

SHIRE OF CARNARVON

AGENDA PAPERS

ANNUAL GENERAL MEETING

TUESDAY

14th APRIL 2020



Council Chambers, Stuart Street
CARNARVON, West Australia
Phone: (08) 9941 0000
Fax: ((08) 9941 1099
Website – www.carnarvon.wa.gov.au

NOTICE OF MEETING

Notice is hereby given
Shire of Carnarvon
Annual General Meeting

will be held
on Tuesday 14th April 2020
commencing at 5.30pm
in the Shire Council Chambers,
Stuart Street Carnarvon



DAVID BURTON
CHIEF EXECUTIVE OFFICER

DISCLAIMER

No responsibility whatsoever is implied or accepted by the Shire of Carnarvon for any act, omission or statement or intimation occurring during Council/Committee Meetings or during formal/informal conversations with Staff or Councillors. The Shire of Carnarvon disclaims any liability for any loss whatsoever and howsoever caused arising out of reliance by any person or legal entity on any such act, omission or statement or intimation occurring during Council/Committee Meetings or discussions. Any person or legal entity who acts or fails to act in reliance upon any statement does so at that person's or legal entity's own risk.

In particular and without derogating in any way from the broad disclaimer above, in any discussion regarding any planning application or application for a licence, any statement or limitation of approval made by a member or officer of the Shire of Carnarvon during the course of any meeting is not intended to be and is not taken as notice of approval from the Shire of Carnarvon. The Shire of Carnarvon warns that anyone who has an application lodged with the Shire of Carnarvon must obtain and only should rely on WRITTEN CONFIRMATION of the outcome of the application, and any conditions attaching to the decision made by the Shire of Carnarvon in respect of the application.

AGENDA

1.0 ATTENDANCES , APOLOGIES & APPLICATIONS FOR LEAVE OF ABSENCE

(The Local Government Act 1995 Section 2.25 provides that a Council may, by resolution, grant leave of absence to a member for Ordinary Council Meetings. The leave cannot be granted retrospectively and an apology for non-attendance at a meeting is not an application for leave of absence.)

2.0 CONFIRMATION OF MINUTES

2.1 Minutes of the AGM held on 26th February 2019 (Schedule 2.1 Attached)

3.0 PUBLIC QUESTION TIME

4.0 RECEIVING OF THE ANNUAL REPORT

4.1 Annual Report and Financial Statements for the Year Ended 30 June 2019

5.0 GENERAL BUSINESS AS PERMITTED BY THE SHIRE PRESIDENT

6.0 CLOSURE

File No:	
Date of Meeting:	14 th April 2020
Location/Address:	N/A
Name of Applicant:	Shire of Carnarvon
Name of Owner:	Shire of Carnarvon
Author/s:	Maurice Werder, Executive Manager Corporate Services
Declaration of Interest:	Nil
Voting Requirements:	Simple Majority
Previous Report:	Nil

Summary:

The Electors' of the Shire of Carnarvon are requested to receive:

- The Report of the Shire President for the year ended 30 June 2019;
- The Report of the CEO for the year ended 30 June 2019;
- The Annual Report and Financial Statements for the year ended 30 June 2019; and
- The Auditors Report for the Financial Statements for the year ended 30 June 2019.

These reports are contained within one document titled the 2018/2019 Annual Report made available on the Shire's website, Administration Office and Carnarvon Library.

Background:

As required the Annual Financial Report for the year ending 30 June 2019 was submitted in draft to the Shire Auditor, reviewed and subsequently considered by the Shire Audit Committee on 11th March 2020 in accordance with *Section 6.4 (3) of the Local Government Act, 1995*.

Additionally, the draft Annual Report, incorporating the Annual Financial Report, was presented to Council at its Ordinary Meeting on the 25th March 2020, and accordingly adopted by Council.
The final version of the Annual Report is tabled with this report.

Consultation:

Nil.

Statutory Environment:

Section 5.27 of the *Local Government Act, 1995* requires the Local Government to convene an Annual Electors meeting once every financial year.

Section 5.53 of the *Local Government Act, 1995* requires the Local Government to prepare an Annual Report for an Annual Electors Meeting, inclusive of the Shire President Report, CEO Report, Annual Financial Statements and Auditors Report for each financial year.

