adopted by council annually, set by mutual agreement	When taxable event occurs	Not applicable	
Other revenue commissions	Commissions ticket sales & visitors centre sales	Overtime	Payment in full on sale	None	Set by mutual agreement with the customer	On receipt of funds	Not applicable	When assets are controlled

Notes to and Forming Part of the Financial Report

FOR THE YEAR ENDED 30 JUNE 2020

2. REVENUE AND EXPENSES

(a) Grant revenue

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

	2020 Actual \$	2020 Budget \$	2019 Actual \$
Operating grants, subsidies and contributions			
Governance	502,388	430,000	12,726
General purpose funding	4,126,224	1,986,313	3,490,264
Law, order, public safety	3	0	62,424
Health	150,883	500	147,693
Housing	315	320,000	3,508
Community amenities	290,000	920,122	239,200
Recreation and culture	873,489	280,222	4,211,519
Transport	1,176,337	0	272,102
Economic services	1,000,087	0	18,517
Other property and services	0	0	10,031
	8,119,726	3,937,157	8,467,984
Non-operating grants, subsidies and contributions			
Education and welfare	0	5,500,000	0
Community amenities	0	11,564,201	0
Recreation and culture	1,573,221	3,977,456	0
Transport	2,188,284	8,746,987	11,166,128
Economic services	803,047	1,177,661	0
	4,564,552	30,966,305	11,166,128
Total grants, subsidies and contributions	12,684,278	34,903,462	19,634,112
Fees and charges			
Governance	4,701	6,865	5,882
General purpose funding	11,815	13,798	12,082
Law, order, public safety	61,485	71,483	59,918
Health	149,446	73,291	87,814
Education and welfare	67,900	43,800	52,312
Housing	297,498	120,663	259,731
Community amenities	2,415,964	2,067,509	1,903,854
Recreation and culture	408,094	448,360	434,514
Transport	1,823,906	2,353,081	3,381,281
Economic services	1,048,377	918,432	1,169,175
Other property and services	0	10,924	0
	6,289,186	6,128,206	7,366,563

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.

Notes to and Forming Part of the Financial Report

FOR THE YEAR ENDED 30 JUNE 2020

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:

Non-operating grants, subsidies and contributions

	2020 Actual	2020 Budget
	\$	\$
Non-operating grants, subsidies and contributions	4,564,552	30,966,305
	<u>4,564,552</u>	<u>30,966,305</u>
Revenue from contracts with customers and transfers to enable the acquisition or construction of recognisable non-financial assets to be controlled by the Shire is comprised of:		
Other revenue from performance obligations satisfied during the year	4,144,974	30,966,305
	<u>4,564,552</u>	<u>30,966,305</u>
Information about receivables, contract assets and contract liabilities from contracts with customers along with financial assets and associated liabilities arising from transfers to enable the acquisition or construction of recognisable non financial assets is:		
Trade and other receivables from contracts with customers	2,207,080	
Financial assets held from transfers for recognisable financial assets	3,735,350	
Contract liabilities from transfers for recognisable non financial assets	(3,735,350)	

Contract assets primarily relate to the Shire's right to consideration for work completed but not billed at 30 June 2020.

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

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

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

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

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

Notes to and Forming Part of the Financial Report

FOR THE YEAR ENDED 30 JUNE 2020

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Revenue from statutory requirements

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

General rates
Service charges

	2020 Actual	2020 Budget	2019 Actual
	\$	\$	\$
General rates	37,039,864	37,931,090	32,364,957
Service charges	180,111	180,300	173,268
	<u>37,219,975</u>	<u>38,111,390</u>	<u>32,538,225</u>
Other revenue			
Reimbursements and recoveries	837,930	634,397	300,938
Sale of inventory	344,615	339,203	278,099
	<u>1,182,545</u>	<u>973,600</u>	<u>579,037</u>
Interest earnings			
Interest on reserve funds	761,302	844,313	986,141
Rates instalment and penalty interest (refer Note 23(d))	178,528	118,719	119,855
Other interest earnings	392,891	260,100	428,908
	<u>1,332,721</u>	<u>1,223,132</u>	<u>1,534,904</u>

SIGNIFICANT ACCOUNTING POLICIES

Interest earnings

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

Interest earnings (continued)

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

(b) Expenses

Interest expenses (finance costs)

Borrowings

Note	2020 Actual	2020 Budget	2019 Actual
	\$	\$	\$
14(b)	135,011	140,534	200,648
	<u>135,011</u>	<u>140,534</u>	<u>200,648</u>

Notes to and Forming Part of the Financial Report

FOR THE YEAR ENDED 30 JUNE 2020

3. CASH AND CASH EQUIVALENTS

	NOTE	2020 \$	2019 \$
Cash at bank and on hand		13,911,772	11,858,216
Term deposits		55,970,608	48,394,463
Total cash and cash equivalents		69,882,380	60,252,679
Restrictions			
requirements which limit or direct the purpose for which the resources may be used:			
- Cash and cash equivalents		56,318,367	48,522,300
		56,318,367	48,522,300

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

Reserves - cash backed	4	55,970,608	48,394,463
Contract liabilities from transfers for recognisable non financial assets	13	3,735,350	0
Less: Unspent grants, subsidies and contributions offset by Reserves		(3,735,350)	0
Deposits and Bonds (reclassified from Trust)		0	127,837
Total restricted assets		56,318,367	48,522,300

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 that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are reported as short term borrowings in current liabilities in the statement of financial position.

Restricted assets

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

Notes to and Forming Part of the Financial Report

FOR THE YEAR ENDED 30 JUNE 2020

4. RESERVES - CASH BACKED

	2020 Actual Opening Balance	2020 Actual Transfer to	2020 Actual Transfer (from)	2020 Budget Opening Balance	2020 Budget Transfer to	2020 Budget Transfer (from)	2020 Budget Closing Balance	2019 Actual Opening Balance	2019 Actual Transfer to	2019 Actual Transfer (from)	2019 Actual Closing Balance
(a) Employee Benefits Reserve	1,087,432	18,066	0	1,091,091	14,742	0	1,105,833	574,373	513,059	0	1,087,432
(b) Financial Risk Reserve	7,913,309	350,473	(1,675,222)	7,977,185	141,509	(6,741,016)	1,377,678	6,500,000	6,110,038	(4,696,729)	7,913,309
(c) Future Projects Reserve	2,726,543	287,497	0	2,743,065	46,975	(2,013,126)	776,914	1,664,755	1,061,788	0	2,726,543
(d) Housing Reserve	1,406,104	1,258,182	(770,250)	1,418,600	25,249	(1,087,000)	356,849	1,263,232	1,030,372	(887,500)	1,406,104
(e) Infrastructure Reserve	3,439,382	2,581,555	(2,469,321)	3,462,700	65,393	(2,800,130)	727,963	2,349,929	1,089,453	0	3,439,382
(f) Joint Venture Housing Reserve	101,693	1,689	0	102,676	3,640	(100,000)	6,316	100,001	1,692	0	101,693
(g) Onslow Aerodrome Reserve	14,636,336	294,003	(280,172)	14,706,010	220,141	(4,414,969)	10,511,182	13,282,756	3,377,764	(2,023,884)	14,636,336
(h) Onslow Community Infrastructure Reserve	194,584	3,233	0	192,277	3,485	0	195,762	189,548	5,036	0	194,584
(i) Plant Replacement Reserve	488,698	1,477,189	(512,000)	494,798	46,646	(512,000)	29,444	423,180	569,313	(503,795)	488,698
(j) Property Development Reserve	2,671,312	2,286,479	(12,051)	2,639,332	47,894	(169,343)	2,517,883	2,601,064	70,248	0	2,671,312
(k) RTTO Partnership Reserve	3,798,260	3,383,958	(305,962)	3,162,561	57,318	(1,243,451)	1,976,428	5,852,632	713,692	(2,768,064)	3,798,260
(l) Tom Price Administration Building Reserve	6,016,929	99,980	0	6,116,889	108,443	(100,000)	6,035,199	1,000,001	5,016,928	0	6,016,929
(m) Unspent Grants and Contribution Reserve	896,952	1,043,157	(418,650)	1,521,459	592,076	0	601,114	4,575,910	503,757	(4,182,715)	896,952
(n) Waste Services Reserve	3,016,929	50,001	(14,416)	3,025,756	53,841	(737,184)	2,343,413	1,000,000	2,016,929	0	3,016,929
(o) COVID-19 Relief & Stimulus	48,394,463	14,958,153	(6,482,008)	47,655,883	844,314	(19,918,219)	28,561,976	41,377,381	22,079,469	(15,062,387)	48,394,463

