



# MINUTES

SPECIAL MEETING

OF COUNCIL

2 FEBRUARY 2021

**TABLE OF CONTENTS**  
**SPECIAL MEETING OF COUNCIL**  
**HELD ON**  
**2 FEBRUARY 2021**

	<b>PAGE</b>
<b>1. <u>DECLARATION OF OPENING</u></b>	<b>1</b>
<b>2. <u>RECORD OF ATTENDANCE, APOLOGIES AND LEAVE OF ABSENCE</u></b>	<b>1</b>
2.1 Attendance	1
2.2 Apologies	1
2.3 Leave Of Absence	2
<b>3. <u>DISCLOSURES OF INTEREST</u></b>	<b>2</b>
<b>4. <u>PUBLIC QUESTION TIME</u></b>	<b>2</b>
4.1 Responses To Public Questions Previously Taken On Notice	2
4.2 Public Questions	2
<b>5. <u>PETITIONS, DEPUTATIONS AND PRESENTATIONS</u></b>	<b>2</b>
5.1 Petitions	2
5.2 Deputations	2
5.3 Presentations	2
<b>6. <u>APPLICATIONS FOR LEAVE OF ABSENCE</u></b>	<b>2</b>
<b>7. <u>CONFIRMATION OF MINUTES</u></b>	<b>3</b>
<b>8. <u>ANNOUNCEMENTS BY THE PRESIDING MEMBER</u></b>	<b>3</b>
<b>9. <u>UNRESOLVED BUSINESS FROM PREVIOUS MEETINGS</u></b>	<b>3</b>
<b>10. <u>QUESTIONS BY MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN</u></b>	<b>3</b>
<b>11. <u>REPORTS</u></b>	<b>4</b>
11.1. <u>Office Of The CEO</u>	4
11.1.2 2019/20 Annual Report	4
11.1.1 Determination Of Date For 2020/21 Annual General Meeting Of Electors	119
11.2. <u>Corporate And Community Services</u>	121
11.3. <u>Regulatory And Development Services</u>	121
11.4. <u>Operations</u>	121
<b>12. <u>MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN</u></b>	<b>121</b>
<b>13. <u>COUNCILLORS' OFFICIAL REPORTS</u></b>	<b>121</b>
<b>14. <u>NEW BUSINESS OF AN URGENT NATURE</u></b>	<b>121</b>
<b>15. <u>MATTERS FOR WHICH MEETING IS TO BE CLOSED TO THE PUBLIC</u></b>	<b>121</b>
<b>16. <u>CLOSURE</u></b>	<b>121</b>

## SHIRE OF GINGIN

### MINUTES OF THE SPECIAL MEETING OF THE SHIRE OF GINGIN HELD IN THE COUNCIL CHAMBER ON TUESDAY, 2 FEBRUARY 2021, COMMENCING AT 2.00 PM

#### **DISCLAIMER**

*Members of the public are advised that recommendations to Council contained within this Agenda, and decisions arising from the Council meeting, can be subject to alteration.*

*Applicants and other interested parties should refrain from taking any action until such time as written advice is received confirming Council's decision with respect to any particular issue.*

#### **ORDER OF BUSINESS**

##### **1. DECLARATION OF OPENING**

*The Shire of Gingin would like to acknowledge the Yued people who are the traditional custodians of this land. The Shire would like to pay respect to the Elders past, present and emerging of the Yued Nation and extend this respect to all Aboriginal people. The Shire also recognises the living culture of the Yued people and the unique contribution they have made to the Gingin region.*

The Shire President declared the meeting open at 2:00 pm and welcomed all in attendance.

---

##### **2. RECORD OF ATTENDANCE, APOLOGIES AND LEAVE OF ABSENCE**

###### **2.1 ATTENDANCE**

Councillors – C W Fewster (Shire President), J K Rule (Deputy Shire President), L Balcombe, J Court, F Johnson, J C Lobb, J E Morton, F J Peczka and A R Vis.

Staff – A Cook (Chief Executive Officer), L Crichton (Executive Manager Corporate and Community Services), A Butcher (Executive Manager Operations), R Kelly (Executive Manager Regulatory and Development Services), Miranda Wallace (Marketing & Communications Officer), L Burt (Governance Officer) and G Koorasingh (Governance Support Officer/Minute Officer)

Gallery – There were no members of the public present in the Gallery.

###### **2.2 APOLOGIES**

Nil

**2.3 LEAVE OF ABSENCE**

Nil

**3. DISCLOSURES OF INTEREST**

Nil

---

**4. PUBLIC QUESTION TIME****4.1 RESPONSES TO PUBLIC QUESTIONS PREVIOUSLY TAKEN ON NOTICE**

Nil

**4.2 PUBLIC QUESTIONS**

---

**5. PETITIONS, DEPUTATIONS AND PRESENTATIONS****5.1 PETITIONS**

Nil

**5.2 DEPUTATIONS**

Nil

**5.3 PRESENTATIONS**

Nil

---

**6. APPLICATIONS FOR LEAVE OF ABSENCE**

An application for Leave of Absence was submitted by Councillor Lobb for the Ordinary Council Meeting on 16 March 2021.

**COUNCIL RESOLUTION**

**MOVED: Councillor Balcombe**

**SECONDED: Councillor Johnson**

**That Council approve Councillor Lobb's Application for Leave of Absence for the Ordinary Council Meeting on 16 March 2021.**

**CARRIED UNANIMOUSLY**

---



**7. CONFIRMATION OF MINUTES**

Nil

---

**8. ANNOUNCEMENTS BY THE PRESIDING MEMBER**

Nil

---

**9. UNRESOLVED BUSINESS FROM PREVIOUS MEETINGS**

Nil

---

**10. QUESTIONS BY MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN**

Nil

---

**11. REPORTS****COUNCIL RESOLUTION****MOVED: Councillor Johnson****SECONDED: Councillor Court****That Item 11.1.2 be brought forward for consideration as the first item of business.****CARRIED UNANIMOUSLY****11.1. OFFICE OF THE CEO****11.1.2 2019/20 ANNUAL REPORT**

<b>File:</b>	COR/3
<b>Author:</b>	Lee-Anne Burt – Governance Officer
<b>Reporting Officer:</b>	Aaron Cook – Chief Executive Officer
<b>Report Date:</b>	2 February 2021
<b>Refer:</b>	Nil
<b>Appendices:</b>	1. 2019/20 Annual Report

**DISCLOSURES OF INTEREST**

Nil

**PURPOSE**

To consider and accept the Shire of Gingin 2018/19 Annual Report.

**BACKGROUND**

Section 5.53 of the *Local Government Act 1995* (the Act) requires all local governments to prepare an Annual Report, which must contain the following elements:

- A report from the President;
- A report from the Chief Executive Officer;
- An overview of the plan for the future of the district made in accordance with s5.56 of the Act, including major initiatives that are proposed to commence or to continue in the next financial year;
- The financial report for the financial year;
- The auditor's report for the financial year;
- Any matter on which a report must be made under s. 29(2) of the *Disability Services Act 1993*;
- Details of entries made under s. 5.121 of the Act in the register of complaints, including the number of complaints recorded in the register;
- Such information as may be prescribed in relation to payments made to employees;
- Information with respect to any modifications made during the financial year to the local government's strategic community plan and corporate business plan;

Under s. 5.54 of the Act, Council is required to accept the Annual Report by 31 December. In the event that this deadline cannot be met due to unavailability of the auditor's report, then the Annual Report must be accepted by the local government no later than two months after the auditor's report becomes available.

Once the Annual Report is received by Council, then under s. 5.27 of the Act it must be presented to an Annual General Meeting of Electors within 56 days.

Council received the Audit Report for the Shire of Gingin for the 2019/20 financial year at a Special Meeting of Council on 22 December 2020. The date for the Annual General Meeting of Electors forms the subject of a separate report to this meeting.

## COMMENT

The Act treats the Annual Report as a key accountability document.

The Shire of Gingin 2019/20 Annual Report (**Appendix 1**) meets the reporting requirements of the Act and, in addition, provides the community with an overview of the programs, services and initiatives delivered by the Shire during the course of the 2019/20 financial year.

## STATUTORY/LOCAL LAW IMPLICATIONS

*Local Government Act 1995*

Part 5 – Administration

Division 5 – Annual reports and planning

Section 5.54 – Acceptance of annual reports

## POLICY IMPLICATIONS

Nil

## BUDGET IMPLICATIONS

Nil

## STRATEGIC IMPLICATIONS

Shire of Gingin Strategic Community Plan 2019-2029

<b>Focus Area</b>	<i>Governance</i>
<b>Objective</b>	<i>5. To demonstrate effective leadership, governance and advocacy on behalf of community</i>
<b>Outcome</b>	<i>5.1 Values Our Organisational/Business Values are demonstrated in all that we do</i>
<b>Key Service Areas</b>	<i>Nil</i>
<b>Priorities</b>	<i>Nil</i>

**VOTING REQUIREMENTS – ABSOLUTE MAJORITY**

**COUNCIL RESOLUTION/OFFICER RECOMMENDATION**

**MOVED: Councillor Rule**

**SECONDED: Councillor Johnson**

**That Council accept the Shire of Gingin 2019/20 Annual Report as provided at Appendix 1.**

**CARRIED BY ABSOLUTE MAJORITY  
9-0**

# **APPENDIX 1**

















## ANNUAL REPORT

Acknowledgment of Country .....	03
About this Report .....	04
Our Vision .....	05
Community Aspirations & Council Objectives .....	05
A Message from the Shire President .....	07
A Message from the Chief Executive Officer .....	08
Your Council for 2019/20 .....	09
About the Shire .....	11
Your Executive Team .....	13
Integrated Planning & Reporting .....	14
Strategic Community Plan .....	15
Community Wellbeing .....	16
Natural Environment .....	22
Infrastructure & Development .....	28
Economic Development .....	36
Governance .....	40

## FINANCIAL REPORT

Statement by the Chief Executive Officer .....	51
Statement of Comprehensive Income by Nature or Type .....	52
Statement of Comprehensive Income by Program .....	53
Statement of Financial Position .....	54
Statement of Changes in Equity .....	55
Statement of Cash Flows .....	56
Rate Setting Statement .....	57
Notes to and Forming Part of the Financial Report .....	59
Independent Auditor's Report .....	104







## ACKNOWLEDGEMENT OF COUNTRY

**Kaya Wanjoo Yued Boodja (pronounced "Kya Wanjoo Yued Booja")**

**Hello – Welcome to the land of the Yued Traditional Owners.**

The Shire of Gingin would like to acknowledge the Yued people who are the traditional custodians of this land. The Shire would like to pay respect to the Elders past, present and emerging of the Yued Nation and extend this respect to all Aboriginal people. The Shire also recognises the living culture of the Yued people and the unique contribution they have made to the Gingin region.

The Yued region covers an area of 20,252km<sup>2</sup>. Their Booja – meaning 'their country' includes the Shires of Coorow, Dalwallinu, Dandaragan, Moora, Gingin, Victoria Plains, Toodyay and Chittering.

Nyoongar camping grounds, birthing areas, festival places, song lines and sacred lore sites are scattered throughout the Yued region. They are very significant and important for the Yued community.

The Shire of Gingin formally recognises the Yued Nyoongar People as an important stakeholder in the development and progression of the Shire.



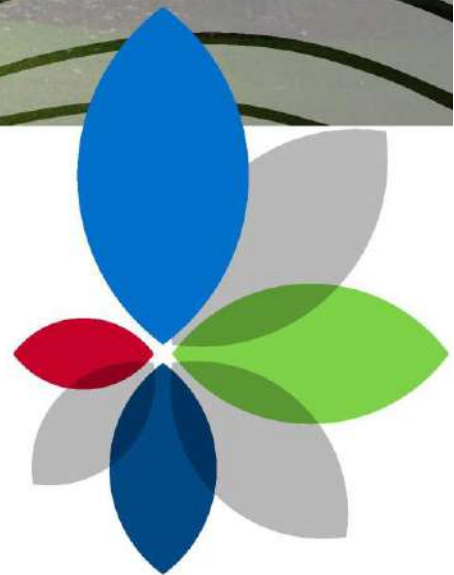


## ABOUT THIS REPORT

As required by the *Local Government Act 1995* and associated regulations, the Shire of Gingin's Annual Report for 2019/20 provides an overview of the operations, activities and major projects undertaken by the Shire for that period and includes major initiatives proposed to commence or to continue in the next financial year.

The performance of the Council is assessed against the Vision, Mission, Focus Areas, Objectives, Outcomes and Priorities as set out in the Shire of Gingin Strategic Community Plan 2019-29 and the Actions contained in the Corporate Business Plan 2019-23.

These plans provide strategic focus for elected members and the organisation and affirms our commitments to the community.





## OUR VISION

“We are a welcoming and progressive community that celebrates its diversity and unique rural and coastal environment.”

## COMMUNITY ASPIRATIONS & COUNCIL OBJECTIVES

### FOCUS AREA 1 – Community Wellbeing

#### COMMUNITY ASPIRATION

An active, healthy and safe community with a range of easily accessible services and facilities.

#### COUNCIL OBJECTIVE

To support the Shire of Gingin community to be inclusive, vibrant, healthy and safe through the Shire's shared service delivery.

### FOCUS AREA 2 – Natural Environment

#### COMMUNITY ASPIRATION

The Shire of Gingin's natural assets are protected for future generations and recognised as one of the greatest sources of pride in our community.

#### COUNCIL OBJECTIVE

To develop the Shire's capacity to support the conservation of natural assets and undertake sustainable resource management.

### FOCUS AREA 3 – Infrastructure & Development

#### COMMUNITY ASPIRATION

High quality community infrastructure and development.

#### COUNCIL OBJECTIVE

To effectively manage growth and provide for the community through the delivery of community infrastructure in a financially responsible manner.

### FOCUS AREA 4 – Economic Development

#### COMMUNITY ASPIRATION

A strong economy based on tourism, agriculture, resources and supportive industries.

#### COUNCIL OBJECTIVE

To support economic development through the Shire's service delivery.

### FOCUS AREA 5 – Governance

#### COMMUNITY ASPIRATION

Progressive and transparent leadership which is contemporary and involves the community in responsible governance.

#### COUNCIL OBJECTIVE

To demonstrate effective leadership, governance and advocacy.









## A MESSAGE FROM THE SHIRE PRESIDENT

CR WAYNE FEWSTER



On behalf of Council I am pleased to present the Shire of Gingin's Annual Report for 2019/20 to the community.

This financial year the rate increase was again 2.75% to the rate in the dollar across UV and GRV rated properties with a minimum UV rate of \$1,400 and \$1,110 for GRV properties. A differential minimum rate of \$2,548 was applied with an average 7.5% increase to the rate in the dollar.

Council believed this was sufficient for the Shire to manage the planned 2019/20 projects and services for the community with assistance from government grant funding where required. Council has always been very conscious of delivering a low rate increase where possible, so to have achieved this again in 2019/20 we feel is a terrific result for our ratepayers.

### 2019 ELECTIONS

In October 2019 Local Government Elections were held with five Councillor positions (including my own) up for re-election. Congratulations to Councillors Jan Court and Frank Peczkla on your re-election and welcome to new Councillors Andrea Vis and Linda Balcombe. Thank you to departing Councillors Ian (Sam) Collard (Shire President) and John Elgin (Deputy Shire President). I acknowledge your commitment to the community during your tenure with the Shire. You will both be sorely missed so I wish you well.

Thank you to my fellow Councillors for electing me to the position of Shire President and congratulations to Councillor Kim Rule who was elected to the position of Deputy Shire President. As ever, we and Council will strive to meet community expectations.

### YANCHEP BUSH FIRE

It would be remiss of me not to mention the Yanchep Bush Fire which occurred in December 2019. Approximately 14,000ha of bush land was burnt across Two Rocks and the Shire of Gingin. One home was lost but fortunately thanks to the efforts of fire fighters, 6,000 homes were saved. I said this at the time but I will say it again: Council and I express our heartfelt thanks and gratitude to the amazing fire fighters, Shire staff and more who worked so hard to protect the lives and properties of the Shire of Gingin and City of Wanneroo residents. Your efforts are appreciated and recognised as being well and above the call of duty – thank you.

This fire (coupled with the recent Red Gully & Yeal Bush Fires) is an important reminder that we should never become complacent. Having a Bush Fire Plan is a necessity living in Australia, a country where bush fires have long been a part of our nation's history. I implore all Shire of Gingin residents: if you don't yet have a Bush Fire Plan in place then now is the time to look at preparing one. The Department of Fire & Emergency Services has some terrific resources to help you create your plan. Visit <https://mybushfireplan.wa.gov.au/>. Alternatively, your local Chief Bush Fire Control Officer can always provide assistance. Contact Phil Barrett on 0408 943 576.

### COVID-19

A global pandemic is not something any one of us particularly thought would affect us this financial year. However, the last quarter of 2019/20 was significantly impacted by the Coronavirus (COVID-19) Pandemic. A State of Emergency and a Public Health State of Emergency was declared in Western Australia for the first time in its history and our borders were closed to the rest of our nation and the international world beyond.

Staff, Council and I are fully aware of just how difficult times have been for residents, ratepayers and our hardworking local businesses. The Shire of Gingin has striven hard to implement a number of changes to help safeguard our communities during this time and to provide access to information and assistance where required.

Throughout most of March to May, Shire staff worked long hours to implement the many changes required by the Pandemic which continued to evolve rapidly. The impacts felt upon the community and throughout the following months, have been many and varied in severity. From regional border lock downs which separated families and cut off access to our capital city to the cancellation of events, pressure put on local industries and the loss of jobs, isolation and much more – the effects of the Pandemic have all been felt by us in some way or another. I am sure they will continue to be felt for many more months – perhaps years – yet to come.

However, despite the challenges of 2019/20 (i.e. COVID-19, bush fires, etc.), Shire staff rose admirably to the occasion. Thank you to Aaron and staff for all of your time, dedication and commitment. It is not always very visible to the community just how much work staff do behind the scenes so I hope the community will join me in acknowledging this. Thank you also to my fellow Councillors for your time, commitment and effort over the past 12 months. Whilst several major projects may not have been completed or were deferred to 2020/21 due to the impacts of COVID-19 and other factors, it is still nothing short of amazing how much has been completed despite this. The community should take pride in the number of projects that have been delivered this year or have had significant progress made towards their completion such as the construction of the Woodridge St John Ambulance WA Facility and Gingin Emergency Services Facility, the significant progress made towards the construction of the Redfield Park Emergency Service Facility, the completion of significant coastal erosion related reports, progress towards safety improvements for the Lancelin Off-road Vehicle Area, the rebranding of the Shire's corporate logo and more.

I hope this Annual Report portrays the sheer amount of hard work our Council and Shire staff have exerted over the last 12 months in our tireless attempt to serve our many community's interests.



## A MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

AARON COOK



Welcome to the Shire of Gingin's Annual Report 2019/20.

This reporting financial year has been faced with some very big challenges given the impact of COVID-19. However, as ever Council and staff have risen to the occasion. Advancements in a number of significant projects have been made whilst the day to day services of Council have continued to be provided with minimal interruption in general to the community.

### COASTAL EROSION

Council and staff have not rested in their efforts to address this matter. Coastal erosion is arguably the Shire's biggest concern as we look forward to the years ahead. A large amount of work has been undertaken by the Shire over the past 12 months to carry out further research (Coastal Inundation Study, etc.) to better inform Council of the implications and to investigate some more long term strategies to deal with this matter. This further research has been at the behest of the State Government to ensure that whatever strategies the Shire undertakes, they have been thoroughly explored and determined to be the absolute best course of action.

In the meantime, short term strategies have continued to be employed, being predominantly the undertaking of sand renourishment works on an annual basis. Whilst this may seem to the general public to be ineffective and a waste of funding, the Shire would like to assure the community that it is a valid strategy and it is serving its purpose which is to allow the Shire more time to undertake the relevant research as directed by the State Government.

This approach is in line with that taken by other local governments and will ensure long term support from the State and Federal Governments, which is essential in this large-scale, complicated and highly litigious issue that is facing the State.

### COMMUNITY RESILIENCE SCORECARD

Biennially the Shire undertakes a public survey to assist in identifying areas of improvement. The survey undertaken in early 2020 highlighted several areas of improvement including rubbish tip services, how the community is informed about local issues, maintenance of unsealed roads and management of roadside verges and streetscapes. This was very pleasing to learn as the Shire tries hard to respond to the results of our public surveys.

The survey also highlighted that the community feels improvements need to be made in regards to the green waste kerbside collection, bush fire prevention and control, conservation and environmental management and the

management of coastal erosion and inundation. These are areas that the Shire is particularly keen to improve in and we hope this will be evident by the time the next survey is undertaken in 2022.

What the community feels the Shire has improved its delivery of was pleasing to hear as the Shire has tried hard to do so.

### ORANGE SPRINGS ROAD UPGRADE

Work continues to progress with the upgrade of Orange Springs Road which is expected to be completed later this year.

This \$9 million project is being undertaken with of united funding from the State Government and the upgrade will ensure the road remains up to task to handle the high volume of heavy haulage traffic which readily makes use of it.

### UPPER COASTAL SPORTING FACILITIES MASTER PLAN

Work got underway in November 2019 to carry out a series of workshops (3 in total) with the communities in the Upper Coastal Region of the Shire (being Lancelin, Ledge Point and surrounding estates).

These workshops assisted independent consultants to complete a draft report which will be presented to Council shortly. The premise of the Master Plan is to consider existing infrastructure, financial sustainability, past research, needs analysis and community priorities for the entire Upper Coastal sub-region. Whilst the Shire expects this plan to polarise some in the community, we hope that it will be the start of addressing a number of outstanding issues and we encourage community members to get involved in future consultation for this project.

I would like to thank the Shire of Gingin community for its ongoing support and encourage residents and ratepayers to contact the administration should they have any queries and concerns. We will work to the best of our ability to assist, resolve or at least provide answers to issues raised. We are an organisation that continually looks to improve its processes and provide open and transparent local government leadership.





## YOUR COUNCIL FOR 2019/20



**CR WAYNE FEWSTER**  
SHIRE PRESIDENT  
Term: 2023



**CR KIM RULE**  
DEPUTY SHIRE PRESIDENT  
Term: 2021



**CR FRANK JOHNSON**  
COUNCILLOR  
Term: 2021



**CR FRANK PECZKA**  
COUNCILLOR  
Term: 2023



**CR JAN COURT**  
COUNCILLOR  
Term: 2023



**CR JACQUI LOBB**  
COUNCILLOR  
Term: 2021



**CR ANDREA VIS**  
COUNCILLOR  
Term: 2023



**CR LINDA BALCOMBE**  
COUNCILLOR  
Term: 2023



**CR JAMES MORTON**  
COUNCILLOR  
Term: 2021



## COUNCIL MEETING ATTENDANCE

Council is the decision-making body of the Shire and usually meets on the third Tuesday of every month at 3pm.

For 2019/20 the number of Council meetings held and the numbers of those meetings attended by each Elected Member is as follows:

Councillor	Ordinary Council Meeting (12)	Special Council Meeting (5)	Annual Electors Meeting (1)	TOTAL
Cr Ian (Sam) Collard <i>(Retired October 2019)</i>	3	2		5
Cr John Elgin <i>(Retired October 2019)</i>	2	1		3
Cr Wayne Fewster	11	5	1	17
Cr Kim Rule	11	5	1	17
Cr Jan Court	11	5	1	17
Cr Frank Johnson	12	5	1	18
Cr Jacqui Lobb	11	3	1	15
Cr Frank Peczka	12	5	1	18
Cr James Morton	10	3	1	14
Cr Linda Balcombe <i>(Elected October 2019)</i>	7	3	1	11
Cr Andrea Vis <i>(Elected October 2019)</i>	7	2	1	10





## ABOUT THE SHIRE

Just a short drive from Perth, the Shire of Gingin retains its rural and coastal charm. Locals enjoy the quiet lifestyle while visitors flock to the area to enjoy the Shire's quality beaches and picturesque rolling hills.