Regulation 17 of the Local Government (Administration) Regulations 1996, states voting on matters at the Annual General Meeting of Electors is to be conducted as follows:

- (1) *Each elector who is present at a general or special meeting of electors is entitled to one vote on each matter to be decided at the meeting but does not have to vote.*
- (2) *All decisions at a general or special meeting of electors are to be made by a simple majority of votes.*
- (3) *Voting at a general or special meeting of electors is to be conducted so that no voter's vote is secret.*

Relevant Plans and Policy:

Nil.

Financial Implications:

Nil.

Risk Assessment:

Nil.

Strategic Implications:

Goal 5: Civic

Strong and listening Council.

ITEM	OUTCOMES AND STRATEGIES
5.2	The Shire has a high standard of governance and accountability
5.2.6	Compliance with the Local Government Act 1995 and all other relevant legislation and regulations

Comment

Nil.

OFFICER'S RECOMMENDATION

That the Annual Report for the year ended 30 June 2019 as previously adopted by Council, incorporating the Shire President Report, CEO Report, Financial Statements and Auditors Report, be received by the Electors of the Shire of Carnarvon.

SHIRE OF CARNARVON

**MINUTES OF
ANNUAL GENERAL MEETING
OF COUNCIL**

**TUESDAY 26TH FEBRUARY
2019**

Council Chambers, Stuart Street
CARNARVON, West Australia
Phone: (08) 9941 0000
Fax: ((08) 9941 1099
Website – www.carnarvon.wa.gov.au



CONFIRMATION OF MINUTES

These minutes were confirmed by the
Council on

as a true and accurate record

.....

DISCLAIMER

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(The Local Government Act 1995 Section 2.25 provides that a Council may, by resolution, grant leave of absence to a member for Ordinary Council Meetings. The leave cannot be granted retrospectively and an apology for non-attendance at a meeting is not an application for leave of absence.)

2.0 CONFIRMATION OF MINUTES

2.1 Minutes of the AGM held on 24th April 2018 (Schedule 2.1 Attached)

3.0 PUBLIC QUESTION TIME

4.0 RECEIVING OF THE ANNUAL REPORT

4.1 Annual Report and Financial Statements for the Year Ended 30 June 2018

5.0 GENERAL BUSINESS AS PERMITTED BY THE SHIRE PRESIDENT

6.0 CLOSURE



MINUTES OF THE ANNUAL GENERAL MEETING OF COUNCIL HELD IN THE COUNCIL CHAMBERS, STUART STREET, CARNARVON ON TUESDAY 26TH FEBRUARY 2019

The meeting was declared open at 5.30pm

1.0 ATTENDANCES, APOLOGIES AND APPROVED LEAVE OF ABSENCE

Mr K Brandenburg	Presiding Member/Shire President
Mr E Garrett.....	Deputy President/ Councillor Town Ward
Mr K Pinner	Councillor Town Ward
Mr E Smith	Councillor, Town Ward
Mr L Skender.....	Councillor, Town Ward
Mr P Youd	Councillor, Town Ward
Mr B Maslen.....	Councillor, Gascoyne/Minilya Ward
Mr D Burton	Chief Executive Officer
Mr D Nielsen	Executive Manager, Infrastructure Services
Mr P Lees	Executive Manager, Development Services
Mrs D Hill	Senior Executive Officer
Observers	2
Apologies	Cr Simpson;
Dr G Ferguson(Acting Executive Manager, Corporate & Community Services);	Mr Max March (Ratepayer)

3.0 CONFIRMATION OF MINUTES

3.1 ANNUAL GENERAL MEETING – 24TH APRIL 2018

AGM 1/2/19

COUNCIL RESOLUTION

Cr Garrett/Cr Youd

That the minutes of the Annual General Meeting held on 24th April 2018 be confirmed as an accurate record of proceedings.

CARRIED
F7/AO

2.0 PUBLIC QUESTION TIME

There were no questions from the public.

4.0 RECEIVING OF THE ANNUAL REPORT

4.1 ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

File No:	
Date of Meeting:	26 th February 2019
Location/Address:	N/A
Name of Applicant:	Shire of Carnarvon
Name of Owner:	Shire of Carnarvon
Author/s:	David Burton, Chief Executive Officer
Declaration of Interest:	Nil
Voting Requirements:	Simple Majority
Previous Report:	Nil

Summary:

The Electors' of the Shire of Carnarvon are requested to receive:

- The Report of the Shire President for the year ended 30 June 2018;
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Background:

As required the Annual Financial Report for the year ending 30 June 2018 was submitted in draft to the Shire Auditor, reviewed and subsequently considered by the Shire Audit Committee on 14th January 2019 in accordance with *Section 6.4 (3) of the Local Government Act, 1995*.

