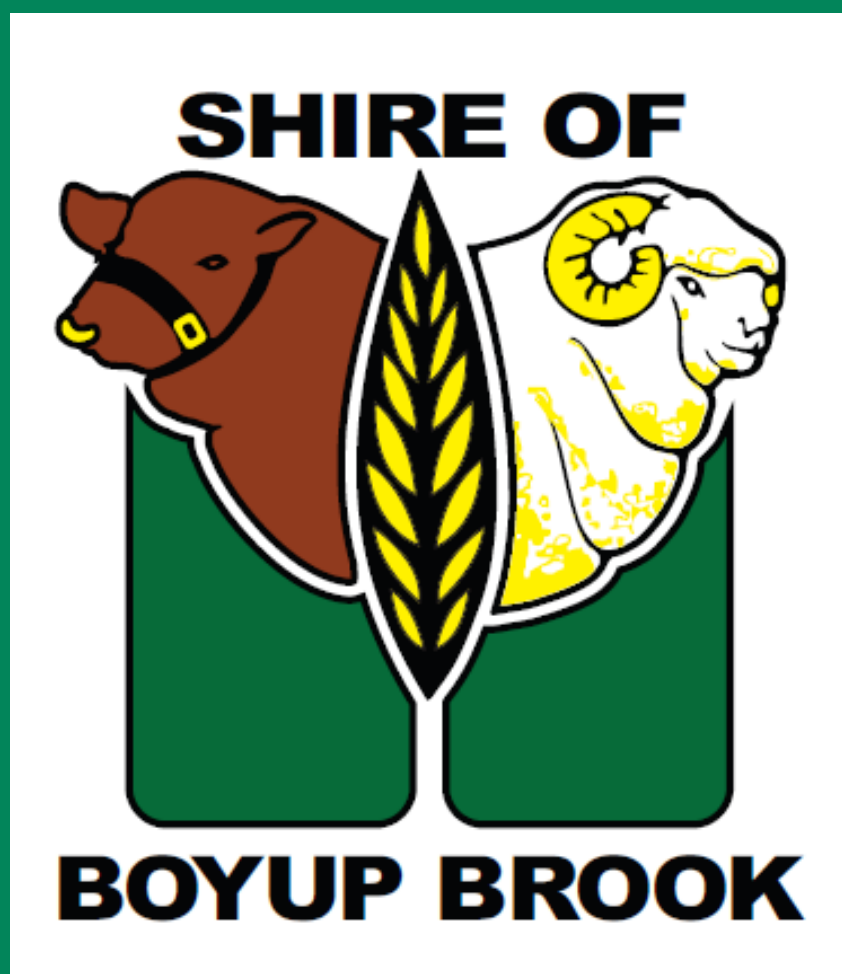


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# Annual Report & Annual Financial Report

for the year ending 30 June 2021



## *Our Vision*

*Growing Our Community Together*

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## APPENDIX

Annual Report for the Year Ended 30 June 2021  
Financial Report for the year ended 30 June 2021  
Independent Auditor's Report

# STATEMENT OF COMPLIANCE

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## **For the year ended 30 June 2021**

Residents and rate payers of the Shire of Boyup Brook,

In accordance with section 5.53 of the Local Government Act 1995, I hereby submit for your information, the Annual Report for the Shire of Boyup Brook for the financial year ended 30 June 2021.

The Annual Report has been prepared in accordance with the provisions of the Local Government Act 1995 and Local Government (Administration) Regulations 1996.



Dale Putland  
Chief Executive Officer

# INTRODUCTION

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The Shire of Boyup Brook is pleased to present the Annual Report for the 2020/2021 financial year.

The Annual Report is designed to encourage an understanding of Council's aims, objectives and activities to provide a better environment for residents to live and work in.

The Shire of Boyup Brook is located in the South West regional development area of the State and is 270 kms from the Perth CBD. The Shire adjoins the local government districts of Collie, West Arthur, Kojonup, Cranbrook, Manjimup, Bridgetown-Greenbushes, and Donnybrook-Balingup. The Shire's population is 1,780 (ABS) and the municipal district covers an area of 2,838 sq kms.

Agriculture continues to be the major component of Boyup Brook's economy. The main components are livestock which includes sheep and cattle and cropping which includes canola, barley, oats and lupins.



*Photo of the Rylington Park Farm*

## Authority and Legislation

The Shire of Boyup Brook is a statutory organisation responsible to the Minister for Local Government; Culture and the Arts. The Shire of Boyup Brook operates under the provision of the Local Government Act 1995 (as amended).

# Shire President's Report



*We acknowledge and pay our respects to the traditional custodians of the land on which we meet and work.*

## Annual Report 2020/2021

I take great pleasure in presenting the 2020/2021 Annual Report of the Shire of Boyup Brook.

The Annual Report provides an overview of the Shire's activities during the year.

## Election

An Extraordinary Election was held on Saturday, 17 October 2020 to fill vacancies in the Scotts Brook and Dinninup wards. Cr Steele Alexander was elected for the Dinninup ward and Cr Darren King was elected for the Scotts Brook Ward.

## Cr Thomas Oversby

Tom served on Council from 2009 and retired in 2021.

I would like to thank Tom for dedicating 11 years on Council and wish him all the best on his well earned retirement.

## Local Roads and Community Infrastructure (LRCI)

The Shire of Boyup Brook is excited to announce it has received \$457,531 in funding to deliver 5 projects for the community as part of the Australian Government's 'Local Roads and Community Infrastructure Program' (LRCI Program).

The purpose of the LRCI Program is to support jobs and help local economies bounce back from the effects of the COVID-19 pandemic.

Round 1 projects that were completed include:

- Boyup Brook Cranbrook Shoulder upgrades.
- Additional street parking on Forrest Street.
- Flax Mill Park upgrades to ablution blocks, automatic reticulation system for the Caravan Park and upgraded lighting.
- Tourism Centre upgrades to toilet septic system, addressing the rising damp.

Round 2 projects include more upgrades to the Flax Mill - a bigger camp kitchen, lighting for the Flax Mill model and re-sheeting the main shed.

Under Round 2, the Swimming Pool received upgrades including additional shade, a gym, new floor coverings, inclusive access and a chlorine safety system.

## Mitigation Activity Funding

Bushfire Mitigation Activity Funding (MAF) from DFES has allowed the Shire of Boyup Brook to engage a MAF Officer (in conjunction with neighbouring local governments) working with our local Bushfire X-Ray team to improve utilisation of our MAF funds and achieve better fire mitigation outcomes for the community.

## Library

At the Ordinary Council meeting held on 29 April 2021, Council accepted the proposal from the Boyup Brook Community Resource Centre to relocate the library to their premises and allocate \$20,000 in the 2021/2022 and ongoing budgets to fund the transfer of the Boyup Brook library services to the Boyup Brook Community Resource Centre.

## Round 1 projects

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Flax Mill ablutions & laundry



Football oval lights



Football oval lights

# Elected Members

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The President and Elected Members are elected by the local community to represent interests and needs of the community.

Elected Members provide community leadership and guidance and facilitate communication between the community and the Council.

Elected Members play a very important policy-making role, requiring the identification of community needs, setting objectives to meet those needs, establishing priorities between competing demands and allocated resources.

The role of the Shire President and the Elected Members is specified within the Local Government Act 1995.

The Shire of Boyup Brook comprises of four Wards as follows: Benjinup to the North West (two representatives); Boyup Brook Townsite (three representatives); Dinninup to the North East (two representatives); and Scotts Brook to the South (two representatives). At the commencement of a term of Council, Council elects the Shire President and Deputy President. As at 30 June 2021, Council's structure is as follows:



**Shire President  
Richard Walker**  
Benjinup Ward  
Term Expires: 2025



**Deputy Shire President  
Cr Helen O'Connell**  
Scotts Brook Ward  
Term Expires: 2025

## Elected Members cont...

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### **Cr Sarah Alexander**

Boyup Brook Ward

Term Expires: 2025



### **Cr Steele Alexander**

Dinninup Ward

Term Expires: 2023



### **Cr Philippe Kaltenrieder**

Boyup Brook Ward

Term Expires: 2025



### **Cr Darren King**

Scotts Brook Ward

Term Expires: 2023





**Cr Thomas Oversby**

Benjinup Ward  
Retired in 2021



**Cr Kevin Moir**

Benjinup Ward  
Term Expires: 2023



**Cr Adrian Price**

Boyup Brook Ward  
Term Expires: 2023



**Cr Elizabeth Rear**

Dinninup  
Resigned in 2020

# Chief Executive Officer's Report



## Australia Day



Winners of the 2021 Australia Day Awards were:

- Lyn Willett - Citizen of the Year
- Angela Hales - Kevin Henderson Memorial Award.

Australia Day 2021 presents us with a welcome opportunity to reflect on our recent challenges, respect those who put others before themselves and celebrate our nation's resilience and unity.

Congratulations to Carolyn Mader who made her pledge to become an Australian Citizen at the Australia Day breakfast.

## Successful Grants

In addition to the LRCI funding, the Shire of Boyup Brook was successful in receiving several smaller grants including:

- A grant of \$20,000 to help the Shire deliver Australia Day 2021 event in a COVID safe environment, while supporting local communities and industries.

- Grant funding towards 'International Volunteer Day.'

Community Groups and Volunteers were invited to the Boyup Brook Swimming Pool to celebrate International Volunteers Day.

- A grant of \$7,662.00 was approved by the Department of Communities towards the maintenance works.
- Funding went towards 'International Day of People with a Disability'.
- Funding went towards the Community Recovery Christmas Celebrations held in Sandakan Park on 4th December 2020, an event that encouraged and embraced all people within the Shire of Boyup Brook to come together.

In conclusion my special thanks go to the staff and Councillors for their assistance, guidance and co-operation during the period of this report.

It is a privilege to present the Shire of Boyup Brook's Annual Report for 2020/2021. The report outlines the key milestones and achievements of the Shire for the last 12 months.

## Development/Subdivision

In this financial year, the Shire of Boyup Brook approved 4 Subdivision Applicants, 12 Development Applications and 69 Building Applications.

## Ward Boundary Review

The Shire of Boyup Brook conducted a review of its Wards and Council Representation and invited public participation in this review process.

It was decided at an Ordinary Council meeting held on 25 March 2021 that Council retain the current number of Wards, being the Benjinup Ward, Dinninup Ward, Scotts Brook Ward and Boyup Brook Ward and retain the current representation with 9 Councillors.

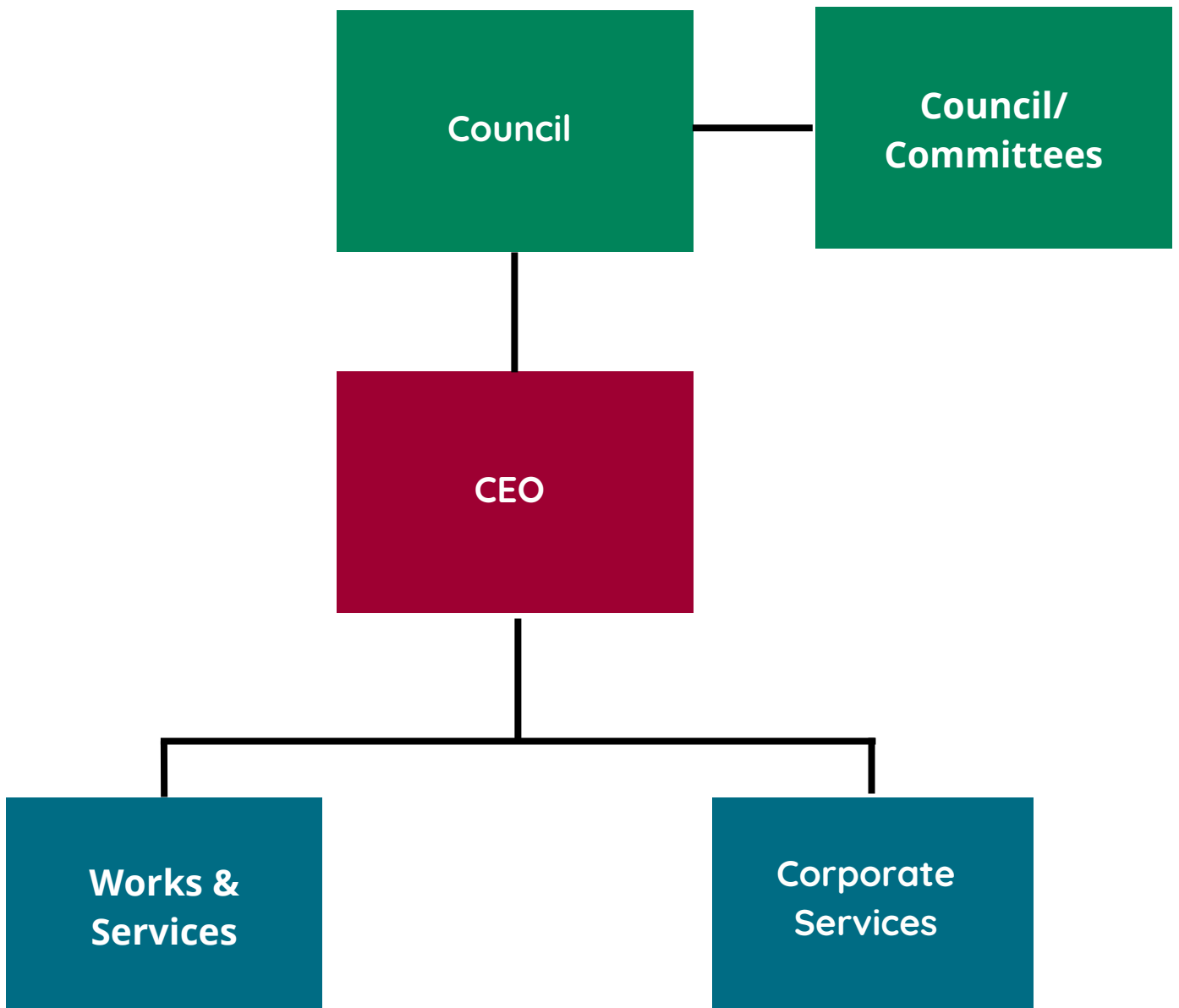
# Operational Structure

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## Organisational structure as at 30 June 2021

Chief Executive Officer:  
Manager Works & Services:  
Manager Corporate Services/Acting Deputy CEO

Dale Putland  
Wayne Butler  
Carolyn Mallett



# History

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Prior to European settlement, Aboriginal people of the Bibbulmun tribe inhabited the Boyup Brook Shire. Boyup Brook got its name from the Aboriginal word "Booyup", which means "Place of Big Stones" or "Place of Big Smoke". Either one fits as Booyup is the name of the big pool on the brook a few kilometres from the townsite. This pool is surrounded by a thick stand of grass trees and the smoke from these when burnt would create a "Big Smoke". The Big Stones" would refer to the large granite outcrops which are common in the area. The town was established where the brook runs into the river.