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

Notes to and Forming Part of the Financial Report

FOR THE YEAR ENDED 30 JUNE 2020

5. TRADE AND OTHER RECEIVABLES

Current

Rates receivable
Trade and other receivables
GST receivable
Provision for Doubtful Debts

2020	2019
\$	\$
1,372,651	3,187,603
2,207,080	1,192,938
415,877	290,784
(392,099)	(398,728)
3,603,509	4,272,597

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 25.

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.

Notes to and Forming Part of the Financial Report

FOR THE YEAR ENDED 30 JUNE 2020

6. INVENTORIES

Current

Fuel and materials
Tourist Bureau Stock
Land held for resale - cost
Development costs

Non-current

Land held for resale - cost
Cost of acquisition
Development costs

The following movements in inventories occurred during the year:

Carrying amount at beginning of period

Additions to inventory

Carrying amount at end of period

	2020	2019
	\$	\$
	7,619	33,487
	138,212	102,999
	0	566,243
	<u>145,831</u>	<u>702,729</u>
	400,892	400,892
	748,277	0
	<u>1,149,169</u>	<u>400,892</u>
	1,103,621	1,181,001
	191,379	(77,380)
	<u>1,295,000</u>	<u>1,103,621</u>

SIGNIFICANT ACCOUNTING POLICIES

General

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

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

Land held for resale

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

Land held for resale (Continued)

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

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

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

Notes to and Forming Part of the Financial Report

FOR THE YEAR ENDED 30 JUNE 2020

7. OTHER ASSETS

Other assets - current

Prepayments
Accrued income
Contract assets

2020	2019
\$	\$
19,498	0
300,862	509,793
1,046,117	0
1,366,477	509,793

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.

Non-current assets held for sale

Assets are classified as held for sale where the carrying amount will be recovered through a sale rather than continuing use and the asset is available for immediate sale with a sale being highly probable.

Non-current assets held for sale (Continued)

Non-current assets classified as held for sale are valued at the lower of the carrying amount and fair value less costs to sell.

The fair value of land and buildings was determined using the sales comparison approach using comparable properties in the area. This is a level 2 measurement as per the fair value hierarchy set out in Note 29(h).

Contract assets

Contract assets represents the shire's obligation to receive consideration for performance obligation met as per contract.

Notes to and Forming Part of the Financial Report

FOR THE YEAR ENDED 30 JUNE 2020

8. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Carrying Amounts

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

	Land - freehold land	Land - vested in and under the control of Council	Total land	Buildings - non-specialised	Buildings - specialised	Total buildings	Total land and buildings	Furniture and equipment	Plant and equipment	Work in Progress	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2018	16,537,000	760,000	17,297,000	14,862,075	57,294,759	72,156,834	89,453,834	910,148	7,505,624	0	97,869,606
Additions	105,000	0	105,000	821,004	8,622,716	9,443,720	9,548,720	75,337	1,718,934	292,276	11,635,267
(Disposals)	0	0	0	0	(214,259)	(214,259)	(214,259)	0	(347,674)	0	(561,933)
Revaluation (loss) / reversals transferred to profit or loss	0	0	0	0	0	0	0	235,135	393,730	0	628,865
Depreciation (expense)	0	0	0	(211,341)	(1,424,426)	(1,635,767)	(1,635,767)	(230,640)	(1,182,814)	0	(3,049,221)
Transfers	140,000	0	140,000	(140,000)	7,028,396	6,888,396	7,028,396	0	0	0	7,028,396
Carrying amount at 30 June 2019	16,782,000	760,000	17,542,000	15,331,738	71,307,186	86,638,924	104,180,924	989,980	8,087,800	292,276	113,550,980
Comprises:											
Gross carrying amount at 30 June 2019	16,782,000	760,000	17,542,000	15,747,948	74,041,226	89,789,174	107,331,174	1,084,075	8,087,800	292,276	116,795,325
Accumulated depreciation at 30 June 2019	0	0	0	(416,210)	(2,734,040)	(3,150,250)	(3,150,250)	(94,095)	0	0	(3,244,345)
Carrying amount at 30 June 2019	16,782,000	760,000	17,542,000	15,331,738	71,307,186	86,638,924	104,180,924	989,980	8,087,800	292,276	113,550,980
Change in accounting policy	0	(760,000)	(760,000)	0	0	0	(760,000)	0	0	0	(760,000)
Carrying amount at 1 July 2019	16,782,000	0	16,782,000	15,331,738	71,307,186	86,638,924	103,420,924	989,980	8,087,800	292,276	112,790,980
Additions	315,000	0	315,000	855,790	2,206,078	3,061,868	3,376,868	47,498	919,479	944,456	5,288,301
(Disposals)	0	0	0	(258,003)	(108,787)	(366,790)	(366,790)	0	(495,309)	0	(862,099)
Revaluation increments / (decrements) transferred to revaluation surplus	(5,052,000)	0	(5,052,000)	(2,018,275)	2,774,293	756,018	(4,295,982)	0	0	0	(4,295,982)
Depreciation (expense)	0	0	0	(226,585)	(1,711,201)	(1,937,786)	(1,937,786)	(170,474)	(573,726)	0	(2,681,986)
Transfers	0	0	0	0	8,801,656	8,801,656	8,801,656	0	0	(69,811)	8,731,845
Carrying amount at 30 June 2020	12,045,000	0	12,045,000	13,684,665	83,269,225	96,953,890	108,998,890	867,004	7,938,244	1,166,921	118,971,059
Comprises:											
Gross carrying amount at 30 June 2020	12,045,000	0	12,045,000	13,684,665	83,759,448	97,444,113	109,489,113	1,131,573	8,477,279	1,166,921	120,264,886
Accumulated depreciation at 30 June 2020	0	0	0	0	(490,223)	(490,223)	(490,223)	(264,569)	(539,035)	0	(1,293,827)
Carrying amount at 30 June 2020	12,045,000	0	12,045,000	13,684,665	83,269,225	96,953,890	108,998,890	867,004	7,938,244	1,166,921	118,971,059

Notes to and Forming Part of the Financial Report

FOR THE YEAR ENDED 30 JUNE 2020

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Land and buildings					
Land - freehold land	2	Market approach using recent observable market data for similar properties.	Independent registered valuers	June 2020	Price per hectare.
Land - vested in and under the control of Council	3	Cost approach using depreciated replacement cost.	Independent registered valuers	June 2020	Improvements to land using construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs.
Buildings - non-specialised	2	Market approach using recent observable market data for similar properties.	Independent registered valuers	June 2020	Price per square metre.
Buildings - Specialised	3	Cost approach using depreciation replacement cost.	Independent registered valuers	June 2020	Construction costs and current condition (Level 2), residual value and remaining useful life assessments (Level 3) inputs.
- Management valuation 2019	2	Market approach using recent observable market data for similar items.	Management valuation	June 2019	Price per item.
Plant and Equipment					
- Management valuation 2019	2	Market approach using recent observable market data for similar items.	Management valuation	June 2019	Price per item.
- Management valuation 2019	3	Cost approach using depreciated replacement cost.	Management valuation	June 2019	Purchase costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs.