Additionally, the draft Annual Report, incorporating the Annual Financial Report, was presented to Council at its Ordinary Meeting on the 22nd January 2019, and accordingly adopted by Council.

The final version of the Annual Report is tabled with this report.

Consultation:

Nil.

Statutory Environment:

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Relevant Plans and Policy:

Nil.

Financial Implications:

Nil.

Risk Assessment:

Nil.

Strategic Implications:

Goal 5: Civic

Strong and listening Council.

ITEM	OUTCOMES AND STRATEGIES
5.2	The Shire has a high standard of governance and accountability
5.2.6	Compliance with the Local Government Act 1995 and all other relevant legislation and regulations

Comment

Nil.

AGM 1/2/19

COUNCIL RESOLUTION & OFFICER'S RECOMMENDATION

Cr Garrett/Cr Skender

That the Annual Report for the year ended 30 June 2018 as previously adopted by Council, incorporating the Shire President Report, CEO Report, Financial Statements and Auditors Report, be received by the Electors of the Shire of Carnarvon.

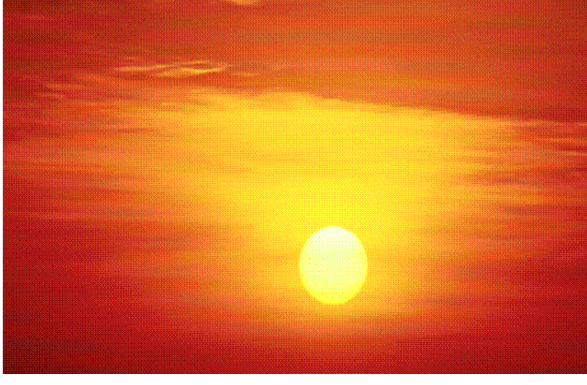
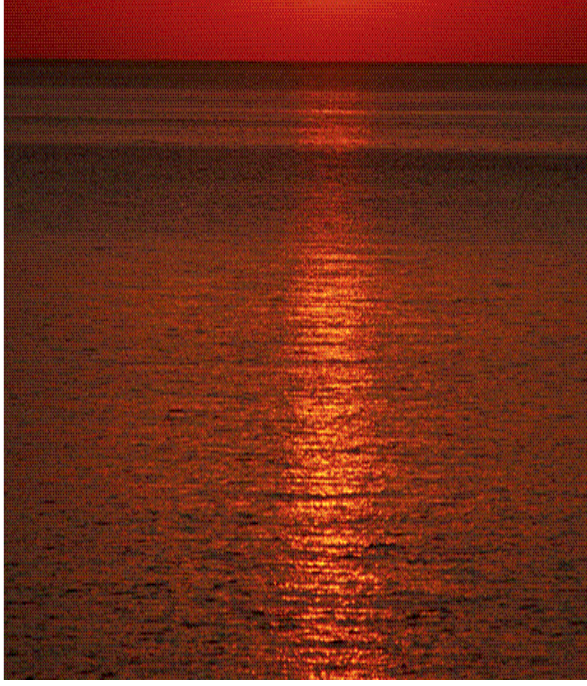
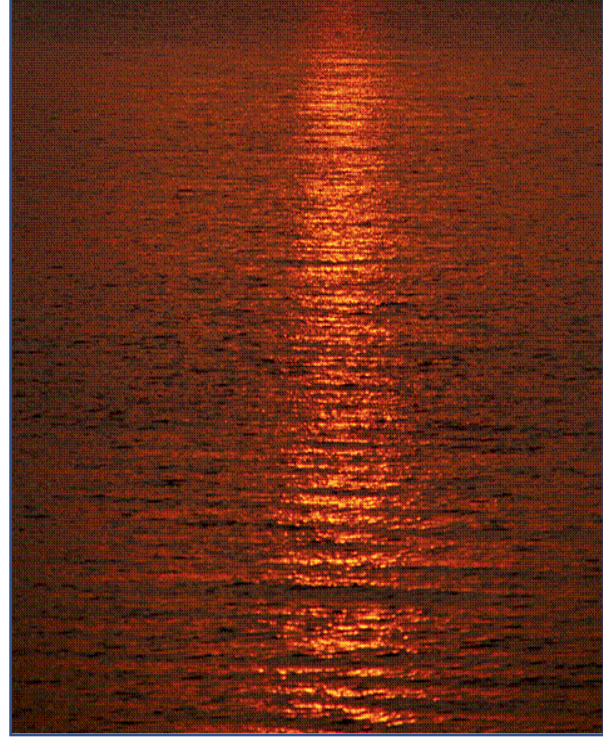
CARRIED
F7/A0

5.0 GENERAL BUSINESS AS PERMITTED BY THE SHIRE PRESIDENT

There was no general business.