The discovery of the area by Europeans is credited to the explorer Augustus Gregory, Assistant Surveyor, who in 1845 conducted a survey mission, travelling from the upper reaches of the Blackwood River, where the Arthur and Beaufort Rivers converged, and followed the river for 171 kilometres. He carved his initials and the date on a large Jarrah Tree. The tree is now dead, but his marks are still on the stump, which has now been covered for preservation.

The first European settlers arrived in 1854, when a Commodore Scott and his wife took up a 12,000 acre lease. The first enterprise was dairying and the family produced butter and cheese which was transported to Albany. Later, wool production took over as the main source of income.

In 1861, James George Lee Steere, his wife Caroline and a Mr J Monger took up a 100,000 acre grazing lease. Ten years later, in 1871 came William Forrest, brother of Lord Forrest.

By 1882 there were nineteen families here and in 1900 a school was built - the beginning of a town. In 1909 the railway from Donnybrook was completed as far as Boyup Brook and in 1911 was extended towards Kojonup. The early settlers etched out a living by kangaroo hunting, and timber cutting. Although sandalwood mainly grew in the Kojonup/Williams area, many of the early pioneers were involved in the industry as well as carting the product by horse and dray to Bunbury, as the old sandalwood track went through the McAlinden area.

Boyup Brook was declared a town site on February 9, 1900 and a school was constructed in the same year. After the railway from Donnybrook was extended to reach Boyup Brook town site in 1909, Boyup Brook became the commercial and administrative centre for the district.

Mr. P.D. Forrest was a local pioneer in the development of Western Australia's subterranean clover industry, developing "Dwalganup" clover and clover harvesting machinery between 1910 and the Second World War.

A number of timber mills began operating in the district prior to the Second World War with large timber mills at Boyup Brook (closed 1982) and Wilga, and smaller ones in the out lying districts.

The cultivation and processing of flax was also carried out in Boyup Brook. During World War II, the flax was required for war materials such as tarpaulins, webbing and parachute harnesses. The Flax Mill, which was opened in 1941, was the only mill to continue to operate after the war, closing in 1965.

# Statistics

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- Area 2827 sq kms
- Position 269km south east of Perth
- Founded 1896
- Region South West
- Population 1702 (ABS)
- Sealed Urban Roads 15.21 kms
- Sealed Rural Roads 184.09 kms
- Gravel Rural Roads 841.45 kms
- Average Rainfall 600mm
- Average Temp (Max) 38 degrees
- Average Temp (Min) 5 degrees

The Shire includes the following townsites and localities:

Benjinup	Mayanup
Boyup Brook	McAlinden
Chowerup	Mickalarup
Dinninup	Nollajup
Dwalganup	Scotts Brook
Kenninup	Tonebridge
Kulikup	

# Tourism/Events

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## Citizenship Ceremonies

The Shire of Boyup Brook conducts Citizenship ceremonies to approved applicants when required and is normally held before an ordinary meeting of Council or on Australia Day. Application forms for citizenship are available from Post Offices and the Ministry of Immigration and Multicultural Affairs.



## Significant Local Events

- Sandakan Memorial Service
- Australia Day
- Anzac Service held at the War Memorial
- Blackwood Marathon is held in October each year
- Community Christmas Celebrations

## Tourist Attractions

- The Dinninup Show is held on Melbourne Cup day, (First Tuesday of November), every year
- Harvey Dickson's Country Music Centre
- Boyup Brook Country Music Club
- Boyup Brook Visitor Centre
- Blackwood River

## Ambulance Cover for Boyup Brook Residents

Have you ever wondered who pays for your Ambulance Cover? The Shire of Boyup Brook has and continues to pay St John Ambulance Boyup Brook Sub Centre to cover all PERMANENT RESIDENTS of Boyup Brook for 000 EMERGENCY CALLS. For further enquiries contact the office on Thursdays. Email: [boyupbrook@stjohnwa.com.au](mailto:boyupbrook@stjohnwa.com.au) or phone: 9765 2155.



# Art and Culture

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Boyup Brook has a diverse and colourful arts and cultural community which buzz with creative energy.

Visit the "Explore" page on the Shire website or The Boyup Brook Tourism Association website ([www.boyupbrooktourism.com.au](http://www.boyupbrooktourism.com.au)) or <https://visitbunburygeographe.com.au/destinations/boyup-brook/> to find out more about what to do and see in town.

## Walk on the Wildside

Walk on The Wildside is held annually in early October, showcasing all things arty, handmade, quirky and collectible in Boyup Brook.

Take a guided wildflower walk in celebration of spring, biodiversity, our landscapes, flora and fauna.

Explore our streets with hidden treasures around each corner. Statues that follow you, sculptures and murals.

Delight in the passion and patience of miniatures, quilts and fine art.

Take a walk back in time through the Boyup Brook District Pioneer Museum, Boyup Brook Classic Cars, sewing machines and the scale models of the Flax Mill and Railway Station.

**Sobrane Simcock** painted this field bin which the community use for celebrated functions.

Sobrane grew up in Boyup Brook, has a Gallery in Broome where she is based and spends most of her time travelling and painting.



# Strategic Community Plan

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Our Strategic Community Plan (SCP) is a Council visionary document for the next 10 years, based on community input and our research (Community Plan) to ensure our future is sustainable. Whilst it is recognized that not all outcomes can be delivered immediately, the plan will guide our decisions over the next 10 years.

The Corporate Business Plan identifies what we will achieve in the shorter term and the steps we will take to reach our long-term vision and will enable us and the community to review and monitor our progress towards achieving our aspirations.

Implementing this plan will demand that the Shire not only continues to deliver community outcomes and represent the community but recognizes that we can't deliver alone. We will work in partnership with other Shires, State and Federal Governments and the private sector to advocate the delivery of outcomes in our plan.

The Shire of Boyup Brook's Strategic Community Plan 2017-27 set out the vision, aspirations, and objectives of this community so as to guide the work of the Council, and to define Council's role in 'Growing Our Community Together'.

The Boyup Brook community's vision is for our Shire to be a place:

- For people, with a sense of community, one that is active, vibrant, engaged and connected;
- that is safe and secure;
- that nurtures its youth and aging population, and retains its health and medical services; and
- that grows and has employment opportunities, through commercial diversity based on our comparative advantage.

This will be achieved through Council exercising its leadership and influence, and through Council collaboration, partnerships and empowerment, facilitation, coordination, and regulation.

Given that the Boyup Brook community is a growing and changing one, the Shire Council has determined to align the way it works so as to respond to the changing needs of our community. The Strategic Community Plan has a strong focus on building closer collaboration and stronger partnerships with community services (e.g. not-for-profit clubs and associations) organisations, our neighbouring local governments and industry agencies, and the State Government.

Our strategic community plan identifies five outcome areas to focus (focal areas) the energy and expertise of Councillors and Shire employees to achieve the following:

## **Social**

That our people will have a 'sense of community'.

## **Natural Environment**

That our natural environment will be 'preserved and sustained'.

## **Economic Development**

That 'business and employment opportunities will be maximised'.

## **Governance**

That 'local leadership will be strengthened.'

## **Built Environment**

The Shire will focus on enhancing the town through improved streetscaping and infrastructure.



# Record Keeping Plan (State Records Act 2000)

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The State Records Act 2000 (the Records Act) provides for the keeping of State records and related items, and Section 19 of the Records Act requires each government agency/authority to have a Record Keeping Plan (RKP) that has been approved by the State Records Commission.

The RKP dictates which records are created by an organisation, how they are stored and maintained, and whether they are ultimately destroyed. The RKP is the primary means of providing evidence of compliance with the Records Act and that best practices have been implemented throughout the organisation. In accordance with Section 17 of the Records Act, the Shire of Boyup Brook and all its employees are legally required to comply with the contents of the plan.

The State Records Office (SRO) requires organisations to update their plans every five (5) years, and the Shire of Boyup Brook's RKP was reviewed during 2014-15 and 2016-2017 and subsequently approved and validated by the SRO in September 2016. The next review of the Shire's RKP is due by August 2021.

## Freedom of Information Statement

In accordance with Section 96 (1) of the Freedom of Information Act 1992, residents have the right to access records (which are not otherwise exempt) held by State and Local Government Agencies. Applications may be made to the Shire to access such information upon payment of a standard fee. In the financial year ending 2020/2021 the Shire received two applications.

## Complaints Register – Elected Members

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

There was no complaints lodged under section 5.121(9) in the 2020/2021 financial year.

## Employee Remuneration

Employee Remuneration Section 5.53(2)(g) of the Local Government Act 1995 requires the Annual Report to contain details of the number of employees of the Shire entitled to an annual salary of \$100,000 or more and within each \$10,000 band over \$100,000. The following salaries include wages, superannuation, personal benefit value of vehicle, and other allowances:

\$140,000 – \$150,000 – 2 persons  
\$240,000 – \$250,000 - 1 person  
\$460,000 – \$470,000 – 1 person

# Council and Committee Meetings

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## Public Agenda Briefing forum for 2020/2021

The public agenda briefing forum is open to the public and the briefing agenda can be accessed on the shire website.

## Ordinary Council Meeting

At an Ordinary Council meeting held on 29 October 2020, Council adopted the 2021 meeting to be held the last Thursday of the month and the open Agenda briefing be held 1 week before Council meetings.

The Council and Committee meetings are open to the public and there is public question time at the beginning of both Council and Committee meetings at which time the general public may ask questions on any Local Government matter.

Meeting dates and times are subject to change and if this does occur, notice of such changes are advertised as per the requirements of the *Local Government Act 1995*.

## Ordinary Council Meeting

16 July 2020  
27 August 2020  
24 September 2020  
29 October 2020  
26 November 2020  
17 December 2020  
25 February 2021  
25 March 2021  
29 April 2021  
27 May 2021  
24 June 2021

## Special Council Meeting

1 July 2020 x 2  
7 July 2020  
30 July 2020  
31 August 2020  
14 January 2021  
30 March 2021



## Cont....

### Councillor Attendance at Meetings - 1 July 2020 to 20 June 2021

<b>Councillor</b>	<b>Ordinary &amp; Special Council Meetings During Term</b>	<b>No. Attended</b>
<b>Cr Richard Walker (Shire President)</b>	18	18
<b>Cr Helen O'Connell (Deputy Shire President)</b>	18	18
<b>Cr Sarah Alexander</b>	18	18
<b>Cr Steele Alexander (Elected in October 2020)</b>	15	15
<b>Cr Philippe Kaltenrieder</b>	18	18
<b>Cr Tom Oversby (Retired in February 2021)</b>	10	8
<b>Cr Adrian Price</b>	18	18
<b>Cr Darren King (Elected in October 2020)</b>	15	15
<b>Cr Kevin Moir</b>	18	15
<b>Cr E Rear (Resigned 8 July 2020)</b>	3	3

# Committee Meetings

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## Committees

A local government may establish Committees pursuant to Section 5.8 of the Local Government Act 1995 to directly assist the Council in a function, project or issue(s).

In 2020/2021 six (6) Advisory Committees functioned, these being:

- Audit and Finance Committee
- Annual Awards Committee
- Bush Fire Advisory Committee
- Community Grants Committee
- Local Emergency Management Committee
- Rylington Park Transitional Committee

## Audit and Finance Committee

To Provide guidance and assistance to the local government in carrying out-

- Its functions under Part 6 of the Local Government Act 1995 (Financial Management); and
- Its functions relating to other audits and other matters related to financial management; and
- The local government's functions in relation to audits carried out under Part 7 of the Local Government Act 1995 (Audit).

To review a report given to it by the CEO under regulation 17(3) of the Local Government (Audit) Regulations 1996 (CEO to review certain systems and procedures), and to-

- report to Council the results of that review; and
- give a copy of the CEO's report to Council.

To monitor and advise the CEO when the CEO is carrying out functions in relation to a review-

- of systems and procedures in relation to risk management, internal control and legislative compliance in accordance with regulation 17(1) of the Local Government (Audit) Regulations 1996; and
- of the local governments financial management systems in accordance with the Local Government (Financial Management) Regulations 1996 regulation 5(2)(c).

To support the auditor of the local government to conduct an audit and carry out the auditor's other duties under the Act in respect of the local government.

To oversee the implementation of any action that the local government -

- is required to take by section 7.12A(3) of the Act (Audit report); and
- has stated it has taken or intends to take in a report prepared under section 7.12A(4)(a) of the Act; and
- has accepted it should be taken following receipt of a report of a review conducted under regulation 17(1) of the Local Government (Audit) Regulations; and
- has accepted it should be taken following receipt of a report of a review conducted under the Local Government (Financial Management) Regulations 1996 regulation 5(2)(c).

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## **Annual Award Committee**

Each year the Shire coordinates the Australia Day Community Citizen of the Year Awards to recognise the significant and positive contributions of individuals and groups within the Boyup Brook community.