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

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

Notes to and Forming Part of the Financial Report

FOR THE YEAR ENDED 30 JUNE 2020

9. INFRASTRUCTURE

(a) Movements in Carrying Amounts

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

	Infrastructure - Roads	Infrastructure - Footpaths	Infrastructure - Drainage	Infrastructure - Airports	Infrastructure - Bridges	Infrastructure - Parks & Recreation	Infrastructure - Towns	Infrastructure - Waste	Work in Progress	Total Infrastructure
Balance at 1 July 2018	\$ 275,395,747	\$ 8,080,588	\$ 31,349,187	\$ 52,771,580	\$ 1,508,815	\$ 22,224,631	\$ 5,752,880	\$ 5,038,071	\$ 7,546,631	\$ 409,668,110
Additions	3,302,745	0	61,465	50,839	0	695,299	306,864	0	1,729,828	6,146,840
(Disposals)	0	0	0	0	0	(131,429)	0	0	0	(131,429)
Depreciation (expense)	(5,925,178)	(181,878)	(560,646)	(924,830)	(32,848)	(829,182)	(225,842)	(173,748)	0	(8,853,952)
Transfers	2,739,478	86,355	53,270	1,610,123	0	716,902	504,833	0	(6,970,803)	(257,842)
Carrying amount at 30 June 2019	275,512,792	7,985,045	30,903,276	53,507,712	1,475,967	22,676,221	6,338,735	4,864,323	3,305,656	406,571,727
Comprises:										
Gross carrying amount at 30 June 2019	337,691,472	10,865,011	50,076,351	59,089,446	2,627,874	30,117,275	7,809,892	6,071,732	3,305,656	508,057,709
Accumulated depreciation at 30 June 2019	(62,178,680)	(2,880,966)	(20,076,075)	(6,581,734)	(1,151,907)	(7,441,054)	(1,471,157)	(1,207,409)	0	(101,496,992)
Carrying amount at 30 June 2019	275,512,792	7,985,045	30,903,276	53,507,712	1,475,967	22,676,221	6,338,735	4,864,323	3,305,656	406,571,727
Additions	5,798,533	528,934	379,510	0	0	658,126	194,761	14,416	5,255,550	12,827,830
Impairment (losses) / reversals	(6,143,000)	0	0	0	0	0	0	0	0	(6,143,000)
Depreciation (expense)	(6,049,396)	(183,320)	(561,358)	(951,501)	(32,848)	(858,866)	(267,769)	(173,747)	0	(9,078,805)
Transfers	1,262,548	0	0	(7,373,398)	0	45,364	45,364	(1,357,198)	(1,309,161)	(8,731,845)
Carrying amount at 30 June 2020	270,381,477	8,330,659	30,721,428	45,182,813	1,443,119	22,475,481	6,311,091	3,347,794	7,252,045	395,445,907
Comprises:										
Gross carrying amount at 30 June 2020	338,609,553	10,894,945	51,357,861	51,570,236	2,627,874	30,773,401	8,050,017	4,519,346	7,252,045	505,655,278
Accumulated depreciation at 30 June 2020	(68,228,076)	(2,564,286)	(20,636,433)	(6,387,423)	(1,184,755)	(8,297,920)	(1,738,926)	(1,171,552)	0	(110,209,371)
Carrying amount at 30 June 2020	270,381,477	8,330,659	30,721,428	45,182,813	1,443,119	22,475,481	6,311,091	3,347,794	7,252,045	395,445,907

Notes to and Forming Part of the Financial Report

FOR THE YEAR ENDED 30 JUNE 2020

9. INFRASTRUCTURE (Continued)

(b) Fair Value Measurements

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

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

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

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

Notes to and Forming Part of the Financial Report

FOR THE YEAR ENDED 30 JUNE 2020

10. FIXED ASSETS

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

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

Initial recognition and measurement between mandatory revaluation dates

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

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

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

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

Revaluation

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

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

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

AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY

Land under control prior to 1 July 2019

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

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

Land under roads prior to 1 July 2019

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

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

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

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

Land under roads from 1 July 2019

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

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

Vested improvements from 1 July 2019

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

Refer to Note 5 that details the significant accounting policies applying to leases (including right of use assets).

10. FIXED ASSETS

(a) Disposals of Assets

	2020		2020		2020		2020		2019		2019	
	Actual Net Book Value	Actual Sale Proceeds	2020 Actual Profit	2020 Actual Loss	Budget Net Book Value	Budget Sale Proceeds	2020 Budget Profit	2020 Budget Loss	Actual Net Book Value	Actual Sale Proceeds	2019 Actual Profit	2019 Actual Loss
Buildings - non-specialised	258,003	0	0	(258,003)	0	0	0	0	0	0	0	0
Buildings - Specialised	108,787	0	0	(108,787)	0	0	0	0	214,259	0	0	(214,259)
Plant and Equipment	495,309	416,551	58,823	(137,581)	388,582	315,000	9,889	(83,471)	347,674	356,520	35,262	(26,416)
Work in Progress	0	0	0	0	0	0	0	0	0	0	0	0
Infrastructure - Parks & Recreation	862,099	416,551	58,823	(504,371)	862,099	416,551	58,823	(504,371)	131,429	0	0	(131,429)
					388,582	315,000	9,889	(83,471)	693,362	356,520	35,262	(372,104)

The following assets were disposed of during the year.

Plant and Equipment

Housing
Assets disposed of producing a loss

Community amenities
Assets disposed of producing a loss

Recreation and culture
Assets disposed of producing a loss

Transport
Assets disposed of producing a loss

Assets disposed of producing a profit

	2020		2020	
	Actual Net Book Value	Actual Sale Proceeds	2020 Actual Profit	2020 Actual Loss
Housing	258,003	0	0	(258,003)
Community amenities	32,437	0	0	(32,437)
Recreation and culture	76,350	0	0	(76,350)
Transport	308,878	171,296	0	(137,582)
	186,432	245,255	58,823	0
	862,099	416,551	58,823	(504,371)
	862,099	416,551	58,823	(504,371)

Notes to and Forming Part of the Financial Report

FOR THE YEAR ENDED 30 JUNE 2020

10. FIXED ASSETS

(b) Depreciation

	2020 Actual	2020 Budget	2019 Actual
	\$	\$	\$
Buildings - Specialised	1,937,786	1,609,984	1,635,767
Furniture and Equipment	170,474	204,995	230,640
Plant and Equipment	573,726	974,741	1,182,814
Infrastructure - Roads	6,049,396	5,909,611	5,925,178
Infrastructure - Footpaths	183,320	185,747	181,878
Infrastructure - Drainage	561,358	572,571	560,646
Infrastructure - Airports	951,501	762,703	924,830
Infrastructure - Bridges	32,848	928,211	32,848
Infrastructure - Parks & Recreation	858,866	64,588	829,182
Infrastructure - Towns	267,769	230,442	225,642
Infrastructure - Waste	173,747	159,467	173,748
	11,760,791	11,603,060	11,903,173