The Shire is predominantly a rural area and its district falls within the central coastal region of the Wheatbelt in Western Australia.

It encompasses an area of 3,223 km<sup>2</sup> and is home to a population of approximately 5,000 permanent residents. There are five townships within the Shire being Gingin, Guilderton, Lancelin, Ledge Point and Seabird in addition to a number of smaller rural estates.

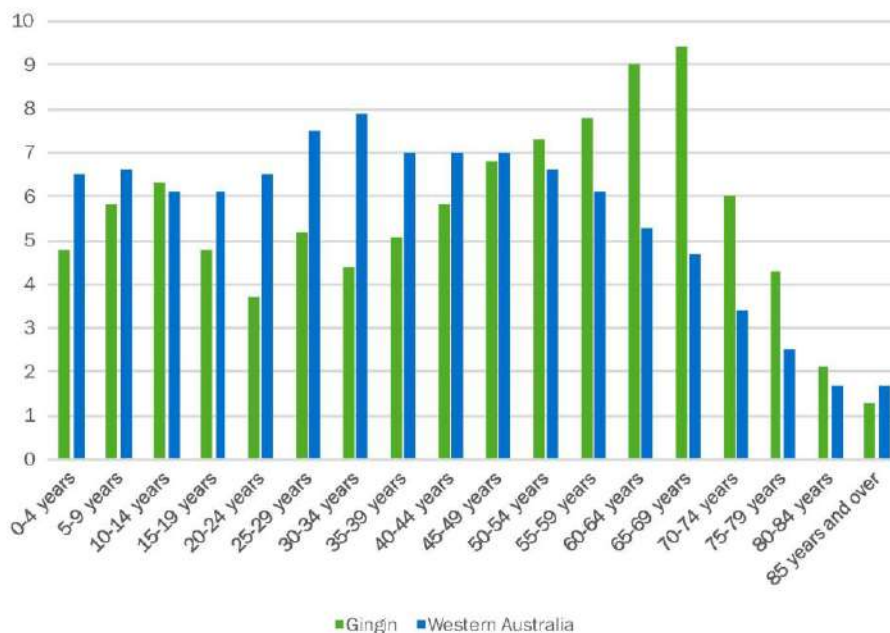
Geographically the Shire stretches from the coastline across the flat sandy soils of the Swan Coastal Plain in the west to the hinterland and foothills of the Darling Scarp in the east. It also embraces the lower reaches of the Moore River together with a system of fresh water lakes, streams and swamps and the watercourse of the Gingin Brook.

The Shire's strategic location means that it is one of the fastest growing rural areas in Western Australia and it is anticipated that the Shire's population will grow to approximately 6,600 by 2023, increasing to 7,900 by 2031.

Agriculture is the Shire's primary economic contributor. It accounts for 41.9% of local business and some 137,145 ha of land. However, peri-urban growth and associated pressure on market gardening has resulted in the Shire broadening its focus from traditional broad acre farming to intensive horticulture. Local industries within the Shire include cattle and sheep grazing, apiaries, irrigated horticulture, viticulture, olive groves, aquaculture, piggeries, poultry farms, wineries, abattoirs, feedlots, and cray fishing. In addition to rural industries the Shire's economy is also based around tourism with coastal areas experiencing a large influx of people during the summer holiday season.

With its magnificent coastline, pristine river systems and panoramic views, the Shire of Gingin is a unique and exciting place to live and visit.

## POPULATION % BY AGE









## YOUR EXECUTIVE TEAM



**AARON COOK**  
CHIEF EXECUTIVE OFFICER

- Elected Member Support
- Human Resources
- Communications & Marketing
- Special Projects
- Occupational Health & Safety
- Integrated Strategic Planning
- Governance
- Emergency Services



**LES CRICHTON**  
EXECUTIVE MANAGER  
CORPORATE & COMMUNITY  
SERVICES

- Administration
- Finance
- Information Technology
- Information Management
- Customer Service
- Rates
- Community & Economic Development
- Youth Services



**ALLISTER BUTCHER**  
EXECUTIVE MANAGER  
OPERATIONS

- Shire Facilities
- Engineering and Civil Operations
- Parks & Gardens
- Asset Management
- Road Works
- Disability Access



**BOB KELLY**  
EXECUTIVE MANAGER  
REGULATORY &  
DEVELOPMENT SERVICES

- Waste Services
- Building Services
- Planning Services
- Town Planning
- Ranger Services
- Environmental Health



## INTEGRATED PLANNING & REPORTING

### COMMUNITY ENGAGEMENT

#### STRATEGIC COMMUNITY PLAN (10 Years)



##### What is it?

The Strategic Community Plan is made using feedback from the community. The Plan then sets the Shire's strategic direction for the next ten years.

The Plan is reviewed on a minor basis every two years and on a major basis every four years. A minor review was undertaken in July 2019.

#### CORPORATE BUSINESS PLAN (4 Years)



##### What is it?

The Corporate Business Plan is the 4 year plan created to implement the first 4 years of strategic goals outlined in the Strategic Community Plan.

The Corporate Business Plan is reviewed and updated on a minor basis annually. A major review (in line with the Strategic Community Plan) is undertaken every four years. A minor review was undertaken in August 2019.

#### ANNUAL BUDGET (1 Year)



##### What is it?

The Annual Budget sets out the operational expenditure for projects from the first year of the Corporate Business Plan in addition to ongoing general expenses.

The Annual Budget is adopted at the beginning of each financial year in addition to the Shire's annual Fees & Charges for various services to the community.

### OUTPUTS

#### (Annual Report – 1 Year / Quarterly Reports)

Both the Strategic Community Plan and the Corporate Business Plan are monitored and their progress reported to Council on a quarterly basis. The Strategic Community Plan undergoes a minor review every two years and a major review every four years. During these review periods community feedback is sought to form the backbone of the new documents. The Corporate Business Plan is reviewed annually.

The Annual Report gives an overview annually to the community of everything achieved by the Shire in line with the Strategic Community Plan and Corporate Business Plan. The Annual Report is a requirement of the *Local Government Act 1995*.



### INFORMING STRATEGIES

'Informing Strategies' are supporting documents which are used by Council to test and inform the long-term aspirations of the Strategic Community Plan and to guide the deliverables which can be achieved in the Corporate Business Plan and Annual Budget.

The Shire's current 'Informing Strategies' include:

- Age Friendly Community Plan
- Asset Management Plan
- Coastal Hazard Risk Management & Adaption Plan
- Code of Conduct
- Cultural Heritage Management Plan
- Customer Service Charter
- Delegation Register
- Disability Access & Inclusion Plan
- Equal Employment Opportunity Management Plan
- Forward Capital Works Plan
- Health Plan
- Incident Management & Business Continuity Response Plan
- Induction Manual
- IT Disaster Plan
- Lancelin Off-road Vehicle Area Plan
- Long Term Financial Plan
- Municipal Inventory of Heritage Places
- Occupational Safety & Health Management Plan
- Organisational Chart
- Outside Staff Enterprise Bargaining Agreement
- Policy Manual
- Reconciliation Action Plan
- Records Disaster Plan
- Records Management Plan
- Stable Fly Management Plan
- Trails Master Plan
- Waste Management Plan
- Workforce Plan
- Youth Strategy



## STRATEGIC COMMUNITY PLAN

The Shire of Gingin's Strategic Community Plan 2019/29 is the overarching document developed to embody the aspirations and goals of the Shire's communities. The community's aspirations and Council's objectives drive the Focus Areas (listed below) for the plan that Council and the Shire of Gingin will be measured against to ensure the future desires of the community are attained.

The five Focus Areas are Community Wellbeing, Natural Environment, Infrastructure & Development, Economic Development and Governance.

The Strategic Community Plan underwent a minor review in May 2019 and is scheduled for a major review in 2021 when fresh feedback from the community will be sought. This Annual Report aligns with the Strategic Community Plan 2019/29.



### Community Wellbeing

#### OBJECTIVE

To support the Shire of Gingin community to be inclusive, vibrant, healthy and safe through the Shire's shared service delivery.

### Natural Environment

#### OBJECTIVE

To develop the Shire's capacity to support the conservation of natural assets and undertake sustainable resource management.

### Infrastructure & Development

#### OBJECTIVE

To effectively manage growth and provide for the community through the delivery of community infrastructure in a financially responsible manner.

### Economic Development

#### OBJECTIVE

To support economic development through the Shire's service delivery.

### Governance

#### OBJECTIVE

To demonstrate effective leadership, governance and advocacy.





## COMMUNITY WELLBEING







The following **Outcomes** and **Priorities** are outlined in the Strategic Community Plan 2019/29.

**Outcomes** cover a broad aim created by Council based upon feedback from the community. **Priorities** refine those outcomes into smaller goals and under each there is a breakdown into even more specific tasks for Council to complete which are known as 'Actions' and are outlined in the Corporate Business Plan 2020/24.

Both plans are living documents which are reviewed regularly by the Shire to ensure Council is on track to complete the tasks listed as 'Actions'. A summary of the progress Council and staff have made over the past financial year has been provided for each 'Action' from the Corporate Business Plan as follows.



## FOCUS AREA 1 – Community Wellbeing

### SCP OUTCOME 1.1 – INCLUSIVE

**Our community has access to a range of community programs, services and initiatives that support wellbeing and inclusion**

#### ACTION 1.1.0-01

#### Ongoing delivery of Gingin Cemetery Services

There were 3 burials and 3 ashes interments during the reporting period, together with the processing and issue of 6 Grants of Right of Burial. A new non-denominational section was developed in the cemetery and is now available to the public.

Minor drainage works were also undertaken to ensure that water runoff was appropriately flowing away from cemetery plots.

#### PRIORITY 1.1.1

#### Support ageing in place through the implementation and monitoring of the Age Friendly Community Plan

##### ACTION 1.1.1-01

##### Support an increase in the number of Independent Living Units available within the Shire in partnership with the private sector and/or through direct service provision

Currently there are still insufficient numbers on waiting lists to support progression of this action so the Shire will continue to support existing services for the time being.

Various improvements were completed in 2019/20 to improve security and ease of access to the well-aged, the efficiency of lighting infrastructure and the visual enhancement of the amenity to both the Independent Living Units in Gingin and Lancelin.

##### ACTION 1.1.1-02

##### Advocate for improved Senior Services

The Shire continues to advocate for improved Senior Services. A free Hearing Service and mobile self-testing booth was facilitated by the Shire for the Lancelin and Gingin town sites and an Arthritis information workshop was provided in Guilderton.

The Shire also facilitated a free Disability Support Officer service to further support local businesses to accommodate disabilities associated with ageing.

#### PRIORITY 1.1.2

#### Encourage programs and facilities that engage and support children and young people to stay in the Shire

##### ACTION 1.1.2-01

##### Ongoing delivery of programs and facilities that engage and support children and young people to stay in the Shire

Funding for a youth specific website to be designed and managed by youth was successfully sourced. Local youths were also involved in designing a Shire of Gingin youth logo for the website which in future will inform its overall appearance.

#### PRIORITY 1.1.3

#### Provide leadership on the standards required by the Reconciliation Action Plan

##### ACTION 1.1.3-01

##### Prioritise actions from Reconciliation Action Plan and commence implementation

No action was taken to progress this Action this financial year due to limited resources.





**PRIORITY 1.1.4 Implement the Disability Action and Inclusion Plan**
**ACTION 1.1.4-01 Implement the Disability Action and Inclusion Plan**

This action is an ongoing process by which the Shire reviews the facilities and/or services it provides for improved accessibility to all patrons.

Officers have completed the 2019/20 implementation of the Disability Action and Inclusion Plan with the following achievements reached:

- Implemented additional accessibility friendly parking spaces at the Woodridge Recreation Grounds with designated spaces and clearly visible line marking with accessible parking space and associated exclusion zones.
- Continual improvement to online media, physical resources and the Shire's website to allow more inclusivity and aligning with disability guidelines.
- Continual dignity and respect displayed towards all persons with disabilities by Shire staff in all instances.

The Shire continues to address the Plan within planning and coordination of events and activities. Community Infrastructure planning has also taken into account accessibility, for example universal access at the proposed Gingin Outdoor Activity Space.

**SCP OUTCOME 1.2 – VIBRANT**

**Our community can participate in a range of activities and events that celebrate and promote our unique lifestyle and heritage**

**ACTION 1.2.0-01 Ongoing Delivery of the Shire's Grants Program**
**COMMUNITY CAPACITY BUILDING WORKSHOPS**

The Shire facilitated a Meet the Funders event (11 February 2020) held at the Lancelin Sporting Complex with presentations and information provided by 7 funding bodies including Roadwise, Lotterywest, Bendigo Bank, Healthways, RDA Wheatbelt, Department Local Government, Sport and Cultural Industries and the Shire of Gingin. Approximately 60 people attended and were provided with the opportunity to catch-up with the funders to discuss community projects in addition to having questions answered by a funder panel.

Community Clubs and Groups were also invited to attend a grant writing support session (3 February 2020) with relation to the Shire Community Funding round and 6 people took up this opportunity by participating in a Lancelin session.

**SHIRE COMMUNITY FUNDING**

The Shire of Gingin's annual community funding program received 27 applications requesting a total sum of \$169,640 (GST excl.) for the 2020/21 Financial Year. 20 applications were supported by Council including:

- Council Budget Request (over \$10,000+) to the value of \$34,275;
- Funding Assistance Scheme (Periodical Council commitments that align with specific Strategic Community Plan deliverables) \$41,000; and the
- Community Funding Program of \$8,000 and Public Liability Insurance \$3,466.

A number of applications were withdrawn due to COVID-19 impacts including applicants that had received funds for events in the previous financial year which were unable to be run. Funds were carried forward for 2020/21 on request.

**EXTERNAL GRANTS**

The Community Development and Services team sought funding for 16 grants of which 10 were successful and acquired funding to the value of \$195,298 (GST excl.)

**PRIORITY 1.2.1 Provide practical support and encouragement for community groups and volunteers**
**ACTION 1.2.1-01 Ongoing delivery to provide practical support for community groups and volunteers**

Council continues to support Club and Community development through the Community Development and Services team. This can include many different avenues such as providing technical advice to community groups, the waiving of fees on certain occasions, etc.

**PRIORITY 1.2.2 Advocate with regional local governments and partners to reduce impediments to community group and volunteer activities**
**ACTION 1.2.2-01 Advocate to reduce impediments for community groups and volunteers activities**

The Community Development and Services team has continued to publish a monthly community newsletter providing up to date resources, grants and local event information. 58% of community organisations received support for resources and with management practices from the Community Development Officer.

<b>PRIORITY 1.2.3</b>	<b>Support and promote local regional events that offer clear economic and social benefits to the community.</b>
-----------------------	--

<b>ACTION 1.2.3-01</b>	<b>Assessment of existing and new community events that offer clear and economic benefits to the community</b>
------------------------	--

The Shire reviews its scheduled events annually to ensure that there is clear and economic value to the community. This includes examining events to ensure they continue to be sustainable, offer economic opportunities for local businesses to get involved, etc.

<b>ACTION 1.2.3-02</b>	<b>Delivery of a range of community events that offer clear and economic benefits to the community</b>
------------------------	--

The Shire, supported by Bendigo Bank, has created a community hub type of atmosphere by providing cost free events and minimal cost triathlons which has engaged many members of the extended community including those that may not have otherwise participated due to financial reasons.

Engagement of the community offers the potential to increase social capital and inclusiveness and thereby foster community pride/spirit. The chance to volunteer as well as attend these events also assists with community connections for our aged population.

<b>PRIORITY 1.2.4</b>	<b>Further develop identity and sharing of Shire resources on a sub-regional basis</b>
-----------------------	--

<b>ACTION 1.2.4-01</b>	<b>Continue to identify, advocate and pursue partnerships for the sharing of Shire resources on a sub-regional basis</b>
------------------------	--

The Northern Growth Alliance continues for the Shire of Gingin with the Shires of Chittering and Dandaragan. Additionally there are ongoing discussions and actions with resource sharing with the Shire of Chittering regarding administrative services and assistance.

The Shire also resource shares the Bush Fire Mitigation Officer with the Shire of Victoria Plains.

### **SCP OUTCOME 1.3 – HEALTHY & SAFE**

**Our community has access to quality health and community safety programs, services and initiatives that promote resilience**

<b>ACTION 1.3.0-01</b>	<b>Ongoing delivery of Local Emergency Services</b>
------------------------	---

The delivery of Local Emergency Services continues to be a high priority for the Shire of Gingin, particularly in light of the Yanchep Bush Fire in December 2019 which caused an Emergency Warning level to be issued for Woodridge and surrounding areas within the Shire. Ongoing delivery for 2019/20 has included:

- Completion of the Woodridge St Johns Ambulance WA facility to provide greater provision of services for the community.
- The Redfield Park Emergency Service Facility was constructed during the 2019/20 financial year and significant progress was made towards the completion of the Gingin Emergency Services Facility. Tender documentation was completed with an invitation for tenders and construction planned to be undertaken and completed during 2020/21.
- Mitigation works were carried out in Ledge Point, Lancelin, Seabird, around Gingin Brook, a small amount at Guilderton, Seaview Park & Ocean Farm. This work was undertaken by the Shire and the Department of Fire & Emergency Services collaboratively and was in excess of \$1 million.
- As previously mentioned, a significant bush fire affected the communities of Woodridge and surrounds within the Shire of Gingin in December 2019. A number of potential improvements were identified during this emergency event both at a brigade and management level. The Shire has since undertaken these improvements in conjunction with local brigades and staff.
- Training was undertaken with local brigades throughout 2019/20. Many volunteer members have reached significant service achievements so several service award medals were handed out at Australia Day in January 2020.
- The Chief Bush Fire Control Officer worked in collaboration with the Shire's Communications & Marketing Officer to undertake a significant review of the Shire's Fire Break Orders which are issued annually to rate payers. Additional information was added to further assist rate payers with understanding their obligations and a large amount of formatting was undertaken to brighten up the appearance of the Orders and give them more relevance to readers.

<b>ACTION 1.3.0-02</b>	<b>Ongoing delivery of Environmental Health Services</b>
------------------------	--

The Shire's health team continues to deliver the Shire's Environmental Health Services to a high standard including:

- Food Safety – food business monitoring, education programs, advice of food recalls and investigation if required, support Department of Health investigation into the increase of Salmonellosis
- Regulating Specific Premises – accommodation/residential, public buildings, caravan parks/camping grounds
- Water Safety – recreational waters, aquatic facilities, waste water systems
- Environmental Hazards – noise, air pollution, asbestos, chemical waste, pests, vectors, clandestine laboratories
- Waste Management – ensure landfills comply with environmental licensing conditions
- Event Management – ensure public safety at events
- Health Promotion – support Department of Health campaigns where appropriate
- Customer Service – maintain and enhance strong relationships with the public, business and community groups



The COVID-19 pandemic in early March 2020 brought about an unprecedented demand on the Health Services team. Implementation, advice and provision of urgent Commonwealth and State Government demands and directions to local businesses, community groups and residents, Council and staff on a daily basis was maintained throughout the course of the pandemic over a 4 month period. Media releases and legal directives from the Department of Health and Premier's Office were communicated to our different population groups with the utmost speed.

#### **INTERACTIVE FOOD SAFETY TRAINING – I'M ALERT FOOD SAFETY**

This free online training program is integral for food business managers and community groups to train their staff/volunteers in the risk of food borne illness resulting from poor food handling practices.

#### **ENVIRONMENTAL WATER MONITORING**

The Shire participated in the Department of Health Recreational Water Sampling (Bacteriological) Program from November 2019 – April 2020. Water samples were obtained from four Moore River locations and two Lancelin Bay sites for testing purposes. The health of the water bodies and presence of amoeba was the main focus of testing. Shire onsite signage and public education campaigns continue to make the public aware of the hazards of swimming in these attractive swimming areas.

#### **STABLE FLY**

During 2019/20 the Shire conducted 271 inspections throughout the district. The Shire's Stable Fly Officer maintained a vigilant approach to monitoring and pursuing complaints from the community. The officer worked with the many growers in the region to help change attitudes through education on the importance of the recommended processes to reduce breeding on their properties. The centralised reporting mechanism for complaints through the DPIRD Pest App continues to support the collection of quality data to combat Stable Fly.

The introduction of DPIRD's Biosecurity and Agriculture Management (Stable Fly) Management Plan 2019 in September 2019, produced a number of new initiatives in controlling the pest.

#### **PRIORITY 1.3.1**

#### **Develop improved access to medical services and allied health in each sub regional area**

##### **ACTION 1.3.1-01**

##### **Ongoing delivery of General Practitioner Services**

Improvement to the usability and visual amenity of the Gingin Medical Centre facility were undertaken through upgrading of the fixtures (lighting, wall finishes, painting, etc.)

Ongoing support is being provided to the Lancelin Medical Centre and Council also ensured that the Gingin Medical Centre remained open under the Shire's administration to ensure no loss of service to patients.

The Shire engaged Stoneham and Associates to prepare a Public Health Plan (PHP) for the Shire this financial year.

A thorough and exhaustive process of data gathering, holding community workshops and surveys, staff and Councillor surveys and consultation with key service groups within the Shire was undertaken to identify priority areas for the Shire to focus on. Due to delays created by COVID-19, it is anticipated the PHP will be considered for adoption by Council before the end of 2020.





## NATURAL ENVIRONMENT



## NATURAL ENVIRONMENT (FOCUS AREA 2)

### SCP OUTCOME 2.1 – CONSERVATION

The Shire's ecological services and natural assets are respected and enhanced

#### ACTION 2.1.0-01 Coastal Protection Works and Erosion Control

Significant investigations were undertaken into formulating strategies to combat Coastal Erosion. In particular for the 2019/20 financial year the Shire developed two guiding documents being a Coastal Hazard Risk Management and Adaptation Planning Report and an Inundation Report of our coastal areas subjected to coastal hazards.

As a temporary measure the Shire has undertaken sand renourishment works for the Lancelin Foreshore to the total cost of \$38,672. This has protected the Shire's assets and allowed facilities to still be utilised while further investigative studies are undertaken and grant funding sought in consultation with State Government departments.

#### ACTION 2.1.0-02 Consider a permanent coastal projects officer for inclusion in the Workforce Plan

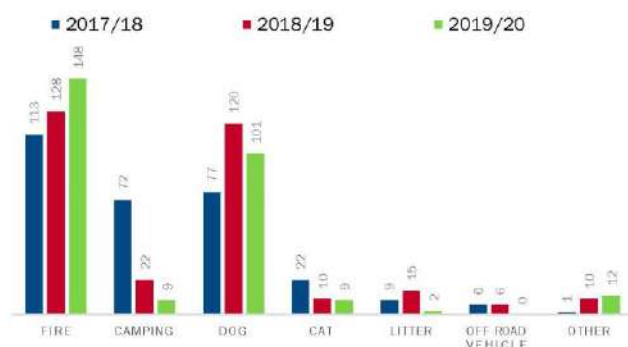
Council has not been in a position to facilitate the engagement of an officer to undertake this role within the administration due to funding/budget limitations.

#### ACTION 2.1.0-03 Improve management of off-road vehicles to protect natural areas, resources and public safety

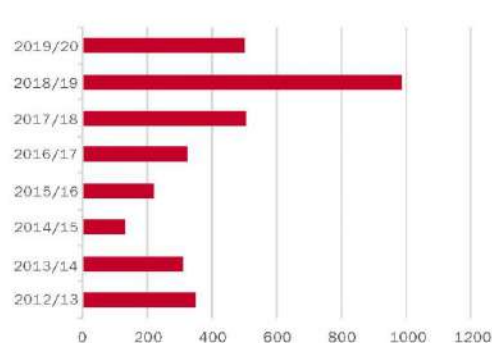
Shire Rangers are involved with community education, awareness and enforcement of various legislation, which includes the *Dog Act 1976*, *Cat Act 2011*, *Local Government Act 1995* (sections 3.39, 9.11, 9.13, 9.15, 9.16), *Bushfires Act 1954 – Fire Control Officer*, *Litter Act 1999*, *Control of Vehicles (Off-road Areas) Act 1978* and the Shire's Local Laws.