Under Section 44(2)(a) of the Act, Council delegates its authority to determine the recipients of the Australia Day Awards under the following categories:

- Citizen of the Year;
- Kevin Henderson Memorial Award;
- Young Achiever of the Year; and
- Sports Person of the Year.

## **Bush Fire Advisory Committee**

To provide advice to Council in regard to all matters relating to bush fire control, prevention and management including recommendations on the annual firebreak requirements, capital (equipment) purchase, review of firefighting/prevention practices, firefighting training, etc.

## **Community Grants Committee**

Each year Council calls for community grants. The Community Grants Committee was formed to assess applications and make recommendations. The final decision will be made by Council at budget adoption time.

## **Local Emergency Management Committee**

The Shire of Boyup Brook Local Emergency Management Committee (LEMC) is established under the WA Emergency Management Act 2005, to prepare and manage local community emergencies.

The LEMC consists of representatives from essential services including the Shire of Boyup Brook, Boyup Brook Police, Bush Fire Control Officer including the X-Ray team, Department of Fire and Emergency Service (DFES), WA Country Health, Saint John Ambulance, Department of Communities, Water Corporation and other government agencies.

The Committee meets on a regular basis to plan strategies to prevent emergencies occurring and to be prepared when they do occur. Part of the preparation is the holding of emergency exercises to test the efficiency of the operational procedures of agencies responding to an emergency and to make improvements where necessary.

The LEMC has a proactive approach to emergency management that is abbreviated to PPRR – Prevention, Preparedness, Response and Recovery.

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## **Rylington Park Transitional Committee**

Council established a Rylington Park Transitional Committee to manage the transition of Rylington Park operations from the Rylington Park Management Committee Inc. to management of the facility by the Shire.

## **Elector Meetings**

In accordance with Section 5.27 of the Local Government Act 1995, an Annual General Meeting of Electors is to be held once every financial year. The Act and associated legislation prescribe the matters that are to be discussed.

Special Electors Meetings can also be held upon petition from electors in accordance with the Local Government Act. An Electors' Special Meeting can be requested for any purpose, provided the issues to be considered are within the local government's power to deal with.



*Photo of the Blackwood River*

# Community Grants



In 2020/21 the Shire of Boyup Brook supported a significant level of financial assistance to the community, being the sum of \$65,505.53.

Community Group	Description	Donation
Blackwood Basin Group Inc	Biosecurity Services	\$7818.00
Blackwood Valley Wine Industry Assoc	Sponsorship	\$750.00
Boyup Brook Community Resource Centre	Photography Competition	\$181.82
Boyup Brook Community Resource Centre	Art Boards Upgrade	\$861.21
Boyup Brook Districts Pioneer Museum	Assistance with running costs	\$5000.00
Boyup Brook Family Playgroup	Rylington Park Sponsorship	\$1000.00
Boyup Brook Tourism Assoc	Street Banners	\$1639.50
Boyup Brook Tourism Assoc	MOU	\$25,000.00
CoMHAT	Mental Health Week	\$4,800.00
Country Music Club of WA	Support for the festival	\$15,000.00
South West Group Of Affiliated Agricultural Assoc	Display at Perth Royal Show	\$250.00
Tan & Vic's Lawn & Garden Care	Croquet Club Court upgrade	\$1,505.00
Tonebridge Country Club	Operating Costs	\$1000.00
Wilga Progress Association	Support Event	\$700.00

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## Town Hall

At the Ordinary Council meeting held on 24 June 2021, Council resolved to waive fees and charges for community organisations, non-for-profit community groups, businesses and Sporting and Recreation bodies for the use of the Town Hall.





# Fire & Emergency Mitigation

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The annual bushfire prevention inspection program for the district commenced in early December 2020 and concluded in late February 2021. The Shire conducted property inspections in local townsites and Special Rural areas, and an aerial inspection of the larger farming areas.

The Local Emergency Management Committee (LEMC) met regularly to achieve its statutory responsibilities, work towards a safer Boyup Brook Shire and to maintain roles and responsibilities as part of normal business. The LEMC worked at keeping local plans up-to-date and to ensure adequate training and exercise of local arrangements was available for a multi-agency response.

The Shire's Volunteer Bush Fire Brigades responded to numerous fire incidents over the fire season. The volunteers' dedication to the community continues to be of an exemplary standard.

## **Bushfire Risk Management Planning**

A Bushfire Risk Planning Coordinator was engaged by the Shire to develop a Bushfire Risk Management Plan. The Plan identifies assets at risk from bushfire and prioritises treatment. A Treatment Schedule sets out a broad, coordinated, multi-agency program to address identified risks. This role is funded by the Department of Fire and Emergency Services and is shared between the Shires of Boyup Brook, Bridgetown-Greenbushes, Donnybrook-Balingup and Nannup.

The majority of the Boyup Brook Shire has been mapped and Risk Assessed by the Bushfire Risk Planning Coordinator and detailed mitigation plans have been developed and scheduled for maintenance throughout the year.

## Public and Environmental Health

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Only four months prior to this reporting period, the WA State Government had declared a State of Emergency in response to the Pandemic caused by COVID – 19. A staged defence to slow the spread was quickly introduced by the State Government and by May 2020 it looked like things were getting back to normal.

In July 2020 WA tightened borders with Victoria and then NSW in light of a second wave. Our local community was relatively safe with only a handful of community cases in the state.

During this time the Public Health Officer worked closely with WAPOL to educate the community about the mandates and restrictions based on State Government Directives, these included the 4 square metre rule, later relaxed to 2 square meters, Hygiene Officer training for food handlers, CV Safety Plans for all public facilities, CV Event Plans for events and QR codes for contact tracing.

Boyup Brook businesses and not-for-profit groups were compliant with the requirements, although there was a degree of complacency from individuals. Assistance to complete safety plans and obtain QR codes was provided for many groups who struggled with the “online” and “app” methodology.

The Shire generated a list of local vulnerable persons and offered support through the provision of essential items as required.

The requirement for a high standard of cleaning within the food business industry led to a reduced frequency of food borne illness reports for the year, with only one being reported during that period.

The Public Health Officer was kept informed and up to date by attendance at numerous webinars and training sessions related to the pandemic, delivered by various key bodies such as the Western Australian Department of Health, WALGA, LGIS, and the Department of Local Government. This was supported by weekly updates from the Environmental Health Directorate and State Health Incident Management Team.

While the pandemic dominated the public health space, traditional activities were maintained with the assessment of 21 septic tank applications, public building inspections, monthly swimming pool water testing, and event plan reviews. Participation in the “Play it Food Safe”, campaign for households ran over four months and was promoted through the monthly newsletter and facebook to all residents.

Work towards finalising local Public Health Plans was put on hold by the WA Department of Health in light of the direct involvement of Public Health Officers who were dealing with higher priority issues around the pandemic.

# Occupational Health and Safety (Work Health and Safety)

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In November 2020 the Governor of Western Australia assented to the new Work Health and Safety Act 2020. However, the WHS Act will not commence until the WHS regulations are finalised, which is expected to occur in 2021. It provides a framework to protect the health, safety and welfare of workers, which includes volunteers in all WA workplaces.

While the regulations are being developed workplace participants will have time to become familiar with the provisions of the WHS Act. Part 16 of the WHS Act provides transitional periods for matters ranging from the terms of health and safety representatives (HSRs), to manufacture and imports.

LGIS commenced providing training sessions to managers, staff and bush fire members to introduce the pertinent changes to the legislation.

There were no safety incidents that were notifiable to WorkSafe Wa, and no Improvement Notices were received from WorkSafe WA.

In preparation for the changing legislation the Shire of Boyup Brook implemented some site specific COV-19 protocols to protect staff, these included the installation of perspex screen barriers for the customer service officers, automatic hand sanitizer dispensers in public halls and work areas, ongoing review of COVID Safety Plans for all workplaces and public buildings.

In 2020/21 a variety of training and development programs were held for employees. These programs comprise a combination of online training, virtual and face-to-face programs. The corporate training included but not limited to:

- General Occupational Health and Safety
- Safety Leadership, Emergency Preparedness
- First Aid, & CPR
- Manual Handling – induction training online
- Infection Control training – induction online
- Aboriginal and Torres Strait Islander Cultural Awareness online

# Disability Access and Inclusion

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With the assistance of commonwealth grants, local infrastructure improvements completed during the 2020/2021 year provided opportunities to bring buildings into compliance with AS1428 – Design for Access and Mobility, in relation to orientation of people with vision impairment. Upgrades to ablutions signage included tactile signs and ground surface indicators as well as improved automatic sensing lighting at public facilities.

State grants also contributed to the ability of the Shire to make the Australia Day Awards and Christmas celebration more accessible to people with a disability by offering a bus and priority parking.

As required by the Disability Services Act 1993 (WA), an annual report was submitted on time to the Department of Communities showing progress across the planned strategies.

# Works Program

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## **Parks and Gardens Capital Renewal:**

There were no capital renewal projects completed in Parks & Gardens.

## **Road Projects and Car Parks:**

The following road projects were undertaken and completed:

- Regional Road Group Funding:  
Winnejup Road - Widening and sealing  
Boyup Brook - Cranbrook Road: Widening, sealing and corner reconstruction
- Roads to Recovery Funding:  
Kulikup Road South: Gravel re-sheeting  
Beatty Street - sealing the road  
Terry Road - gravel re-sheeting and works on dangerous bend.
- The following Roads to Recovery funded project was deferred to the 21/22 financial year:  
Boyup-Brook Arthur Road.

## **Bridge Maintenance:**

Level 1 bridge inspections were completed for 21 bridges.

As a result, preventative maintenance works were completed by Main Roads and contractors on the following bridges:

- Bridge 0743, Boyup Brook - Arthur Road.
- Bridge 3306, Jayes Road. (included emergency repairs resulting in the bridge being closed for several months)
- Bridge 3307, McAlinden Road.
- Bridge 3311, Dwalganup Road.
- Bridge 4872, McAlinden Road.

## **Waste:**

- A new pit was dug at the landfill site.
- Lions Club at the Transfer station fenced off.
- Transportable was installed for the attendants office.

## **New Plant Purchases:**

1. Three mowers for Parks and Gardens
2. Two utes for Parks/Gardens and Roads

# Works Program

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## Forrest St disabled carparking



## Cranbrook Road shoulder works



## Forrest Street carpark



# Shire Contact Information

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55 Abel Street, Boyup Brook WA 6244  
PO Box 2, Boyup Brook WA 6244



Ph: 9765 1200



Email: [shire@boyupbrook.wa.gov.au](mailto:shire@boyupbrook.wa.gov.au)



Opening hours: Monday - Friday  
8.30am - 4.30pm



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



# Annual Financial Report for the Year Ended 30 June 2021

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2020 – 2021 Financial Statements

The Shire of Boyup Brook's Annual Financial Statements and the (independent) auditor's report of Office of the Auditor General are included in the attached documents.





**SHIRE OF BOYUP BROOK**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2021**

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**COMMUNITY VISION**

A place for people, with a sense of community, one that is active, vibrant, engaged and connected.

A place that is safe and secure.

A place that nurtures its youth and ageing population; and retains its health and medical services.

A place that grows and has employment opportunities, through commercial diversity, which is based on our competitive advantage

Principal place of business:  
55 Abel Street  
BOYUP BROOK WA 6244

**SHIRE OF BOYUP BROOK  
FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2021**

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

**STATEMENT BY CHIEF EXECUTIVE OFFICER**

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

Signed on the 2nd day of September 2022



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Chief Executive Officer

DALE PUTLAND

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Name of Chief Executive Officer

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

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
<b>Revenue</b>				
Rates	24(a)	2,977,389	3,007,292	3,002,704
Operating grants, subsidies and contributions	2(a)	1,937,011	1,125,550	1,704,170
Fees and charges	2(a)	1,808,312	1,518,125	1,400,337
Interest earnings	2(a)	32,364	45,205	73,779
Other revenue	2(a)	963,409	503,190	1,656,581
		<b>7,718,485</b>	<b>6,199,362</b>	<b>7,837,571</b>
<b>Expenses</b>				
Employee costs		(3,352,845)	(2,875,038)	(3,177,630)
Materials and contracts		(1,188,352)	(2,544,200)	(1,182,652)
Utility charges		(191,781)	(228,519)	(213,746)
Depreciation on non-current assets	12(b)	(3,504,032)	(3,592,229)	(3,378,804)
Interest expenses	2(b)	(73,914)	(21,754)	(23,288)
Insurance expenses		(203,291)	(165,432)	(190,867)
Other expenditure		(163,538)	(251,606)	(276,762)
		<b>(8,677,753)</b>	<b>(9,678,778)</b>	<b>(8,443,749)</b>
		<b>(959,268)</b>	<b>(3,479,416)</b>	<b>(606,178)</b>
Non-operating grants, subsidies and contributions	2(a)	2,231,363	2,661,821	659,311
Profit on asset disposals	12(a)	75,543	0	0
(Loss) on asset disposals	12(a)	(50,590)	0	(156,782)
Fair value adjustments to financial assets at fair value through profit or loss		2,586	0	1,153
		<b>2,258,902</b>	<b>2,661,821</b>	<b>503,682</b>
<b>Net result for the period</b>		<b>1,299,634</b>	<b>(817,595)</b>	<b>(102,496)</b>
<b>Total other comprehensive income for the period</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>Total comprehensive income for the period</b>		<b>1,299,634</b>	<b>(817,595)</b>	<b>(102,496)</b>

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

**SHIRE OF BOYUP BROOK**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY PROGRAM**  
**FOR THE YEAR ENDED 30 JUNE 2021**