6.0 CLOSURE:

The Chairman declared the meeting closed at 5.34pm.



SHIRE OF CARNARVON ANNUAL REPORT 2018/2019



Endorsed by Council 24th March 2020



Shire of Carnarvon
PO Box 459
CARNARVON WA 6701

Phone – 08 9941 0000
Fax – 08 9941 0099
Email – shire@carnarvon.wa.gov.au
Web – www.carnarvon.wa.gov.au





Our Vision

The Shire of Carnarvon will remain a wonderful place of endless opportunity with a pristine environment, where the desert meets the sea.



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SHIRE PRESIDENT'S REPORT

Cr Karl Brandenburg, SHIRE PRESIDENT

2018/19 was a year of changes, and a time to work together with the community to deliver on the Strategic Community Plan.

After extensive Community engagement, the Shire of Carnarvon adopted its Strategic Community Plan at the end of the previous financial year. The 2018/19 Financial year saw the Shire start implementing several of the initiatives from the Strategic Community Plan to drive into the future of the Shire.



Programs from the Strategic Community Plan included:

- Road Renewal and Maintenance Program
- Civic Centre Upgrade started
- Aquatic Centre Upgrade
- Partnership with REX Airlines Developed.
- Collaboration with the Heritage Committee for the One Mile Jetty
- Increased focus on Emergency Management
- Develop Memorandum of Partnership with Yingarrda people
- Facilitate Youth Summit.

Several programs started in the 18/19 financial year will be completed in the 19/20 financial year and will provide better facilities for the Shire and its residents.

One of our proudest moments was the signing of the Memorandum of Partnership with the Yingarrda Elders which will ensure that the Shire will work closely with the Yingarrda People when considering items in relation to land use. It will also ensure that the Shire Council and Staff are trained in cultural awareness.

A sad part through the year was the unveiling of the “don't look at the Islands” sculpture done by Smith Sculptors. This sculpture is a memorial to the Local Hospital which was on Bernier and Dorre Islands and was a place of incarceration for many aboriginal people from around the country. A smoking ceremony was held to welcome the spirits of the people who passed there back home.

The One Mile Jetty still remains a concern for the town and the Shire has ~~started~~ been working collaboratively with the Heritage Committee and the Gascoyne Development Commission to see what options are available for a long-term solution to this icon of the town.

I would like to thank my Councillors who have dedicated themselves to many hours of workshops and meetings to continue the functions of the Shire for a bright future for Carnarvon.

The Shire welcomed a new CEO, Mr David Burton, who has an extensive history working in W.A. Local Government. This work has primarily been in small communities, where Mr Burton has enjoyed being a part of the communities in which he lived. The Council is excited to be able to work with Mr Burton, as he leads the Shire in implementing the work required to deliver on the Strategic Community Plan and deliver services for the community.

I also thank the very dedicated team of Council staff who get on with the job of doing the sometimes very demanding and often-mundane tasks of delivering the approximately 40 services the Shire provides to the community.

Cr Karl Brandenburg
SHIRE PRESIDENT



CHIEF EXECUTIVE OFFICER'S REPORT

David Burton, Chief Executive Officer

EXECUTIVE
SHIRE PRESIDENT & COUNCILLOR LIAISON
SPECIAL PROJECTS
ORGANISATIONAL DEVELOPMENT (HR)



I am pleased to present the Annual Report of the Chief Executive Officer for the 2018/19 financial year, having started with the Shire of Carnarvon in January 2019.

The Strategic Community Plan was adopted by Council at the Ordinary Council Meeting in June 2018 and paved the direction for Council to follow. The message of the Strategic Community Plan was clear and which is captured in their words – *'unity, humanity, nature'*. The emphasis of the community input was on leaders of the community working closely together and for the different cultures, especially Aboriginal and non-Aboriginal to work positively together and to have a focus on youth, families and economic well-being.

Following from the Strategic Community Plan, the Shire of Carnarvon developed the Corporate Business Plan, Long Term Strategic Plan and other strategic documents to take the Shire forward and ensure that the Shire can delivery on the long-term visions of the community while providing the necessary level of service for our community. This is always a challenge to fund the expectations of the community, the prudent stewardship of assets and the necessary services while all the time being mindful of the affordability of rates and other charges. It is pleasing to see a clear audit report for 2018/19, and comments from the Shire's auditors that give confidence that the Shire's wider financial position is relatively strong. It also gives confidence that the Shire's strategies of addressing revenue levels and building up Shire Reserves are on the right track.