Within the 2020/21 period the Shire's Rangers issued the following infringements:

### INFRINGEMENTS



### NO. OF PARKING INFRINGEMENTS BY YEAR



### GUILDERTON FORESHORE PAID PARKING

On 14 March 2020 in response to COVID-19 Council determined that the parking meters at Guilderton be decommissioned until 1 June 2020 and the following statistics reflect this:

Total amount collected in parking meters:	\$ 79,446
Total number of tickets purchased:	17,254
Total value of parking infringements issued:	\$ 53,375
Total value of parking infringement notice paid:	\$ 43,200
Total amount of parking infringement notices issued:	546

**LANCELIN OFF-ROAD VEHICLE AREA (LORVA)**

The Shire's commitment to undertake the treatment and management options recommended in the LGIS Public Liability Site Risk Assessment Plan of the LORVA 2019/20 has been delayed by the following issues:

- LORVA land falls within the Yued Indigenous Land Use Agreement area and the current delays with the South West Native Title Settlement have resulted in the Department of Planning, Lands and Heritage postponing the Shire's s. 91 Licence; and
- COVID-19 restrictions required the closure of the LORVA from March – June which therefore deferred scheduled works.

Despite the delays the Shire has undertaken the following recommendations to the LORVA:

1. Improvement of the condition of the main entrance track by widening and straightening the track (scheduled for completion October 2020);
2. Creation and production of appropriate signage in the LORVA as per LGIS recommendations with installation scheduled for October 2020;
3. The first draft of the local law is currently being developed to assist with the management and area delineations of the LORVA; and
4. The Shire of Gingin had two representatives successfully appointed to the Control of Vehicles (Off-road Vehicle Areas) Advisory Committee to advocate and actively set guidelines for the LORVA

---

**ACTION 2.1.0-05 Weed Register and control strategy – 5yr review**


---

Targeted weed control for declared weeds has been undertaken across the Shire. The Shire also regularly undertakes an annual verge spraying program to assist in the control of the spread of weeds across the Shire.

---

**PRIORITY 2.1.1 Develop a Coastal Management Policy and implement a Coastal Management Plan to protect and enhance our coast**


---

**ACTION 2.1.1-01 Ongoing implementation of the Coastal Hazard Risk Management and Adaptation Planning**


---

The Coastal Hazard Risk Management and Adaptation Plan (CHRMAP) is continuing to influence planning decisions on the coast where properties are affected within the erosion predicted areas. Council has applied for additional grant funds for the next financial period to incorporate the Inundation Plan into the CHRMAP

---

**PRIORITY 2.1.2 Implement the Trails Master Plan**


---

**ACTION 2.1.2-01 Trails Master Plan Project delivery**


---

Action postponed to 2023/24 financial year to allow review and appropriate resourcing allocation.

---

**PRIORITY 2.1.3 Advocate to ensure the Shire is not disadvantaged by environmental offsets from urban areas**


---

**ACTION 2.1.3-01 Advocate to ensure the Shire is not disadvantaged by environmental offsets from urban areas**


---

Council continues to advocate to the State Government the disadvantage that their offsets create within the Shire to benefit other local governments and developers.

---

**SCP OUTCOME 2.2 – SUSTAINABLE RESOURCE MANAGEMENT**


---

The Shire practices sustainable resource management within its operations and supports the community to do the same

---

**PRIORITY 2.2.1 Maintain quality waste services that support the Western Australian Waste Strategy**


---

**ACTION 2.2.1-01 Transfer to Tip Rationalisation Reserve**


---

This has been completed.





**ACTION 2.2.1-02 Seabird landfill - Construction of new cell and fill material**

This has been completed.

**ACTION 2.2.1-03 Gingin Landfill - Transportable toilet**

This action has been completed with a new transportable ablution facility at the Gingin Landfill site provided which is more than appropriate in terms of amenity and environmental sensitivity.

**ACTION 2.2.1-04 Deliver Key service Area – Waste Services****KERBSIDE SERVICES – AVON WASTE**

The Shire provides the vital service of kerbside household refuse (weekly) and recycling (fortnightly) waste collections. The Shire's five town sites, rural living estates and a number of rural properties along the adjoining arterial roads are serviced.

**WASTE SERVICES – TONNES PER MONTH****TOTALS**

KERBSIDE RUBBISH WEIGHTS - 2090.41T

KERBSIDE RECYCLED WEIGHTS - 5172.12T

**RECYCLING SERVICES**

The Shire supports community groups such as Lancelin Lions by assisting with the transport costs of their recycling program. All landfill sites have recycling centres managed by the operators of each sites.

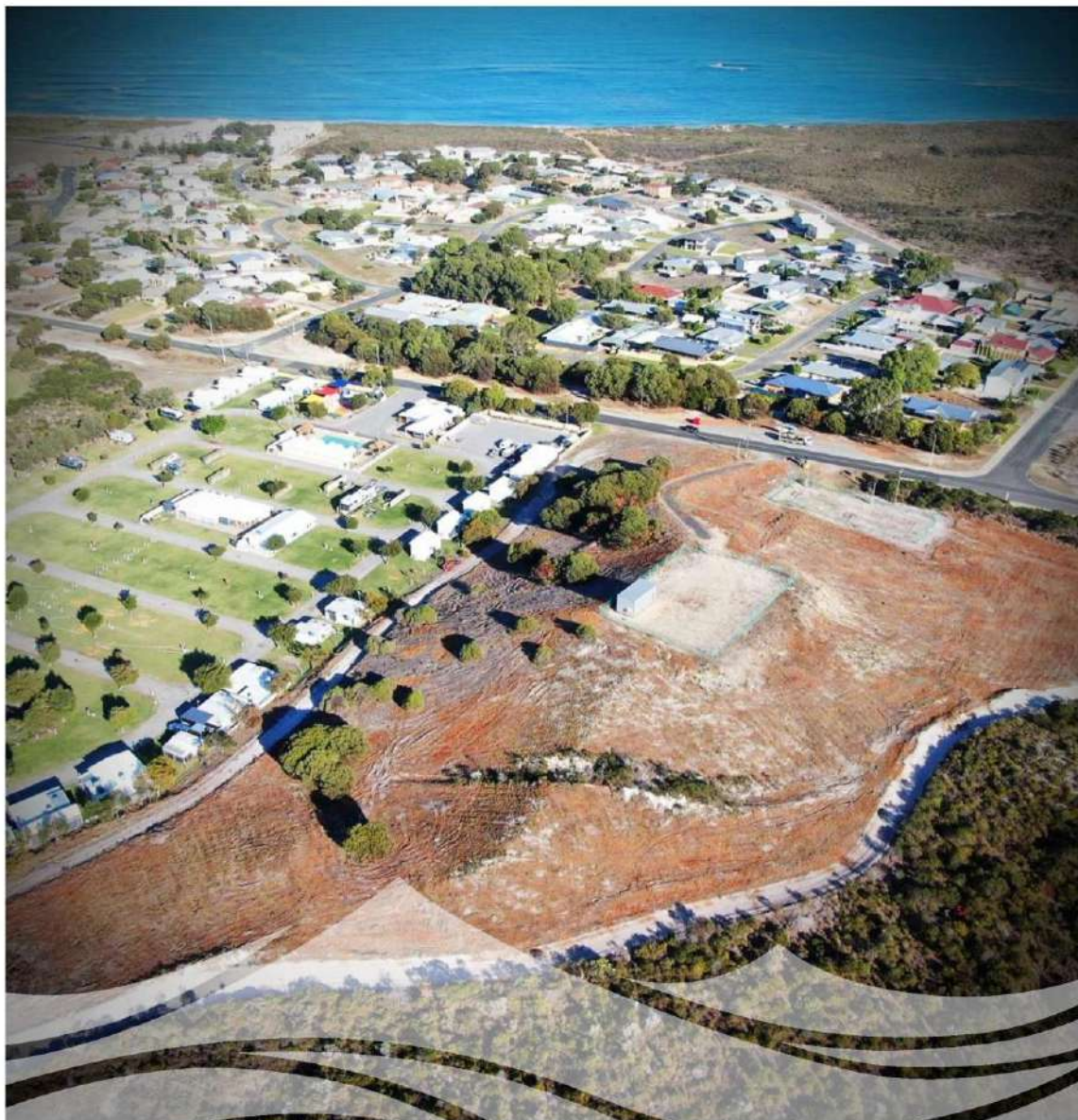
**LANDFILL SITES**

The Gingin, Lancelin and Seabird Landfill Sites are operated by contractors under the direction of the Shire's Principal Environmental Health Officer. Operators manage the sites in accordance with Department of Water & Environmental Regulation (DWER) licencing conditions.

Tip Passes are provided to every property in the Shire. This enables ratepayers to access the landfill sites as often as required for the disposal of their general domestic waste.

**WASTE MANAGEMENT ADVISORY COMMITTEE (WMAC)**

The Council established a WMAC in 2019/20 to develop a strategic framework for the Shire's waste function for the medium to long term. WMAC will have at its disposal a high level Waste Management Plan developed by Talis Consultants in 2018 to help drive reform in this portfolio.





**PRIORITY 2.2.2****Continue to investigate increased alternative energy sources for Shire buildings and assets****ACTION 2.2.2-01****Investigate increased alternative energy sources for Shire buildings and assets**

This action is an ongoing process in reviewing and provisioning of alternative energy generation sources for Shire buildings and assets where resourcing allows.

**ACTION 2.2.2-02****Electrical Vehicle Charging Station - LA Wangaree Park**

This action has been completed. Given the increasing prominence of electrical vehicles it is imperative that as a local government the Shire drives (with our communities' support) alternate energy-provisioned technology to reduce our carbon footprint.

As such, the Electrical Vehicle Charging Station (EVCS) installed in the car parking area to the north of Wangaree Park in Lancelin is a first for the Shire in providing alternative options and incentives for the community and tourists to utilise electrical vehicle technologies. Since its installation on 9 April 2020 the following statistics are taken for the 2019/20 financial year:

- 12 total charging sessions
- Average charge time of 30 minutes
- 64.59kWh of total energy utilised
- Total cost for installation \$14,379

**ACTION 2.2.2-03****Electrical Vehicle Charging Station - GG Granville Park**

This action has been postponed to 2021/22 due to financial constraints.







## INFRASTRUCTURE & DEVELOPMENT

## INFRASTRUCTURE & DEVELOPMENT (FOCUS AREA 3)

### SCP OUTCOME 3.1 – DEVELOPMENT

New and existing developments meet the Shire's Strategic Objectives and Outcomes

#### ACTION 3.1.0-01 Ongoing implementation and review of the Local Heritage List

Completed in 2017. A review is required every 5 years so the next review will be in 2022.

#### ACTION 3.1.0-02 Pool Inspections (legislated) 2nd year of a 2 year process

303\* pools were required to be inspected in 2019/20. Of these:

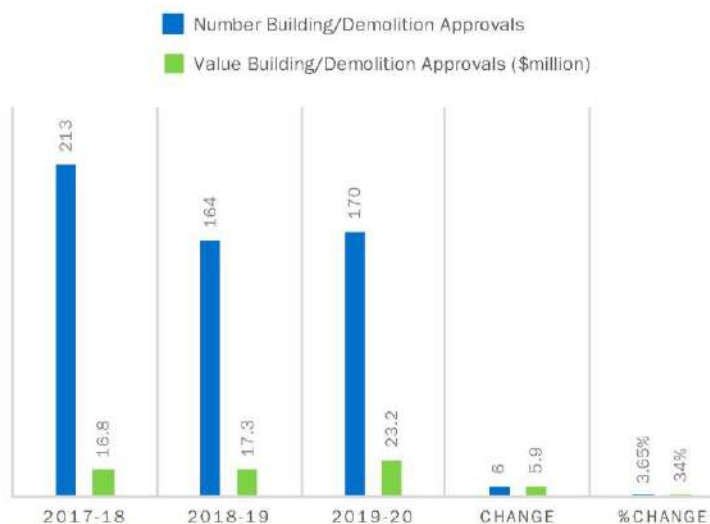
- 58 were deemed empty or removed;
- 244 were deemed compliant after working with the landowner; and
- 1 is yet to be inspected and will be inspected in October 2020.

Swimming pool inspections are an ongoing program due to new pools being constructed and four-yearly inspections coming due at staggered timeframes.

\*These statistics are based on the swimming pools recorded in the Shire's swimming pool register and do not include pools where property owners have failed to notify the Shire.

#### ACTION 3.1.0-03 Deliver Key Service Area - Building Permits

During 2019/20, the Shire issued 170 building and demolition approvals with an estimated value of \$23.2 million.



The overall quantum and value of building and demolition approvals increased slightly in the 2019/20 year. It is anticipated that demand for building approvals will increase further in 2020/21 due to government construction grants and funding as a result of COVID-19.

#### ACTION 3.1.0-04 Consider an Increase of an .5 FTE to Deliver Key Service Area - Building Permits

The Shire will consider the creation of a new role (Compliance Officer) to fulfill this Action in the 2021/22 financial year.



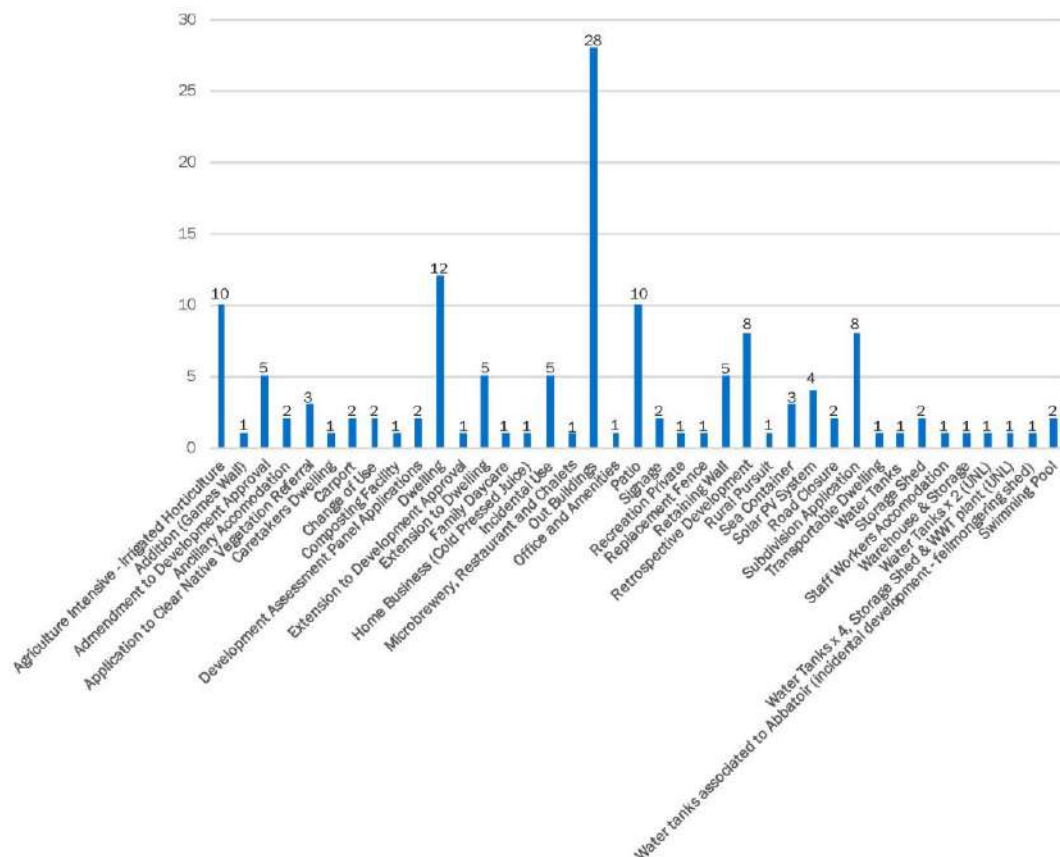


**ACTION 3.1.0-05**

### Deliver Key Service Area - Planning Permits

During 2019/20 the Statutory Planning Department received 140 applications for development approval varying from small scale patios to large scale agriculture intensive activities.

**AMOUNT OF DEVELOPMENT APPLICATIONS RECEIVED FROM 1 JULY 2019 - 30 JUNE 2020**



**ACTION 3.1.0-06**

**Consider an Increase of an .5FTE to Deliver Key Service Area - Planning Permits**

The Shire will consider the creation of a new role (Compliance Officer) to fulfill this Action in the 2021/22 financial year.

**ACTION 3.1.0-07**

### Ongoing provision of Drainage Infrastructure

The Shire continues to undertake improvements to aging drainage infrastructure and within the 2019/20 financial year a total of \$7,400 was spent on various projects providing improved drainage infrastructure and replacing drainage assets that were at the end of their life.

Drainage works were undertaken on Gingin Brook Road (approximately 4km west of Brand Highway) with the removal, replacement and improvement of drainage culverts totalling \$118,675. This project will alleviate water overtopping the road and will make this busy road safer during the winter months.

### PRIORITY 3.1.1

### Support strategies that facilitate commercial development

**ACTION 3.1.1-01**

### Ongoing review and implementation of the Town Planning Strategies and Schemes

The Shire engaged a consultant to facilitate the majority of the Scheme Review. It is planned that this will be undertaken in the 2020/21 financial year.

**ACTION 3.1.1-02 Development of Lancelin Commercial Centre/Plaza**

The land exchange is progressing between the parties involved. Completion is expected in 2020/21 and then the Shire will be able to action accordingly.

**ACTION 3.1.1-03 Support and facilitate commercial development consistent with the Shire's objectives**

Finalisation of Ingham's Poultry Hatchery proposal was approved by the Mid-West Joint Development Assessment Panel on 1 May 2020 for Lot 6 Coonabidgee Road, Muckenburra. The commercial operation is expected to create a number of jobs for local residents in the Shire.

Caraban Microbrewery, Restaurant and Chalets was approved by Council on 18 February 2020 for Lot 421 (558) Caraban Road, Caraban. This is a commercial tourist venture that is expected to boost visitor numbers to the Shire of Gingin.

An extension of time to substantially commence development for the proposed Class II Landfill Site Comprising of 10 Cells and Associated Structures at Lot 98 Wannamal Road South, Cullalla, was granted on 20 December 2019 by the Midwest Joint Development Assessment Panel.

**PRIORITY 3.1.2 Support strategies that facilitate greater investment in housing and housing diversity**

**ACTION 3.1.2-01 Gingin Sewer design**

The Shire continues to review avenues (including external funding opportunities) for the installation of sewerage in the Gingin town site so as to provide improved amenity and improve lot yields.

**ACTION 3.1.2-02 Advocate for strategies that facilitate greater investment in housing and housing diversity**

Ongoing discussions have occurred between the Shire of Gingin and H & H Development throughout the 2019/20 year in regards to the Gingin Eco Lifestyle Village approved by Council on 19 June 2018. Due to COVID-19, development timeframes have been put on hold, although H & H Development still has every intention of pursuing its Gingin Eco Lifestyle Village in the future.

Clearance of conditions for Stage 1 of Country Heights Estate has been ongoing throughout the 2019/20 financial year between the developers Claymont Development Pty Ltd and the Shire of Gingin. Country Heights Estate subdivision foresees Stage 1 of their subdivision clearance being approved late in 2020. Stage 1 includes 45 lots. Once the subdivision clearance has been approved by the West Australian Planning Commission then Stage 1 of lots will be released for sale.

**PRIORITY 3.1.3 Continue to invest in the Guilderton Caravan Park upgrades**

**ACTION 3.1.3-01 Ongoing delivery of Shire-managed caravan parks**

The Shire continues to manage the Guilderton Caravan Park so as to provide high class facilities for the local community and tourists alike. However, at the 17 November 2019 Ordinary Council Meeting Council resolved to firstly endorse the short, medium and long term strategies identified in the Business Development Strategy for the Guilderton Caravan Park and call tenders for management of the Guilderton Caravan Park, with the request for tender to include a development timeframe produced by Administration, giving tenders the option of tendering on the basis of lease or contract management, with Council to determine its preferred management module based on tender submissions received.

The Lancelin Caravan Park continues to be managed on behalf of the Shire with numerous upgrades occurring including the installation of an undercover pool, play equipment and turfed areas which has greatly lifted the visual amenity of this area of Lancelin and improved/increased visitors to Lancelin.

**SCP OUTCOME 3.2 – COMMUNITY INFRASTRUCTURE**  
**The Shire provides fit for purpose community infrastructure in a financially responsible manner**

**ACTION 3.2.0-01 Expand and upgrade Community Facilities**

Various expansions & upgrades to community facilities were undertaken in the 2019/20 financial year with the following significant projects undertaken:

**Gingin**

- Aquatic Centre Emergency Access Gates & Fencing - \$10,070
- Granville Ablution Facility Septic Upgrades/Improvements - \$8,897
- Hockey Pitch Additional Lighting & Refurbishment (jointly funded by Gingin Recreation Group, Gingin Hockey Group & Shire of Gingin) - \$10,400

**Guilderton**

- General Store Flooring Renewal - \$6,290

**Lancelin**

- Wangaree Park Electrical Vehicle Charging Station - \$14,379

**Ledge Point**

- Country Club Ceiling Renewal - \$9,480



**Seabird**

- Tennis Courts Emergency Access Gates - \$2,980

**Woodridge**

- Reconstruction of steps & handrails - \$3,500
- Tennis Courts Emergency Access Gates & Lighting Renewal - \$7,167

---

**ACTION 3.2.0-02 Maintain and upgrade Community Facilities**


---

During the 2019/20 financial year an assorted number of projects were undertaken to maintain or upgrade community facilities with the following being of note:

**Gingin**

- Conservation Management Plan for Arts & Crafts Building - \$2,393
- Conservation Management Plan for Old Granville Building - \$6,600

**Lancelin**

- Skate Park Stage 2 Detailed Design improvement to flow, visual amenity & sustainability - \$3,636

**Ledge Point**

- Relocation & renewal of exercise equipment at Recreation Grounds - \$3,000

**Shire of Gingin**

- Arborist tree inspections & reporting for Shire public open space - \$17,288

**Woodridge**

- Renewal/improved line marking for accessibility and visibility - \$2,781

**CONCEPT ENQUIRES**

12 were received (3 x Rural Gingin sub-region, 2 x Lower Coastal and 7 x Upper Coastal) during 2019/20 with an estimated whole of life cost exceeding \$900K. One was not supported whilst 10 received in-principle support and one is outstanding as it requires further information before Council may consider it.

---

**PRIORITY 3.2.1 Develop and plan community infrastructure to improve use and financial sustainability**


---



---

**ACTION 3.2.1-01 Ongoing Delivery to design and plan community infrastructure to improve use and financial sustainability**


---

This action is an ongoing process in which Shire infrastructure is reviewed and designed for better utilisation and financial sustainability.

**UPPER COASTAL SPORTING FACILITIES MASTER PLAN**

Consultants were contracted to undertake the Upper Coastal Sporting Facilities Master Plan and Business Case-Cost Benefit Analysis which included research and a number of community/stakeholder engagement workshops and meetings. This project includes a Working Group made up of community representatives from the Lancelin Community and Sporting Assoc., Ledge Point Country Club, Ocean Farm and Seaview Park Community Associations along with three Shire Councillors.

A draft master Plan based on rationale was presented to the Working Group and Council for initial review and comment late in 2019/20.

---

**PRIORITY 3.2.2 Improve the provision of age-friendly infrastructure for all, including Disability Access and Inclusion Planning**


---



---

**ACTION 3.2.2-01 Review and Implement Disability Access and Inclusion Plan**


---

This action was postponed to 2022. The Disability Access and Inclusion Plan was established in 2017 and is utilised for 5 years in line with legislative requirements.

---

**ACTION 3.2.2-02 Implementation of Age Friendly Communities Report within existing resources and facilities.**


---

The Shire continues to deliver against the Age-Friendly Community Plan with various deliverables recognised in other areas of this report.

---

**PRIORITY 3.2.3 Rationalise and consolidate older community infrastructure**


---



---

**ACTION 3.2.3-01 Review and Rationalise community facilities in consultation with community**


---

This action is an ongoing process in which Shire infrastructure is reviewed for rationalisation and to provide an improved level of service with financial sustainability in mind.