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	Depreciation
Buildings	15 to 100 years	1.00-6.67%
Furniture and Equipment	4 to 10 years	10.00-25.00%
Computer Equipment	3 years	33.33%
Office Equipment	5 years	20.00%
Plant and Equipment	3 to 15 years	6.67-33.33%
Motor Vehicles	3 to 5 years	20.00-33.00%
Infrastructure Other	10 to 100 years	1.00-10.00%
Water Supply Piping & Drainage Systems	100 years	1.00%
Sewerage Piping	100 years	1.00%
Footpaths	35 to 50 years	2.00-2.85%
Sealed Roads and Streets Formation	not depreciated	
Formed roads (unsealed)		
Construction Base	80 years	1.25%
Gravel Roads		
Construction/Road Base	80 years	1.25%
Gravel Sheet	12 years	8.33%

Depreciation on revaluation

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

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

Amortisation

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

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

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

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FOR THE YEAR ENDED 30 JUNE 2020

11. REVALUATION SURPLUS

	2020 Opening Balance	2020 Change in Accounting Policy	2020 Revaluation Increment	2020 Revaluation (Decrement)	2020 Total Movement on Revaluation	2020 Closing Balance	2019 Opening Balance	2019 Revaluation Increment	2019 Revaluation (Decrement)	2019 Total Movement on Revaluation	2019 Closing Balance
Revaluation surplus - Land and Building	35,620,458	(760,000)	0	(4,295,982)	(5,055,982)	30,564,476	35,620,458	0	0	0	35,620,458
Revaluation surplus - Furniture and equipment	612,550	0	0	0	0	612,550	377,415	235,135	0	235,135	612,550
Revaluation surplus - Plant and equipment	827,844	0	0	0	0	827,844	434,114	393,730	0	393,730	827,844
Revaluation surplus - Infrastructure - Roads	237,379,251	0	0	(6,143,000)	(6,143,000)	231,236,251	237,379,251	0	0	0	237,379,251
Revaluation surplus - Infrastructure - Footpaths	4,562,593	0	0	0	0	4,562,593	4,562,593	0	0	0	4,562,593
Revaluation surplus - Infrastructure - Drainage	18,554,990	0	0	0	0	18,554,990	18,554,990	0	0	0	18,554,990
Revaluation surplus - Infrastructure - Airports	3,316,303	0	0	0	0	3,316,303	3,316,303	0	0	0	3,316,303
Revaluation surplus - Infrastructure - Bridges	1,003,671	0	0	0	0	1,003,671	1,003,671	0	0	0	1,003,671
Revaluation surplus - Infrastructure - Waste	616	0	0	0	0	616	616	0	0	0	616
	301,878,276	(760,000)	0	(10,438,982)	(11,198,982)	290,679,294	301,249,411	628,865	0	628,865	301,878,276

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

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

Notes to and Forming Part of the Financial Report

FOR THE YEAR ENDED 30 JUNE 2020

12. TRADE AND OTHER PAYABLES

Current

Sundry creditors
Prepaid rates
Accrued salaries and wages
ATO liabilities
Bonds and deposits held
Accrued expenses
Accrued Interest

2020	2019
\$	\$
4,150,102	1,659,978
3,280,975	5,626,172
365,808	288,447
475,680	92,129
108,134	127,837
2,325,115	768,827
14,844	20,366
10,720,658	8,583,756

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.

Notes to and Forming Part of the Financial Report

FOR THE YEAR ENDED 30 JUNE 2020

13. CONTRACT LIABILITIES

Current

Contract liabilities from contracts with customers
Contract grant liabilities from contracts with customers

2020	2019
\$	\$
347,759	0
3,735,350	0
4,083,109	0

Performance obligations from contracts with customers are expected to be recognised as revenue in accordance with the following time bands:

Less than 1 year

4,083,109	0
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SIGNIFICANT ACCOUNTING POLICIES

Contract Liabilities

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

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

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

Contract Grant Liabilities

Capital grant liabilities relate to the Shire's obligation to construct non financial assets that are yet to be fulfilled at the end of the financial year. The Shire expects to to satisfy the performance obligation with the next 12 months.

Notes to and Forming Part of the Financial Report

FOR THE YEAR ENDED 30 JUNE 2020

14. INFORMATION ON BORROWINGS

(a) Borrowings	2020		2019		Interest Rate	Loan Number	Institution	30 June 2020		30 June 2020		30 June 2020		30 June 2020		30 June 2020		30 June 2020		30 June 2019		30 June 2019	
	\$	\$	\$	\$				Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget
Current	778,810	766,294	687,879	644,752	3.31%	124	WATC	43,127	22,357	22,415	0	43,127	22,415	644,752	729,613	41,734	28,016	887,879	887,879	28,016	28,016	887,879	887,879
Non-current	2,267,294	3,047,104	2,955,422	2,277,608	5.45%	117	WATC	67,934	14,814	15,195	0	67,933	15,195	194,106	359,856	64,314	20,370	295,542	295,542	20,370	20,370	295,542	295,542
	3,047,104	3,813,398	3,643,301	3,047,104	5.97%	121	WATC	302,814	29,643	32,796	0	302,814	32,796	171,982	939,491	285,515	52,218	623,976	623,976	52,218	52,218	623,976	623,976
			2,035,960	1,722,024	3.08%	122	WATC	313,936	58,462	60,309	0	313,936	60,309	1,566,255	2,340,445	304,485	80,843	2,035,960	2,035,960	80,843	80,843	2,035,960	2,035,960
			20,972	408	5.82%	118	WATC	20,972	408	610	0	20,973	610	0	61,155	40,183	3,078	20,972	20,972	3,078	3,078	20,972	20,972
			149,069	131,558	6.36%	119	WATC	17,511	9,227	9,207	0	17,511	9,207	122,940	165,518	16,449	16,123	149,069	149,069	16,123	16,123	149,069	149,069
			0	0				0	0	0	0	0	1,000,000	0	0	0	0	0	0	0	0	0	0
			0	0				0	0	0	0	0	726,000	0	0	0	0	0	0	0	0	0	0
			3,813,398	3,047,104				766,294	135,011	140,634	0	766,294	140,634	4,426,035	4,586,078	752,680	200,648	3,813,398	3,813,398	200,648	200,648	3,813,398	3,813,398
			0	0				0	0	0	0	0	0	4,426,035	4,586,078	752,680	200,648	3,813,398	3,813,398	200,648	200,648	3,813,398	3,813,398
			3,813,398	3,047,104				766,294	135,011	140,634	0	766,294	140,634	4,426,035	4,586,078	752,680	200,648	3,813,398	3,813,398	200,648	200,648	3,813,398	3,813,398

* WA Treasury Corporation

All other loan repayments were financed by general purpose revenue.

Notes to and Forming Part of the Financial Report

FOR THE YEAR ENDED 30 JUNE 2020

14. INFORMATION ON BORROWINGS (Continued)

(c) New Borrowings - 2019/20

Particulars/Purpose	Institution	Loan Type	Term Years	Interest Rate	Amount Borrowed		Amount (Used)		Total Interest & Charges	Actual Balance Unspent
					2020 Actual	2020 Budget	2020 Actual	2020 Budget		
				%	\$	\$	\$	\$	\$	\$
Loan 123 Onslow Underground Power	WATC	Debenture	3	3.25%	0	1,000,000	0	0	0	0
Loan 125 CHUB Paraburdoo	WATC	Debenture	15	3.25%	0	726,000	0	0	0	0
* WA Treasury Corporation					0	1,726,000	0	0	0	0

(d) Undrawn Borrowing Facilities

	2020	2019
	\$	\$
Credit Standby Arrangements		
Credit card limit	75,000	64,000
Credit card balance at balance date	(17,825)	(19,106)
Total amount of credit unused	57,175	44,894
Loan facilities		
Loan facilities - current	779,810	766,294
Loan facilities - non-current	2,267,294	3,047,104
Lease liabilities - current	0	0
Lease liabilities - non-current	0	0
Total facilities in use at balance date	3,047,104	3,813,398

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 25.