The Shire was also pleased to be working with the Carnarvon Yacht Club on the dredging program in order to open the Fascine and allow this important facility of the town to be usable once again. The Shire is also exploring a longer term solution with the Department of Transport to ensure that this facility remains open and has an ongoing dredging program in place.

The Shire of Carnarvon also took a major step forward in reconciliation with the signing of the Memorandum of Partnership with the Yingarrda People and look forward to a lasting working relationship with out first nation. The Memorandum is established to ensure involvement of the Yingaarda people in all major land use and environmental considerations for Carnarvon and also considerations of all the residents in our multiculturally diverse town. The Shire is proud to have taken this vital step forward.

The Shire is served by a dedicated team of people who strive to give their best at all times and I record my thanks to them for their hard work and support during the time I was working with them. I also thank the Shire President and Councillors for their support and encouragement and for their courage in stepping out into some new territory.

Finally, I thank the many wonderful people in the Carnarvon community who have welcomed myself and my family into the town and made my professional role such a pleasure to undertake.

David Burton
CHIEF EXECUTIVE OFFICER



SHIRE PROFILE

The following information is general information about the Shire of Carnarvon. All specific enquiries should be directed to the shire office during normal business hours.

Climate

Carnarvon has an average temperature of 26 degrees and the average yearly rainfall is 229mm. We are almost 10 degrees cooler than Exmouth in the summer months and 10 degrees warmer than Perth in the winter months.

Statistics

Distance from Perth	902kms
Area (sq km)	53,000
Length of Sealed Roads	239.21km
Length of Unsealed Roads	1,287.15km
Population	5,528
Number of Electors	2,989
Number of Dwellings	3,693

Temperature

Mean Max Temp – 27.1°C (81°F)
Mean Min Temp – 17.2°C (63°F)
Annual Rainfall – 228.4mm (9 in)

Shire of Carnarvon Administration Centre

3 Francis Street
CARNARVON WA 6701

Shire of Carnarvon Works Depot

Robinson Street
CARNARVON WA 6701

Carnarvon Public Swimming Pool

Babbage Island Road
CARNARVON WA 6701

Shire of Carnarvon Regional Library and Art Gallery

18 Egan Street
CARNARVON WA 6701

Shire of Carnarvon Civic Center

Cnr Camel Lane/Robinson Street
CARNARVON WA 6701

Shire of Carnarvon Visitors Centre

Cnr Camel Lane/Robinson Street
CARNARVON WA 6701





LOCATION

Carnarvon's unique location, makes it a tropical oasis situated approximately 902km north of Perth on the west coast. Carnarvon is commonly recognised for its banana plantations, tropical fruits, fine seafood and warm climate and situated in the heart of the Gascoyne Region on the doorstep of the Indian Ocean. It is the gateway to Australia's Ningaloo Coast, and very close proximity to the Ningaloo Reef and World Heritage areas. Equally, the vast Australian outback will beckon you and a visit to the majestic Kennedy Ranges is not to be missed. With an exceptional climate (average yearly temp of 26°C), and a vibrant and diverse community which offers exciting culinary delights, you need to come to Carnarvon and 'Catch a Taste of the Great Life'.

Carnarvon is located 902kms north of Perth, sitting approximately 4m above sea level and positioned right on the edge of WA's Coral Coast, in the centre of the Shark Bay and Ningaloo World Heritage areas. Carnarvon is the only town in Australia where the central desert reaches out to the sea. Carnarvon's population census is approximately 9,046 (2,145 rural and 6,901 urban). Carnarvon's tidal range is approximately 0.1m to +1.8m.

HISTORY

His Excellency, the Governor, Major General Sir Douglas Anthony Kendrew, K.C.M.G., C.B., C.B.E., D.S.O., united the municipalities of the Town of Carnarvon and the Shire of Gascoyne – Minilya to form the Shire of Carnarvon. The Order of Council was published in the Government Gazette on 12th February 1965 and effective on the 1st March 1965. At the time of amalgamation Mr C W Tuckey was the President with Mr G G Craig as Deputy President until the first elections of the Council on the 22nd May 1965.