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
<b>Revenue</b>				
	2(a)			
Governance		23,600	0	0
General purpose funding		4,644,902	3,742,447	4,491,069
Law, order, public safety		136,120	271,834	152,095
Health		1,144,671	907,844	789,345
Education and welfare		165,665	125,000	150,750
Housing		74,012	89,601	84,313
Community amenities		227,835	207,766	216,470
Recreation and culture		46,974	41,441	41,580
Transport		192,847	191,890	189,903
Economic services		118,312	110,530	119,282
Other property and services		943,547	511,009	1,602,764
		<b>7,718,485</b>	<b>6,199,362</b>	<b>7,837,571</b>
<b>Expenses</b>				
	2(b)			
Governance		(341,346)	(379,473)	(325,345)
General purpose funding		(103,392)	(139,443)	(137,865)
Law, order, public safety		(364,450)	(508,331)	(413,680)
Health		(1,358,379)	(1,249,020)	(1,178,152)
Education and welfare		(244,672)	(226,309)	(248,451)
Housing		(135,264)	(140,757)	(123,595)
Community amenities		(409,491)	(348,711)	(349,707)
Recreation and culture		(1,066,280)	(1,162,098)	(1,128,605)
Transport		(3,687,844)	(4,312,005)	(3,743,786)
Economic services		(315,552)	(657,873)	(441,717)
Other property and services		(577,169)	(533,004)	(329,558)
		<b>(8,603,839)</b>	<b>(9,657,024)</b>	<b>(8,420,461)</b>
<b>Finance Costs</b>				
	2(b)			
Education and welfare		(66,781)	(14,218)	(14,870)
Housing		(2,552)	(2,670)	(2,939)
Community amenities		0	0	(183)
Recreation and culture		(4,581)	(4,866)	(5,296)
		<b>(73,914)</b>	<b>(21,754)</b>	<b>(23,288)</b>
		<b>(959,268)</b>	<b>(3,479,416)</b>	<b>(606,178)</b>
Non-operating grants, subsidies and contributions	2(a)	2,231,363	2,661,821	659,311
Profit on disposal of assets	12(a)	75,543	0	0
(Loss) on disposal of assets	12(a)	(50,590)	0	(156,782)
Fair value adjustments to financial assets at fair value through profit or loss		2,586	0	1,153
		<b>2,258,902</b>	<b>2,661,821</b>	<b>503,682</b>
<b>Net result for the period</b>		<b>1,299,634</b>	<b>(817,595)</b>	<b>(102,496)</b>
<b>Total other comprehensive income for the period</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>Total comprehensive income for the period</b>		<b>1,299,634</b>	<b>(817,595)</b>	<b>(102,496)</b>

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



**SHIRE OF BOYUP BROOK**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2021**

	NOTE	2021	2020
		\$	\$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	5,369,634	4,492,792
Trade and other receivables	6	595,777	504,357
Inventories	7	94,263	22,760
Biological assets	8	608,422	480,894
Other assets	9	28,294	23,077
<b>TOTAL CURRENT ASSETS</b>		<b>6,696,390</b>	<b>5,523,880</b>
<b>NON-CURRENT ASSETS</b>			
Trade and other receivables	6	23,574	15,358
Other financial assets	5(a)	73,807	71,221
Property, plant and equipment	10(a)	15,165,268	15,551,355
Infrastructure	11(a)	109,791,500	109,937,492
<b>TOTAL NON-CURRENT ASSETS</b>		<b>125,054,149</b>	<b>125,575,426</b>
<b>TOTAL ASSETS</b>		<b>131,750,539</b>	<b>131,099,306</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	14	461,329	579,982
Other liabilities	15	685,660	822,137
Borrowings	16(a)	20,178	36,157
Employee related provisions	17(a)	338,207	413,664
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,505,374</b>	<b>1,851,940</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	16(a)	93,502	397,010
Employee related provisions	17(a)	16,850	15,177
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>110,352</b>	<b>412,187</b>
<b>TOTAL LIABILITIES</b>		<b>1,615,726</b>	<b>2,264,127</b>
<b>NET ASSETS</b>		<b>130,134,813</b>	<b>128,835,179</b>
<b>EQUITY</b>			
Retained surplus		59,469,830	57,972,427
Reserves - cash backed	4	2,389,329	2,587,098
Revaluation surplus	13	68,275,654	68,275,654
<b>TOTAL EQUITY</b>		<b>130,134,813</b>	<b>128,835,179</b>

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

**SHIRE OF BOYUP BROOK**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2021**

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
<b>Balance as at 1 July 2019</b>		<b>57,744,242</b>	<b>2,917,779</b>	<b>68,275,654</b>	<b>128,937,675</b>
Comprehensive income					
Net result for the period		(102,496)	0	0	(102,496)
Other comprehensive income	13	0	0	0	0
Total comprehensive income		(102,496)	0	0	(102,496)
Transfers from reserves	4	1,012,330	(1,012,330)	0	0
Transfers to reserves	4	(681,649)	681,649	0	0
<b>Balance as at 30 June 2020</b>		<b>57,972,427</b>	<b>2,587,098</b>	<b>68,275,654</b>	<b>128,835,179</b>
Comprehensive income					
Net result for the period		1,299,634	0	0	1,299,634
Other comprehensive income	13	0	0	0	0
Total comprehensive income		1,299,634	0	0	1,299,634
Transfers from reserves	4	354,161	(354,161)	0	0
Transfers to reserves	4	(156,392)	156,392	0	0
<b>Balance as at 30 June 2021</b>		<b>59,469,830</b>	<b>2,389,329</b>	<b>68,275,654</b>	<b>130,134,813</b>

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

**SHIRE OF BOYUP BROOK**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Rates	2,916,452	3,007,292	2,917,692
Operating grants, subsidies and contributions	1,889,464	450,956	1,750,975
Fees and charges	1,803,024	1,518,125	1,405,625
Interest received	32,364	45,205	74,310
Goods and services tax received	425,693	0	149,119
Other revenue	962,732	503,190	949,802
	<u>8,029,729</u>	<u>5,524,768</u>	<u>7,247,523</u>
<b>Payments</b>			
Employee costs	(3,506,718)	(2,832,008)	(3,416,903)
Materials and contracts	(1,411,004)	(2,544,200)	(1,012,867)
Utility charges	(191,781)	(228,519)	(213,746)
Interest expenses	(73,914)	(21,754)	(23,983)
Insurance paid	(203,291)	(165,432)	(192,945)
Goods and services tax paid	(400,725)	0	(200,000)
Other expenditure	(166,258)	(251,606)	(265,837)
	<u>(5,953,691)</u>	<u>(6,043,519)</u>	<u>(5,326,281)</u>
<b>Net cash provided by (used in) operating activities</b>	18 2,076,038	(518,751)	1,921,242
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for purchase of property, plant & equipment	10(a) (416,661)	(537,039)	(962,625)
Payments for construction of infrastructure	11(a) (2,723,066)	(3,488,384)	(1,524,156)
Non-operating grants, subsidies and contributions	2,067,291	2,661,821	1,426,149
Proceeds from sale of property, plant & equipment	12(a) 192,727	127,714	309,596
<b>Net cash provided by (used in) investment activities</b>	<u>(879,709)</u>	<u>(1,235,888)</u>	<u>(751,036)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of borrowings	16(b) (319,487)	(36,157)	(39,432)
<b>Net cash provided by (used in) financing activities</b>	<u>(319,487)</u>	<u>(36,157)</u>	<u>(39,432)</u>
<b>Net increase (decrease) in cash held</b>	876,842	(1,790,796)	1,130,774
Cash at beginning of year	4,492,792	3,852,438	3,362,018
<b>Cash and cash equivalents at the end of the year</b>	18 <u>5,369,634</u>	<u>2,061,642</u>	<u>4,492,792</u>

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

**SHIRE OF BOYUP BROOK**  
**RATE SETTING STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2021**

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
<b>OPERATING ACTIVITIES</b>				
<b>Net current assets at start of financial year - surplus/(deficit)</b>	25 (b)	1,012,961	1,135,201	384,703
		1,012,961	1,135,201	384,703
<b>Revenue from operating activities (excluding rates)</b>				
Governance		23,600	0	0
General purpose funding		1,668,768	736,410	1,489,620
Law, order, public safety		136,120	271,834	152,095
Health		1,144,671	907,844	789,345
Education and welfare		165,665	125,000	150,750
Housing		139,679	89,601	84,313
Community amenities		227,835	207,766	216,470
Recreation and culture		46,974	41,441	41,580
Transport		202,723	191,890	189,903
Economic services		118,312	110,530	119,282
Other property and services		946,133	511,009	1,603,917
		4,820,480	3,193,325	4,837,275
<b>Expenditure from operating activities</b>				
Governance		(341,346)	(379,473)	(325,345)
General purpose funding		(103,392)	(139,443)	(137,865)
Law, order, public safety		(364,450)	(508,331)	(413,680)
Health		(1,358,379)	(1,249,020)	(1,178,152)
Education and welfare		(311,453)	(240,527)	(263,321)
Housing		(183,041)	(143,427)	(126,534)
Community amenities		(409,491)	(348,711)	(349,890)
Recreation and culture		(1,070,861)	(1,166,964)	(1,133,901)
Transport		(3,693,209)	(4,312,005)	(3,894,818)
Economic services		(315,552)	(657,873)	(441,717)
Other property and services		(577,169)	(533,004)	(335,308)
		(8,728,343)	(9,678,778)	(8,600,531)
Non-cash amounts excluded from operating activities	25(a)	3,004,582	3,635,260	2,616,690
<b>Amount attributable to operating activities</b>		109,680	(1,714,992)	(761,863)
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions	2(a)	2,231,363	2,661,821	659,311
Proceeds from disposal of assets	12(a)	192,727	127,714	309,596
Purchase of property, plant and equipment	10(a)	(416,661)	(537,039)	(962,625)
Purchase and construction of infrastructure	11(a)	(2,723,066)	(3,488,384)	(1,524,156)
<b>Amount attributable to investing activities</b>		(715,637)	(1,235,888)	(1,517,874)
<b>FINANCING ACTIVITIES</b>				
Repayment of borrowings	16(b)	(319,487)	(36,157)	(39,432)
Transfers to reserves (restricted assets)	4	(156,392)	(19,000)	(681,649)
Transfers from reserves (restricted assets)	4	354,161	0	1,012,330
<b>Amount attributable to financing activities</b>		(121,718)	(55,157)	291,249
<b>Surplus/(deficit) before imposition of general rates</b>		(727,675)	(3,006,037)	(1,988,488)
<b>Total amount raised from general rates</b>	24(a)	2,976,134	3,006,037	3,001,449
<b>Surplus/(deficit) after imposition of general rates</b>	25(b)	<b>2,248,459</b>	<b>0</b>	<b>1,012,961</b>

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



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

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

**1. BASIS OF PREPARATION**

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

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

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

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

**THE LOCAL GOVERNMENT REPORTING ENTITY**

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

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 29 to these financial statements.

**INITIAL APPLICATION OF ACCOUNTING STANDARDS**

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

These were:

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

The impact of adoption of these standards is described at Note 28.

**NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE YEARS**

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

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

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

**CRITICAL ACCOUNTING ESTIMATES**

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

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

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

- Employee Expenses
- Other Financial Assets
- Property, Plant and Equipment
- Infrastructure
- Borrowing Liabilities
- Provisions

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

**2. REVENUE AND EXPENSES**

**(a) Grant revenue**

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

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
<b>Operating grants, subsidies and contributions</b>			
Governance	23,600	0	0
General purpose funding	1,620,882	673,620	1,389,830
Law, order, public safety	128,499	265,654	143,647
Health	0	0	589
Housing	0	235	0
Recreation and culture	0	500	0
Transport	164,030	160,040	160,104
Economic services	0	8,425	10,000
Other property and services	0	17,076	0
	1,937,011	1,125,550	1,704,170
<b>Non-operating grants, subsidies and contributions</b>			
Law, order, public safety	0	31,700	0
Recreation and culture	4,000	0	21,750
Transport	2,227,363	2,630,121	637,561
	2,231,363	2,661,821	659,311
	4,168,374	3,787,371	2,363,481
<b>Total grants, subsidies and contributions</b>			
<b>Fees and charges</b>			
General purpose funding	14,268	16,330	24,757
Law, order, public safety	7,621	6,180	8,448
Health	1,144,671	907,844	788,756
Education and welfare	165,665	125,000	141,881
Housing	72,996	89,366	84,079
Community amenities	222,445	204,004	204,141
Recreation and culture	46,227	40,941	41,081
Transport	1,353	3,050	3,201
Economic services	104,687	102,105	95,369
Other property and services	28,379	23,305	8,624
	1,808,312	1,518,125	1,400,337

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

**SIGNIFICANT ACCOUNTING POLICIES**

**Grants, subsidies and contributions**

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

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

**Fees and Charges**

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

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

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

**(a) Revenue (Continued)**

**Contracts with customers and transfers for recognisable non-financial assets**

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

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Operating grants, subsidies and contributions	316,129	450,794	0
Fees and charges	1,752,718	1,490,477	1,400,337
Other revenue	914,651	476,954	1,593,923
Non-operating grants, subsidies and contributions	2,231,363	2,661,821	659,311
	5,214,861	5,080,046	3,653,571

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

Revenue from contracts with customers included as a contract liability at the start of the period	822,137	0	54,926
Revenue from contracts with customers recognised during the year	2,161,361	2,418,225	2,939,334
Revenue from transfers intended for acquiring or constructing recognisable non financial assets during the year	2,231,363	2,661,821	659,311
	5,214,861	5,080,046	3,653,571

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	188,414		110,552
Contract liabilities from contracts with customers	(685,660)		(822,137)

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

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

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

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

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

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

**(a) Revenue (Continued)**

**Revenue from statutory requirements**

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

General rates

Statutory permits and licences

Fines

**Other revenue**

Reimbursements and recoveries

Rylington Park Agricultural Operations contribution

Other

**Interest earnings**

Interest on reserve funds

Rates instalment and penalty interest (refer Note 24(b))