Notes to and Forming Part of the Financial Report

FOR THE YEAR ENDED 30 JUNE 2020

15. EMPLOYEE RELATED PROVISIONS

(a) Employee Related Provisions

	Provision for Annual Leave	Provision for Long Service Leave	Total
	\$	\$	\$
Opening balance at 1 July 2019			
Current provisions	948,277	588,080	1,536,357
Non-current provisions	0	336,761	336,761
	948,277	924,841	1,873,118
Additional provision	72,025	64,647	136,672
Balance at 30 June 2020	1,020,302	989,488	2,009,790
Comprises			
Current	1,020,302	682,772	1,703,074
Non-current	0	306,716	306,716
	1,020,302	989,488	2,009,790
Amounts are expected to be settled on the following basis:	2020	2019	
More than 12 months from reporting date	\$	\$	
	2,009,790	1,873,118	
	2,009,790	1,873,118	

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

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

Short-term employee benefits

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

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

Other long-term employee benefits

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

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

Other long-term employee benefits (Continued)

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

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

Provisions

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

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

Notes to and Forming Part of the Financial Report

FOR THE YEAR ENDED 30 JUNE 2020

16. NOTES TO THE STATEMENT OF CASH FLOWS

Reconciliation of Cash

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

	2020 Actual \$	2020 Budget \$	2019 Actual \$
Cash and cash equivalents	69,882,380	34,855,954	60,252,679
Reconciliation of Net Cash Provided By Operating Activities to Net Result			
Net result	10,870,427	24,312,494	9,447,527
Non-cash flows in Net result:			
Depreciation on non-current assets	11,760,791	11,603,060	11,903,173
(Profit)/loss on sale of asset	445,548	73,582	336,842
Changes in assets and liabilities:			
(Increase)/decrease in receivables	669,088	0	(296,618)
(Increase)/decrease in other assets	(856,684)	0	0
(Increase)/decrease in inventories	(191,379)	16,250	77,380
Increase/(decrease) in payables	2,136,902	1,540,650	5,834,437
Increase/(decrease) in provisions	136,672	0	80,024
Non-operating grants, subsidies and contributions	(4,564,552)	(30,966,305)	(11,166,128)
Net cash from operating activities	20,406,813	6,579,731	16,216,637

Notes to and Forming Part of the Financial Report

FOR THE YEAR ENDED 30 JUNE 2020

17. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2020	2019
	\$	\$
Governance	25,642,156	16,348,366
General purpose funding	9,869,560	5,508,858
Law, order, public safety	841,647	831,142
Education and welfare	4,742,222	4,222,200
Housing	21,502,265	27,549,273
Community amenities	19,328,171	13,402,597
Recreation and culture	60,627,005	59,688,692
Transport	405,439,667	404,606,211
Economic services	11,395,188	15,169,357
Other property and services	13,132,089	9,053,393
Unallocated	18,044,362	29,881,308
	<u>590,564,332</u>	<u>586,261,397</u>

Notes to and Forming Part of the Financial Report

FOR THE YEAR ENDED 30 JUNE 2020

18. CONTINGENT LIABILITIES

Wittenoom Asbestos

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

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

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

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

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

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

Rehabilitation of Landfill Sites

The Shire of Ashburton has in compliance with the *Contaminated Sites Act 2003 s11* listed sites to be possible sources of contamination:

- Paraburdoo Waste Disposal Site
- Tom Price Waste Disposal Site
- Onslow Waste Refuse Site
- Onslow Waste Transfer Station

Until the Shire conducts an investigation to determine the presence and scope of contamination, assess the risk and agree with the DWER 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. The approach is consistent with the DWER guidelines.

Notes to and Forming Part of the Financial Report

FOR THE YEAR ENDED 30 JUNE 2020

19. CAPITAL AND LEASING COMMITMENTS

(a) Capital Expenditure Commitments

Contracted for:

	2020	2019
	\$	\$
Provision for Business Software	0	40,397
Passion of the Pilbara 2019 event	0	300,000
Storm Water Network Cleaning	0	266,000
Onslow Class IV Landfill Project - Early Works	0	1,343,354
Design and Construction of Onslow Depot	0	378,831
Pilbara Regional Waste Management Facility (Onslow)	10,850,836	0
Tom Price Staff Housing (Demolish & Rebuild)	652,862	0
Paraburdoo New Softball/Soccer & Rugby Pitch Upgrade	257,129	0
Waste Operation Buildings - Paraburdoo and Tom Price	360,183	0
Road Renewals - Ashburton Down Meetartharra Rd	1,157,073	0
Kerb & Gutter Renewal	345,440	0
Footpath Construction Renewal	1,726,320	0
Mine Road renewal & Widening	147,827	0
	15,497,670	2,328,582

Payable:

- not later than one year

15,497,670	2,328,582
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(b) 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

	2020	2019
	\$	\$
7,308	29,716	
0	7,308	
7,308	37,024	

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.

Notes to and Forming Part of the Financial Report

FOR THE YEAR ENDED 30 JUNE 2020

20. INVESTMENT IN ASSOCIATE AND JOINT ARRANGEMENTS

Share of joint operations

Communities Housing (Homeswest):

Purpose:

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

Address

46 Second Avenue, Onslow, Pilbara 6710 - Carinya Units 1-5

Number and Type of dwellings: 5

Freehold

Certificate of Title Volume 3042 Folio 6

Drawing No. 190235

Legal Agreements:

Joint Venture Agreement dated 2nd August 1994 for fifty years from that date with an extension to be given upon request in writing for

Equity:

Department of Housing capital contribution

Shire of Ashburton capital contribution

Total
\$
481,945
126,754

Department of Housing percentage interest 79.18%

Shire of Ashburton percentage interest 20.82%

2020	2019
\$	\$
460,930	207,933
0	(40,391)
460,930	167,542

Non-current assets

Land and buildings

Less: accumulated depreciation

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.

Notes to and Forming Part of the Financial Report

FOR THE YEAR ENDED 30 JUNE 2020

21. RELATED PARTY TRANSACTIONS

Elected Members Remuneration

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

	2020 Actual	2020 Budget	2019 Actual
	\$	\$	\$
Meeting fees	216,863	186,000	212,091
President's allowance	63,003	64,000	62,727
Deputy President's allowance	15,837	16,000	15,682
Travelling expenses	66,029	73,000	67,446
Telecommunications allowance	5,001	5,000	4,440
	<u>366,733</u>	<u>344,000</u>	<u>362,386</u>

Key Management Personnel (KMP) Compensation Disclosure

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

	2020 Actual	2019 Actual
	\$	\$
Short-term employee benefits	1,273,422	1,017,846
Post-employment benefits	183,307	142,504
Other long-term benefits	23,480	38,294
Termination benefits	350,879	300,212
	<u>1,831,088</u>	<u>1,498,856</u>

Short-term employee benefits

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

Post-employment benefits

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

Other long-term benefits

These amounts represent long service benefits accruing during the year.

Termination benefits

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

Notes to and Forming Part of the Financial Report

FOR THE YEAR ENDED 30 JUNE 2020

21. RELATED PARTY TRANSACTIONS (Continued)

Transactions with related parties

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

	2020 Actual	2019 Actual
The following transactions occurred with related parties:	\$	\$
Purchase of goods and services	69,238	69,283
Amounts outstanding from related parties:		
Trade and other receivables	0	1,081
Amounts payable to related parties:		
Trade and other payables	41,548	7,281

Related Parties

The Shire's main related parties are as follows:

i. Key management personnel

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

ii. Other Related Parties

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

iii. Entities subject to significant influence by the Shire

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

Notes to and Forming Part of the Financial Report

FOR THE YEAR ENDED 30 JUNE 2020

22. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

The Shire's objective is to maintain a safe landing airstrip and functional airport amenities conducive to the promotion of the district as a tourist and business destination.