COUNCIL

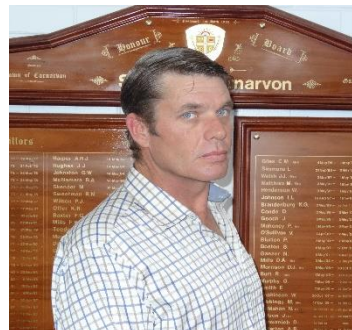
A total of 12 Council Meetings are held in any one year, with 10 Council meetings being held on the fourth Tuesday of each month in the Council Chambers in Carnarvon commencing at 8.30am. The other two meetings are convened on the fourth Tuesday at Bill's Tavern Function Room in Coral Bay at 10.30 am, usually being the months of May and October. All members of the public are welcome to attend.

All Council meetings include a provision for 'public question time' catered for at the beginning of the meeting.





YOUR COUNCIL MEMBERS – 2018/2019



Top – President Karl Brandenburg
 2nd Row – L-R (Dep. President Cr Ed Garrett; Cr Phil Youd; Cr Kristin Pinner)
 3rd Row – L-R (Cr Luke Skender; Cr Kane Simpson
 Bottom Row – L-R (Cr Eddie Smith; Cr Burke Maslen)



SUMMARY OF ELECTED MEMBER ATTENDANCES COUNCIL MEETINGS 1 JULY 2018 TO 30 JUNE 2019

MEMBER	MEETINGS HELD DURING OFFICE 2018/2019	ATTENDANCE		%
		ATTENDED	LOA	
BRANDENBURG, K COUNCILLOR – TOWN WARD	14	13	0	93%
GARRETT. E COUNCILLOR – TOWN WARD	14	13	0	93%
SMITH, E COUNCILLOR – TOWN WARD	14	13	0	92%
SIMPSON, K COUNCILLOR – CORAL BAY WARD	14	12	0	85%
SKENDER, L COUNCILLOR – PLANTATION WARD	14	13	0	93%
MASLEN, B COUNCILLOR – GASCOYNE/MINILYA WARD (ELECTED 14 SEPTEMBER 2018)	10	10	0	100%
PINNER, K COUNCILLOR – TOWN WARD	14	13	0	93%
YOUD, P COUNCILLOR – TOWN WARD	14	13	0	93%



SENIOR STAFF

Council has one designated senior employee position in accordance with section 5.37 of the Local Government Act 1995. For the year ended 30 June 2019 this is the Chief Executive Officer Mr David Burton.

The Shire of Carnarvon also employs approximately 90 full time equivalent (FTE) staff. These include an array of multi-skilled staff for road maintenance and construction, maintenance town parks and gardens, finance, governance, statutory planning, statutory health and building services, ranger services, waste management, asset management, community development and youth services, airport operations, tourism and entertainment, administration, maintenance and cleaning of public buildings.

Regulation 19B of the Local Government (Administration) Regulations 1996 requires the annual report to contain the details of the number of employees of the local government entitled to an annual salary of \$100,000 or more in bands of \$10,000 for each such band over \$100,000.

Salary Range 2018/2019	Number
\$100,000 - \$109,999	0
\$110,000 - \$119,999	0
\$120,000 - \$129,999	2
\$130,000 - \$139,999	2
\$140,000 - \$149,999	0
\$150,000 - \$159,999	0
\$160,000 - \$169,999	0
\$170,000 - \$179,999	0
\$180,000 - \$189,999	0
\$190,000 - \$199,999	0
\$200,000 - \$209,999	1



INTEGRATED PLANNING UPDATE

Strategic Community Plan 2018-2028

The Local Government Act 1995 requires the Council to plan for the future needs of the community. A full strategic review is required every four years and half-way through the four-year cycle a “desk-top” Strategic Review must be undertaken.

The diagram demonstrates the planning cycle and how the plans fit together.

During the 2017/18 year the full strategic review was undertaken with particular emphasis on the community engagement necessary to ensure that the planning reflects the aspirations of the community.

Early in the new financial year 2018/2019 the following plans were completed –

- Strategic Community Plan – taking a high level strategic perspective to look out at least 10 years;
- Corporate Business Plan – fully costs, four year work plan across the range of projects programs and services provided by the Shire.





SERVICE ACTIVITIES

Our Service Activities



Corporate & Community Services

Finance
Customer Service
Community
Club Development
Youth
Library Services
Procurement
Records
Airport Reporting
Telecoms

FINANCIAL SERVICES

The Finance Team is responsible for the day to day management of the many financial and accounting functions including Creditors, Debtors, Rates as well as ensuring the compliance with the Accounting Standards, the Local Government Act and Regulations. They prepare accurate financial information for the preparation and the compilation of the Annual Budget and the Annual Financial Statements in preparation for the Audit.