Other interest earnings

	2021 Actual \$	2021 Budget \$	2020 Actual \$
	2,976,134	3,006,037	3,001,449
	54,486	26,778	0
	1,108	870	0
	<u>3,031,728</u>	<u>3,033,685</u>	<u>3,001,449</u>
	48,758	26,236	62,658
	0	0	1,372,913
	914,651	476,954	221,010
	<u>963,409</u>	<u>503,190</u>	<u>1,656,581</u>
	3,824	19,000	20,094
	25,590	24,215	39,214
	2,950	1,990	14,471
	<u>32,364</u>	<u>45,205</u>	<u>73,779</u>

**SIGNIFICANT ACCOUNTING POLICIES**

**Interest earnings**

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

**Interest earnings (continued)**

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

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

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

**(b) Expenses**

**Auditors remuneration**

- Audit of the Annual Financial Report
- Other services

**Interest expenses (finance costs)**

- Borrowings

Note	2021 Actual \$	2021 Budget \$	2020 Actual \$
	30,000	22,500	22,750
	0	1,600	0
	<u>30,000</u>	<u>24,100</u>	<u>22,750</u>
16(b)	73,914	21,754	23,288
	<u>73,914</u>	<u>21,754</u>	<u>23,288</u>

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

**2. REVENUE AND EXPENSES**

**REVENUE RECOGNITION POLICY**

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Timing of revenue recognition
Rates	General Rates	Over time	Payment dates adopted by Council during the year	None	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Specified area rates	Rates charge for specific defined purpose	Over time	Payment dates adopted by Council during the year	Refund in event monies are unspent	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Service charges	Charge for specific service	Over time	Payment dates adopted by Council during the year	Refund in event monies are unspent	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Grant contracts with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants, subsidies or contributions for the construction of non-financial assets	Construction or acquisition of recognisable non-financial assets to be controlled by the local government	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants with no contract commitments	General appropriations and contributions with no reciprocal commitment	No obligations	Not applicable	Not applicable	Cash received	On receipt of funds	Not applicable	When assets are controlled
Fees and charges	Building services, caravan and camping services, cemetery services, childcare services, library services, medical services, property rental and hire, private works, refuse and recycling services, swimming pool entry, planning, development, animal management, or a service having the same nature as a licence regardless of naming.	Single point in time	Full payment prior to issue	None	Adopted by Council annually or Set by State legislation or limited by legislation to the cost of provision	Applied fully based on timing of provision/entry, or based on timing of issue of the associated rights	Not applicable	Output method based on provision of service or completion of works, or on payment and issue of the licence, registration or approval
Commissions	Commissions on licencing and ticket sales	Over time	Payment in full on sale	None	Set by mutual agreement with the customer	On receipt of funds	Not applicable	When assets are controlled
Reimbursements	Insurance claims and reimbursable expenses	Single point in time	Payment in arrears for claimable event	None	Set by mutual agreement	When claim is agreed or expense is incurred	Not applicable	When claim is agreed or when expense is incurred
Other revenue	Sheep and wool sales, shearing school income at Rylington Park	Over time	Payment in arrears	None	Set by mutual agreement with the customer	On receipt of funds	Not applicable	When assets are controlled

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

**3. CASH AND CASH EQUIVALENTS**

NOTE	2021	2020
	\$	\$
Cash at bank and on hand	5,369,634	4,492,792
<b>Total cash and cash equivalents</b>	<b>5,369,634</b>	<b>4,492,792</b>
<b>Restrictions</b>		
- Cash and cash equivalents	3,119,040	3,820,151
	<b>3,119,040</b>	<b>3,820,151</b>

**Restrictions**

The following classes of assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:

- Cash and cash equivalents

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

Reserves - cash backed	4	2,389,329	2,587,098
Contract liabilities from contracts with customers	15	685,660	822,137
Bonds and deposits	14	44,051	57,127
Unspent loans	16(d)	0	353,789
<b>Total restricted assets</b>		<b>3,119,040</b>	<b>3,820,151</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**Cash and cash equivalents**

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

**Restricted assets**

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



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

**4. RESERVES - CASH BACKED**

	2021 Actual Opening Balance	2021 Actual Transfer to	2021 Actual Transfer (from)	2021 Actual Closing Balance	2021 Budget Opening Balance	2021 Budget Transfer to	2021 Budget Transfer (from)	2021 Budget Closing Balance	2020 Actual Opening Balance	2020 Actual Transfer to	2020 Actual Transfer (from)	2020 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Reserves cash backed - Leave Reserve	122	1	0	123	121	1	0	122	120	2	0	122
(b) Reserves cash backed - Plant Reserve	148,275	1,686	0	149,961	148,325	1,464	0	149,789	325,626	2,649	(180,000)	148,275
(c) Reserves cash backed - Building Reserve	705,999	8,026	0	714,025	706,235	6,970	0	713,205	699,515	6,484	0	705,999
(d) Reserves cash backed - Community Housing Reserve	79,999	134,518	0	214,517	80,026	790	0	80,816	79,265	734	0	79,999
(e) Reserves cash backed - Emergency Reserve	12,339	140	0	12,479	12,343	121	0	12,464	12,226	113	0	12,339
(f) Reserves cash backed - Insurance Claim Reserve	15,037	170	0	15,207	15,042	148	0	15,190	14,899	138	0	15,037
(g) Reserves cash backed - Other Recreation Reserve	49,989	568	0	50,557	50,005	494	0	50,499	49,529	460	0	49,989
(h) Reserves cash backed - Commercial Reserve	446,515	5,076	0	451,591	446,665	4,408	0	451,073	442,415	4,100	0	446,515
(i) Reserves cash backed - Bridges Reserve	153	3	0	156	154	2	0	156	152	1	0	153
(j) Reserves cash backed - Aged Accommodation Reserve	381,518	4,251	(354,161)	31,608	381,646	3,767	0	385,413	378,014	3,504	0	381,518
(k) Reserves cash backed - Road Contributions Reserve	28,288	321	0	28,609	28,298	279	0	28,577	28,028	260	0	28,288
(l) Reserves cash backed - IT/Office Equipment Reserve	39,468	449	0	39,917	39,481	390	0	39,871	39,105	363	0	39,468
(m) Reserves cash backed - Civic Receptions Reserve	16,587	189	0	16,776	16,593	164	0	16,757	16,435	152	0	16,587
(n) Reserves cash backed - Unspent Grants Reserve	78	1	0	79	78	1	0	79	832,330	78	(832,330)	78
(o) Reserves cash backed - Unspent Community Grants Reserve	121	1	0	122	121	1	0	122	120	1	0	121
(p) Reserves cash backed - Rylington Park Working Capital Reserve	250,399	375	0	250,774	0	0	0	0	0	250,399	0	250,399
(q) Reserves cash backed - Rylington Park Community Projects Reserve	412,211	617	0	412,828	50,000	0	0	50,000	0	412,211	0	412,211
	2,587,098	156,392	(354,161)	2,389,329	1,975,133	19,000	0	1,994,133	2,917,779	681,649	(1,012,330)	2,587,098

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

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

Name of Reserve	Anticipated date of use	Purpose of the reserve
(a) Reserves cash backed - Leave Reserve	Ongoing	- to be used to fund annual, long service leave and redundancy requirements.
(b) Reserves cash backed - Plant Reserve	Ongoing	- to be used for the purchase of plant items, including graders, trucks, utes, sedans, rollers etc.
(c) Reserves cash backed - Building Reserve	Ongoing	- to be used to fund future maintenance of shire owned buildings, including heritage buildings.
(d) Reserves cash backed - Community Housing Reserve	Ongoing	- to be used to fund maintenance of the Homeswest Housing Units in Forrest & Proctor Streets.
(e) Reserves cash backed - Emergency Reserve	Ongoing	- to be used to fund emergency situations outside working hours for example trees on roads, minor flooding, car accidents and supply of services and materials deemed necessary in an emergency.
(f) Reserves cash backed - Insurance Claim Reserve	Ongoing	- to be used to fund the excess on certain insurance claims.
(g) Reserves cash backed - Other Recreation Reserve	Ongoing	- to be used to fund improvements to the recreation facilities and grounds.
(h) Reserves cash backed - Commercial Reserve	Ongoing	- to be used to fund future economic development, enhancement & promotion of the district.
(i) Reserves cash backed - Bridges Reserve	Ongoing	- to be used to fund future requirements of bridge works.
(j) Reserves cash backed - Aged Accommodation Reserve	Ongoing	- to be used to fund future requirements of aged accommodation.
(k) Reserves cash backed - Road Contributions Reserve	Ongoing	- to set aside contributions from developers.
(l) Reserves cash backed - IT/Office Equipment Reserve	Ongoing	- to be used to fund future IT requirements.
(m) Reserves cash backed - Civic Receptions Reserve	Ongoing	- to quarantine unspent 'Refreshments and Receptions' budgets to fund future receptions needs.
(n) Reserves cash backed - Unspent Grants Reserve	Ongoing	- to quarantine forward grant payments e.g. Federal Assistance Grants, to fund expenses incurred in the intended year.
(o) Reserves cash backed - Unspent Community Grants Reserve	Ongoing	- for the purpose of holding unallocated/spent community donation/MOU budgets (2% of annual rates), to fund extraordinary community donations or MOU's.
(p) Reserves cash backed - Rylington Park Working Capital Reserve	Ongoing	- to be used to as working capital for the running and maintenance of the Rylington Park farm.
(q) Reserves cash backed - Rylington Park Community Projects Reserve	Ongoing	- to be used for the community contribution only towards major community projects.

## 5. OTHER FINANCIAL ASSETS

### (a) Non-current assets

Financial assets at fair value through profit and loss

#### Financial assets at fair value through profit and loss

Units in Local Government House Trust

	2021	2020
	\$	\$
	73,807	71,221
	<u>73,807</u>	<u>71,221</u>
	73,807	71,221
	<u>73,807</u>	<u>71,221</u>

### SIGNIFICANT ACCOUNTING POLICIES

#### Financial assets at fair value through profit and loss

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

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

#### Impairment and risk

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

## 6. TRADE AND OTHER RECEIVABLES

### Current

Rates receivable	
Trade and other receivables	
GST receivable	
Allowance for impairment of receivables	
Pensioner rate rebates	

### Non-current

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

	2021	2020
	\$	\$
	240,090	211,565
	188,414	110,552
	142,103	167,071
	(10,248)	(10,925)
	35,418	26,094
	595,777	504,357
	23,574	15,358
	23,574	15,358

### SIGNIFICANT ACCOUNTING POLICIES

#### Trade and other receivables

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

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

#### Impairment and risk exposure

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

### SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Classification and subsequent measurement

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

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

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

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

**7. INVENTORIES**

**Current**

Fuel and materials  
 Rylington Seed Stock  
 Rylington Fuel  
 Rylington Wool Stock  
 Rylington Hay Stock

The following movements in inventories occurred during the year:

**Balance at beginning of year**

Inventories expensed during the year

Additions to inventory

**Balance at end of year**

	2021	2020
	\$	\$
	4,769	10,474
	27,800	10,183
	1,108	2,103
	50,712	0
	9,874	0
	94,263	22,760
	22,760	28,517
	(142,104)	(191,398)
	213,607	185,641
	94,263	22,760

**SIGNIFICANT ACCOUNTING POLICIES**

**General**

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

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

## 8. BIOLOGICAL ASSETS

### (a) Reconciliation of carrying amounts

Consumable biological assets - sheep at beginning of year	480,894	0
Increases resulting from business combination	0	480,894
Increase resulting from purchases	7,900	0
Increase resulting from classification change due to age	159,922	0
Decrease resulting from sales	(117,707)	0
Decrease resulting from deaths	(4,592)	0
Gain arising from change in fair value less costs to sell	82,005	0
<b>Balance at end of year</b>	<b>608,422</b>	<b>480,894</b>

	2021	2020
	\$	\$
Consumable biological assets - sheep at beginning of year	480,894	0
Increases resulting from business combination	0	480,894
Increase resulting from purchases	7,900	0
Increase resulting from classification change due to age	159,922	0
Decrease resulting from sales	(117,707)	0
Decrease resulting from deaths	(4,592)	0
Gain arising from change in fair value less costs to sell	82,005	0
<b>Balance at end of year</b>	<b>608,422</b>	<b>480,894</b>

### (b) Measurement

The physical estimate of biological assets held at the end of the reporting period include:

Consumable biological assets - at beginning of period	3,308	0
Increases resulting from business combination	0	3,308
Purchases	6	0
Additions resulting from classification change due to age	860	0
Sales	(772)	0
Deaths	(26)	0
Slaughtered	0	0
<b>Balance at end of year</b>	<b>3,376</b>	<b>3,308</b>

Consumable biological assets - at beginning of period	3,308	0
Increases resulting from business combination	0	3,308
Purchases	6	0
Additions resulting from classification change due to age	860	0
Sales	(772)	0
Deaths	(26)	0
Slaughtered	0	0
<b>Balance at end of year</b>	<b>3,376</b>	<b>3,308</b>

### SIGNIFICANT ACCOUNTING POLICIES

Biological assets consist of livestock (sheep) at Rylington Park Agricultural operations. Biological assets are measured on initial recognition and at the end of each reporting period at fair value less cost to sell. Fair value is determined using the most recent market sales information from Meat and Livestock Australia. Selling costs are determined from sales invoices received immediately prior to end of the reporting period. Gain or loss arising due to a change in fair value less cost to sell is recognised in profit or loss.

Lambs have been excluded from the carrying amounts as they are not practicably tradeable in the market when they are 0-30 days old, so their fair value cannot be reliably determined and would in effect be immaterial.