Ongoing costs are met by landing fees charged. Annual surpluses as determined by Council, are transferred to a cash reserve to finance future upgrades and modifications to the facility.

(a) Operating Statement

	2020	2020 Budget	2019
	\$	\$	\$
Operating Income			
Landing Fees	412,375	405,000	582,347
Grant and Contribution Income	0	565,000	0
Passenger Tax	890,311	1,149,200	1,786,320
Parking Income	1,880	2,500	3,508
Property Rental	105,924	131,022	108,084
Security Screening Charges	406,209	552,500	894,736
Sundry Income	7,282	10,306	15,643
	<u>1,823,981</u>	<u>2,815,528</u>	<u>3,390,638</u>
Operating Expenditure			
Employee Expenses	(246,674)	(276,721)	(363,666)
Operational Expenses	(1,166,965)	(1,766,354)	(1,284,627)
Grounds & Strip Maintenance	(162,146)	(393,559)	(169,715)
Marketing	(2,407)	(5,000)	(890)
Other Sundry Expenses	(11,008)	(13,277)	(11,419)
Administration Expenses	(62,625)	(81,495)	(118,141)
Administration Overheads	(186,774)	(180,664)	(146,680)
Depreciation	(957,710)	(967,428)	(933,380)
	<u>(2,796,309)</u>	<u>(3,684,498)</u>	<u>(3,028,518)</u>
Operating Result	<u>(972,328)</u>	<u>(868,970)</u>	<u>362,120</u>

(b) Non-Operating Income & Expenditure

Capital Revenue

Transfer From Cash Reserve	280,172	4,029,125	2,023,584
Contributions	0	0	0
Government Grants	0	0	0
	<u>280,172</u>	<u>4,029,125</u>	<u>2,023,584</u>

Capital Expenditure

Transfer to Cash Reserve	458,173	0	(3,322,803)
Infrastructure	152,255	4,336,219	(78,849)
Buildings	36,364	48,750	(1,250)
Plant	30,560	190,000	0
	<u>677,352</u>	<u>4,574,969</u>	<u>(3,402,902)</u>

Total Net Trading Undertaking

	<u>(14,804)</u>	<u>7,735,124</u>	<u>(1,017,198)</u>
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Notes to and Forming Part of the Financial Report

FOR THE YEAR ENDED 30 JUNE 2020

23. RATING INFORMATION (Continued)

(b) Service Charges

Service Charges	Amount of Charge	2019/20 Actual Revenue		2019/20 Actual Charges Applied to Costs		2019/20 Actual Charges Set Aside to Reserve		2019/20 Budget Charges Applied to Costs		2019/20 Budget Charges Set Aside to Reserve		2018/19 Total Actual Revenue	
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Residential - Full Overhead	433.00	46,555	46,555	0	0	0	0	57,922	57,922	0	0	0	45,446
Residential - Full Overhead Pensioner	217.00	1,302	1,302	0	0	0	0	0	0	0	0	0	0
Residential - Consumer Mains Underground	118.00	8,051	8,051	0	0	0	0	7,590	7,590	0	0	0	8,009
Residential - Transformer / Vacant Connection	83.00	1,901	1,901	0	0	0	0	2,997	2,997	0	0	0	1,901
Residential - Base Rate	1,484.24	2,839	2,839	0	0	0	0	20,992	20,992	0	0	0	2,295
Commercial Mixed Use - Full Overhead	742.12	7,421	7,421	0	0	0	0	0	0	0	0	0	11,132
Commercial - Consumer Mains Underground Pensioner	1,260.94	3,711	3,711	0	0	0	0	0	0	0	0	0	0
Commercial Mixed Use - Consumer Mains Underground	118.16	5,986	5,986	0	0	0	0	0	0	0	0	0	7,262
Commercial Mixed Use - Transformer Vacant	210.16	1,536	1,536	0	0	0	0	12,717	12,717	0	0	0	1,536
Commercial Mixed Use - Base Rate	2,929.12	69,495	69,495	0	0	0	0	5,457	5,457	0	0	0	66,881
Industrial - Full Overhead	2,797.82	10,823	10,823	0	0	0	0	0	0	0	0	0	10,823
Industrial - Consumer Mains Underground	2,613.87	10,456	10,456	0	0	0	0	0	0	0	0	0	10,455
Industrial - Transformer / Vacant Connection	2,508.79	10,035	10,035	0	0	0	0	72,625	72,625	0	0	0	7,526
Industrial - Base Rate		180,111	180,111	0	0	0	0	180,300	180,300	0	0	0	173,268

Nature of the Service Charge

Objects of the Charge

Reasons for the Charge

Area/Properties Charge Imposed

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

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

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

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

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

Notes to and Forming Part of the Financial Report

FOR THE YEAR ENDED 30 JUNE 2020

23. RATING INFORMATION (Continued)

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

Rates Discounts

Rate or Fee Discount Granted	Discount %	Discount \$	2020 Actual \$	2020 Budget \$	2019 Actual \$
GRV Residential / Community	30.00%	288,941	288,941	0	133,213
			288,941	0	133,213

Circumstances in which Discount is Granted

If the following criteria are met, a concession of 30% to be granted to the following property holders:

1. Properties located in the town-site boundaries of Onslow, Paraburdoo and Tom Price in the 'GRV Residential Community' rating category; and
2. Property holders with ownership of no more than three residential community properties; and
3. Not already on, or pay less than, the minimum rate for GRV Residential Community of \$1010.

Waivers or Concessions

Rate or Fee and
Charge to which
the Waiver or
Concession is Granted

Type	Discount %	Discount \$	2020 Actual \$	2020 Budget \$	2019 Actual \$
Dog and Cat registration fees (Statutory)	50.00%		623	600	525
Refuse Collection Charge	50.00%		14,114	16,500	15,515
Swimming Pools	40.00%		393	1,450	1,359
			15,130	18,550	17,399
Total discounts/concessions (Note 23(a))			304,071	18,550	150,612

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FOR THE YEAR ENDED 30 JUNE 2020

23. RATING INFORMATION (Continued)

(d) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
Option One				
Single full payment	30/08/2019	0.00	0.00%	11.00%
Option Two				
First instalment	30/08/2019	0.00	0.00%	11.00%
Second instalment	6/01/2020	15.00	5.50%	11.00%
Option Three				
First instalment	30/08/2019	0.00	0.00%	0.00%
Second instalment	1/11/2019	15.00	5.50%	11.00%
Third instalment	6/01/2020	15.00	5.50%	11.00%
Fourth instalment	9/03/2020	15.00	5.50%	11.00%

	2020 Actual \$	2020 Budget \$	2019 Actual \$
Charges on instalment plan	8,386	10,404	9,033
Interest on instalment plan	15,059	28,091	14,495
Interest on unpaid rates	146,913	83,232	94,824
Interest on ESL	3,822	0	2,657
Interest on Sundry Debtors	12,734	0	7,879
	186,914	121,727	128,888