CUSTOMER SERVICE

The customer service team are the first contact point for visitors to the Council building in Frances Street. They are available to address queries, direct visitors to the correct department and to receipt payment for customers. The team answer queries over the phone or in person for a multitude of issues.

GOVERNANCE - PROCUREMENT

The Governance Group has been focused on ensuring that the procurement of the Shire is completed in compliance with legislation and in accordance with the Council's policies and procedures. Numerous tenders and requests for quotation were undertaken with a strong emphasis on the management of contracts and leases. The purchasing function ensured that the raising of purchase orders was efficient, compliant and timely.

RECORDS MANAGEMENT

The Central Records module in SynergySoft is the key electronic record keeping system for the Shire and the main focus has been to progressively gather all the required records together. Central Records can be used to store and retrieve files through the function "Keywords for Council" that enable the Shire to build up and share the corporate knowledge required for a progressive local council.

INFORMATION TECHNOLOGY

The IT staff continued to improve and maintain the Shire's IT systems allowing the Shire to effectively carry out its duties to the community. The IT team has managed to keep the Shire's IT infrastructure up to date with the modern infrastructure and using the benefits of cloud-based systems to improve the performance and efficiency of the systems. They have spent significant amount of time in improving the connectivity between the other Shire sites and continuing to do so in the future to provide quality of service to the community. The importance of data protection has been noted and thus we have established external back systems with our suppliers. It continues to be vital area for the Shire with the expansion underway to the existing Telstra migration to NBN. The IT team is always looking for new ways to enhance and improve the Shire's system which will increase staff productivity.

Throughout 2018-2019, the community development team have been actively engaged in the community. The team has been involved in a large number of events & festivals and works in collaboration with many individuals and organisations throughout the community. The Shire again provided events such as Australia Day, Christmas Street party, and Seniors Week, which were all a great success and brought the community together.



Community Growth Funds grants again supported the community through events such as Winning Bush Gymkhana, Gascoyne in May, Gascoyne Dash, NAIDOC week and the Gascoyne food festival, which all contributed to our economy and tourism.



A momentous milestone for the Shire of Carnarvon was the signing of a Memorandum of Partnership with the Yingarrda Council Aboriginal Corporation. The Yingarrda people are the traditional owners and custodians of the land on which Carnarvon was built, and the Shire is committed to working closely with the Yingarrda people now and into the future.

The Lock Hospital tragedy is a significant part of our sad

history. The Lock Hospitals, on Bernier and Dorre Islands off the coast of Carnarvon, were the site of trauma inflicted on the Aboriginal population from the across the state. Aboriginal people were forcibly placed on these remote islands. The Shire of Carnarvon has worked with community members to recognise and remember these tragic times through the installation of the 'Don't Look at the Islands' sculpture, which is located at the Carnarvon Heritage Precinct near One Mile Jetty. We thank LotteryWest for supporting this project.



LIBRARY AND ART GALLERY

The Library continues to engage with our community in delivering high-quality comprehensive Library Services, in keeping with the Community Strategic and Business Plans. Our partnership with the Mid-West Libraries Consortium has continued to evolve, allowing improved sharing of resources and the delivery of quality professional development through cost-sharing. Additionally, the acquisition of new audio-visual and recording equipment has allowed us to continue expanding the array of programmes and events we are able to offer, including Digital Literacy tuition, Teens' Book Club and Manga Classes and the ever-popular LEGO and STEM Clubs.

YOUTH SERVICES

Carnarvon Youth Services has a "Girls Group" which has approximately 5-10 girls attend on a weekly basis and this program has provided young females with life skills such as cooking and cleaning, social skills and mentoring throughout the year.

After school drop-in programs at the Jim Richards Pavilion continued to be well patronised, while On Country Camps for boys. The On-Country Camps see groups of around 10 young men spend 5 – 7 nights living "on country" with exposure to traditional language and cultural activities.

Carnarvon Youth Services has also been working closely with Edmund Rice Education Australia Youth Plus which, has been a great success in 2019 and will hopefully continue to grow in 2020.

Friends of Local History Volunteers – December 2018



Makers’ and ‘Yagu Gurlbarl’ through ART ON THE MOVE, Raymond Edney’s solo exhibition, Gascoyne Food Council’s Artist-in-residence Sue Helmot and another highly successful return for the ‘Carnarvon Quilts and Ceramics’ group.