**SCP OUTCOME 3.3 – CONNECTIVITY & ACCESSIBILITY****The Shire's community and infrastructure supports connectivity and accessibility****PRIORITY 3.3.1****Undertake and implement effective integrated transport network planning****ACTION 3.3.1-01****Review road hierarchy plan**

This action has been completed with an internal review of the Road Hierarchy Plan undertaken in correlation with accompanying criteria (road surface materials, vehicle load and road significance/purpose).

**PRIORITY 3.3.2****Continue the focus on upgrading existing roads, verges, streetscapes and trails****ACTION 3.3.2-01****Maintain existing Road, Path and sundries network**

The Shire of Gingin not only constructs roads and drains but also maintains these assets so that the public can continue to utilise this infrastructure safely.

The Shire of Gingin has 927km of roads with 491km of sealed road and 436km of unsealed roads spread over 3,325km<sup>2</sup>.

For this financial year the Shire has spent approximately \$2.653 million on maintaining the Shire's road associated assets. An amount of \$2.653 million was spent in (but not limited to) the following areas:

• General Maintenance – Sealed Roads	\$525,508 (16% decrease from 18/19)
• General Maintenance – Gravel Roads	\$1,027,097 (12% increase from 18/19)
• Verge Maintenance	\$624,214 (32% increase from 18/19)
• Traffic Signs and Equipment	\$58,129 (36% decrease from 18/19)

The Shire's road associated assets are continually deteriorating and require increased maintenance annually. The Shire of Gingin endeavours to maintain its assets to the highest possible standards with the funds and resources at its disposal ensuring that funds are spent in the most efficient possible manner.

There has been a decrease across some areas of road maintenance as we are continually reviewing maintenance practices to ensure maintenance of the Shire's assets is undertaken in the most cost effective manner (i.e. get more done with less money).

**ACTION 3.3.2-02****Expand and upgrade Road, Path and sundries network**

In 2019/20 the Shire of Gingin spent \$4.336 million on road construction projects (\$3.430 million in 2018/19). Some of the major capital roadworks programs undertaken are:

• Orange Springs Road (reconstruct road, widen road width, widen seal to 8m)	\$2,660,961
• Sappers Road (reconstruct road, widen road width and widen seal to 8m)	\$981,772
• Nilgen Road (reseal)	\$187,799
• North Street (Lancelin; asphaltting works)	\$43,785
• Gingin Brook Road (replace and upgrade culvert)	\$118,675
• Boonanarring Road (reseal)	\$54,380

To assist with the road construction program for 2019/20 a total of \$4.079m funding (\$1.462m in 2018/19) was received from the following areas:

• State Government (Aglime Funding; untied)	\$2,660,961
• State Government (Regional Road Group and Direct Grants)	\$850,482
• Roads to Recovery (Federal Government) – various roads	\$545,296
• Other contributions	\$22,461

The Shire has been working with State Government agencies, Main Roads WA and local agricultural lime producers regarding the movement of heavy haulage vehicles through the Shire of Gingin. This includes working on a long term strategy for the heavy haulage vehicles on the Shire's roads for agricultural lime cartage. Through this lobbying the Shire has been able to secure \$5.2 million to upgrade as much of Orange Springs Road as possible which is 10.2km from Cowalla Road. Due to the clearing application process (and waiting on appeals) the Shire was unable to undertake upgrade works until March 2020. The Shire was able to complete approximately 5km of the 10.2km works before the end of the financial year with works continuing in to the 2020/21 year and the remaining grant funding carried forward.

As part of developments across the Shire, developers have undertaken the upgrade of Shire roads at no cost to the Shire. These roads are Coonabidgee Road (upgrade from gravel to a 7m bitumen road for a chicken hatchery) and Cheriton Road (upgrade 3.5km from gravel and 4m seal to an 8m wide seal as part of a subdivision development).

The Shire of Gingin is continually looking for ways to increase the quantity and standard of work completed to ensure road assets are renewed and upgraded in a sustainable manner. The Shire is upgrading the major sealed roads connecting the Shire to other regions in a progressive manner to ensure that these road assets are able to withstand current and projected future traffic volumes.

**LEDGE POINT TO LANCELIN ROAD**

The Shire contracted consultants to undertake a Business Case Cost Benefit Analysis to seal the Old Ledge Point Road, which would create a direct connection between Ledge Point and Lancelin. The report considered three options including a limestone surface, sealing with a 10-metre bitumen width and a 9-metre bitumen width, with the latter providing the best value for money. The next stage is to explore funding opportunities and to undertake design specifications.

**PRIORITY 3.3.3**

**Advocate for appropriate road networks to support increased agri-business and extractive enterprises such as lime, sand and gravel**

**ACTION 3.3.3-01**

**Advocacy - Appropriate road networks to support increased agri-business and extractive enterprises such as lime, sand and gravel**

The Shire continually advocates with road networks like Regional Road Group, Main Roads WA, Roads to Recovery, Aglime, etc. to support increased agri-business and extractive enterprises.

The road construction program for 2019/20 which totalled \$4.079m in funding (\$1.462m in 2018/19) was received from the following areas:

• State Government (Aglime Funding; untied)	\$2,660,961
• State Government (Regional Road Group and Direct Grants)	\$850,482
• Roads to Recovery (Federal Government) – various roads	\$545,296
• Other contributions	\$22,461

**PRIORITY 3.3.4**

**Investigate partnerships for the provision of community assisted transport.**

**ACTION 3.3.4-01**

**Investigate partnerships for the provision of community assisted transport.**

Council continues to support the community transport initiative. A new Community Car was purchased for the Gingin Community Car Service during the 2019/20 financial period.

With the onset of COVID-19 in March 2020, consideration of the impacts on this service provided to vulnerable people being transported was considered and actions were set in place.

Council and local volunteers continue to support the community car initiatives by meeting operating, maintenance and insurance costs. Additional management documents were collaboratively developed by the Lancelin and Gingin services.







## **ECONOMIC DEVELOPMENT**



## ECONOMIC DEVELOPMENT (FOCUS AREA 4)

### SCP OUTCOME 4.1 – TOURIST PLAYGROUND An internationally acclaimed tourist playground

#### Priority 4.1.1 Support the development of the Shire of Gingin as a premier destination in alignment with the Northern Growth Alliance Tourism Strategy

##### ACTION 4.1.1-01 Action and budget the priorities from the Northern Growth Alliance Tourism Strategy

The tourism actions from the Northern Growth Alliance have been considered by Council. However, no joint action of marketing has been actioned yet due to competing priorities for each Council.

##### ACTION 4.1.1-02 In partnership with State and Federal Government invest in major Community Infrastructure projects that support tourism

The Shire continues to advocate for funding with State & Federal Government Departments to invest into community projects that promote/support tourism.

##### ACTION 4.1.1-03 Expand, upgrade and maintain Community Facilities that support tourism and service the local community

The Shire has numerous areas of public open space (parks, gardens, beaches and foreshores) and buildings to maintain covering five town sites and six rural living areas. Expenditure on public open spaces and buildings was \$2.1m with significant locations during 2019/20 including:

• Gingin Recreation Grounds	\$128,538
• Gingin Medical Centre Maintenance	\$20,923
• Granville Civic Centre	\$50,104
• Guilderton Foreshore	\$67,938
• Lancelin Beaches & Foreshore	\$10,821
• Lancelin Recreation Grounds	\$48,077
• Lancelin Wangaree Park	\$52,447
• Ledge Point Key Biscayne Park	\$38,842
• Ledge Point Recreation Ground	\$43,232
• Seabird Recreation Ground	\$19,265
• Woodridge Hall	\$44,957

Expenditure on maintenance of the Shire's assets includes staff time and contractor costs, with the most significant contractor cost being the turf maintenance contract.

The Lancelin Skate Park Upgrade Stage 2 was in the process of seeking grant funding when the impacts of the COVID-19 pandemic resulted in changes to funding programs and priorities. The Shire received funding from the Local Roads and Community Infrastructure program which will contribute to the completion of this project in 2020/21.

#### Priority 4.1.2 Advocate for the proposed marina at Ledge Point and actively seek continued political support.

##### ACTION 4.1.2-01 Advocate to locate a boat ramp at Ledge Point

This item continues to grow in momentum with the stage two report being finalised during 2019/20 and comments received from the Department of Transport.

##### ACTION 4.1.2-02 Source development/financial partnerships

The marina project is not at a development stage and the Department of Transport is still considering the development of the overall project.

#### Priority 4.1.3 Source funding for the Gingin Regional Children's Playground

##### Action 4.1.3-01 In partnership with State and Federal Government source funding for the Gingin Regional Children's Playground

The Community Working Group and the Shire of Gingin have been working in collaboration to finalise the design specifications for the renamed Gingin Outdoor Activity Space. The Community Working Group has been actively fund raising and seeking sponsorship and has previously applied to Bendigo Bank Gingin and were successful in securing funding.

The Shire of Gingin worked to secure the final funding requirements to support this project's implementation. The proposed project aims to include universal access pathways and toilets, a shaded picnic area, junior play, skate park, basketball quarter court, pump track, climbing equipment and a grassed area.







**SCP OUTCOME 4.2 – FOOD BOWL****A strategically significant agricultural hub to the Perth Metropolitan Area**

**Priority 4.2.1**                      **Update the Shire's Town Planning Scheme to recognise the development of an Agri-Industry Hub (Special Areas)**

**ACTION 4.2.1-01**                      **Include Agri-Industry Hub (Special Areas) when reviewing TPS 9 - Land Use**

A consultant was engaged for the Scheme Review. The majority of this work will be conducted in 2020/21.

**Priority 4.2.2**                      **Ongoing advocacy for agri-industry and seafood processing**

**ACTION 4.2.2-01**                      **Deliver Key Service Area – Ongoing advocacy for Agri-Industry and Seafood Processing**

No further action has been undertaken within this space other than advocacy with Ministers and State Departments. The Wheatbelt Development Commission has been informed of this project and is considering if it will prepare a paper for the Minister.

**ACTION 4.2.2-02**                      **In partnership with the Wheatbelt Development Commission identify a site for a agri-industry processing hub**

The Wheatbelt Development Commission considers this project to have significant potential and benefit to the area and the State. However, no site has been identified for this project yet.

**Priority 4.2.3**                      **Continue to advocate to the Department of water for water allocation issues on behalf of key stakeholders.**

**ACTION 4.2.3-01**                      **Deliver Key Service Area - Service Activity Overview**

Significant meetings have been held with the Department of Water throughout the 2019/20 financial year. Whilst Council continues to advocate in regards to clarity surrounding water allocation and the impacts on the High Intensity Agriculture sector and farming community, there is still a large degree of confusion in regards to the direction regarding this and similar issues.

**SCP OUTCOME 4.3 – INNOVATION****Innovation is the foundation of economic growth across the Shire**

**Priority 4.3.1**                      **Continue to develop policies that encourage small commercial enterprises.**

**ACTION 4.3.1-01**                      **Continue to develop policies and practices that encourage small commercial enterprises**

A consultant was engaged to review existing policies. The majority of this work will be conducted in the 2020/21 financial year.

**Priority 4.3.2**                      **Promote and advocate Local Economic Development Support programs and initiatives**

**ACTION 4.3.2-01**                      **Continue to support Economic Development programs**

Council continues to advocate in this area when meeting with Ministers and Departments to ensure that the Shire of Gingin is recognised and assisted by the State for the economic impacts that the Shire has in Agriculture and Tourism.

**ACTION 4.3.2-02**                      **Develop and implement an Economic Development Strategy that encourage small commercial enterprises**

Whilst an Economic Development Strategy has not been prepared, Council has implemented many small changes to ensure that Small Business is assisted where possible to enable quick processing and assistance.

**Priority 4.3.3 – Advocate for improved access to telecommunications infrastructure**

**ACTION 4.3.3-01**                      **Advocate for improved access to telecommunications infrastructure**

Advocacy continues for better telecommunications with Local and State Members and telecommunications companies. There has been traction in this area especially for increased/better service during emergencies such as bush fires, etc.







## GOVERNANCE

## GOVERNANCE (FOCUS AREA 5)

### SCP OUTCOME 5.1 – VALUES

**Our Organisation/Business Values are demonstrated in all that we do**

#### **ACTION 5.1.0-01 Facilitate Good Governance**

##### **COMPLETION OF PRIMARY AND ANNUAL RETURNS**

As required by s.5.75 of the *Local Government Act 1995*, 5 Designated Officers and 5 Councillors completed Primary Returns within 3 months of being appointed or elected to their positions.

A total of 22 Councillors and Designated Officers submitted an Annual Return by the due date of 31 August 2019, as required by s.5.76 of the *Local Government Act 1995*.

##### **POLICIES OF COUNCIL**

A comprehensive review of all policies contained within Part 1 of Council's Policy Manual was completed at the January 2020 Council meeting, with 13 policies repealed, 4 repealed and replaced, 7 reviewed and retained, and 5 amended. In addition, 3 new policies were adopted during the reporting period.

##### **2019 COMPLIANCE AUDIT RETURN**

Regulation 14 of the *Local Government (Audit) Regulations 1996* requires that all local governments complete a Compliance Audit Return for the previous calendar year (1 January to 31 December).

The Compliance Audit Return for 2019 was presented to Council at its March 2020 meeting and was subsequently submitted to the Department of Local Government, Sport and Cultural Industries by the statutory deadline of 31 March 2020. The Return addressed 104 separate items of local government operation and identified a high standard of compliance, with 1 instance of partial non-compliance. This related to an oversight in presenting the results of a review of the appropriateness and effectiveness of the Shire's financial management systems and procedures, which was carried out in accordance with the requirements of the *Local Government (Financial Management) Regulations 1996*, to Council. This oversight was addressed immediately it was detected, and the review results were presented to Council at its March 2020 meeting.

##### **DELEGATIONS BY COUNCIL**

In accordance with s.5.46 of the *Local Government Act 1995*, a review of the Shire's Delegated Authority Register was undertaken during the 2019/20 financial year, with Council adopting the reviewed Register at its meeting on 16 June 2020.

##### **COMPLAINTS OF MINOR BREACH**

In accordance with s.5.53(2) and 5.121 of the *Local Government Act 1995*, a local government's Annual Report must disclose the number of complaints or minor breach of the *Local Government (Rules of Conduct) Regulations 2007* received each year that result in a finding by the Local Government Standards Panel that a minor breach has actually occurred.

No such findings were made with respect to the Shire of Gingin during the reporting period.

#### **Priority 5.1.1 Develop the skills and capabilities of our Elected Members and Staff**

##### **ACTION 5.1.1-01 The Shire's Code of Conduct TRACK is led by the Executive Management Team and demonstrated in work practices**

The Shire continues to follow the TRACK methodology and continually reiterates this within staff meetings and its daily practices.

##### **ACTION 5.1.1-02 Provide training and development opportunities to Elected Members.**

Prior to the October 2019 local government elections, changes to the *Local Government Act 1995* (s.5.126) introduced a requirement for every Councillor to complete a specified course of training known as Council Member Essentials within 12 months of being elected to Council. The Shire of Gingin has subscribed to the Western Australian Local Government Association (WALGA), one of the training providers for Council Member Essentials recognised in legislation, for the provision of this training.

S.5.127 of the *Local Government Act 1995* requires every local government to prepare a report for each financial year on the training completed by Councillors during the financial year, and to publish that report on its website within 1 month of the end of the financial year. The Shire of Gingin's Councillor Training Register 2019/20 was published on the Shire's website in July 2020.

In addition, s.5.128 of the *Local Government Act 1995* requires every local government to prepare and adopt a policy in relation to the continuing professional development of council members. The Shire of Gingin's Policy 1.33 Elected Member Training addresses this obligation by recognising that provision will be made in the Shire's annual Budget for sufficient funds to undertake 1 onsite training session to be attended by all Councillors. In accordance with Policy 1.33, in March 2020 WALGA delivered its Planning Practices – The Essentials module onsite to all Councillors.



---

**ACTION 5.1.1-03 Provide training and development opportunities to Staff**


---

One of the main objects in 2019/20 was to provide staff with adequate training to better equip them in their roles and responsibilities, especially in the areas of Mental Health Awareness and Building Resilience. New Administrative staff completed WALGA'S Introduction to Local Government Course online. As part of our Health and Well Being Program we offered annual Skin Cancer Screenings and Flu Vaccinations. We also did Audiometric Testing and Drug & Alcohol Screening and some staff chose to undergo a Health Assessment.

The Executive Managers showed great leadership in keeping the Shire's staff safe during COVID-19. Compassion, understanding, good governance, education and support were all paramount to keeping staff happy and productive during "isolation". The uninterrupted and continued provision of Shire services was essential during a pandemic that could never have been planned for. The degree of positivity and resilience across the Shire was a credit to the integrity of all Shire employees. The lessons learned during this period have given the Shire a chance to embrace technology, innovation and new practices to improve customer service and internal efficiencies in the future.

Some staff have undertaken studies in their own time and are working towards some very significant qualifications, including a Diploma in Project Management, Diploma of Environmental Health, Certificate of Registration Building Surveying - Level Two and a Bachelor of Law.

---

**Priority 5.1.2 Increase the focus on future financial sustainability, to cater for anticipated growth**


---



---

**ACTION 5.1.2-01 Implement and review the Shire's Strategic Community Plan and Corporate Business Plan**


---

The Shire's current Strategic Community Plan 2019/29 (adopted 21 May 2019) is due for major review in 2021. The Corporate Business Plan is updated on a yearly basis with the current plan being 2019/23. It was adopted by Council on 17 September 2019.

---

**ACTION 5.1.2-02 Implement and review the Long Term Financial Plan**


---

A full review of the Long Term Financial Plan is scheduled to be undertaken in the 2020/21 financial year.

---

**ACTION 5.1.2-03 Implement and review the Workforce Plan**


---

The Workforce Plan is a living document which is updated on a six-monthly basis including projections from the Long Term Financial Plan. It identifies possible future staffing inclusion(s) due to change of Council's strategic direction and/or impacts of development and population growth.

---

**ACTION 5.1.2-04 Implement and review Asset Management Plans**


---

This action was commenced in the 2019/20 financial year with continuation of review and implementation in 2020/21.

---

**ACTION 5.1.2-05 Maintain Administration Assets**


---

Refer Action 5.1.2-06 below.

---

**ACTION 5.1.2-06 Expand and upgrade Administration Assets**


---

In the 2019/20 financial year the expansion of the Gingin Administration Centre commenced with the construction of an external archival storage facility to cater for future staffing growth to meet the demand of community needs and facilitate improved servicing. Accessibility and security was also improved with the implementation of an access control system.

- |  |          |
|--|----------|
| • Gingin Administration Office Access Control System                           | \$17,305 |
| • Gingin Administration Archival Building Construction (completion in 2020/21) | \$62,425 |

---

**ACTION 5.1.2-07 Maintain Administration Plant, Furniture and Equipment**


---

In 2019/20 the Shire of Gingin replaced a number of items of plant to assist with the completion of its Budget and to maintain a sustainable and economic fleet. The Shire spent a total of \$436,411 on purchasing plant and machinery. The major items of new plant purchased in 2019/20 were:

- |                                |           |
|--------------------------------|-----------|
| • Multi Tyred Roller           | \$181,900 |
| • Second Hand Road Sweeper     | \$126,575 |
| • Small Twin Steel Drum Roller | \$42,900  |

The Shire had some issues securing plant (mainly due to availability due to COVID-19 international transport restrictions) and had a number of carry forwards into 2020/21 such as a grader and a number of utilities.

---

**ACTION 5.1.2-08 Consider an additional 1 FTE for Corporate & Community Services**


---

This is listed for action in the 2020/21 financial year.

---

**ACTION 5.1.2-09                      Transfer of 1% of rates to Future Fund Reserve**


---

This was completed.

**SCP OUTCOME 5.2 – SERVICE**

The Shire provides customer focused service delivery

---

**ACTION 5.2.0-01                      Ongoing provision of Customer Service**


---

**CUSTOMER SERVICE**

Servicing the Shire of Gingin's many rate payers and visitors is an ongoing task which takes many formats including face to face contact, emails, letters, telephone, social media, etc. The Shire continues to seek continued improvement of its services through staff training, the implementation of new service practices and upgrades to its information output services and methods in alignment with the Shire's Customer Service Charter.

**RECORD KEEPING**

The *State Records Act 2000* requires all government organisations to include in their Annual Report a statement on their compliance with their Record Keeping Plan. All employees of the Shire of Gingin are legally required to comply with the contents of this Plan. Reviews of the Record Keeping Plan are required to be carried out not less than once every five years. The efficiency and effectiveness of the Shire's record keeping procedures was reviewed during 2017/18 and a revised Record Keeping Plan was submitted to the State Records Commission (RKP 2017016). The review confirmed that the Shire's procedures are compliant, and approval was received from the State Records Commission on 24 October 2017. The next review is scheduled for 2022.

The Shire of Gingin's Electronic Document Records Management System, SynergySoft Central Records, enables reliable and secure recording of and access to documents. Records Officers appraise, retain and dispose of records in accordance with the General Disposal Authority for Local Government Records. The Synergy customer service module enables the recording and response details of all customer service requests received by telephone, electronic mail and hard copy correspondence.

Every new employee who is required to use the record keeping/information management system must attend a records induction training session at commencement of duties. The induction sessions are delivered by experienced Records Officers. Further training is available to all officers on a one-to-one basis. Compulsory, in-house record keeping training sessions are held for all employees to ensure sound understanding and awareness of record keeping responsibilities. Responsibilities for records management of electronic communications are included in the Shire of Gingin's Operational Policy Manual. Records Officers also attend external training.

The Shire of Gingin will continue to work towards improving record keeping practices and electronic document management, aiming to reduce the use and storage of paper records.

**FREEDOM OF INFORMATION**

Under the *Freedom of Information Act 1982* (FOI), the Shire of Gingin provides the public with access to Council documents upon request. An Application for Access to Documents form is available on the Shire's website or in hard copy. More detailed information on FOI is contained in the Shire's Freedom of Information Statement which is available on its website.

During 2019/20 financial year the Shire received four Freedom of Information requests.

**ARCHIVE FACILITY**

The Shire of Gingin commenced an upgrade of its archive facilities in June 2020. The old building was not adequate and a more up to date storage facility was required. The completed building will store all archival material and "to be destroyed" material that the Shire produces as well as housing all the current files in compactuses.

---

**ACTION 5.2.0-02                      Review and maintain Human Resource Systems**


---

The Shire of Gingin prides itself on being an "Employer of Choice". Even in these times of competing against the mining sector to engage staff and being unable to offer the same level of wages, we still attract a large volume of applications for all vacant positions we advertise. In 2019/20 the Shire had upward 30 applications for some of the vacant positions that were advertised.

The only new position created in 2019/20 was that of an Operations Support Officer. Several staff transferred to other positions and new staff were employed to fill those positions that were vacated. The Shire also employed a DFES funded Bushfire Risk Planning Coordinator for a further two years.

The most significant changes included new staff members in the following roles:

- Executive Manager Regulatory and Development Services
- Executive Manager Corporate and Community Services
- Principal Environmental Health Officer
- Statutory Planning Officer - 12 month contract
- Coordinator Corporate Services
- Personal Assistant to EMCCS
- Customer Service Officers (2)

This year the Shire employed two new Aquatic Centre Duty Managers and five Swimming Instructors to manage the pool and teach swimming lessons over the busy summer period, including private lessons, Vacswim, Super Seals Swim Club, In-Term School swimming lessons and several swimming carnivals.



The Shire has a full-time equivalent (FTE) staffing level of 71 persons and a total of 90 staff members, including vacancies, staff on parental leave and short term contracts. The Shire regularly receives "Expressions of Interest" for employment through the Shire's website. Factors such as population growth, increased building and planning development applications and an increase in the demand for community services will have a significant effect on the workforce and its capabilities in the future.