## 9. OTHER ASSETS

### Other assets - current

Prepayments
Accrued income
Private Tenancy Bonds

2021	2020
\$	\$
25,574	16,535
0	6,542
2,720	0
28,294	23,077

### 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.

## 10. PROPERTY, PLANT AND EQUIPMENT

### (a) Movements in Balances

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

	Land	Buildings	Total land and buildings	Furniture and equipment	Plant and equipment	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2019</b>	2,220,418	10,413,067	12,633,485	14,369	2,777,870	15,425,724
Additions	127,273	32,575	159,848	67,984	939,328	1,167,160
(Disposals)	0	0	0	(5,750)	(460,628)	(466,378)
Depreciation (expense)	0	(254,182)	(254,182)	(8,911)	(312,058)	(575,151)
<b>Balance at 30 June 2020</b>	2,347,691	10,191,460	12,539,151	67,692	2,944,512	15,551,355
<b>Comprises:</b>						
Gross balance amount at 30 June 2020	2,347,691	10,945,185	13,292,876	73,709	3,223,198	16,589,783
Accumulated depreciation at 30 June 2020	0	(753,725)	(753,725)	(6,017)	(278,686)	(1,038,428)
<b>Balance at 30 June 2020</b>	2,347,691	10,191,460	12,539,151	67,692	2,944,512	15,551,355
Additions	0	216,335	216,335	16,750	183,576	416,661
(Disposals)	(45,225)	(74,333)	(119,558)	0	(48,216)	(167,774)
Depreciation (expense)	0	(255,999)	(255,999)	(30,008)	(348,967)	(634,974)
<b>Balance at 30 June 2021</b>	2,302,466	10,077,463	12,379,929	54,434	2,730,905	15,165,268
<b>Comprises:</b>						
Gross balance amount at 30 June 2021	2,302,466	11,080,640	13,383,106	90,458	3,344,164	16,817,728
Accumulated depreciation at 30 June 2021	0	(1,003,177)	(1,003,177)	(36,024)	(613,259)	(1,652,460)
<b>Balance at 30 June 2021</b>	2,302,466	10,077,463	12,379,929	54,434	2,730,905	15,165,268

**SHIRE OF BOYUP BROOK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**10. PROPERTY, PLANT AND EQUIPMENT (Continued)**

**(b) Carrying Value Measurements**

<b>Asset Class</b>	<b>Fair Value Hierarchy</b>	<b>Valuation Technique</b>	<b>Basis of Valuation</b>	<b>Date of Last Valuation</b>	<b>Inputs Used</b>
<b>(i) Fair Value</b>					
<b>Land and buildings</b>					
Land	2	Market approach	Independent registered valuer	June 2017	Recent observable market data for similar properties/income approach using discounted cash flow methodology
Buildings	2	Market approach	Independent registered valuer	June 2017	Price per square metre/market borrowing rate
<b>(ii) Cost</b>					
<b>Furniture and equipment</b>		Cost approach	Cost		Purchase cost
<b>Plant and equipment</b>		Cost approach	Cost		Purchase cost

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



**SHIRE OF BOYUP BROOK**  
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**11. INFRASTRUCTURE**

**(a) Movements in Balances**

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

	Infrastructure - roads	Infrastructure - footpaths	Infrastructure - drainage	Infrastructure - parks & ovals	Infrastructure - bridges	Infrastructure - other	Infrastructure - recreation	Total Infrastructure
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2019</b>	75,502,575	1,119,326	10,655,252	515,132	18,154,548	3,444,046	1,826,110	111,216,989
Additions	1,224,829	63,662	160,861	0	61,381	5,443	7,980	1,524,156
Depreciation (expense)	(1,526,760)	(17,435)	(274,988)	(49,969)	(648,011)	(113,360)	(173,130)	(2,803,653)
<b>Balance at 30 June 2020</b>	75,200,644	1,165,553	10,541,125	465,163	17,567,918	3,336,129	1,660,960	109,937,492
<b>Comprises:</b>								
Gross balance at 30 June 2020	93,182,055	1,431,547	18,424,669	1,337,600	49,685,156	7,048,082	4,154,871	175,263,980
Accumulated depreciation at 30 June 2020	(17,981,411)	(265,994)	(7,883,544)	(872,437)	(32,117,238)	(3,711,953)	(2,493,911)	(65,326,488)
<b>Balance at 30 June 2020</b>	75,200,644	1,165,553	10,541,125	465,163	17,567,918	3,336,129	1,660,960	109,937,492
Additions	1,680,846	0	85,356	2,435	722,000	100,808	131,621	2,723,066
Depreciation (expense)	(1,582,968)	(18,037)	(277,454)	(50,033)	(648,762)	(114,008)	(177,796)	(2,869,058)
<b>Balance at 30 June 2021</b>	75,298,522	1,147,516	10,349,027	417,565	17,641,156	3,322,929	1,614,785	109,791,500
<b>Comprises:</b>								
Gross balance at 30 June 2021	94,862,901	1,431,547	18,510,025	1,340,035	50,407,156	7,148,891	4,286,492	177,987,047
Accumulated depreciation at 30 June 2021	(19,564,379)	(284,031)	(8,160,998)	(922,470)	(32,766,000)	(3,825,962)	(2,671,707)	(68,195,547)
<b>Balance at 30 June 2021</b>	75,298,522	1,147,516	10,349,027	417,565	17,641,156	3,322,929	1,614,785	109,791,500

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

**11. INFRASTRUCTURE (Continued)**

**(b) Carrying Value Measurements**

<b>Asset Class</b>	<b>Fair Value Hierarchy</b>	<b>Valuation Technique</b>	<b>Basis of Valuation</b>	<b>Date of Last Valuation</b>	<b>Inputs Used</b>
<b>(i) Fair Value</b>					
<b>Infrastructure - roads</b>	Level 3	Cost approach using depreciated replacement cost	Independent valuer	June 2018	Current replacement costs, condition assessments, depreciated values, residual values and remaining estimated useful life
<b>Infrastructure - footpaths</b>	Level 3	Cost approach using depreciated replacement cost	Independent valuer	June 2018	Current replacement costs, condition assessments, depreciated values, residual values and remaining estimated useful life
<b>Infrastructure - drainage</b>	Level 3	Cost approach using depreciated replacement cost	Independent valuer	June 2018	Current replacement costs, condition assessments, depreciated values, residual values and remaining estimated useful life
<b>Infrastructure - parks &amp; ovals</b>	Level 3	Cost approach using depreciated replacement cost	Independent valuer	June 2018	Current replacement costs, condition assessments, depreciated values, residual values and remaining estimated useful life
<b>Infrastructure - bridges</b>	Level 3	Cost approach using depreciated replacement cost	Independent valuer	June 2018	Current replacement costs, condition assessments, depreciated values, residual values and remaining estimated useful life
<b>Infrastructure - other</b>	Level 3	Cost approach using depreciated replacement cost	Independent valuer	June 2018	Current replacement costs, condition assessments, depreciated values, residual values and remaining estimated useful life
<b>Infrastructure - recreation</b>	Level 3	Cost approach using depreciated replacement cost	Independent valuer	June 2018	Current replacement costs, condition assessments, depreciated values, residual values and remaining estimated useful life

## 12. FIXED ASSETS

### SIGNIFICANT ACCOUNTING POLICIES

#### Fixed assets

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

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

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

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

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

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

#### Revaluation

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

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

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

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

#### Land under roads from 1 July 2019

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

#### Vested improvements from 1 July 2019

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

**SHIRE OF BOYUP BROOK**  
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**FOR THE YEAR ENDED 30 JUNE 2021**

**12. FIXED ASSETS**

**(a) Disposals of Assets**

	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss	2021 Budget Net Book Value	2021 Budget Sale Proceeds	2021 Budget Profit	2021 Budget Loss	2020 Actual Net Book Value	2020 Actual Sale Proceeds	2020 Actual Profit	2020 Actual Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Land - freehold land	45,225	0	0	(45,225)	0	0	0	0	0	0	0	0
Buildings	74,333	140,000	65,667	0	0	0	0	0	0	0	0	0
Furniture and equipment	0	0	0	0	0	0	0	0	5,750	0	0	(5,750)
Plant and equipment	48,216	52,727	9,876	(5,365)	127,714	127,714	0	0	460,628	309,596	0	(151,032)
	167,774	192,727	75,543	(50,590)	127,714	127,714	0	0	466,378	309,596	0	(156,782)

The following assets were disposed of during the year.

	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss
<b>Plant and Equipment</b>				
<b>Transport</b>				
JD Lawn Mower	2,281	4,000	1,719	0
Toyota Prado	20,538	27,273	6,735	0
Zero Turn Mower	9,123	10,545	1,422	0
VW Amarok Utility	16,274	10,909	0	(5,365)
	48,216	52,727	9,876	(5,365)
<b>Land</b>				
<b>Other Property and Services</b>				
6 Nix Street Lot	45,225	0	0	(45,225)
	45,225	0	0	(45,225)
<b>Buildings</b>				
<b>Housing</b>				
House - 6 Nix Street	74,333	140,000	65,667	0
	74,333	140,000	65,667	0
	167,774	192,727	75,543	(50,590)

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

**12. FIXED ASSETS**

**(b) Depreciation**

	<b>2021 Actual</b>	<b>2021 Budget</b>	<b>2020 Actual</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Buildings	255,999	250,604	254,182
Furniture and equipment	30,008	14,150	8,911
Plant and equipment	348,967	303,665	312,058
Infrastructure - roads	1,582,968	1,647,515	1,526,760
Infrastructure - footpaths	18,037	17,255	17,435
Infrastructure - drainage	277,454	271,780	274,988
Infrastructure - parks & ovals	50,033	50,030	49,969
Infrastructure - bridges	648,762	645,550	648,011
Infrastructure - other	114,008	225,440	113,360
Infrastructure - recreation	177,796	166,240	173,130
	<b>3,504,032</b>	<b>3,592,229</b>	<b>3,378,804</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**Depreciation**

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

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

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

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

**Depreciation rates**

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

<b>Asset Class</b>	<b>Useful life</b>
Buildings	15 to 85 years
Furniture and equipment	2 to 20 years
Plant and equipment	5 to 25 years
Sealed roads and streets formation pavement seal	not depreciated
- bituminous seals	77 years
- asphalt surfaces	20 years
Gravel roads formation pavement	not depreciated
Infrastructure - Footpaths	77 years
Infrastructure - Drainage	75 - 85 Years
Infrastructure - Parks and ovals	40 - 80 Years
Infrastructure - Other	10 - 85 Years
Infrastructure - Recreation	10 - 85 Years
Infrastructure - Bridges	60 - 90 Years

**Depreciation on revaluation**

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

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

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

**Amortisation**

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

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

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

### 13. REVALUATION SURPLUS

	2021 Opening Balance	2021 Closing Balance	2020 Opening Balance	2020 Closing Balance
	\$	\$	\$	\$
Revaluation surplus - Buildings	9,058,027	9,058,027	9,058,027	9,058,027
Revaluation surplus - Furniture and equipment	28,470	28,470	28,470	28,470
Revaluation surplus - Plant and equipment	781,483	781,483	781,483	781,483
Revaluation surplus - Infrastructure - roads	32,616,706	32,616,706	32,616,706	32,616,706
Revaluation surplus - Infrastructure - footpaths	978,382	978,382	978,382	978,382
Revaluation surplus - Infrastructure - drainage	11,178,719	11,178,719	11,178,719	11,178,719
Revaluation surplus - Infrastructure - parks & ovals	532,216	532,216	532,216	532,216
Revaluation surplus - Infrastructure - bridges	8,373,274	8,373,274	8,373,274	8,373,274
Revaluation surplus - Infrastructure - other	3,293,989	3,293,989	3,293,989	3,293,989
Revaluation surplus - Infrastructure - recreation	1,434,388	1,434,388	1,434,388	1,434,388
	68,275,654	68,275,654	68,275,654	68,275,654

## 14. TRADE AND OTHER PAYABLES

### Current

Sundry creditors	
Prepaid rates	
Accrued salaries and wages	
ATO liabilities	
Bonds and deposits held	
Accrued expenses	
Income received in advance	

2021	2020
\$	\$
145,541	208,674
21,999	36,871
64,569	134,085
120,459	131,032
44,051	57,127
64,710	6,905
0	5,288
461,329	579,982

### SIGNIFICANT ACCOUNTING POLICIES

#### Trade and other payables

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

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

#### Prepaid rates

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

## 15. OTHER LIABILITIES

### Current

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

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

Less than 1 year

2021	2020
\$	\$
685,660	822,137
0	0
<b>685,660</b>	<b>822,137</b>

### Contract liabilities

\$  
 685,660

## SIGNIFICANT ACCOUNTING POLICIES

### Contract liabilities

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

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

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

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

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

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



**SHIRE OF BOYUP BROOK**  
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**16. INFORMATION ON BORROWINGS**

(a) Borrowings

	2021	2020
	\$	\$
Current	20,178	36,157
Non-current	93,502	397,010
	<u>113,680</u>	<u>433,167</u>

(b) Repayments - Borrowings

Particulars	Loan Number	Institution	Interest Rate	Actual	30 June 2021	30 June 2021	30 June 2021	30 June 2021	Budget	30 June 2021	30 June 2021	30 June 2021	30 June 2021	Actual	30 June 2020	30 June 2020	30 June 2020	30 June 2020
				Principal	Actual	Actual	Actual	Principal	Budget	Budget	Budget	Budget	Budget	Principal	Actual	Actual	Actual	Actual
				1 July 2020	New	Principal	Interest	Principal	1 July 2020	New	Principal	Interest	Principal	1 July 2019	New	Principal	Interest	Principal
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Education and welfare</b>																		
L118 Aged Accommodation	118	WATC*	4.80%	300,446	0	(300,446)	(66,781)	0	300,446	0	(17,117)	(14,217)	283,329	316,770	0	(16,324)	(14,870)	300,446
<b>Housing</b>																		
L115 Staff House	115	WATC*	5.88%	47,079	0	(6,755)	(2,552)	40,324	47,079	0	(6,755)	(2,670)	40,324	53,454	0	(6,375)	(2,939)	47,079
<b>Community amenities</b>																		
L112 Landfill	112	WATC*	6.97%	0	0	0	0	0	0	0	0	0	0	5,140	0	(5,140)	(183)	0
<b>Recreation and culture</b>																		
L114 Swimming Pool	114	WATC*	5.89%	85,642	0	(12,286)	(4,581)	73,356	85,642	0	(12,285)	(4,867)	73,357	97,235	0	(11,593)	(5,296)	85,642
				<u>433,167</u>	<u>0</u>	<u>(319,487)</u>	<u>(73,914)</u>	<u>113,680</u>	<u>433,167</u>	<u>0</u>	<u>(36,157)</u>	<u>(21,754)</u>	<u>397,010</u>	<u>472,599</u>	<u>0</u>	<u>(39,432)</u>	<u>(23,288)</u>	<u>433,167</u>

\* WA Treasury Corporation

**SHIRE OF BOYUP BROOK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**16. INFORMATION ON BORROWINGS (Continued)**

**(c) New Borrowings - 2020/21**

The Shire did not borrow any funds during the year.