Notes to and Forming Part of the Financial Report

FOR THE YEAR ENDED 30 JUNE 2020

24. RATE SETTING STATEMENT INFORMATION

Note	2019/20 (30 June 2020 Carried Forward) \$	2019/20 Budget (30 June 2020 Carried Forward) \$	2019/20 (1 July 2019 Brought Forward) \$	2018/19 (30 June 2019 Carried Forward) \$	
(a) Non-cash amounts excluded from operating activities					
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .					
Adjustments to operating activities					
Less: Profit on asset disposals	10(a)	(58,823)	(9,889)	(35,262)	(35,262)
Less: Movement in liabilities associated with restricted cash		0	14,742	0	0
Movement in employee benefit provisions (non-current)		(30,045)	0	(28,082)	(28,082)
Movement in other provisions (non-current)		0	0	85,136	85,136
Movement of inventory (non-current)		(748,277)	0	(19,730)	(19,730)
Reclassification of Deposits and Bonds		0	0	127,837	127,837
Add: Loss on disposal of assets	10(a)	504,371	83,471	372,104	372,104
Add: Depreciation on non-current assets	10(b)	11,760,791	11,603,060	11,903,173	11,903,173
Non cash amounts excluded from operating activities		11,428,017	11,691,384	12,405,176	12,405,176
(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	(55,970,608)	(28,561,978)	(48,394,463)	(48,394,463)
Less: Current assets not expected to be received at end of year					
- Land held for resale	6	0	(929,929)	0	0
Add: Current liabilities not expected to be cleared at end of year					
- Current portion of borrowings	14(a)	779,810	0	766,294	766,294
- Current portion of contract liability held in reserve		4,083,109	0	0	0
- Employee benefit provisions		1,536,357	0	1,536,357	1,536,357
Total adjustments to net current assets		(49,571,332)	(29,491,907)	(46,091,812)	(46,091,812)
Net current assets used in the Rate Setting Statement					
Total current assets		74,998,197	28,926,368	65,737,798	65,737,798
Less: Total current liabilities		(17,286,651)	2,065,539	(10,886,407)	(10,886,408)
Less: Total adjustments to net current assets		(49,571,332)	(29,491,907)	(46,091,812)	(46,091,812)
Net current assets used in the Rate Setting Statement		8,140,214	1,500,000	8,759,579	8,759,579
(c) Adjustments to current assets and liabilities at 1 July 2019 on application of new accounting standards					
Total current assets at 30 June 2019				65,737,798	
- Contract assets				0	
Total current assets at 1 July 2019				65,737,798	
Total current liabilities at 30 June 2019				(10,886,407)	
Total current liabilities at 1 July 2019				(10,886,407)	

Notes to and Forming Part of the Financial Report

FOR THE YEAR ENDED 30 JUNE 2020

25. 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	Sensitivity analysis	Utilise fixed interest rate borrowings
Credit risk	Cash and cash equivalents, trade receivables, financial assets and	Aging analysis Credit analysis	Diversification of bank deposits, credit limits. Investment policy
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

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

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

(a) Interest rate risk

Cash and cash equivalents

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

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

	Weighted Average Interest Rate	Carrying Amounts	Fixed Interest Rate	Variable Interest Rate	Non Interest Bearing
	%	\$	\$	\$	\$
2020					
Cash and cash equivalents	1.33%	74,048,937	47,859,290	23,922,613	2,267,034
2019					
Cash and cash equivalents	2.84%	60,252,679	0	57,917,757	2,334,922

Sensitivity

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

	2020	2019
	\$	\$
Impact of a 1% movement in interest rates on profit and loss and equity*	698,824	602,527

* 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).

Notes to and Forming Part of the Financial Report

FOR THE YEAR ENDED 30 JUNE 2020

25. 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.

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

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

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

The expected loss rates are based on the payment profiles of rates and fees and charges over a period of 36 months before 1 July 2019 or 1 July 2020 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as the ability of ratepayers and residents to settle the receivables. Housing prices and unemployment rates have been identified as the most relevant factor in repayment rates, and accordingly adjustments are made to the expected credit loss rate based on these factors. There are no material receivables that have been subject to a re-negotiation of repayment terms.

The loss allowance as at 30 June 2019 and 1 July 2018 (on adoption of AASB 9) was determined as follows for rates receivable. No expected credit loss was forecast on 1 July 2018 or 30 June 2019 for rates receivable as penalty interest applies to unpaid rates and properties associated with unpaid rates may be disposed of to recover unpaid rates.

	Current	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total
30 June 2020					
Rates receivable					
Expected credit loss	5.0%	30.0%	75.0%	75.0%	25.8%
Gross carrying amount	773,277	297,602	128,728	173,044	1,372,651
Loss allowance	38,700	89,300	96,500	129,800	354,300
30 June 2019					
Rates receivable					
Expected credit loss	4.84%	4.84%	4.84%	4.84%	4.84%
Gross carrying amount	2,828,934	154,201	142,730	61,739	3,187,603
Loss allowance	136,920	7,463	6,908	2,988	154,279

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

The increase in anticipated loss for trade receivables over 30 days is due to specific debtors entering administration.

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
30 June 2020					
Trade and other receivables					
Expected credit loss	2.5%	72.5%	40.0%	40.3%	17.0%
Gross carrying amount	1,774,811	395,390	16,628	143,824	2,330,653
Loss allowance	44,400	286,700	6,700	57,900	395,700
30 June 2019					
Trade and other receivables					
Expected credit loss	2.50%	2.50%	2.50%	2.50%	2.50%
Gross carrying amount	593,418	259,136	77,268	263,116	1,192,938
Loss allowance	14,835	6,478	1,932	6,578	29,823

Notes to and Forming Part of the Financial Report

FOR THE YEAR ENDED 30 JUNE 2020

25. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

Payables and borrowings

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The Shire manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required and disclosed in Note 12(d).

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

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
2020					
Payables	10,720,658	0	0	10,720,658	10,720,658
Borrowings	779,807	1,835,261	432,036	3,047,104	3,047,104
Contract liabilities	4,083,109	0	0	4,083,109	4,083,109
	15,583,574	1,835,261	432,036	17,850,871	17,850,871
2019					
Payables	8,583,756	0	0	8,583,756	8,583,756
Borrowings	766,294	2,174,526	872,578	3,813,398	3,813,398
	9,350,050	2,174,526	872,578	12,397,154	12,397,154

Notes to and Forming Part of the Financial Report

FOR THE YEAR ENDED 30 JUNE 2020

26. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

There has been no material events after the reporting period which would affect the financial report of the Shire of Ashburton for the year ended 30 June 2020 or which would require additional disclosures.

Notes to and Forming Part of the Financial Report

FOR THE YEAR ENDED 30 JUNE 2020

27. INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS

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

(a) AASB 15: Revenue from Contracts with Customers

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

Note	AASB 118 carrying amount 30 June 2019 \$	Reclassification \$	AASB 15 carrying amount 01 July 2019 \$
Contract liabilities - current			
Contract liabilities from contracts with customers	0	(419,578)	(419,578)
Adjustment to retained surplus from adoption of AASB 15	27(e) 0	(419,578)	(419,578)

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

The Shire adopted AASB 1058 Income for Not-for-Profit Entities (issued December 2016) on 1 July 2019 which will result in changes in accounting policies. In accordance with the transition provisions AASB 1058, the Shire adopted the new rules retrospectively with the cumulative effect of initially applying AASB 1058 recognised at 1 July 2019. Comparative information for prior reporting periods was not restated in accordance with AASB 1058 transition requirements.

In applying AASB 1058 retrospectively with the cumulative effect of initially applying the Standard on 1 July 2019 changes occurred to the following financial statement line items by application of AASB 1058 as compared to AASB 118: Revenue and AASB 1004: Contributions before the change:

Note	AASB 118 and AASB 1004 carrying amount 30 June 2019 \$	Reclassification \$	AASB 1058 carrying amount 01 July 2019 \$
Trade and other payables			
Contract liabilities from conditions of grants not yet met	0	(539,321)	(539,321)
Adjustment to retained surplus from adoption of AASB 1058	27(e) 0	(539,321)	(539,321)

Prepaid rates are, until the taxable event for the rates has occurred, refundable at the request of the ratepayer. Therefore the rates received in advance gave rise to a financial liability that is within the scope of AASB 9. On 1 July 2019 the prepaid rates were recognised as a financial asset and a related amount recognised as a financial liability and no income recognised by the Shire. When the taxable event occurred, the financial liability was extinguished and the Shire recognised income for the prepaid rates that have not been refunded. Assets that were acquired for consideration, that were significantly less than fair value principally to enable the Shire to further its objectives, may have been measured on initial recognition under other Australian Accounting Standards at a cost that was significantly less than fair value. Such assets are not required to be remeasured at fair value.