#### PAYMENT TO EMPLOYEES

NUMBER OF OFFICERS		
Salary Band \$	2019/20	2018/19
100,000 – 110,000	2	0
110,000 – 120,000	0	2
120,000 – 130,000	2	0
130,000 – 140,000	2	2
140,000 – 150,000	0	1
150,000 – 180,000	0	0
180,000 – 190,000	0	1
190,000 – 200,000	1	1
200,000 – 280,000	0	0
280,000 – 290,000	1*	0

\*Gingin Medical Centre salaries included.

#### EQUAL EMPLOYMENT OPPORTUNITY

Section 146 of the *Equal Opportunity Act 1984* requires local governments to report on the progress of their diversity and inclusion activities and programs, and workforce data to the Director of Equal Opportunity in Public Employment (DEOPE). In May 2020, the Shire of Gingin participated in the Equal Employment Opportunity Survey administered by the Public Sector on behalf of the DEOPE in order to meet this legislative requirement.

In addition, the Shire focuses on providing employment opportunities for Aboriginal Australians and People Aged 24 Years and Under (Youth). In addition to the Shire's usual channels, all vacant positions were advertised through the South West Aboriginal Land and Sea Council.

The Shire of Gingin is committed to providing a workplace where every individual is treated with respect in an environment free from discrimination and harassment.

#### Action 5.2.0-03 Develop a program of Service Reviews and an approach to Service/Place Planning

Internal service reviews (staffing and/or process mapping) informs the Workforce Plan of possible staffing requirements for consideration. This is undertaken as an in-house process when and where required.

#### Priority 5.2.1 Implement a Community Engagement Policy to continue improvement in the Shire's communication and engagement

##### Action 5.2.1-01 Develop and maintain a Stakeholder and Community Engagement Strategy and Policy

This project has been delayed due to staff capacity constraints however this is planned to commence in mid-2021 in conjunction with the Strategic Community Plan Review.

##### Action 5.2.1-02 Develop an E-newsletter for the Shire

This action has been completed. Given that communication is imperative in today's society, Council and staff are committed to connecting clearly and often with our community members regarding issues of topical importance.

The Shire currently has two electronic newsletters which are circulated to the community on a monthly basis. One covers local and Shire events whilst the second provides links and information for resources (such as grants, workshops, etc.) that may be useful to the community.

This action relates to the development of a single core newsletter to convey information for Shire related news and important announcements. This e-newsletter was to be conveyed on a monthly basis and was to coincide with the monthly development of the 'Council to Community' publications prepared to be published in each of the Shire's 4 newspapers.

The onset of COVID-19 in March 2020 ensured that the development of a new electronic newsletter format was set in motion with the first issue of this e-newsletter distributed to the public on 8 April 2020.

The e-newsletter began life as a newsletter specifically for COVID-19 news related to how the Pandemic was affecting Shire services and what resources were available to the community. Over the course of the next few months, gradually the e-newsletter has switched to more general Shire news. The other two e-newsletters continue to be published but by the end of 2020, the aim is that all 3 newsletters will be amalgamated into one publication to go out monthly. In addition to being able to subscribe to receive a copy of this e-newsletter, community members can also subscribe to have a paper copy posted to them instead if they prefer.

**Action 5.2.1-03****Undertake Biennial Community Perception Survey**

The Resident Perception Survey 2020 has been completed (June 2020) and will be used as a component of community engagement for the major review of the Shire's Strategic Community Plan (due 2021) and as a useful planning tool for other services/initiatives.

**Action 5.2.2-01****Maintain and upgrade Shire IT Equipment**

Provision for renewal of server infrastructure will be included in the 2020/21 Annual Budget following completion of an IT Infrastructure review.

**Action 5.2.2-02****Identify areas for technology based improvements to service delivery**

- An IT Infrastructure review has been completed.
- A software review has also been completed (migration to new software platform [Altus] is planned for the 2020/21 financial year).

**SCP OUTCOME 5.3 – PARTNER****The Shire works productively with a range of partners to deliver better outcomes for the community****Priority 5.3.1****Formalise and strengthen the advocacy process of the Shire****ACTION 5.3.1-01****Identify project/administrative process/other issue that Council wants to platform as an improvement process or has community benefit, as an area of advocacy for 2019/20 and implement**

Council at its meeting on 20 June 2019 resolved to advocate that it was opposed to Unconventional Fracking within the Shire of Gingin. The relevant Minister and Department were notified of this resolution.

**ACTION 5.3.1-02****Maintain and continue to work with the Northern Growth Alliance on regional projects.**

The Northern Growth Alliance continues to progress with the Shires of Chittering and Dandaragan.

**Priority 5.3.2****Encourage the Water Advisory Group to work collaboratively with stakeholders to address priority water issues****ACTION 5.3.2-01****Encourage the Water Advisory Group to work collaboratively with stakeholders to address priority water issues**

Council has continued to work with the Department and the Water Advisory Group to address priority issues within this area.







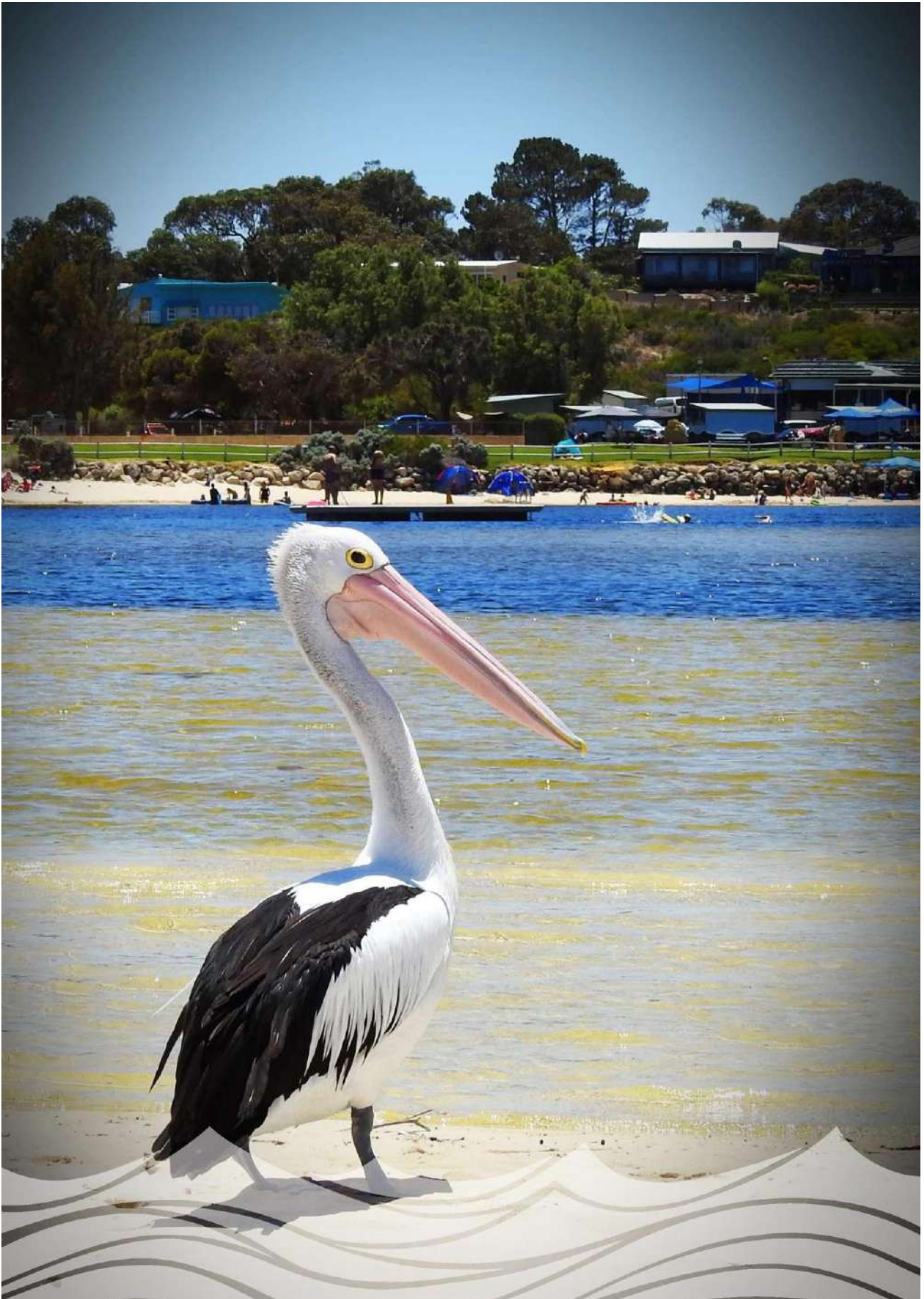






# Financial Report 2019/2020









**FINANCIAL REPORT**

Statement by the Chief Executive Officer ..... 51

Statement of Comprehensive Income by Nature or Type ..... 52

Statement of Comprehensive Income by Program ..... 53

Statement of Financial Position ..... 54

Statement of Changes in Equity..... 55

Statement of Cash Flows ..... 56

Rate Setting Statement ..... 57

Notes to and Forming Part of the Financial Report ..... 59

Independent Auditor's Report ..... 104





## STATEMENT BY CHIEF EXECUTIVE OFFICER

### SHIRE OF GINGIN FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2020

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

#### STATEMENT BY CHIEF EXECUTIVE OFFICER

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

Signed on the

21

day of

December

2020

Les Crichton  
Acting Chief Executive Officer





## STATEMENT OF COMPREHENSIVE INCOME BY NATURE OR TYPE

FOR THE YEAR ENDED 30 JUNE 2020

	NOTE	2020 Actual \$	2020 Budget \$	2019 Actual \$
<b>Revenue</b>				
Rates	25(a)	8,356,820	8,370,427	7,894,781
Operating grants, subsidies and contributions	2(a)	3,128,167	1,989,036	3,174,611
Fees and charges	2(a)	3,640,134	4,444,870	4,002,329
Interest earnings	2(a)	283,632	271,000	313,736
Other revenue	2(a)	495,538	125,179	437,380
		15,904,291	15,200,512	15,822,837
<b>Expenses</b>				
Employee costs		(6,172,389)	(6,416,925)	(5,592,097)
Materials and contracts		(5,140,455)	(5,721,629)	(5,303,073)
Utility charges		(432,664)	(435,934)	(444,135)
Depreciation on non-current assets	11(b)	(6,073,189)	(4,869,205)	(5,806,724)
Interest expenses	2(b)	(118,757)	(120,885)	(128,311)
Insurance expenses		(483,190)	(461,619)	(417,961)
Other expenditure	2(b)	(753,863)	(747,820)	(667,517)
		(19,174,507)	(18,774,017)	(18,359,818)
		(3,270,216)	(3,573,505)	(2,536,981)
Non-operating grants, subsidies and contributions	2(a)	3,876,600	9,997,448	2,402,656
Profit on asset disposals	11(a)	9,796	180,048	33,603
(Loss) on asset disposals	11(a)	(83,759)	(38,392)	(1,610,651)
Fair value adjustments to financial assets at fair value through profit or loss		1,153	0	70,068
		3,803,790	10,139,104	895,676
<b>Net result for the period</b>		<b>533,574</b>	<b>6,565,599</b>	<b>(1,641,305)</b>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	13	0	0	(761,290)
<b>Total other comprehensive income for the period</b>		<b>0</b>	<b>0</b>	<b>(761,290)</b>
<b>Total comprehensive income for the period</b>		<b>533,574</b>	<b>6,565,599</b>	<b>(2,402,595)</b>

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



# STATEMENT OF COMPREHENSIVE INCOME BY PROGRAM

FOR THE YEAR ENDED 30 JUNE 2020

	NOTE	2020 Actual \$	2020 Budget \$	2019 Actual \$
<b>Revenue</b>				
Governance	2(a)	0	2,050	1,257
General purpose funding		10,560,353	9,670,941	10,412,211
Law, order, public safety		1,002,027	483,105	670,388
Health		450,101	665,491	94,718
Education and welfare		96,391	103,320	369,181
Housing		23,553	36,000	23,349
Community amenities		1,719,449	1,848,110	1,773,083
Recreation and culture		152,283	240,196	213,234
Transport		230,029	292,514	284,336
Economic services		1,170,585	1,625,687	1,520,518
Other property and services		499,520	233,098	460,562
		15,904,291	15,200,512	15,822,837
<b>Expenses</b>				
Governance	2(b)	(1,261,085)	(1,199,362)	(1,171,077)
General purpose funding		(472,082)	(708,736)	(559,298)
Law, order, public safety		(2,177,016)	(1,669,539)	(1,980,237)
Health		(1,143,787)	(1,178,274)	(220,734)
Education and welfare		(266,525)	(250,020)	(933,110)
Housing		(66,437)	(40,208)	(23,556)
Community amenities		(2,841,159)	(3,134,930)	(2,410,093)
Recreation and culture		(3,716,756)	(3,835,821)	(3,826,535)
Transport		(5,766,691)	(4,530,903)	(5,355,373)
Economic services		(1,208,909)	(1,368,761)	(1,367,719)
Other property and services		(135,303)	(736,578)	(383,775)
		(19,055,750)	(18,653,132)	(18,231,507)
<b>Finance Costs</b>				
Health	2(b)	(9,154)	(9,910)	(10,923)
Community amenities		(32,498)	(33,126)	(34,101)
Recreation and culture		(61,296)	(61,888)	(65,710)
Economic services		(2,977)	(3,347)	(4,152)
Other property and services		(12,832)	(12,614)	(13,425)
		(118,757)	(120,885)	(128,311)
		(3,270,216)	(3,573,505)	(2,536,981)
Non-operating grants, subsidies and contributions	2(a)	3,876,600	9,997,448	2,402,656
Profit on disposal of assets	11(a)	9,796	180,048	33,603
(Loss) on disposal of assets	11(a)	(83,759)	(38,392)	(1,610,651)
Fair value adjustments to financial assets at fair value through profit or loss		1,153	0	70,068
		3,803,790	10,139,104	895,676
<b>Net result for the period</b>		<b>533,574</b>	<b>6,565,599</b>	<b>(1,641,305)</b>
<b>Other comprehensive income</b>				
Items that will not be reclassified subsequently to profit or loss				
Changes in asset revaluation surplus	13	0	0	(761,290)
<b>Total other comprehensive income for the period</b>		<b>0</b>	<b>0</b>	<b>(761,290)</b>
<b>Total comprehensive income for the period</b>		<b>533,574</b>	<b>6,565,599</b>	<b>(2,402,595)</b>

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





## STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2020

	NOTE	2020 \$	2019 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	9,474,792	7,249,115
Trade and other receivables	6	1,994,404	1,894,751
Other financial assets	5(a)	13,165	13,819
Inventories	7	30,607	37,516
Other assets	8	18,542	17,173
<b>TOTAL CURRENT ASSETS</b>		<b>11,531,510</b>	<b>9,212,374</b>
<b>NON-CURRENT ASSETS</b>			
Trade and other receivables	6	141,279	128,487
Other financial assets	5(b)	96,221	102,820
Property, plant and equipment	9	42,194,112	47,451,075
Infrastructure	10	143,620,035	143,660,079
Right-of-use assets	12(a)	2,638	0
<b>TOTAL NON-CURRENT ASSETS</b>		<b>186,054,285</b>	<b>191,342,461</b>
<b>TOTAL ASSETS</b>		<b>197,585,795</b>	<b>200,554,835</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	14	1,420,907	1,219,810
Contract liabilities	15	1,950,161	0
Lease liabilities	16(a)	2,330	0
Borrowings	17(a)	222,197	224,228
Employee related provisions	18	981,546	889,719
<b>TOTAL CURRENT LIABILITIES</b>		<b>4,577,141</b>	<b>2,333,757</b>
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities	16(a)	348	0
Borrowings	17(a)	1,767,829	1,977,186
Employee related provisions	18	139,737	98,560
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>1,907,914</b>	<b>2,075,746</b>
<b>TOTAL LIABILITIES</b>		<b>6,485,055</b>	<b>4,409,503</b>
<b>NET ASSETS</b>		<b>191,100,740</b>	<b>196,145,332</b>
<b>EQUITY</b>			
Retained surplus		41,223,558	43,150,066
Reserves - cash backed	4	5,553,210	4,291,963
Revaluation surplus	13	144,323,972	148,703,303
<b>TOTAL EQUITY</b>		<b>191,100,740</b>	<b>196,145,332</b>

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



## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2020

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
<b>Balance as at 1 July 2018</b>		<b>45,575,686</b>	<b>3,507,648</b>	<b>149,464,593</b>	<b>198,547,927</b>
Comprehensive income					
Net result for the period		(1,641,305)	0	0	(1,641,305)
Other comprehensive income	13	0	0	(761,290)	(761,290)
Total comprehensive income		(1,641,305)	0	(761,290)	(2,402,595)
Transfers from reserves	4	550,221	(550,221)	0	0
Transfers to reserves	4	(1,334,536)	1,334,536	0	0
<b>Balance as at 30 June 2019</b>		<b>43,150,066</b>	<b>4,291,963</b>	<b>148,703,303</b>	<b>196,145,332</b>
Change in accounting policies	29(b)	(1,198,835)	0	(4,379,331)	(5,578,166)
<b>Restated total equity at 1 July 2019</b>		<b>41,951,231</b>	<b>4,291,963</b>	<b>144,323,972</b>	<b>190,567,166</b>
Comprehensive income					
Net result for the period		533,574	0	0	533,574
Total comprehensive income		533,574	0	0	533,574
Transfers from reserves	4	228,918	(228,918)	0	0
Transfers to reserves	4	(1,490,165)	1,490,165	0	0
<b>Balance as at 30 June 2020</b>		<b>41,223,558</b>	<b>5,553,210</b>	<b>144,323,972</b>	<b>191,100,740</b>

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





## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2020

NOTE	2020 Actual \$	2020 Budget \$	2019 Actual \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Rates	8,378,102	9,320,427	7,501,003
Operating grants, subsidies and contributions	3,801,773	2,189,036	3,174,611
Fees and charges	3,640,134	4,444,870	4,375,987
Interest received	283,632	271,000	313,736
Goods and services tax received	453,950	5,794	492,940
Other revenue	495,538	125,179	920,264
	17,053,129	16,356,306	16,778,541
<b>Payments</b>			
Employee costs	(6,111,124)	(6,416,925)	(5,579,333)
Materials and contracts	(4,968,899)	(7,017,329)	(5,259,179)
Utility charges	(432,664)	(435,934)	(444,135)
Interest expenses	(118,757)	(120,885)	(130,777)
Insurance paid	(483,190)	(461,619)	(417,961)
Goods and services tax paid	(403,137)	0	(485,486)
Other expenditure	(753,863)	(747,820)	(667,517)
	(13,271,634)	(15,200,512)	(12,984,388)
<b>Net cash provided by (used in) operating activities</b>	19 3,781,495	1,155,794	3,794,153
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for financial assets at amortised cost	0	0	(23,570)
Payments for financial assets at amortised cost - self supporting loans	0	0	18,339
Payments for purchase of property, plant & equipment	9(a) (1,061,150)	(5,314,309)	(916,926)
Payments for construction of infrastructure	10(a) (4,436,865)	(9,058,708)	(2,907,298)
Non-operating grants, subsidies and contributions	2(a) 3,876,600	9,997,448	2,402,656
Proceeds from financial assets at amortised cost - self supporting loans	8,406	13,819	0
Proceeds from sale of property, plant & equipment	11(a) 301,500	332,091	707,830
<b>Net cash provided by (used in) investment activities</b>	(1,311,509)	(4,029,659)	(718,969)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of borrowings	17(b) (211,388)	(213,371)	(205,444)
Payments for principal portion of lease liabilities	16(b) (32,921)	0	0
Proceeds from new borrowings	17(b) 0	830,440	23,570
<b>Net cash provided by (used in) financing activities</b>	(244,309)	617,069	(181,874)
<b>Net increase (decrease) in cash held</b>	2,225,677	(2,256,796)	2,893,310
Cash at beginning of year	7,249,115	6,790,800	4,355,805
<b>Cash and cash equivalents at the end of the year</b>	19 9,474,792	4,534,004	7,249,115

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



# RATE SETTING STATEMENT

FOR THE YEAR ENDED 30 JUNE 2020

	NOTE	2020 Actual \$	2020 Budget \$	2019 Actual \$
<b>OPERATING ACTIVITIES</b>				
Net current assets at start of financial year - surplus/(deficit)	26 (b)	1,598,228	2,349,362	1,264,407
		1,598,228	2,349,362	1,264,407
<b>Revenue from operating activities (excluding rates)</b>				
Governance		0	2,050	1,257
General purpose funding		2,069,103	1,210,514	2,433,416
Law, order, public safety		1,005,764	483,105	670,388
Health		450,101	680,195	94,718
Education and welfare		96,391	144,620	369,181
Housing		23,553	36,000	23,349
Community amenities		1,719,449	1,848,110	1,773,083
Recreation and culture		152,283	240,196	213,234
Transport		236,088	416,558	285,428
Economic services		1,170,585	1,625,687	1,520,518
Other property and services		500,673	233,098	563,141
		7,423,990	6,920,133	7,947,713
<b>Expenditure from operating activities</b>				
Governance		(1,261,085)	(1,199,362)	(1,171,077)
General purpose funding		(472,082)	(708,736)	(559,298)
Law, order, public safety		(2,177,016)	(1,674,529)	(2,029,601)
Health		(1,157,275)	(1,188,184)	(231,857)
Education and welfare		(268,525)	(250,020)	(933,110)
Housing		(66,437)	(40,208)	(23,556)
Community amenities		(2,873,657)	(3,168,056)	(2,444,194)
Recreation and culture		(3,778,642)	(3,897,709)	(3,899,820)
Transport		(5,787,757)	(4,564,305)	(5,422,560)
Economic services		(1,213,795)	(1,372,108)	(1,371,871)
Other property and services		(203,995)	(749,192)	(1,883,725)
		(19,258,266)	(18,812,409)	(19,970,469)
Non-cash amounts excluded from operating activities	26(a)	6,174,384	4,727,549	7,261,775
Amount attributable to operating activities		(4,061,664)	(4,815,365)	(3,496,574)
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions	2(a)	3,876,600	9,997,448	2,402,656
Proceeds from disposal of assets	11(a)	301,500	332,091	707,830
Proceeds from financial assets at amortised cost - self supporting loans		8,406	13,819	0
Payments for financial assets at amortised cost - self supporting loans		0	0	18,339
Purchase of property, plant and equipment	9(a)	(1,061,150)	(5,314,309)	(916,926)
Purchase and construction of infrastructure	10(a)	(4,436,885)	(9,058,708)	(2,907,298)
Amount attributable to investing activities		(1,311,509)	(4,029,659)	(695,399)
<b>FINANCING ACTIVITIES</b>				
Repayment of borrowings	17(b)	(211,388)	(213,371)	(205,444)
Proceeds from borrowings	17(c)	0	830,440	0
Payments for principal portion of lease liabilities	16(b)	(32,921)	0	0
Transfers to/(from) Restricted Cash		0	(149,631)	0
Transfers to reserves (restricted assets)	4	(1,490,165)	(405,924)	(1,334,536)
Transfers from reserves (restricted assets)	4	228,918	323,083	550,221
Amount attributable to financing activities		(1,505,556)	384,597	(989,759)
Surplus/(deficit) before imposition of general rates		(6,878,729)	(8,460,427)	(5,181,732)
Total amount raised from general rates	25(a)	8,491,250	8,460,427	7,978,795
Surplus/(deficit) after imposition of general rates	26(b)	1,612,522	0	2,797,063