**(d) Unspent Borrowings**

Particulars	Date Borrowed	Unspent Balance	Borrowed During Year	Expended During Year	Unspent Balance
		1 July 2020			30 June 2021
		\$	\$	\$	\$
Loan 118	WATC* 01-April-2013	353,789	0	(353,789)	0
* WA Treasury Corporation		353,789	0	(353,789)	0

**(e) Undrawn Borrowing Facilities**

	2021	2020
<b>Credit Standby Arrangements</b>	\$	\$
Bank overdraft limit	50,000	50,000
Bank overdraft at balance date	0	0
Credit card limit	10,000	10,000
Credit card balance at balance date	(318)	(458)
<b>Total amount of credit unused</b>	<b>59,682</b>	<b>59,542</b>
<b>Loan facilities</b>		
Loan facilities - current	20,178	36,157
Loan facilities - non-current	93,502	397,010
<b>Total facilities in use at balance date</b>	<b>113,680</b>	<b>433,167</b>
<b>Unused loan facilities at balance date</b>	<b>NIL</b>	<b>NIL</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**Financial liabilities**

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

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

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

**Borrowing costs**

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

**Risk**

Information regarding exposure to risk can be found at Note 26.

**SHIRE OF BOYUP BROOK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**17. EMPLOYEE RELATED PROVISIONS**

**(a) Employee Related Provisions**

	Provision for Annual Leave	Provision for Long Service Leave	Total
	\$	\$	\$
<b>Opening balance at 1 July 2020</b>			
Current provisions	254,626	159,038	413,664
Non-current provisions	0	15,177	15,177
	254,626	174,215	428,841
Additional provision	186,375	66,280	252,655
Amounts used	(219,803)	(106,636)	(326,439)
<b>Balance at 30 June 2021</b>	221,198	133,859	355,057
<b>Comprises</b>			
Current	221,198	117,009	338,207
Non-current	0	16,850	16,850
	221,198	133,859	355,057

	2021	2020
	\$	\$
Less than 12 months after the reporting date	229,671	364,921
More than 12 months from reporting date	119,191	63,920
Expected reimbursements from other WA local governments	6,195	0
	355,057	428,841

**Amounts are expected to be settled on the following basis:**

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

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

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

**SIGNIFICANT ACCOUNTING POLICIES**

**Employee benefits**

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

**Short-term employee benefits**

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

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

**Other long-term employee benefits**

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

**Other long-term employee benefits (Continued)**

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

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

**Provisions**

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

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

## 18. NOTES TO THE STATEMENT OF CASH FLOWS

### Reconciliation of Cash

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

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Cash and cash equivalents	5,369,634	2,061,642	4,492,792
<b>Reconciliation of Net Cash Provided By Operating Activities to Net Result</b>			
Net result	1,299,634	(817,595)	(102,496)
Non-cash flows in Net result:			
Adjustments to fair value of financial assets at fair value through profit and loss	(2,586)	0	(1,153)
Depreciation on non-current assets	3,504,032	3,592,229	3,378,804
(Profit)/loss on sale of asset	(24,953)	0	156,782
Contributed assets from Rylington Park Agricultural Operations	0	0	(711,358)
Changes in assets and liabilities:			
(Increase)/decrease in receivables	(99,636)	0	(95,411)
(Increase)/decrease in other assets	(5,217)	0	0
(Increase)/decrease in biological assets	(127,528)	0	0
(Increase)/decrease in inventories	(71,503)	0	36,811
Increase/(decrease) in payables	(118,653)	0	126,853
Increase/(decrease) in employee provisions	(73,784)	43,030	(208,652)
Increase/(decrease) in other liabilities	(136,477)	(674,594)	373
Non-operating grants, subsidies and contributions	(2,067,291)	(2,661,821)	(659,311)
Net cash from operating activities	2,076,038	(518,751)	1,921,242

## 19. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2021	2020
	\$	\$
General purpose funding	1,627,788	2,419,504
Law, order, public safety	395,286	452,064
Health	1,232,764	1,019,763
Education and welfare	2,260,080	2,194,014
Housing	2,439,500	2,955,491
Community amenities	255,592	267,708
Recreation and culture	8,295,761	8,460,852
Transport	107,743,447	108,004,470
Economic services	2,110,527	1,971,647
Other property and services	5,389,794	3,353,793
	131,750,539	131,099,306

## 20. CONTINGENT LIABILITIES

The Shire of Boyup Brook has identified the following sites, in relation to land owned, vested or leased, that is known to be, or suspected of being contaminated. As at the date of this report the value and timing of remediation has not been ascertained.

- Lot 46 Walshaws Road, Kulikup - Previous landfill site, possibly contaminated, investigation required
- Lot 147 Jayes Road - Transfer station site, possibly contaminated, investigation required
- Lot 12972 Boyup-Kojonup Road - Previous landfill site, possibly contaminated, investigation required
- 57 Charteriss Road, Wilga - Previous landfill site, possibly contaminated, investigation required
- Lot 13180 Condinup Road, Dinninup - Previous landfill site, possibly contaminated, investigation required
- Lot 5616 Boyup Brook North Road - Previous landfill site, possibly contaminated, investigation required
- Lot 201 Stanton Road - Liquid waste disposal site, contaminated
- Lot 40 Boyup-Cranbrook Road - Previous landfill site, possibly contaminated, investigation required
- 169 Railway Parade, Boyup Brook - Liquid waste site, possibly contaminated, investigation required
- Lot 377 Connolly Street, Boyup Brook - Shire depot, possibly contaminated, investigation required

Until the Shire conducts an investigation to determine the presence and scope of contamination, assess the risk, and agree with the Department of Water and Environmental Regulation on the need and criteria for remediation of a risk based approach, the Shire is unable to estimate the potential costs associated with remediation of these sites. This approach is consistent with the Department of Water and Environmental Regulation Guidelines.

## 21. LEASING COMMITMENTS

### (a) 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

	2021	2020
	\$	\$
	3,866	3,866
	5,544	7,560
	9,410	11,426

## 22. ELECTED MEMBERS REMUNERATION

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
<b>Elected member Cr G Aird</b>			
President's annual allowance	0	0	10,167
Meeting attendance fees	0	0	11,680
Annual allowance for ICT expenses	0	0	1,021
Travel and accommodation expenses	0	0	1,646
	0	0	24,514
<b>Elected member Cr R Walker</b>			
President's annual allowance	10,280	10,280	0
Deputy President's annual allowance	0	0	2,078
Meeting attendance fees	14,640	14,640	8,959
Annual allowance for ICT expenses	1,280	1,280	1,280
Travel and accommodation expenses	0	0	507
	26,200	26,200	12,824
<b>Elected member Cr H O'Connell</b>			
Deputy President's annual allowance	2,570	2570	492
Meeting attendance fees	7,615	7,615	7,615
Annual allowance for ICT expenses	1,280	1,280	1,280
Travel and accommodation expenses	2,925	3,574	1,599
	14,390	15,039	10,986
<b>Elected member Cr P Kaltenrieder</b>			
Meeting attendance fees	7,615	7,615	7,615
Annual allowance for ICT expenses	1,280	1,280	1,280
Travel and accommodation expenses	479	585	522
	9,374	9,480	9,417
<b>Elected member Cr T Oversby</b>			
Meeting attendance fees	4,506	0	7,615
Annual allowance for ICT expenses	757	0	1,280
Travel and accommodation expenses	761	930	811
	6,024	930	9,706
<b>Elected member Cr E Rear</b>			
Meeting attendance fees	165	0	7,615
Annual allowance for ICT expenses	28	0	1,280
Travel and accommodation expenses	0	0	836
	193	0	9,731
<b>Elected member Cr S E Alexander</b>			
Meeting attendance fees	7,615	7,615	7,615
Annual allowance for ICT expenses	1,280	1,280	1,280
Travel and accommodation expenses	449	549	209
	9,344	9,444	9,104
<b>Elected member Cr A Price</b>			
Meeting attendance fees	7,615	7,615	6,117
Annual allowance for ICT expenses	1,280	1,280	1,028
Travel and accommodation expenses	73	89	200
	8,968	8,984	7,345



## 22. ELECTED MEMBERS REMUNERATION

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
<b>Elected member Cr E Muncey</b>			
Meeting attendance fees	0	0	2,538
Annual allowance for ICT expenses	0	0	427
	0	0	2,965
<b>Elected member Cr K Moir</b>			
Meeting attendance fees	7,615	7,615	7,615
Annual allowance for ICT expenses	1,280	1,280	1,280
Travel and accommodation expenses	463	566	1,014
	9,358	9,461	9,909
<b>Elected member Cr D King</b>			
Meeting attendance fees	5,159	7,615	0
Annual allowance for ICT expenses	867	1,280	0
Travel and accommodation expenses	415	507	0
	6,441	9,402	0
<b>Elected member Cr S Alexander</b>			
Meeting attendance fees	5,159	7,615	0
Annual allowance for ICT expenses	867	1,280	0
	6,026	8,895	0
<b>Elected member Cr C Caldwell</b>			
Meeting attendance fees	0	7,615	0
Annual allowance for ICT expenses	0	1,280	0
	0	8,895	0
	96,318	106,730	106,501
Fees, expenses and allowances to be paid or reimbursed to elected council members.			
President's allowance	10,280	10,280	10,167
Deputy President's allowance	2,570	2,570	2,570
Meeting attendance fees	67,704	75,560	74,984
Annual allowance for ICT expenses	10,199	11,520	11,436
Travel and accommodation expenses	5,565	6,800	7,344
	96,318	106,730	106,501

**SHIRE OF BOYUP BROOK**  
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**FOR THE YEAR ENDED 30 JUNE 2021**

**23. RELATED PARTY TRANSACTIONS**

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

	<b>2021</b>	<b>2020</b>
	<b>Actual</b>	<b>Actual</b>
	<b>\$</b>	<b>\$</b>
The total of remuneration paid to KMP of the Shire during the year are as follows:		
Short-term employee benefits	1,005,651	851,366
Post-employment benefits	106,477	89,377
Other long-term benefits	8,811	8,407
Termination benefits	75,173	111,445
	<b>1,196,112</b>	<b>1,060,595</b>

*Short-term employee benefits*

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

*Post-employment benefits*

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

*Other long-term benefits*

These amounts represent long service benefits accruing during the year.

*Termination benefits*

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

**Transactions with related parties**

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

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

	<b>2021</b>	<b>2020</b>
	<b>Actual</b>	<b>Actual</b>
	<b>\$</b>	<b>\$</b>
The following transactions occurred with related parties:		
Sale of goods and services	485	2,801
Purchase of goods and services	33,556	10,644

**Related Parties**

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

*i. Key management personnel*

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

*ii. Other Related Parties*

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

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

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

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

**SHIRE OF BOYUP BROOK**  
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**24. RATING INFORMATION**

(a) Rates

<b>RATE TYPE</b>	<b>Rate in \$</b>	<b>Number of Properties</b>	<b>2020/21 Actual Rateable Value \$</b>	<b>2020/21 Actual Rate Revenue \$</b>	<b>2020/21 Actual Interim Rates \$</b>	<b>2020/21 Actual Back Rates \$</b>	<b>2020/21 Actual Total Revenue \$</b>	<b>2020/21 Budget Rate Revenue \$</b>	<b>2020/21 Budget Interim Rate \$</b>	<b>2020/21 Budget Back Rate \$</b>	<b>2020/21 Budget Total Revenue \$</b>	<b>2019/20 Actual Total Revenue \$</b>
<b>Differential general rate / general rate</b>												
<b>Gross rental valuations</b>												
General Rate - GRV	0.1337	298	3,444,870	432,031	0	0	432,031	460,579	0	0	460,579	460,579
<b>Unimproved valuations</b>												
General Rate - UV	0.007409	594	293,017,056	2,170,963	2,791	0	2,173,754	2,170,963	0	0	2,170,963	2,207,431
<b>Sub-Total</b>		892	296,461,926	2,602,994	2,791	0	2,605,785	2,631,542	0	0	2,631,542	2,668,010
<b>Minimum payment</b>												
<b>Gross rental valuations</b>												
General Rate - GRV	995	51	236,247	48,755	0	0	48,755	50,745	0	0	50,745	50,745
<b>Unimproved valuations</b>												
General Rate - UV	900	360	27,192,733	323,100	0	0	323,100	324,000	0	0	324,000	285,300
<b>Sub-Total</b>		411	27,428,980	371,855	0	0	371,855	374,745	0	0	374,745	336,045
		1,303	323,890,906	2,974,849	2,791	0	2,977,640	3,006,287	0	0	3,006,287	3,004,055
Discounts/concessions (Note 24(b))							(1,506)				(250)	(2,606)
<b>Total amount raised from general rate</b>							2,976,134				3,006,037	3,001,449
Ex-gratia rates							1,255				1,255	1,255
<b>Totals</b>							2,977,389				3,007,292	3,002,704

**SIGNIFICANT ACCOUNTING POLICIES**

**Rates**

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

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

**SHIRE OF BOYUP BROOK**  
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**24. RATING INFORMATION (Continued)**

**(b) Discounts, Incentives, Concessions, & Write-offs**

**Waivers or Concessions or Write-offs**

<b>Rate or Fee and Charge to which the Waiver or Concession is Granted</b>	<b>Type</b>	<b>Discount %</b>	<b>Discount \$</b>	<b>2021 Actual \$</b>	<b>2021 Budget \$</b>	<b>2020 Actual \$</b>
General Rate	Write off			310	250	1,256
General Rate	Concession	50%		1,196	0	1,350
				1,506	250	2,606
<b>Total discounts/concessions</b>				<b>1,506</b>	<b>250</b>	<b>2,606</b>

<b>Rate or Fee and Charge to which the Waiver or Concession is Granted</b>	<b>Circumstances in which the Waiver or Concession is Granted and to whom it was available</b>	<b>Objects of the Waiver or Concession</b>	<b>Reasons for the Waiver or Concession</b>
General Rate	Writing off of rates small balances <\$3 is a concession which is available to all ratepayers	Remove rates small balances less than \$3 in value	Remove rates small balances less than \$3 in value as the amounts are uneconomical to recover.
General Rate	Three (3) Boyup Brook properties straddle the Shire of Donnybrook-Balingup (SD-B) Boundary.	So as not to require the property owners to pay two sets of full rates.	To ensure there is equity in the rating system for properties that straddle two local government boundaries.