Notes to and Forming Part of the Financial Report

FOR THE YEAR ENDED 30 JUNE 2020

27. INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS (Continued)

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

	Note	2020 \$ As reported under AASB 15 and AASB 1058	Adjustment due to application of AASB 15 and AASB 1058	2020 \$ Compared to AASB 118 and AASB 1004
Statement of Comprehensive Income				
Revenue				
Rates	23(a)	37,053,984	3,280,975	40,334,959
Operating grants, subsidies and contributions	2(a)	8,119,726	347,759	8,467,485
Fees and charges	2(a)	6,289,186	0	6,289,186
Non-operating grants, subsidies and contributions	2(a)	4,564,552	3,735,350	8,299,902
Net result		10,870,427	7,364,084	18,234,511
Statement of Financial Position				
Trade and other payables	12	10,720,658	(3,280,975)	7,439,683
Contract liabilities	13	4,083,109	(4,083,109)	0
Net assets		570,703,671	7,364,084	578,067,755
Statement of Changes in Equity				
Net result		10,870,427	7,364,084	18,234,511
Retained surplus		224,053,769	7,364,084	231,417,853

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

(c) AASB 16: Leases

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

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

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

Notes to and Forming Part of the Financial Report

FOR THE YEAR ENDED 30 JUNE 2020

27. INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS (Continued)

(d) Change in Accounting Policies due to regulation changes

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

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

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

	Note	Carrying amount 30 June 2019 \$	Reclassification \$	Carrying amount 01 July 2019 \$
Property, plant and equipment	8	113,550,980	(760,000)	112,790,980
Revaluation surplus	11	301,878,276	(760,000)	301,118,276

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

(e) Impact of New Accounting Standards on Retained Surplus

The impact on the Shire's retained surplus due to the adoption of AASB 15, AASB 1058 and AASB 16 as at 1 July 2019 was as follows:

	Note	Adjustments	2019 \$
Retained surplus - 30 June 2019			221,718,386
Adjustment to retained surplus from adoption of AASB 15	27(a)	(419,578)	
Adjustment to retained surplus from adoption of AASB 1058 & AASB 16	27(b)	(539,321)	(958,899)
Retained surplus - 1 July 2019		(958,899)	220,759,487

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

	Note	Adjustments	2019 \$
Revaluation surplus - 30 June 2019			301,878,276
Adjustment to revaluation surplus from deletion of FM Reg 16	27(d)	(760,000)	
Adjustment to revaluation surplus from deletion of FM Reg 17	27(d)	0	(760,000)
Revaluation surplus - 1 July 2019		(760,000)	301,118,276

Notes to and Forming Part of the Financial Report

FOR THE YEAR ENDED 30 JUNE 2020

28. TRUST FUNDS

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

	1 July 2019	Amounts Received	Amounts Paid	30 June 2020
	\$	\$	\$	\$
Public Open Space	236,655	0	0	236,655
	<u>236,655</u>	<u>0</u>	<u>0</u>	<u>236,655</u>

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FOR THE YEAR ENDED 30 JUNE 2020

29. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

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

c) Rounding off figures

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

d) Comparative figures

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

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

e) Budget comparative figures

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

f) Superannuation

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

g) Fair value of assets and liabilities

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

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

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

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

h) Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

i) Impairment of assets

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

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

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

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

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30. ACTIVITIES/PROGRAMS

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

PROGRAM NAME AND OBJECTIVES	ACTIVITIES
GOVERNANCE	
GENERAL PURPOSE FUNDING To collect revenue to allow for the provision of services.	Rates, general purpose government grants and interest revenue.
LAW, ORDER, PUBLIC SAFETY To provide services to help ensure a safer community.	Supervision of various by-laws, fire prevention, emergency services and animal control.
HEALTH To assess and manage risks to public health and create and maintain environments that promote good public health.	Food safety, traders permits, septic approvals, analysis of drinking water, public pool safety, monitoring and control of mosquitoes, noise - dust or odour complaints, public building inspections, Environmental Health support to Aboriginal communities, provision of public information on issues such as asbestos, mosquitoes, food hygiene.
EDUCATION AND WELFARE To meet the needs of the community in these areas.	Maintenance of pre-school facilities & donations to schools. Assistance to welfare groups and Youth Services.
HOUSING To manage housing.	Maintenance of staff and rental housing.
COMMUNITY AMENITIES To provide services required but the community.	Rubbish collections, refuse site operations, litter control, administration of the town planning scheme, cemetery operations, public toilet facilities and protection of the environment.
RECREATION AND CULTURE To establish and manage efficiently infrastructure and resources which help the social well being of the community.	Maintenance of Halls, Swimming pools, sporting facilities, parks and associated facilities, provision of library services in Tom Price, Onslow, Pannawonica & Paraburdo.
TRANSPORT To provide effective and efficient transport services to the community.	Construction and maintenance of streets, roads, bridges, footpaths; street lighting, traffic management and airport. Purchase and disposal of Council's Road Plant.
ECONOMIC SERVICES To help promote the Shire and improve it's economic well-being.	Building control, management of tourist bureau, tourism and area promotion and standpipes.
OTHER PROPERTY AND SERVICES To provide support services for works and plant operations.	Private works operations, plant repairs and operation costs, stock and materials, salaries and wages of Council employees.

Notes to and Forming Part of the Financial Report

FOR THE YEAR ENDED 30 JUNE 2020

31. FINANCIAL RATIOS

	2020 Actual	2019 Actual	2018 Actual
Current ratio	1.50	1.76	3.48
Asset consumption ratio	0.82	0.83	0.72
Asset renewal funding ratio	2.13	2.13	1.69
Asset sustainability ratio	1.43	0.61	0.43
Debt service cover ratio	20.20	10.89	18.62
Operating surplus ratio	0.14	(0.04)	0.07
Own source revenue coverage ratio	0.96	0.80	0.92

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	$\frac{\text{own source operating revenue}}{\text{operating expense}}$

Independent Auditor's Report



Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Councillors of the Shire of Ashburton

Report on the Audit of the Financial Report

Opinion

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

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

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

Basis for Opinion

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

Emphasis of Matter – Basis of Accounting

I draw attention to Notes 1 and 10 to the annual financial report, which describe the basis of accounting. The annual financial report has been prepared for the purpose of fulfilling the Shire's financial reporting responsibilities under the Act, including the Local Government (Financial Management) Regulations 1996 (Regulations). My opinion is not modified in respect of these matters:

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

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

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

Independent Auditor's Report

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

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

Auditor's Responsibility for the Audit of the Financial Report

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

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

Report on Other Legal and Regulatory Requirements

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

- (i) All required information and explanations were obtained by me.
- (ii) All audit procedures were satisfactorily completed.
- (iii) In my opinion, the Asset Consumption Ratio and the Asset Renewal Funding Ratio included in the annual financial report were supported by verifiable information and reasonable assumptions.

Other Matter

The financial ratios for 2018 in Note 31 of the annual financial report were audited by another auditor when performing their audit of the Shire for the year ending 30 June 2018. The auditor expressed an unmodified opinion on the annual financial report for that year.

Matters Relating to the Electronic Publication of the Audited Financial Report

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



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SENIOR DIRECTOR FINANCIAL AUDIT
Delegate of the Auditor General for Western Australia
Perth, Western Australia
23 February 2021



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