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





## INDEX OF NOTES OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

Note 1	Basis of Preparation	10
Note 2	Revenue and Expenses	11
Note 3	Cash and Cash Equivalents	15
Note 4	Reserves - Cash backed	16
Note 5	Other Financial Assets	17
Note 6	Trade and Other Receivables	18
Note 7	Inventories	19
Note 8	Other Assets	20
Note 9	Property, Plant and Equipment	21
Note 10	Infrastructure	23
Note 11	Fixed Assets	25
Note 12	Leases	28
Note 13	Revaluation Surplus	29
Note 14	Trade and Other Payables	30
Note 15	Contract Liabilities	31
Note 16	Lease Liabilities	32
Note 17	Information on Borrowings	33
Note 18	Employee Provisions	35
Note 19	Notes to the Statement of Cash Flows	36
Note 20	Contingent Liabilities	37
Note 21	Subsequent Events	37
Note 22	Total Assets Classified by Function and Activity	37
Note 23	Capital & Leasing Commitments	38
Note 24	Related Party Transactions	39
Note 25	Rating Information	41
Note 26	Rate Setting Statement Information	44
Note 27	Financial Risk Management	45
Note 28	Initial Application of Australian Accounting Standards	48
Note 29	Change in Accounting Policies	50
Note 30	Trust Funds	51
Note 31	Other Significant Accounting Policies	52
Note 32	Activities/Programs	53
Note 33	Financial Ratios	54



# NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

## 1. BASIS OF PREPARATION

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

### AMENDMENTS TO LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996

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

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

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

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

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

### NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE YEARS

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

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

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

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

### CRITICAL ACCOUNTING ESTIMATES

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

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

### THE LOCAL GOVERNMENT REPORTING ENTITY

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

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

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





# NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

## 2. REVENUE AND EXPENSES

### REVENUE RECOGNITION POLICY

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Timing of revenue recognition
Rates - general or differential rates	General or differential 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 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 obligation	Returns limited to repayment of transaction price of terms	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 acquisition of recognisable non-financial assets to be controlled by the local government	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the funding body	Based on the progress of works to match performance obligation	Returns limited to repayment of transaction price of terms	Output method based on project milestones and/or completion date matched to performance obligations
Grants, subsidies or contributions with no contractual commitments	General appropriations and contributions with no reciprocal commitment	No obligations	Not applicable	Not applicable	Cash received	On receipt of funds	Not applicable	When assets are controlled
Fees and charges - licences, registrations, approvals	Building, planning, development and animal management, having the same nature as a licence regardless of naming	Single point in time	Full payment prior to issue	None	Set by State legislation or limited by legislation to the cost of provision	Based on timing of issue of the associated rights	No refunds	On payment of the licence, registration or approval
Fees and charges - pool inspections	Compliance safety check	Single point in time	Equal proportion based on an equal annual fee	None	Set by State legislation	Apportioned equally across the inspection cycle	No refunds	After inspection completion based on 4 year cycle
Fees and charges - other inspections	Regulatory food, health and safety	Single point in time	Full payment prior to inspection	None	Set by State legislation or limited by legislation to the cost of provision	Applied fully on timing of inspection	Not applicable	Revenue recognised after inspection event occurs
Fees and charges - waste management collections	Kerbide collection service	Over time	Payment on an annual basis in advance	None	Adopted by Council annually	Apportioned equally across the collection period	Not applicable	Output method based on regular weekly and fortnightly period as proportionate to collection service
Fees and charges - waste management entry fees	Waste treatment, recycling and disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit payment	None	Adopted by Council annually	Based on timing of entry to facility	Not applicable	On entry to facility
Fees and charges - property hire and entry	Use of halls and facilities	Single point in time	Bond payable full in advance, hire payable post hire	If items are not bond is refundable	Adopted by Council annually	Based on timing of entry to facility	Returns limited to repayment of transaction	On entry or at conclusion of hire
Fees and charges - memberships	Pool passes	Over time	Payment in full in advance	Refund for unused portion on application	Adopted by Council annually	Apportioned equally across the access period	Returns limited to repayment of transaction	Output method over 12 months matched to access rights
Fees and charges for other goods and services	Cemetery services, library services, reinstatements and private works	Single point in time	Payment in full in advance	None	Adopted by Council annually	Applied fully based on timing of provision	Not applicable	Output method based on provision of service or completion of works
Fees and charges - Caravan Park Accommodation	Accommodation	Over time	Deposit payable full in advance	Deposit in non-refundable. Pre-paid fees refundable if conditions are met	Adopted by Council annually	Applied fully based on timing of provision	Returns limited to repayment of transaction	On entry or at conclusion of hire
Fees and charges - sale of stock	Kiosk and history books	Single point in time	In full in advance	None	Adopted by Council annually	Applied fully based on timing of provision	Not applicable	Output method based on goods
Fees and charges - fines	Fines issued for breaches of local laws	Single point in time	Payment in full within defined time	None	Adopted by Council through local law	When Taxable event occurs	Not applicable	When fine notice is issued
Other revenues - commissions	Commissions on licensing and ticket sales	Over time	Payment in full on sale	None	Set by mutual agreement with the customer	On receipt of funds	Not applicable	When assets are controlled
Other revenues - reimbursements	Insurance claims	Single point in time	Payment in arrears for claimable event	None	Set by mutual agreement with customer	When claim is agreed	Not applicable	When claim is agreed



# NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

## 2. REVENUE AND EXPENSES

### (a) Grant revenue

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

NOTE	2020 Actual \$	2020 Budget \$	2019 Actual \$
<b>Operating grants, subsidies and contributions</b>			
Governance	0	2,050	0
General purpose funding	1,792,586	1,030,033	2,135,774
Law, order, public safety	772,099	331,555	516,036
Health	54,503	0	24,091
Education and welfare	680	0	0
Community amenities	128,399	189,038	16,914
Recreation and culture	56,912	132,846	107,323
Transport	218,548	207,514	194,458
Economic services	1,000	1,000	15,975
Other property and services	103,440	95,000	164,040
	3,128,167	1,989,036	3,174,611
<b>Non-operating grants, subsidies and contributions</b>			
Law, order, public safety	0	3,557,931	218,400
Community amenities	27,375	171,705	0
Recreation and culture	0	1,074,690	0
Transport	3,849,225	5,193,122	0
Economic services	0	0	2,858
Other property and services	0	0	2,181,398
	3,876,600	9,997,448	2,402,656
<b>Total grants, subsidies and contributions</b>	<b>7,004,767</b>	<b>11,986,484</b>	<b>5,577,267</b>
<b>Fees and charges</b>			
General purpose funding	19,630	22,000	19,870
Law, order, public safety	201,632	230,050	135,104
Health	394,970	635,341	356,648
Education and welfare	95,711	103,320	94,675
Housing	23,553	36,000	23,349
Community amenities	1,595,935	1,659,072	1,643,514
Recreation and culture	92,477	107,350	92,616
Transport	55	0	86,509
Economic services	1,191,116	1,624,687	1,526,314
Other property and services	25,055	27,050	23,730
	3,640,134	4,444,870	4,002,329

### SIGNIFICANT ACCOUNTING POLICIES

#### Grants, subsidies and contributions

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

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

#### Fees and Charges

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





# NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

## 2. REVENUE AND EXPENSES (Continued)

### (a) Revenue (Continued)

#### Contracts and transfers for recognisable non-financial assets

Revenue from contracts 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 and services:

Operating grants, subsidies and contributions	1,183,804	0	461,588
Non-operating grants, subsidies and contributions	3,876,600	9,997,448	2,402,656
	5,060,404	9,997,448	2,864,244

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

Contracts included as a contract liability at the start of the period	1,108,099	0	0
Other revenue from contracts recognised during the year	1,183,804	0	461,588
Other revenue from performance obligations satisfied during the year	2,768,501	9,997,448	691,370
	5,060,404	9,997,448	1,152,958

Information about receivables, contract assets and contract liabilities 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	6	497,941	357,864
Contract liabilities from contracts	15	(1,950,161)	0

Impairment of assets associated with contracts with customers are detailed at note 2 (b) under 'Other expenditure'.

Contract liabilities for contracts 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 is included in the transaction price.

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



# NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

## 2. REVENUE AND EXPENSES (Continued)

### (a) Revenue (Continued)

#### Revenue from statutory requirements

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

#### General rates

	2020 Actual \$	2020 Budget \$	2019 Actual \$
General rates	8,351,893	8,365,427	7,889,889
	8,351,893	8,365,427	7,889,889
<b>Other revenue</b>			
Reimbursements and recoveries	207,883	125,179	89,721
Other	287,655	0	347,659
	495,538	125,179	437,380
<b>Interest earnings</b>			
Financial assets at amortised cost - self supporting loans	498	0	1,183
Interest on reserve funds	48,183	65,000	76,947
Rates instalment and penalty interest (refer Note 25(c))	186,378	139,000	164,529
Other interest earnings	48,573	67,000	71,077
	283,632	271,000	313,736

#### SIGNIFICANT ACCOUNTING POLICIES

##### Interest earnings

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

##### Interest earnings (continued)

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

### (b) Expenses

#### Auditors remuneration

- Audit of the Annual Financial Report  
- Other services

Note	2020 Actual \$	2020 Budget \$	2019 Actual \$
	31,884	50,000	29,973
	8,604	0	3,150
	40,488	50,000	33,123
<b>Interest expenses (finance costs)</b>			
Borrowings	118,316	120,885	128,311
Lease liabilities	441	0	0
	118,757	120,885	128,311
<b>Other expenditure</b>			
Impairment loss on trade and other receivables from contracts with customers	4,167	0	0
Sundry expenses	749,696	747,820	667,517
	753,863	747,820	667,517





# NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

## 3. CASH AND CASH EQUIVALENTS

	NOTE	2020 \$	2019 \$
Cash at bank and on hand		9,474,792	7,249,115
<b>Total cash and cash equivalents</b>		<b>9,474,792</b>	<b>7,249,115</b>
<b>Restrictions</b>			
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		8,026,737	6,486,134
		<b>8,026,737</b>	<b>6,486,134</b>

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

Reserves - cash backed	4	5,553,210	4,291,963
Contract liabilities from contracts	15	1,950,161	0
Unspent grants, subsidies and contributions		0	1,711,286
Bonds and deposits held	14	523,366	482,885
<b>Total restricted assets</b>		<b>8,026,737</b>	<b>6,486,134</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.



## NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990	1989	1988	1987	1986	1985	1984	1983	1982	1981	1980	1979	1978	1977	1976	1975	1974	1973	1972	1971	1970	1969	1968	1967	1966	1965	1964	1963	1962	1961	1960	1959	1958	1957	1956	1955	1954	1953	1952	1951	1950	1949	1948	1947	1946	1945	1944	1943	1942	1941	1940	1939	1938	1937	1936	1935	1934	1933	1932	1931	1930	1929	1928	1927	1926	1925	1924	1923	1922	1921	1920	1919	1918	1917	1916	1915	1914	1913	1912	1911	1910	1909	1908	1907	1906	1905	1904	1903	1902	1901	1900	1899	1898	1897	1896	1895	1894	1893	1892	1891	1890	1889	1888	1887	1886	1885	1884	1883	1882	1881	1880	1879	1878	1877	1876	1875	1874	1873	1872	1871	1870	1869	1868	1867	1866	1865	1864	1863	1862	1861	1860	1859	1858	1857	1856	1855	1854	1853	1852	1851	1850	1849	1848	1847	1846	1845	1844	1843	1842	1841	1840	1839	1838	1837	1836	1835	1834	1833	1832	1831	1830	1829	1828	1827	1826	1825	1824	1823	1822	1821	1820	1819	1818	1817	1816	1815	1814	1813	1812	1811	1810	1809	1808	1807	1806	1805	1804	1803	1802	1801	1800	1799	1798	1797	1796	1795	1794	1793	1792	1791	1790	1789	1788	1787	1786	1785	1784	1783	1782	1781	1780	1779	1778	1777	1776	1775	1774	1773	1772	1771	1770	1769	1768	1767	1766	1765	1764	1763	1762	1761	1760	1759	1758	1757	1756	1755	1754	1753	1752	1751	1750	1749	1748	1747	1746	1745	1744	1743	1742	1741	1740	1739	1738	1737	1736	1735	1734	1733	1732	1731	1730	1729	1728	1727	1726	1725	1724	1723	1722	1721	1720	1719	1718	1717	1716	1715	1714	1713	1712	1711	1710	1709	1708	1707	1706	1705	1704	1703	1702	1701	1700	1699	1698	1697	1696	1695	1694	1693	1692	1691	1690	1689	1688	1687	1686	1685	1684	1683	1682	1681	1680	1679	1678	1677	1676	1675	1674	1673	1672	1671	1670	1669	1668	1667	1666	1665	1664	1663	1662	1661	1660	1659	1658	1657	1656	1655	1654	1653	1652	1651	1650	1649	1648	1647	1646	1645	1644	1643	1642	1641	1640	1639	1638	1637	1636	1635	1634	1633	1632	1631	1630	1629	1628	1627	1626	1625	1624	1623	1622	1621	1620	1619	1618	1617	1616	1615	1614	1613	1612	1611	1610	1609	1608	1607	1606	1605	1604	1603	1602	1601	1600	1599	1598	1597	1596	1595	1594	1593	1592	1591	1590	1589	1588	1587	1586	1585	1584	1583	1582	1581	1580	1579	1578	1577	1576	1575	1574	1573	1572	1571	1570	1569	1568	1567	1566	1565	1564	1563	1562	1561	1560	1559	1558	1557	1556	1555	1554	1553	1552	1551	1550	1549	1548	1547	1546	1545	1544	1543	1542	1541	1540	1539	1538	1537	1536	1535	1534	1533	1532	1531	1530	1529	1528	1527	1526	1525	1524	1523	1522	1521	1520	1519	1518	1517	1516	1515	1514	1513	1512	1511	1510	1509	1508	1507	1506	1505	1504	1503	1502	1501	1500	1499	1498	1497	1496	1495	1494	1493	1492	1491	1490	1489	1488	1487	1486	1485	1484	1483	1482	1481	1480	1479	1478	1477	1476	1475	1474	1473	1472	1471	1470	1469	1468	1467	1466	1465	1464	1463	1462	1461	1460	1459	1458	1457	1456	1455	1454	1453	1452	1451	1450	1449	1448	1447	1446	1445	1444	1443	1442	1441	1440	1439	1438	1437	1436	1435	1434	1433	1432	1431	1430	1429	1428	1427	1426	1425	1424	1423	1422	1421	1420	1419	1418	1417	1416	1415	1414	1413	1412	1411	1410	1409	1408	1407	1406	1405	1404	1403	1402	1401	1400	1399	1398	1397	1396	1395	1394	1393	1392	1391	1390	1389	1388	1387	1386	1385	1384	1383	1382	1381	1380	1379	1378	1377	1376	1375	1374	1373	1372	1371	1370	1369	1368	1367	1366	1365	1364	1363	1362	1361	1360	1359	1358	1357	1356	1355	1354	1353	1352	1351	1350	1349	1348	1347	1346	1345	1344	1343	1342	1341	1340	1339	1338	1337	1336	1335	1334	1333	1332	1331	1330	1329	1328	1327	1326	1325	1324	1323	1322	1321	1320	1319	1318	1317	1316	1315	1314	1313	1312	1311	1310	1309	1308	1307	1306	1305	1304	1303	1302	1301	1300	1299	1298	1297	1296	1295	1294	1293	1292	1291	1290	1289	1288	1287	1286	1285	1284	1283	1282	1281	1280	1279	1278	1277	1276	1275	1274	1273	1272	1271	1270	1269	1268	1267	1266	1265	1264	1263	1262	1261	1260	1259	1258	1257	1256	1255	1254	1253	1252	1251	1250	1249	1248	1247	1246	1245	1244	1243	1242	1241	1240	1239	1238	1237	1236	1235	1234	1233	1232	1231	1230	1229	1228	1227	1226	1225	1224	1223	1222	1221	1220	1219	1218	1217	1216	1215	1214	1213	1212	1211	1210	1209	1208	1207	1206	1205	1204	1203	1202	1201	1200	1199	1198	1197	1196	1195	1194	1193	1192	1191	1190	1189	1188	1187	1186	1185	1184	1183	1182	1181	1180	1179	1178	1177	1176	1175	1174	1173	1172	1171	1170	1169	1168	1167	1166	1165	1164	1163	1162	1161	1160	1159	1158	1157	1156	1155	1154	1153	1152	1151	1150	1149	1148	1147	1146	1145	1144	1143	1142	1141	1140	1139	1138	1137	1136	1135	1134	1133	1132	1131	1130	1129	1128	1127	1126	1125	1124	1123	1122	1121	1120	1119	1118	1117	1116	1115	1114	1113	1112	1111	1110	1109	1108	1107	1106	1105	1104	1103	1102	1101	1100	1099	1098	1097	1096	1095	1094	1093	1092	1091	1090	1089	1088	1087	1086	1085	1084	1083	1082	1081	1080	1079	1078	1077	1076	1075	1074	1073	1072	1071	1070	1069	1068	1067	1066	1065	1064	1063	1062	1061	1060	1059	1058	1057	1056	1055	1054	1053	1052	1051	1050	1049	1048	1047	1046	1045	1044	1043	1042	1041	1040	1039	1038	1037	1036	1035	1034	1033	1032	1031	1030	1029	1028	1027	1026	1025	1024	1023	1022	1021	1020	1019	1018	1017	1016	1015	1014	1013	1012	1011	1010	1009	1008	1007	1006	1005	1004	1003	1002	1001	1000	999	998	997	996	995	994	993	992	991	990	989	988	987	986	985	984	983	982	981	980	979	978	977	976	975	974	973	972	971	970	969	968	967	966	965	964	963	962	961	960	959	958	957	956	955	954	953	952	951	950	949	948	947	946	945	944	943	942	941	940	939	938	937	936	935	934	933	932	931	930	929	928	927	926	925	924	923	922	921	920	919	918	917	916	915	914	913	912	911	910	909	908	907	906	905	904	903	902	901	900	899	898	897	896	895	894	893	892	891	890	889	888	887	886	885	884	883	882	881	880	879	878	877	876	875	874	873	872	871	870	869	868	867	866	865	864	863	862	861	860	859	858	857	856	855	854	853	852	851	850	849	848	847	846	845	844	843	842	841	840	839	838	837	836	835	834	833	832	831	830	829	828	827	826	825	824	823	822	821	820	819	818	817	816	815	814	813	812	811	810	809	808	807	806	805	804	803	802	801	800	799	798	797	796	795	794	793	792	791	790	789	788	787	786	785	784	783	782	781	780	779	778	777	776	775	774	773	772	771	770	769	768	767	766	765	764	763	762	761	760	759	758	757	756	755	754	753	752	751	750	749	748	747	746	745	744	743	742	741	740	739	738	737	736	735	734	733	732	731	730	729	728	727	726	725	724	723	722	721	720	719	718	717	716	715	714	713	712	711	710	709	708	707	706	705	704	703	702	701	700	699	698	697	696	695	694	693	692	691	690	689	688	687	686	685	684	683	682	681	680	679	678	677	676	675	674	673	672	671	670	669	668	667	666	665	664	663	662	661	660	659	658	657	656	655	654	653	652	651	650	649	648	647	646	645	644	643	642	641	640	639	638	637	636	635	634	633	632	631	630	629	628	627	626	625	624	623	622	621	620	619	618	617	616	615	614	613	612	611	610	609	608	607	606	605	604	603	602	601
------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----

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) L.S. Annual Str & Late and Staff Contingency	As required	Used to fund annual leave, long service leave, sick leave, redundancy/retirement and staff contingency.
(b) Office Equipment Reserve	As required	Used for the acquisition and/or replacement of major items of office equipment (including computer systems).
(c) Plant and Equipment Reserve	As required	Used for the purchase of major plant and equipment.
(d) Land and Buildings Reserve	As required	Used for the replacement and/or acquisition of land and buildings.
(e) Guildford Caravan Park Reserve	As required	Used for the development of Guildford Caravan Park facilities.
(f) Shire Recreation Development Reserve	As required	Used for the development of Shire Recreation facilities.
(g) Roriford Park Reserve	As required	Used for the development of Public Open Space within the Roriford Park subdivision.
(h) Ocean Farm Recreation Reserve	As required	Used for the development of recreation and community facilities with the Ocean Farm subdivision.
(i) Tip Rationalisation Reserve	As required	Used for rationalisation of rubbish tip facilities within the Shire.
(j) Lancelin Community Sport and Recreation Reserve	As required	Used for rationalising building and other associated infrastructure at the Lancelin Community Sporting Club and are to be spent upon request from the club and approval from Council.
(k) Community Infrastructure Reserve	As required	Used to assist in financing of community facilities.
(l) Staff Housing	As required	To be used to fund Staff housing infrastructure additions and/or replacement.
(m) Future Infrastructure Reserve	As required	To be used to fund future infrastructure construction, purchase, additions and/or renewals.
(n) Guildford Country Club Reserve	As required	To be used to fund the development of the Guildford Country Club and are to be spent upon request from the Club and approval from Council.





# NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

## 5. OTHER FINANCIAL ASSETS

### (a) Current assets

Financial assets at amortised cost

#### Other financial assets at amortised cost

Self supporting loans

Loan Advances to Community Groups

### (b) Non-current assets

Financial assets at amortised cost

Financial assets at fair value through profit and loss

#### Financial assets at amortised cost

Self supporting loans

Loan Advances to Community Groups

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

Units in Local Government House Trust

	2020	2019
	\$	\$
	13,165	13,819
	13,165	13,819
	2,183	2,136
	10,982	11,683
	13,165	13,819
	25,000	32,752
	71,221	70,068
	96,221	102,820
	19,252	21,435
	5,748	11,317
	25,000	32,752
	71,221	70,068
	71,221	70,068

Loans receivable from clubs/institutions have the same terms and conditions as the related borrowing disclosed in Note 17(b) as self supporting loans.

## SIGNIFICANT ACCOUNTING POLICIES

### Other financial assets at amortised cost

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

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

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

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

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

### Impairment and risk

Information regarding impairment and exposure to risk can be found at Note 27.



# NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

## 6. TRADE AND OTHER RECEIVABLES

### Current

Rates receivable	
Sundry debtors	
GST receivable	
Allowance for impairment of receivables	
Legal Costs - recovery of rates	
Rubbish Fees	

### Non-current

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

### Movement in the allowance for impairment of receivables

Balance at start of period	
Additional allowance recognised.	
Receivables written off during the year as uncollectable	
Closing Balance	

2020	2019
\$	\$
1,076,233	1,094,223
497,941	357,864
0	50,813
(4,167)	0
347,332	322,569
77,065	69,282
1,994,404	1,894,751
141,279	128,487
141,279	128,487
0	0
4,167	0
0	0
4,167	0

### 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 27.

### SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Classification and subsequent measurement

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

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

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





## NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

### 7. INVENTORIES

#### Current

Fuel and materials  
History Books

The following movements in inventories occurred during the year:

#### Carrying amount at beginning of period

Inventories expensed during the year  
Write down of inventories to net realisable value  
Additions to inventory

#### Carrying amount at end of period

2020	2019
\$	\$
19,561	28,935
11,046	8,581
30,607	37,516
37,516	30,494
(9,374)	(302,999)
(2,678)	(1,407)
5,143	311,428
30,607	37,516

### 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.



## NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

### 8. OTHER ASSETS

#### Other assets - current

Prepayments

2020	2019
\$	\$
18,542	17,173
18,542	17,173

#### 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.





# NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

## 9. PROPERTY, PLANT AND EQUIPMENT

### (a) Movements in Carrying Amounts

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

	Land - freehold land	Land - vested in the control of Council	Buildings - specialised	Buildings - non- specialised	Total buildings	Total land and buildings	Furniture and equipment	Plant and equipment	Tools	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2019</b>	18,422,000	3,823,555	20,245,555	1,615,403	23,399,028	25,014,431	45,259,986	259,543	5,627,234	7,485
Additions	130,000	0	130,000	34,130	173,379	207,509	337,509	58,450	520,967	0
(Disposals)	(1,922,934)	0	(1,922,934)	0	(2,431)	(2,431)	(1,925,365)	(39,692)	(283,518)	0
Revaluation increments / (decrements) transferred to revaluation surplus	(1,317,066)	555,776	(761,290)	0	0	0	(761,290)	0	0	0
Depreciation (expense)	0	0	0	(52,259)	(785,610)	(837,869)	(837,869)	(39,522)	(731,170)	(1,792)
Transfers	0	0	0	(1)	120	119	119	0	0	0
<b>Carrying amount at 30 June 2019</b>	13,312,000	4,379,331	17,691,331	1,597,273	22,784,466	24,381,759	42,073,090	238,779	5,133,513	5,693
<b>Comprises:</b>										
Gross carrying amount at 30 June 2019	13,312,000	4,379,331	17,691,331	1,681,830	24,045,411	25,727,241	43,418,572	343,463	7,265,993	12,900
Accumulated depreciation at 30 June 2019	0	0	0	(64,557)	(1,260,925)	(1,345,482)	(1,345,482)	(104,684)	(2,132,480)	(7,207)
<b>Carrying amount at 30 June 2019</b>	13,312,000	4,379,331	17,691,331	1,597,273	22,784,466	24,381,759	42,073,090	238,779	5,133,513	5,693
Change in accounting policy	0	(4,379,331)	(4,379,331)	0	0	0	(4,379,331)	0	0	0
<b>Carrying amount at 1 July 2020</b>	13,312,000	0	13,312,000	1,597,273	22,784,466	24,381,759	37,693,759	238,779	5,133,513	5,693
Additions	0	0	0	6,290	415,993	422,283	422,283	0	638,867	0
(Disposals)	(147,000)	0	(147,000)	0	(57,951)	(57,951)	(204,961)	0	(169,922)	0
Depreciation (expense)	0	0	0	(53,162)	(786,875)	(840,037)	(840,037)	(42,886)	(679,959)	(1,027)
<b>Carrying amount at 30 June 2020</b>	13,165,000	0	13,165,000	1,550,401	22,355,653	23,906,054	37,071,054	195,893	4,922,499	4,666
<b>Comprises:</b>										
Gross carrying amount at 30 June 2020	13,165,000	0	13,165,000	1,688,119	24,393,804	26,081,923	39,246,923	343,462	7,570,224	12,900
Accumulated depreciation at 30 June 2020	0	0	0	(137,718)	(2,038,151)	(2,175,869)	(2,175,869)	(147,569)	(2,647,725)	(8,234)
<b>Carrying amount at 30 June 2020</b>	13,165,000	0	13,165,000	1,550,401	22,355,653	23,906,054	37,071,054	195,893	4,922,499	4,666



# NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

## 9. PROPERTY, PLANT AND EQUIPMENT (Continued)

### (b) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Land and buildings					
Land - freehold land	2	Market approach using recent observable market data for similar properties	Independent registered valuers	June 2019	Price per hectare
Land - freehold land	3	Improvements to land valued using cost approach using depreciated replacement cost	Independent registered valuers	June 2019	Improvements to land using construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Buildings - non-specialised	2	Market approach using recent observable market data for similar properties	Independent registered valuers	June 2017	Price per square metre
Buildings - non-specialised	3	Cost approach using depreciated replacement cost	Management valuation	June 2017	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Buildings - specialised	3	Cost approach using depreciated replacement cost	Independent registered valuers	June 2017	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Furniture and equipment	3	Cost approach using depreciated replacement cost	Independent registered valuers and Management Valuation	June 2016	Purchase costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Plant and equipment	3	Cost approach using depreciated replacement cost	Independent registered valuers and Management Valuation	June 2016	Purchase costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Tools	3	Cost approach using depreciated replacement cost	Independent registered valuers	June 2016	Purchase costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs

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

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

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





# NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

## 10. INFRASTRUCTURE

### (a) Movements in Carrying Amounts

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

	Infrastructure - roads	Infrastructure - Footpaths	Infrastructure - Parks and Ovals	Infrastructure - Other	Infrastructure - Bridges	Total Infrastructure
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2018	123,238,866	133,337	13,011,444	6,206,288	2,395,520	144,985,455
Additions	2,026,533	150,472	484,968	55,325	190,000	2,907,298
(Disposals)	0	(5,814)	0	(30,489)	0	(36,303)
Depreciation (expense)	(2,714,693)	(11,120)	(762,994)	(591,020)	(116,544)	(4,196,371)
Carrying amount at 30 June 2019	122,550,706	266,875	12,733,418	5,640,104	2,468,976	143,660,079
Comprises:						
Gross carrying amount at 30 June 2019	125,265,399	277,995	13,496,413	6,801,172	2,585,268	148,426,247
Accumulated depreciation at 30 June 2019	(2,714,693)	(11,120)	(762,995)	(1,161,068)	(116,292)	(4,765,158)
Carrying amount at 30 June 2019	122,550,706	266,875	12,733,418	5,640,104	2,468,976	143,660,079
Additions	4,322,545	8,806	139,805	(34,291)	0	4,436,865
(Disposals)	0	0	0	(590)	0	(590)
Depreciation (expense)	(2,982,342)	(11,027)	(785,316)	(572,288)	(125,336)	(4,476,319)
Carrying amount at 30 June 2020	123,890,909	264,654	12,087,907	5,032,925	2,343,640	143,620,035
Comprises:						
Gross carrying amount at 30 June 2020	128,587,944	286,801	13,636,218	6,766,081	2,585,269	152,862,313
Accumulated depreciation at 30 June 2020	(5,697,035)	(22,147)	(1,548,311)	(1,733,156)	(241,629)	(9,242,278)
Carrying amount at 30 June 2020	123,890,909	264,654	12,087,907	5,032,925	2,343,640	143,620,035



# NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

## 10. INFRASTRUCTURE (Continued)

### (b) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Infrastructure - roads	3	Cost approach using depreciated replacement	Management Valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3).
Infrastructure - Footpaths	3	Cost approach using depreciated replacement	Management Valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3).
Infrastructure - Parks and Ovals	3	Cost approach using depreciated replacement	Management Valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3).
Infrastructure - Other	3	Cost approach using depreciated replacement	Management Valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3).
Infrastructure - Bridges	3	Cost approach using depreciated replacement	Management Valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3).

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

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



# NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

## 11. FIXED ASSETS

### SIGNIFICANT ACCOUNTING POLICIES

#### Fixed assets

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

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

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

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

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

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

#### Revaluation

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

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

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

### AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY

#### Land under control prior to 1 July 2019

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

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

#### Land under roads prior to 1 July 2019

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

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

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

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

#### Land under roads from 1 July 2019

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

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

#### Vested improvements from 1 July 2019

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

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





# NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

## 11. FIXED ASSETS

### (a) Disposals of Assets

	2020 Actual Net Book Value	2020 Actual Sale Proceeds	2020 Actual Profit	2020 Actual Loss	2020 Budget Net Book Value	2020 Budget Sale Proceeds	2020 Budget Profit	2020 Budget Loss	2019 Actual Net Book Value	2019 Actual Sale Proceeds	2019 Actual Profit	2019 Actual Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Land - freehold land	147,000	134,400	0	(12,600)	0	0	0	0	1,922,934	500,000	0	(1,422,934)
Buildings - specialised	57,951	25,600	0	(32,351)	0	0	0	0	2,431	0	0	(2,431)
Furniture and equipment	0	0	0	0	0	0	0	0	39,692	0	0	(39,692)
Plant and equipment	169,922	141,500	9,796	(38,218)	190,435	332,091	180,048	(38,392)	283,518	207,830	33,603	(109,291)
Infrastructure - Footpaths	0	0	0	0	0	0	0	0	5,814	0	0	(5,814)
Infrastructure - Other	0	0	0	(590)	0	0	0	0	30,489	0	0	(30,489)
	374,873	301,500	9,796	(83,759)	190,435	332,091	180,048	(38,392)	2,284,878	707,830	33,603	(1,610,651)

The following assets were disposed of during the year:

	2020 Actual Net Book Value	2020 Actual Sale Proceeds	2020 Actual Profit	2020 Actual Loss
<b>Plant and Equipment</b>				
<b>Law, order, public safety</b>				
Ranger Utility GG070	16,990	22,727	3,737	0
<b>Health</b>				
Hyundai Getz GG096	4,334	0	0	(4,334)
<b>Transport</b>				
Hyundai 30 Wagen GG11866	7,500	7,364	0	(137)
Isuzu D-Max Utility 5GG	43,856	22,727	0	(20,929)
Bomag Roller GG029	44,441	50,500	6,059	0
<b>Economic services</b>				
Isuzu MU-X 3GG	21,000	19,091	0	(1,909)
<b>Other property and services</b>				
Volkswagen Passat 1 2GG	30,000	19,091	0	(10,909)
	169,922	141,500	9,796	(38,218)
<b>Land</b>				
<b>Other Property and Services</b>				
Lot 402 Brookman St Gingin	147,000	134,400	0	(12,600)
	147,000	134,400	0	(12,600)
<b>Buildings</b>				
<b>Other Property and Services</b>				
Building Lot 402 Brookman St, Gingin	57,951	25,600	0	(32,351)
	57,951	25,600	0	(32,351)
<b>Infrastructure Other</b>				
<b>Recreation and culture</b>				
LP Country Club Shed	0	0	0	(590)
	0	0	0	(590)
	374,873	301,500	9,796	(83,759)



# NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

## 11. FIXED ASSETS

### (b) Depreciation

	2020 Actual	2020 Budget	2019 Actual
	\$	\$	\$
Buildings - non-specialised	53,162	32,297	52,259
Buildings - specialised	786,875	804,555	785,610
Furniture and equipment	42,886	47,862	39,522
Plant and equipment	679,959	743,147	731,170
Tools	1,027	1,790	1,792
Infrastructure - roads	2,982,342	1,787,514	2,714,693
Infrastructure - footpaths	11,027	12,486	11,120
Infrastructure - parks and ovals	785,316	950,547	762,994
Infrastructure - other	572,298	372,779	591,020
Infrastructure - bridges	125,336	116,228	116,544
Buildings	6,940	0	0
Plant and equipment	26,021	0	0
	6,073,189	4,869,205	5,806,724

### SIGNIFICANT ACCOUNTING POLICIES

#### Depreciation

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

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

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

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

#### Depreciation rates

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

Asset Class	Useful life
Buildings - non specialised	2 to 50 years
Buildings - specialised	2 to 50 years
Furniture and equipment	4 to 30 years
Plant and equipment	5 to 15 years
Tools	4 to 10 years
Infrastructure - Footpaths	40 years
Infrastructure - Parks & ovals	5 to 25 years
Infrastructure - Bridges	50 to 100 years
Infrastructure - Other	5 to 25 years
Infrastructure - Car parks (sealed)	40 years
Sealed roads and streets	
- formation	not depreciated
- pavement	50 years
Seal	
- bituminous seals	25 years
- asphalt surfaces	25 years
Gravel roads	
- formation	not depreciated
- pavement	50 years
Footpaths - slab	12 years
Formed roads - unsealed (reducing balance)	
- formation	not depreciated
- pavement	50 years
Sewerage piping	80 years
Water supply piping and drainage systems	85 years
Right-of-use (buildings)	Based on the remaining lease
Right-of-use (plant and equipment)	Based on the remaining lease

#### Depreciation on revaluation

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

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



# NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

## 12. LEASES

### (a) Right-of-Use Assets

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

	Buildings \$	Plant and equipment \$	Right-of-use assets Total \$
<b>Recognised on initial application of AASB 16</b>	6,940	28,659	35,599
<b>Depreciation (expense)</b>	(6,940)	(26,021)	(32,961)
<b>Carrying amount at 30 June 2020</b>	0	2,638	2,638
<b>(b) Cash outflow from leases</b>			
<b>Interest expense on lease liabilities</b>	79	362	441
<b>Lease principal expense</b>	6,940	25,981	32,921
<b>Total cash outflow from leases</b>	7,019	26,343	33,362

### SIGNIFICANT ACCOUNTING POLICIES

#### Leases

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

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

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

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

#### Right-of-use assets - valuation

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

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

#### Right-of-use assets - depreciation

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





# NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

## 13. REVALUATION SURPLUS

	2020 Opening Balance	2020 Change in Accounting Policy	2020 Revaluation Increment	2020 Revaluation (Decrement)	2020 Total Movement on Revaluation	2020 Closing Balance	2019 Opening Balance	2019 Revaluation Increment	2019 Revaluation (Decrement)	2019 Total Movement on Revaluation	2019 Closing Balance
Revaluation surplus - Land - freehold land	6,107,705	0	0	0	0	6,107,705	7,424,771	0	(1,317,066)	0	6,107,705
Revaluation surplus - Land - vested in and under the control of Council	4,379,331	(4,379,331)	0	0	0	0	3,623,555	555,776	0	555,776	4,379,331
Revaluation surplus - Buildings	17,077,802	0	0	0	0	17,077,802	17,077,802	0	0	0	17,077,802
Revaluation surplus - Plant and equipment	2,429,386	0	0	0	0	2,429,386	2,429,386	0	0	0	2,429,386
Revaluation surplus - Tools	62,540	0	0	0	0	62,540	62,540	0	0	0	62,540
Revaluation surplus - roads	108,208,567	0	0	0	0	108,208,567	108,208,567	0	0	0	108,208,567
Revaluation surplus - Infrastructure - Parks and Ovals	7,603,892	0	0	0	0	7,603,892	7,603,892	0	0	0	7,603,892
Revaluation surplus - Infrastructure - Bridges	2,744,000	0	0	0	0	2,744,000	2,744,000	0	0	0	2,744,000
	148,703,303	(4,379,331)	0	0	0	144,323,972	149,464,593	555,776	(1,317,066)	(761,290)	148,703,303

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



## NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

### 14. TRADE AND OTHER PAYABLES

#### Current

Sundry creditors	654,646	480,007
Prepaid rates	106,820	0
Accrued salaries and wages	84,950	50,961
ATO liabilities	0	105,728
Other payables	0	72,855
Bonds and deposits held	523,366	482,885
Accrued interest on long term borrowings	24,835	27,374
Prepaid Income	26,290	0
	<b>1,420,907</b>	<b>1,219,810</b>

2020	2019
\$	\$
654,646	480,007
106,820	0
84,950	50,961
0	105,728
0	72,855
523,366	482,885
24,835	27,374
26,290	0
<b>1,420,907</b>	<b>1,219,810</b>

#### SIGNIFICANT ACCOUNTING POLICIES

##### Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Shire prior to the end of the financial year that are unpaid and arise when the Shire becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are normally paid within 30 days of recognition.

##### Prepaid rates

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



## NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

### 15. CONTRACT LIABILITIES

#### Current

Contract liabilities

2020	2019
\$	\$
1,950,161	0
1,950,161	0

#### SIGNIFICANT ACCOUNTING POLICIES

##### Contract Liabilities

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

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

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





## NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

**FOR THE YEAR ENDED 30 JUNE 2020**

		2012		2011	
		\$	\$	\$	\$
<b>(a) Lease liabilities</b>					
	Current	2,130	0		
	Non-current	348	0		
		<b>2,478</b>	<b>0</b>		

Six months to Closing amounts											
Purpose	Lease Supplier	Lease Incentives	Lease Rate	Lease Term	20 June 2012:		31 June 2012:		28 June 2012:		20 June 2011:
					Actual Liability 1 July 2012	Actual Liability 31 July 2012	Actual Liability 1 July 2012	Actual Liability 31 July 2012	Actual Liability 1 July 2012	Actual Liability 31 July 2012	
Transport	2	7 Q&E	2.50%	30	21,799	21,799	0	0	263		
Other property and services	1	Lease Hq/line	2.50%	12	6,342	6,342	0	0	79		
Labour administration office	3	Lease Hq/line	2.50%	12	2,077	2,077	0	0	2,077		
Plant working material	4	Lease Office & other	2.50%	60	35,380	35,380	0	0	2,220		
					<b>65,598</b>	<b>65,598</b>	<b>0</b>	<b>0</b>	<b>3,639</b>		



## NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

[illegible]

#### WVA Treasuries Composition

Self supporting loans are financed by payments from third parties. The 66 are shown in Note 5 as other financial assets at amortised cost. Other loan repayments were financed by general purposes revenues.



# NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

## 17. INFORMATION ON BORROWINGS (Continued)

### (c) New Borrowings - 2019/20

Particulars/Purpose	Institution	Loan Type	Term Years	Interest Rate %	Amount Borrowed		Amount (Used)		Total Interest & Charges	Actual Balance Unspent
					2020 Actual	2020 Budget	2020 Actual	2020 Budget		
Cundliffe St Car Park	WATC	Debenture	10	3.00%	\$ 0	250,000	\$ 0	250,000	\$ 0	\$ 0
GU Caravan Park Waste Water	WATC	Debenture	10	3.00%	0	400,000	0	400,000	0	0
Grace Darling Park Sea Wall	WATC	Debenture	10	3.00%	0	167,600	0	167,600	0	0
* WA Treasury Corporation					0	817,600	0	817,600	0	0

### (d) Undrawn Borrowing Facilities

#### Credit Standby Arrangements

	2020 \$	2019 \$
Bank overdraft limit	500,000	500,000
Bank overdraft at balance date	0	0
Credit card limit	29,000	29,000
Credit card balance at balance date	(3,959)	(7,823)
<b>Total amount of credit unused</b>	<b>525,041</b>	<b>521,177</b>

#### Loan facilities

Loan facilities - current	222,197	224,228
Loan facilities - non-current	1,767,829	1,977,186
Lease liabilities - current	2,330	0
Lease liabilities - non-current	348	0
<b>Total facilities in use at balance date</b>	<b>1,992,704</b>	<b>2,201,414</b>

#### Unused loan facilities at balance date

Nil Nil

## SIGNIFICANT ACCOUNTING POLICIES

### Financial liabilities

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

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

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

### Borrowing costs

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

### Risk

Information regarding exposure to risk can be found at Note 27.





# NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

## 18. EMPLOYEE RELATED PROVISIONS

### (a) Employee Related Provisions

	Provision for Annual & Sick Leave	Provision for Long Service Leave	Total
	\$	\$	\$
Opening balance at 1 July 2019			
Current provisions	442,251	447,468	889,719
Non-current provisions	9,870	88,690	98,560
	452,121	536,158	988,279
Additional provision	90,371	42,633	133,004
Balance at 30 June 2020	542,492	578,791	1,121,283
Comprises			
Current	524,292	457,254	981,546
Non-current	18,200	121,537	139,737
	542,492	578,791	1,121,283
Amounts are expected to be settled on the following basis:	2020	2019	
Less than 12 months after the reporting date	\$ 670,552	\$ 558,523	
More than 12 months from reporting date	400,894	366,936	
Expected reimbursements from other WA local governments	49,837	62,820	
	1,121,283	988,279	

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

### SIGNIFICANT ACCOUNTING POLICIES

#### Employee benefits

##### Short-term employee benefits

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

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

##### Other long-term employee benefits

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

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

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

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

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

##### Provisions

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

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



# NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

## 19. NOTES TO THE STATEMENT OF CASH FLOWS

### Reconciliation of Cash

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

	2020 Actual \$	2020 Budget \$	2019 Actual \$
Cash and cash equivalents	9,474,792	4,534,004	7,249,115
<b>Reconciliation of Net Cash Provided By Operating Activities to Net Result</b>			
Net result	533,574	6,565,599	(1,641,305)
Non-cash flows in Net result:			
Adjustments to fair value of financial assets at fair value through profit and loss	(1,153)	0	(70,068)
Depreciation on non-current assets	6,073,189	4,869,205	5,806,724
(Profit)/loss on sale of asset	73,963	(141,656)	1,577,048
Changes in assets and liabilities:			
(Increase)/decrease in receivables	(112,445)	1,155,794	(13,718)
(Increase)/decrease in other assets	(1,369)	0	
(Increase)/decrease in inventories	6,909	0	(7,022)
Increase/(decrease) in payables	110,361	(108,119)	537,881
Increase/(decrease) in provisions	133,004	0	7,269
Increase/(decrease) in contract liabilities	842,062	(1,187,581)	
Non-operating grants, subsidies and contributions	(3,876,600)	(9,997,448)	(2,402,656)
Net cash from operating activities	3,781,495	1,155,794	3,794,153



## NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

### 20. CONTINGENT LIABILITIES

The Shire did not have any contingent liabilities as at 30 June 2020.

### 21. SUBSEQUENT EVENTS

The Shire did not have any subsequent events at the reporting date.

### 22. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2020	2019
	\$	\$
General purpose funding	1,564,869	1,545,264
Law, order, public safety	1,958,970	1,830,292
Health	2,620,027	2,683,618
Education and welfare	738,300	753,685
Community amenities	1,591,542	1,809,401
Recreation and culture	29,364,393	30,953,888
Transport	127,315,421	126,140,603
Economic services	1,980,057	2,032,445
Other property and services	16,662,243	20,839,978
Unallocated	13,789,973	11,965,661
	197,585,795	200,554,835





## NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

### 23. CAPITAL AND LEASING COMMITMENTS

#### (a) Capital Expenditure Commitments

Contracted for:

- capital expenditure projects

2020	2019
\$	\$
4,758,818	0
4,758,818	0
4,758,818	0

Payable:

- not later than one year

In 2020 the Capital Expenditure commitments are:

Redfield Park Fire Shed, Gingin Administration building archive shed and Orange Springs Road

#### (b) Operating Lease Commitments

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

Payable:

- not later than one year

- later than one year but not later than five years

2020	2019
\$	\$
0	43,292
0	24,003
0	67,295

#### SIGNIFICANT ACCOUNTING POLICIES

##### Leases

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

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

##### Leases (Continued)

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

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



# NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

## 24. RELATED PARTY TRANSACTIONS

### Elected Members Remuneration

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

	2020 Actual	2020 Budget	2019 Actual
	\$	\$	\$
Meeting fees	79,625	79,000	79,000
President's allowance	16,000	16,000	16,000
Deputy President's allowance	4,000	4,000	4,000
Travelling expenses	12,740	15,000	17,316
IT allowance	18,180	18,544	18,180
Conferences / Training	26,527	26,690	16,498
	157,072	159,234	150,994

### Key Management Personnel (KMP) Compensation Disclosure

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

	2020 Actual	2019 Actual
	\$	\$
Short-term employee benefits	650,084	790,202
Post-employment benefits	70,014	84,931
Other long-term benefits	14,930	19,141
Termination benefits	34,196	10,663
	769,224	904,937

#### 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.



## NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

### 24. RELATED PARTY TRANSACTIONS (Continued)

#### Transactions with related parties

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

The following transactions occurred with related parties:

	2020 Actual \$	2019 Actual \$
Sale of goods and services	26,391	4,725
Purchase of goods and services	16,629	457,313

#### Related Parties

The Shire's main related parties are as follows:

##### i. Key management personnel

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

##### ii. Other Related Parties

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

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

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





## NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

Rate in \$	Number of Properties	2019/20		2019/20		2019/20		2019/20		2019/20		2018/19	
		Actual Value	Rateable Value	Actual Rate	Interim Rate	Actual Rates	Budget Rate	Total Revenue	Budget Rate	Interim Rate	Total Revenue	Budget Total	Actual Total
Differential general rate													
Gross rental valuations													
0.0875/0	1,548	26,070,414	2,281,448	40,175	2,648	2,324,271	10,000	2,281,448	2,000	2,293,448	2,425,643		
0.0875/10	908	14,632,352	1,280,492	0	0	1,280,492	0	1,280,492	0	1,280,492	1,300,971		
Unimproved valuations													
0.004970	413	264,410,000	1,341,352	0	0	1,341,352	0	1,341,352	0	1,341,352	1,349,224		
0.005073	2	1,840,000	9,334	0	0	9,334	0	9,334	0	9,334	13,888		
0.005396	135	67,423,000	633,507	0	0	633,507	0	633,507	0	633,507	664,368		
0.005073	0	0	0	0	0	0	0	0	0	0	0		
Sub-Total													
Minimum \$	3,004	371,375,776	5,546,133	40,175	2,648	5,588,956	10,000	5,546,133	2,000	5,558,133	5,662,994		
Minimum payment													
Gross rental valuations													
1.110	1,062	9,355,639	1,212,120	0	0	1,212,120	0	1,212,120	0	1,212,120	884,790		
1.110	769	4,850,146	869,130	0	0	869,130	0	869,130	0	869,130	730,206		
Unimproved valuations													
1.400	378	76,072,880	522,200	0	0	522,200	0	522,200	0	522,200	458,745		
1.400	2	427,000	2,800	0	0	2,800	0	2,800	0	2,800	0		
2.548	107	18,138,583	262,444	0	0	262,444	0	262,444	0	262,444	212,505		
1.400	30	73,225	33,600	0	0	33,600	0	33,600	0	33,600	29,555		
Sub-Total													
	2,968	105,917,473	2,902,294	0	0	2,902,294	0	2,902,294	0	2,902,294	2,315,501		
Total amount raised from general rate													
5,372		483,293,249	8,448,427	40,175	2,648	8,491,250	10,000	8,448,427	2,000	8,460,427	7,978,795		
						8,491,250				8,460,427	(86,006)		
						(139,357)				(85,000)	4,892		
						4,892				5,000	7,884,781		
Ex-gratis rates													
						8,356,820				8,370,427			

Total amount raised from general rate

Concessions (Note 25(b))

Ex-gratia rates

## SIGNIFICANT ACCOUNTING POLICIES

Entered

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 taxpayer. Rates received in advance are initially recognised as a financial liability. When the taxable event occurs, the financial liability is extinguished and the Shire recognises revenue for the prepaid rates that have not been refunded.



# NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

## 25. RATING INFORMATION (Continued)

### Waivers or Concessions

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

Type	Discount %	Discount \$	2020 Actual \$	2020 Budget \$	2019 Actual \$
General and minimum rates for properties that are classified within the UV Intensive Differential Rating Category that have a mix of non-intensive and intensive use on a property.	Concession Based on the area of land on the property used for non-intensive purposes.	Based on the area of land on the property used for non-intensive purposes.	139,357	95,000	88,906
			139,357	95,000	88,906
Total discounts/concessions (Note 25(a))			139,357	95,000	88,906

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

Circumstances in which  
the Waiver or Concession is  
Granted and to whom it was  
available

Objects of the Waiver  
or Concession

Reasons for the Waiver  
or Concession

General and minimum rates for properties that are classified within the UV Intensive Differential Rating Category that have a mix of non-intensive and intensive use on a property.	A concession is granted based on the area of land used for non-intensive rural purposes. The rates concession is calculated by determining the percentage of the property used for intensive purposes, the balance being non-intensive.	To ensure that the rates paid for a property appropriately reflect the use of the property. The concession is provided for split use differentially rated rural properties where there is a mixed use of non-intensive and intensive use on that property and where less than 75% of the property is classified as 'Intensive Use'.	Property owners within the Shire carry on a variety of mixed uses on their land, with some using less than 75% of their land for non-intensive rural uses. The concession provides for these situations by ensuring the property owner only pays the relevant rates applicable to the use of the land.
---	---	---	--



# NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

## 25. RATING INFORMATION (Continued)

### (c) 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	11 September 2019	0.00	0.00%	11.00%
<b>Option Two</b>				
First instalment	11 September 2019	0.00	5.50%	11.00%
Second instalment	11 November 2019	5.00	5.50%	11.00%
<b>Option Three</b>				
First instalment	11 September 2019	0.00	5.50%	11.00%
Second instalment	11 November 2019	5.00	5.50%	11.00%
Third instalment	16 January 2020	5.00	5.50%	11.00%
Fourth instalment	16 March 2020	5.00	5.50%	11.00%

	2020 Actual \$	2020 Budget \$	2019 Actual \$
Interest on unpaid rates	155,334	110,000	133,574
Interest on instalment plan	28,676	29,000	28,511
Charges on instalment plan	19,630	22,000	19,870
Deferred pensioner rates interest	2,368	0	2,444
	206,008	161,000	184,399





# NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

## 26. RATE SETTING STATEMENT INFORMATION

		2019/20 Budget (30 June 2020)	2019/20 Brought Forward	2018/19 (30 June 2019)
	Note	2019/20 (30 June 2020) Carried Forward	2019/20 Budget (30 June 2020) Carried Forward	2018/19 (30 June 2019) Carried Forward
		\$	\$	\$
<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	11(a)	(9,796)	(180,048)	(33,603)
Less: Fair value adjustments to financial assets at fair value through profit and loss		(1,153)		(70,068)
Movement in pensioner deferred rates (non-current)		(12,792)	0	(6,106)
Movement in employee benefit provisions (non-current)		41,177	0	(45,823)
Add: Loss on disposal of assets	11(a)	83,759	38,392	1,610,851
Add: Depreciation on non-current assets	11(b)	6,073,189	4,869,205	5,806,724
<b>Non cash amounts excluded from operating activities</b>		<b>6,174,384</b>	<b>4,727,549</b>	<b>7,261,775</b>
<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	(5,553,210)	(3,764,709)	(4,291,963)
Less: Cash - restricted		0	(149,631)	0
Less: Financial assets at amortised cost - self supporting loans	5(a)	(13,164)	(6,353)	(13,819)
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings	17(a)	222,197	632,485	224,228
- Current portion of lease liabilities		2,330	0	0
<b>Total adjustments to net current assets</b>		<b>(5,341,847)</b>	<b>(3,288,208)</b>	<b>(4,081,554)</b>
<b>Net current assets used in the Rate Setting Statement</b>				
Total current assets		11,531,510	5,273,681	9,212,374
Less: Total current liabilities		(4,577,141)	(1,985,473)	(2,333,757)
Less: Total adjustments to net current assets		(5,341,847)	(3,288,208)	(4,081,554)
<b>Net current assets used in the Rate Setting Statement</b>		<b>1,612,522</b>	<b>0</b>	<b>2,797,063</b>
<b>(c) Adjustments to current assets and liabilities at 1 July 2019 on application of new accounting standards</b>				
Total current assets at 30 June 2019				9,212,374
Total current assets at 1 July 2019				9,212,374
Total current liabilities at 30 June 2019				(2,333,757)
- Contract liabilities from contracts	28(a)			(1,108,099)
- Rates paid in advance	28(b)			(90,736)
Total current liabilities at 1 July 2019				(3,532,592)



# NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

## 27. FINANCIAL RISK MANAGEMENT

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

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

### (a) Interest rate risk

#### Cash and cash equivalents

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>2020</b>					
Cash and cash equivalents	1.16%	9,474,792	0	9,471,992	2,800
<b>2019</b>					
Cash and cash equivalents	2.04%	7,249,115	0	7,246,315	2,800

#### Sensitivity

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

	2020 \$	2019 \$
Impact of a 1% movement in interest rates on profit and loss and equity*	94,720	72,463

\* Holding all other variables constant

#### Borrowings

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



# NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

## 27. 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. The Shire is also able to charge interest on overdue rates and annual charges at higher than market rates, which further encourages payment.

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

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

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

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

	Current	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total
<b>30 June 2020</b>					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	459,155	392,266	207,020	583,468	1,641,909
<b>30 June 2019</b>					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	563,426	286,375	171,565	593,195	1,614,561

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

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
<b>30 June 2020</b>					
Trade and other receivables					
Expected credit loss	0.00%	0.00%	0.00%	2.01%	
Gross carrying amount	268,773	18,618	2,869	207,681	497,941
Loss allowance	0	0	0	4,167	4,167
<b>30 June 2019</b>					
Trade and other receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	251,182	8,446	9,869	88,368	357,865





## NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

### 27. FINANCIAL RISK MANAGEMENT (Continued)

#### (c) Liquidity risk

##### Payables and borrowings

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

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

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
<b>2020</b>					
Payables	1,420,907	0	0	1,420,907	1,420,907
Borrowings	332,272	1,184,463	1,006,418	2,523,153	1,990,026
Contract liabilities	1,950,161	0	0	1,950,161	1,950,161
Lease liabilities	2,330	348	0	2,678	2,678
	<u>3,705,670</u>	<u>1,184,811</u>	<u>1,006,418</u>	<u>5,896,899</u>	<u>5,363,772</u>
<b>2019</b>					
Payables	1,219,810	0	0	1,219,810	1,219,810
Borrowings	332,244	1,265,042	1,258,111	2,855,397	2,201,414
	<u>1,552,054</u>	<u>1,265,042</u>	<u>1,258,111</u>	<u>4,075,207</u>	<u>3,421,224</u>



# NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

## 28. INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS

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

### (a) AASB 15: Revenue from Contracts with Customers

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

	Note	AASB 118 carrying amount 30 June 2019 \$	Reclassification \$	AASB 15 carrying amount 01 July 2019 \$
<b>Contract liabilities - current</b>				
Contract liabilities from contracts with customers	15	0	(1,108,099)	(1,108,099)
Adjustment to retained surplus from adoption of AASB 15	29(b)	0	(1,108,099)	(1,108,099)

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

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

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

	Note	AASB 118 and AASB 1004 carrying amount 30 June 2019 \$	Reclassification \$	AASB 1058 carrying amount 01 July 2019 \$
<b>Trade and other payables</b>				
Rates paid in advance	14	0	(90,736)	(90,736)
<b>Contract liabilities - current</b>				
Adjustment to retained surplus from adoption of AASB 1058	29(b)	0	(90,736)	(90,736)

Prepaid rates are, until the taxable event for the rates has occurred, refundable at the request of the ratepayer. Therefore the rates received in advance gave rise to a financial liability that is within the scope of AASB 9. On 1 July 2019 the prepaid rates were recognised as a financial asset and a related amount recognised as a financial liability and no income recognised by the Shire. When the taxable event occurred, the financial liability was extinguished and the Shire recognised income for the prepaid rates that have not been refunded.

Assets that were acquired for consideration, that were significantly less than fair value principally to enable the Shire to further its objectives, may have been measured on initial recognition under other Australian Accounting Standards at a cost that was significantly less than fair value. Such assets are not required to be remeasured at fair value.



# NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

## 28. INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS (Continued)

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

		2020 \$	Adjustment due to application of AASB 15 and AASB 1058	2020 \$
	Note	As reported under AASB 15 and AASB 1058		Compared to AASB 118 and AASB 1004
<b>Statement of Comprehensive Income</b>				
<b>Revenue</b>				
Rates	25(a)	8,356,820	106,820	8,463,640
Operating grants, subsidies and contributions	2(a)	3,128,167	1,950,161	5,078,328
Fees and charges	2(a)	3,640,134	0	3,640,134
Non-operating grants, subsidies and contributions	2(a)	3,876,600	0	3,876,600
Net result		533,574	2,056,981	2,590,555
<b>Statement of Financial Position</b>				
Trade and other payables	14	1,420,907	(106,820)	1,314,087
Contract liabilities	15	1,950,161	(1,950,161)	0
Net assets		191,100,740	2,056,981	193,157,721
<b>Statement of Changes in Equity</b>				
Net result		533,574	2,056,981	2,590,555
Retained surplus		41,223,558	2,056,981	43,280,539

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

### (c) AASB 16: Leases

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

	Note	2020 \$
Operating lease commitments at 30 June 2019 applying AAS 117		67,295
Discount applied using incremental borrowing rate		(31,696)
Lease liability recognised as 1 July 2019 discounted using the Shire's incremental borrowing rate of 2.10% and 3.10%	16(b)	35,599
Lease liability - current		32,921
Lease liability - non-current		2,678
Right-of-use assets recognised at 1 July 2019		35,599

In applying AASB 16 for the first time, the Shire will use the following practical expedient permitted by the standard.  
- The exclusion of initial direct costs from the measurement of the right-of-use asset at the date of initial application.





# NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

## 29. CHANGE IN ACCOUNTING POLICIES

### (a) Change in Accounting Policies due to regulation changes

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

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

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

	Note	Carrying amount 30 June 2019 \$	Reclassification \$	Carrying amount 01 July 2019 \$
Property, plant and equipment	9	47,451,075	(4,379,331)	43,071,744
Revaluation surplus	13	148,703,303	(4,379,331)	144,323,972

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

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

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

	Note	Adjustments	2019 \$
Retained surplus - 30 June 2019			43,150,066
Adjustment to retained surplus from adoption of AASB 15	28(a)	(1,108,099)	
Adjustment to retained surplus from adoption of AASB 1058	28(b)	(90,736)	(1,198,835)
Retained surplus - 1 July 2019			41,951,231

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

	Note	Adjustments	2019 \$
Revaluation surplus - 30 June 2019			148,703,303
Adjustment to revaluation surplus from deletion of FM Reg 16	29(a)	(4,379,331)	
Adjustment to revaluation surplus from deletion of FM Reg 17	29(a)	0	(4,379,331)
Revaluation surplus - 1 July 2019			144,323,972



## NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

### 30. TRUST FUNDS

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

	1 July 2019	Amounts Received	Amounts Paid	30 June 2020
	\$	\$	\$	\$
Bonds, Tenders etc	6,867	0	(800)	6,067
Community Groups	1,569	0	0	1,569
D Wedge Trust	6,405	0	0	6,405
Landscaping Bonds	13,112	0	0	13,112
Other Bonds/Trusts	4,546	135	(135)	4,546
Public Open Space	46,218	0	0	46,218
Councillor Nomination Deposits	0	560	(560)	0
	78,717	695	(1,495)	77,917



# NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

## 31. OTHER SIGNIFICANT ACCOUNTING POLICIES

### a) Goods and services tax (GST)

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

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

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

### b) Current and non-current classification

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

### c) Rounding off figures

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

### d) Comparative figures

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

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

### e) Budget comparative figures

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

### f) Superannuation

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

### g) Fair value of assets and liabilities

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

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

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

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

### h) Fair value hierarchy

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

#### Level 1

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

#### Level 2

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

#### Level 3

Measurements based on unobservable inputs for the asset or liability.

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

#### Valuation techniques

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

#### Market approach

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

#### Income approach

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

#### Cost approach

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

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

### i) Impairment of assets

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

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

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

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





# NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

## 32. ACTIVITIES/PROGRAMS

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

PROGRAM NAME AND OBJECTIVES	ACTIVITIES
<b>GOVERNANCE</b> To provide a decision making process for the efficient allocation of scarce resources	Includes the activities of members of Council and the administrative support available to the Council for the provision of governance of the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific Council services
<b>GENERAL PURPOSE FUNDING</b> To collect revenue to allow for the provision of services	Rates, general purpose government grants and interest revenue
<b>LAW, ORDER, PUBLIC SAFETY</b> To provide services to help ensure a safer and environmentally conscious community	Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services
<b>HEALTH</b> To provide an operational framework for environmental and community health	Inspection of food outlets and their control, noise control and waste disposal compliance
<b>EDUCATION AND WELFARE</b> To provide services to disadvantaged persons, the elderly, children and youth	Maintenance of playgroup centre, aged care housing and Wangaree Community Centre. Provision and maintenance of youth services
<b>HOUSING</b> To provide and maintain staff and other housing	Provision and maintenance of staff and other housing
<b>COMMUNITY AMENITIES</b> To provide services required by the community	Rubbish collection services, operation of rubbish disposal sites, litter control, construction and maintenance of urban storm water drains, protection of the environment and administration of town planning schemes, cemetery and public conveniences
<b>RECREATION AND CULTURE</b> To establish and effectively manage infrastructure and resource which will help the social well being of the community	Maintenance of public halls, civic centres, aquatic centre, beaches, recreation centres and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of library and other cultural facilities
<b>TRANSPORT</b> To provide safe, effective and efficient transport services to the community	Construction and maintenance of roads, streets, footpaths, depots, cycle ways, parking facilities and traffic control. Cleaning of streets and maintenance of street trees, street lighting etc.
<b>ECONOMIC SERVICES</b> To help promote the shire and its economic wellbeing	Tourism and area promotion including the maintenance and operation of a caravan park. Provision of rural services including weed control, vermin control and standpipes
<b>OTHER PROPERTY AND SERVICES</b> To monitor and control Shire's overheads operating accounts	Private works operation, plant repair and operation costs and engineering operation costs, administration costs allocated and other unclassified works and services



## NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

### 33. FINANCIAL RATIOS

	2020 Actual	2019 Actual	2018 Actual
Current ratio	0.97	1.91	1.61
Asset consumption ratio	0.93	0.96	0.71
Asset renewal funding ratio	1.10	1.09	1.47
Asset sustainability ratio	0.81	0.30	1.05
Debt service cover ratio	8.64	5.67	4.93
Operating surplus ratio	(0.27)	(0.33)	(0.33)
Own source revenue coverage ratio	0.65	0.62	0.59

The above ratios are calculated as follows:

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



## INDEPENDENT AUDITOR'S REPORT



### Moore Australia Audit (WA)

Level 15, Exchange Tower,  
2 The Esplanade, Perth, WA 6000  
PO Box 5795, St Georges Terrace, WA 6831

T +61 8 9225 5355

F +61 8 9225 6181

[www.moore-australia.com.au](http://www.moore-australia.com.au)

### INDEPENDENT AUDITOR'S REPORT TO THE COUNCILLORS OF THE SHIRE OF GINGIN

#### Report on the Audit of the Financial Report

##### Opinion

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

In our opinion, the financial report of the Shire of Gingin:

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

##### Basis for Opinion

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

##### Emphasis of Matter – Basis of Preparation

We draw attention to Notes 1 and 11 to the annual financial report, which describe the basis of accounting. The annual financial report has been prepared for the purpose of fulfilling the Shire's financial reporting responsibilities under the Act, including the Local Government (Financial Management) Regulations 1996 (Regulations). Our opinion is not modified in respect of these matters:

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

Moore Australia Audit (WA) – ABN 16 874 357 907.

An independent member of Moore Global Network Limited - members in principal cities throughout the world.  
Liability limited by a scheme approved under Professional Standards Legislation.





## INDEPENDENT AUDITOR'S REPORT



**MOORE**

### INDEPENDENT AUDITOR'S REPORT TO THE COUNCILLORS OF THE SHIRE OF GINGIN (CONTINUED)

#### Report on the Audit of the Financial Report (continued)

##### Responsibility of the Directors for the Financial Report

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

Our objectives 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 our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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 the users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standard Board website at [http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This description forms part of our audit report.

#### Report on Other Legal and Regulatory Requirements

In accordance with the Local Government (Audit) Regulations 1996, we also report that:

- a) The following material matter indicates 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 our audit.
  - Accounting journal entries were posted without being reviewed by a person independent of the preparer. Accounting journals can represent significant adjustments to previously approved transactions and should therefore be appropriately reviewed and approved.
- b) In our opinion, there is an indication of a significant adverse trend in the financial position of the Shire as the Operating Surplus Ratio have been below the DLGSCI standard for the past 3 years.
- c) All required information and explanations were obtained by us.
- c) All audit procedures were satisfactorily completed in conducting our audit.
- d) In our opinion, the asset consumption ratio and the asset renewal ratio included in the annual financial report were supported by verifiable information and reasonable assumptions.



## INDEPENDENT AUDITOR'S REPORT



### INDEPENDENT AUDITOR'S REPORT TO THE COUNCILLORS OF THE SHIRE OF GINGIN (CONTINUED)

#### **Matters Relating to the Electronic Publication of the Audited Financial Report**

This auditor's report relates to the annual financial report of the Shire of Gingin for the year ended 30 June 2020 included on the Shire's website. The Shire's management is responsible for the integrity of the Shire's website. This audit does not provide assurance on the integrity of the Shire's website. The auditor's report refers only to the 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.



GREG GODWIN  
PARTNER

MOORE AUSTRALIA AUDIT (WA)  
CHARTERED ACCOUNTANTS

Signed at Perth this 22<sup>nd</sup> day of December 2020.





**SHIRE OF GINGIN**

P: PO Box 510, GINGIN WA 6503

T: (08) 9575 5100

E: [mail@gingin.wa.gov.au](mailto:mail@gingin.wa.gov.au)

W: [gingin.wa.gov.au](http://gingin.wa.gov.au)

**FOLLOW US**

*This document is available in alternate formats upon request.*



### 11.1.1 DETERMINATION OF DATE FOR 2020/21 ANNUAL GENERAL MEETING OF ELECTORS

<b>File:</b>	COR/31
<b>Author:</b>	Lee-Anne Burt – Governance Officer
<b>Reporting Officer:</b>	Aaron Cook – Chief Executive Officer
<b>Report Date:</b>	2 February 2021
<b>Refer:</b>	Nil
<b>Appendices:</b>	Nil

#### DISCLOSURES OF INTEREST

Nil

#### PURPOSE

To consider setting a date and venue for the 2020/21 Annual General Meeting (AGM) of Electors.

#### BACKGROUND

Section 5.27 of the *Local Government Act 1995* (the Act) requires each local government to conduct a general meeting of electors of the district once in each financial year. The meeting must be held not more than 56 days after acceptance by Council of the Annual Report and a minimum of 14 days' public notice of the meeting date must be given prior to the meeting taking place.

The last Annual General Meeting of Electors for the Shire of Gingin was held on 18 February 2020.

As part of the State's COVID-19 response in 2020, the Minister for Local Government made an Order prohibiting local governments in Western Australia from holding general or special meetings of electors whilst the State of Emergency declaration was in force. This Order has now been lifted, meaning that electors' meetings can take place provided they are conducted in a COVID-19 safe environment.

#### COMMENT

The Act imposes a number of time-sensitive requirements on local governments with respect to the acceptance of the Annual Report and the subsequent holding of an AGM.

The Annual Report must be adopted by Council prior to the AGM being held. The Annual Report cannot be prepared until the audited Financial Statements and Audit Report are received by Council.

The audited Financial Statements and Audit Report were received by Council at its Special meeting on 22 December 2020. The Annual Report has now been finalised for adoption by Council and is the subject of a separate report to this meeting.

On the assumption that the Annual Report is adopted by Council (either as presented or with minor modification), it is proposed that the Annual General Meeting of Electors for the Shire of Gingin for the 2020/21 financial year be held on Tuesday, 16 March 2021 at 5.00pm in Council Chambers following the Council meeting already scheduled for that date.

## STATUTORY/LOCAL LAW IMPLICATIONS

*Local Government Act 1995*

Division 5 – Annual reports and planning

Subdivision 4 – Electors' meetings

Section 5.27 – Electors' general meetings

Section 5.29 – Convening electors' meetings

Local Government (COVID-19 Response) Order 2020 (8 May 2020)

Local Government (COVID-19 Response) Amendment Order (4 November 2020)

## POLICY IMPLICATIONS

Nil

## BUDGET IMPLICATIONS

Nil

## STRATEGIC IMPLICATIONS

Shire of Gingin Strategic Community Plan 2019-2029

<b>Focus Area</b>	<i>Governance</i>
<b>Objective</b>	<i>5. To demonstrate effective leadership, governance and advocacy on behalf of community</i>
<b>Outcome</b>	<i>5.1 Values Our Organisational/Business Values are demonstrated in all that we do</i>
<b>Key Service Areas</b>	<i>Nil</i>
<b>Priorities</b>	<i>Nil</i>

## VOTING REQUIREMENTS – SIMPLE MAJORITY

## COUNCIL RESOLUTION/OFFICER RECOMMENDATION

**MOVED:** Councillor Johnson

**SECONDED:** Councillor Balcombe

That Council agree to conduct the Shire of Gingin's Annual General Meeting of Electors for the 2020/21 financial year at 5.00pm on 16 March 2021 in the Council Chambers at the Shire of Gingin Administration Centre, 7 Brockman Street, Gingin.

**CARRIED UNANIMOUSLY**



**11.2. CORPORATE AND COMMUNITY SERVICES**

Nil

**11.3. REGULATORY AND DEVELOPMENT SERVICES**

Nil

**11.4. OPERATIONS**

Nil

**12. MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN**

Nil

**13. COUNCILLORS' OFFICIAL REPORTS**

Nil

**14. NEW BUSINESS OF AN URGENT NATURE**

Nil

**15. MATTERS FOR WHICH MEETING IS TO BE CLOSED TO THE PUBLIC**

Nil

**16. CLOSURE**

There being no further business, the Shire President declared the meeting closed at 2:10 pm.

The next Ordinary Meeting of Council will be held in Council Chambers at the Shire of Gingin Administration Centre, 7 Brockman Street, Gingin on Tuesday, 16 February 2021 commencing at 3.00 pm.

These Minutes are confirmed as the official record of the Special Meeting of the Gingin Shire Council held on 2 February 2021.

---

Councillor Wayne Fewster  
Shire President  
16 February 2021