## 24. RATING INFORMATION (Continued)

### (b) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
<b>Option One</b>				
Single full payment	12/11/2020	0	0%	8%
<b>Option Two</b>				
First instalment	12/11/2020	0	0%	8%
Second instalment	12/01/2021	0	3%	8%
Third instalment	12/03/2021	0	3%	8%
Fourth instalment	12/05/2021	0	3%	8%

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Interest on unpaid rates	20,715	21,415	31,031
Interest on instalment plan	4,875	2,800	8,183
Charges on instalment plan	0	0	8,632
	25,590	24,215	47,846

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

25. RATE SETTING STATEMENT INFORMATION

		2020/21 Budget	2019/20
	2020/21 (30 June 2021 Carried Forward)	(30 June 2021 Carried Forward)	(30 June 2020 Carried Forward)
Note	\$	\$	\$
<b>(a) Non-cash amounts excluded from operating activities</b>			
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .			
<b>Adjustments to operating activities</b>			
Less: Profit on asset disposals	12(a) (75,543)	0	0
Less: Fair value adjustments to financial assets at fair value through profit and loss	(2,586)	0	(1,153)
Movement in pensioner deferred rates (non-current)	(8,216)	0	(6,806)
Movement in employee benefit provisions (non-current)	1,673	43,031	(55,823)
Movement in employee benefit provisions (current)	(254,626)	0	(91,560)
Movement in accrued wages	(69,516)	0	(68,229)
Movement in accrued expenses	57,805	0	(15,490)
Movement in accrued interest expense	0	0	(695)
Movement in accrued interest income	0	0	531
Movement in inventory (current)	(71,503)	0	5,758
Movement in property, plant & equipment	0	0	(204,535)
Movement in biological assets	(127,528)	0	(480,894)
Add: Loss on disposal of assets	12(a) 50,590	0	156,782
Add: Depreciation on non-current assets	12(b) 3,504,032	3,592,229	3,378,804
<b>Non cash amounts excluded from operating activities</b>	3,004,582	3,635,260	2,616,690
<b>(b) Surplus/(deficit) after imposition of general rates</b>			
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.			
<b>Adjustments to net current assets</b>			
Less: Reserves - cash backed	4 (2,389,329)	(1,994,133)	(2,587,098)
Less: Current assets not expected to be received at end of year			
- Inventories	(94,263)	(30,260)	(22,760)
- Biological assets	(608,422)	0	(480,894)
- Accrued income	0	(6,542)	0
Add: Current liabilities not expected to be cleared at end of year			
- Current portion of borrowings	16(a) 20,178	38,125	36,157
- Accrued expenses and accrued salaries and wages	14 129,279	156,480	140,990
- Employee benefit provisions	0	254,626	254,626
<b>Total adjustments to net current assets</b>	(2,942,557)	(1,581,704)	(2,658,979)
<b>Net current assets used in the Rate Setting Statement</b>			
Total current assets	6,696,390	2,613,708	5,523,880
Less: Total current liabilities	(1,505,374)	(1,032,004)	(1,851,940)
Less: Total adjustments to net current assets	(2,942,557)	(1,581,704)	(2,658,979)
<b>Net current assets used in the Rate Setting Statement</b>	2,248,459	0	1,012,961

## 26. FINANCIAL RISK MANAGEMENT

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

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

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

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

### (a) Interest rate risk

#### Cash and cash equivalents

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

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

	Weighted Average Interest Rate	Carrying Amounts	Fixed Interest Rate	Variable Interest Rate	Non Interest Bearing
	%	\$	\$	\$	\$
<b>2021</b>					
Cash and cash equivalents	0.13%	5,369,634	0	5,363,684	5,950
<b>2020</b>					
Cash and cash equivalents	0.77%	4,492,792	0	4,486,842	5,950

#### Sensitivity

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

Impact of a 1% movement in interest rates on profit and loss and equity\*

\* Holding all other variables constant

	2021	2020
	\$	\$
Impact of a 1% movement in interest rates on profit and loss and equity*	53,637	44,868

#### 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 16(b).

## 26. FINANCIAL RISK MANAGEMENT (Continued)

### (b) Credit risk

#### **Trade and Other Receivables**

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

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

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

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

The expected loss rates are based on the payment profiles of rates and fees and charges over a period of 36 months before 1 July 2020 or 1 July 2021 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as the ability of ratepayers and residents to settle the receivables. Housing prices and unemployment rates have been identified as the most relevant factor in repayment rates, and accordingly adjustments are made to the expected credit loss rate based on these factors. There are no material receivables that have been subject to a renegotiation of repayment terms.

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

	Current	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total
<b>30 June 2021</b>					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	2,975	196,362	61,824	37,921	299,082
Loss allowance	0	0	0	0	0
<b>30 June 2020</b>					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	3,991	198,074	35,242	15,710	253,017
Loss allowance	0	0	0	0	0

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

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
<b>30 June 2021</b>					
Trade and other receivables					
Expected credit loss	0.00%	0.00%	0.00%	93.64%	
Gross carrying amount	65,698	110,671	1,101	10,944	188,414
Loss allowance	0	0	0	10,248	10,248
<b>30 June 2020</b>					
Trade and other receivables					
Expected credit loss	0.00%	0.00%	0.00%	94.67%	
Gross carrying amount	96,582	2,298	132	11,540	110,552
Loss allowance	0	0	0	10,925	10,925



## 26. 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 16(e).

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

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
<b>2021</b>					
Payables	461,329	0	0	461,329	461,329
Borrowings	26,577	106,308	0	132,885	113,680
Contract liabilities	685,660	0	0	685,660	685,660
	1,173,566	106,308	0	1,279,874	1,260,669
<b>2020</b>					
Payables	579,982	0	0	579,982	579,982
Borrowings	57,912	231,647	277,254	566,813	433,167
Contract liabilities	822,137	0	0	822,137	822,137
	1,460,031	231,647	277,254	1,968,932	1,835,286

## 27. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

The Shire did not have any events occurring after the reporting date that have a significant effect on the financial statements.

**SHIRE OF BOYUP BROOK**  
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**28. INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS**

During the 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 1059 Service Concession Arrangements: Grantors**

The Shire adopted AASB 1059 Service Concession Arrangements: Grantors on 1 July 2020.

As the Shire does not have any service concession arrangements, this standard did not have an impact on the financial report.

## 29. TRUST FUNDS

There were no funds held at 30 June 2021 or 30 June 2020, which were required to be held in trust.

# SHIRE OF BOYUP BROOK

## NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

### FOR THE YEAR ENDED 30 JUNE 2021

#### 30. 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 regularity to ensure the carrying value does not differ materially from that which would be determined using fair value at the end of the reporting period.

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

**31. ACTIVITIES/PROGRAMS**

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

<b>PROGRAM NAME AND OBJECTIVES</b>	<b>ACTIVITIES</b>
<p><b>GOVERNANCE</b>            To provide a decision making process for the efficient allocation of scarce resources.</p>	Administration and operation of facilities and services to members of Council, and other costs that relate to the tasks of assisting elected members and ratepayers on matters which do not concern specific Council services.
<p><b>GENERAL PURPOSE FUNDING</b>            To collect revenue to allow for the provision of services.</p>	Rates, general purpose government grants and interest revenue.
<p><b>LAW, ORDER, PUBLIC SAFETY</b>            To provide services to help ensure a safer and environmentally conscious community.</p>	Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services.
<p><b>HEALTH</b>            To provide an operational framework for environmental and community health.</p>	Environmental health, food control, pest control, immunisation and provision of medical services.
<p><b>EDUCATION AND WELFARE</b>            To provide services to disadvantaged persons, the elderly, children and youth.</p>	Pre-schools and other education, aged and disabled services, senior citizen services and youth welfare.
<p><b>HOUSING</b>            To provide and maintain staff and elderly residents housing.</p>	Control and maintenance of staff and other rental housing, including aged accommodation units.
<p><b>COMMUNITY AMENITIES</b>            To provide services required by the community.</p>	Refuse collection services, operation of landfill sites, landcare programs, administration of the town planning scheme, cemetery and memorials maintenance, and other community amenities.
<p><b>RECREATION AND CULTURE</b>            To establish and effectively manage infrastructure and resource which will help the social well being of the community.</p>	Control and maintenance of public halls, swimming pool, recreation facilities and the library, and other culture.
<p><b>TRANSPORT</b>            To provide safe, effective and efficient transport services to the community.</p>	Construction and maintenance of streets, roads, bridges and footpaths; cleaning and lighting of streets; depot maintenance; vehicle licensing; traffic management and parking; maintenance of airstrip.
<p><b>ECONOMIC SERVICES</b>            To help promote the shire and its economic wellbeing.</p>	Weed control; Tourism and area promotion, and caravan park and flax mill; regulation of buildings and swimming pool inspections; saleyards and standpipes.
<p><b>OTHER PROPERTY AND SERVICES</b>            To monitor and control council's overheads operating accounts.</p>	Private works; public works overheads; plant repair and operation costs; engineering operation costs; salaries and wages control; administration services and other unclassified activities.

### 32. FINANCIAL RATIOS

	2021 Actual	2020 Actual	2019 Actual
Current ratio	4.61	1.78	0.82
Asset consumption ratio	0.58	0.59	0.60
Asset renewal funding ratio	N/A	N/A	0.45
Asset sustainability ratio	0.82	0.46	0.56
Debt service cover ratio	6.73	42.10	19.75
Operating surplus ratio	(0.16)	(0.12)	(0.46)
Own source revenue coverage ratio	0.67	0.71	0.52

\* Note: The Asset Renewal Funding Ratio has not been calculated for 2019/20 and 2020/21 as the Shire's Long Term Financial Plan is outdated.

The above ratios are calculated as follows:

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



## Auditor General

### INDEPENDENT AUDITOR'S REPORT 2021 Shire of Boyup Brook

To the Councillors of the Shire of Boyup Brook

## Report on the audit of the annual financial report

### Qualified Opinion

I have audited the financial report of the Shire of Boyup Brook (Shire) which comprises:

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

In my opinion except for the effects of the matter described in the basis for Qualified Opinion section of my report, the financial report of the Shire of Boyup Brook:

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

### Basis for Qualified opinion

As at 30 June 2020, I was unable to obtain sufficient appropriate audit evidence to verify the existence and number of sheep nor was I able to confirm the biological assets by alternative means at that date. My audit opinion on the financial report for the period ended 30 June 2020 was modified accordingly. Since the opening position of biological assets affects the determination of operations, I was unable to determine whether any adjustments to the Net Result for the year ended 30 June 2021 and the Operating Surplus ratio (as reported in Note 32) may be necessary.

My opinion on the current year financial report is also modified because of the possible effect of this on the comparability of the current period's figures and the corresponding figures.



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

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

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

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

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

### **Auditor's responsibility for the audit of the financial report**

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

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

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

### **Report on other legal and regulatory requirements**

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

- (i) In addition to the effects of the matter described in the Basis for Qualified Opinion section of my report, the following material matters indicating non-compliance with Part 6 of the Local Government Act 1995, the Local Government (Financial Management) Regulations 1996 or applicable financial controls of any other written law were identified during the course of my audit:
  - a) The Shire has not reported the Asset Renewal Funding Ratio for 2020 and 2021 in the annual financial report as required by Section 50(1) of the Local Government (Financial Management) Regulations 1996, as there is not a current long-term financial plan.

- (ii) In my opinion, the following material matter indicate significant adverse trends in the financial position of the Shire:
  - a) The Operating Surplus Ratio as reported in Note 32 of the annual financial report is below the Department of Local Government, Sports and Cultural Industries (DLGSCI) standard for the last three years.
- (iii) Except for the effects of the matter described in the Basis for Qualified Opinion section of my report, all required information and explanations were obtained by me.
- (iv) Except for the effects of the matter described in the Basis for Qualified Opinion section of my report, all audit procedures were satisfactorily completed.
- (v) In my opinion, the Asset Consumption Ratio included in the financial report were supported by verifiable information and reasonable assumptions.

### **Other information**

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

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

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

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



Grant Robinson  
Assistant Auditor General Financial Audit  
Delegate of the Auditor General for Western Australia  
Perth, Western Australia  
6 September 2022