Distinguished guests visit local artist Raymond Edney’s Exhibition: Soul Country June 2019 - Creative Grid Project

The Gallery also achieved another milestone when it was selected as one of seven regional galleries to participate in the Regional Exhibition Touring Boost, a project managed by the Department of Local Government, Sport and Cultural Industries, supported by Royalties for Regions and delivered in partnership by ART ON THE MOVE and the Art Gallery of Western Australia. Carnarvon Library and Gallery is scheduled to receive the first capsule exhibition ‘How Did I Get Here?’ in May 2020.

AIRPORT

2018/2019 has seen the Airport continue to provide a valuable service to the Community of Carnarvon. REX has provided almost six hundred (600) flights over the twelve month period. RFDS has made one hundred and ninety three (193) visits providing medical transfers to Geraldton and Perth ensuring members of our community receive the best possible treatment available. In addition thirteen hundred (1300) general aviation and air force landings were recorded. Works were completed on the runway strips ensuring they meet current standards.



Our Service Activities



Development Services

Paul Lees (Executive Manager, Development Services)

PLANNING
BUILDING
ENVIRONMENTAL HEALTH
RANGERS
ECONOMIC DEVELOPMENT
VISITOR CENTRE
ENTERTAINMENT
EMERGENCY



BUILDING

The Shire's building services responsibilities are currently being provided through the contracted services of the City of Greater Geraldton (CGG). The receipt of permit applications and general building enquiries has continued to be provided through the Shire's Customer Service Centre at Francis Street. CGG's contracted Building Surveyor continues to visit the Shire on a regular basis for one on one discussions with builders and developers, and to undertake site inspections.

Building Services Activity 2018/ 2019

Activity	2015/2016	2016/2017	2017/2018	2018/2019
Permits Approved	309	148	96	116
Swimming Pool Fences Inspected/Compliant	81	17		19
Building Orders		1		
Estimated Building Value	\$15352370	\$9,150,481	\$5,126,949	\$50 022.61

CARNARVON AQUATIC CENTRE

Total Attendances

	13/14 Actual	14/15 Actual	15/16 actual	16/17 actual	17/18 actual	18/19 actual
Sept	0	196	754			0
Oct	1249	2,059	5,872	3,410	3517	484
Nov	1776	3249	4981	3592	5379	2231
Dec	2362	3241	2670	2898	2913	2312
Jan	3608	5456	3549	3853	3518	5199
Feb	1873	4410	5360	3190	3350	3119
Mar	1503	1929	3424	2946	4251	5846
Apr	893	1637	1838	1858	1532	2407
TOTAL	13264	22177	28448	21747	24460	21598

Aquatic Education

RLSS of WA Endorsed Swim School - Carnarvon Swim School

869 Participants 5936 Attendances 27% of Total Attendances

Swim & Survive

Carnarvon Swim School successfully co-ordinated our own Swim & Survive Vacation lesson in January. Two Series comprising of 10 days each were offered to families. Enrolments exceeded expectation with 101 students enrolling in the first series, and 96 students enrolling in the second series (110 students were the maximum capacity). Costs were kept to a minimum; \$20 per series to ensure as many families as possible could afford the enrolment fee.

Infant Aquatics

Infant Aquatics uses songs, games and activities to ensure bubs experience a variety of skills including pool entry, floating, breathing and movement. A total of 31 bubs and carers joined the Infant Aquatics Program during the 2018–2019 season. Bubs and carers thoroughly enjoyed the lessons and made new friends; with bubs feeling more comfortable in the water as the program progressed.

Adult Learn to Swim Program

Adult Learn to Swim lessons provide participants with the opportunity to learn to swim if they are a complete beginner or have limited swimming experience. The lessons included 3 people who had never swam before, the participants were introduced to the four survival strokes, rescue and survival skills, entry's and exits, and have gained in water confidence over the 12 weeks lesson period. The Adult Learn to Swim program will be expanded next season with expressions of interest from 18 adults, with the previous participants continuing with their lessons next season with the aims of improving their stroke technique and endurance.

Bronze Medallion Courses

The Royal Life Saving Society Bronze Medallion is recognised as the minimum standard for a qualified lifesaver. Nagle Catholic College & Carnarvon Community College years 11 & 12 students participated in a Bronze Medallion program during Term 1 of 2019. Students attended once a week with most successfully completing their Bronze Medallion qualifications. The Bronze Medallion program is a useful program for identifying possible new lifeguards for next season.

Carnarvon Community College year 11 student and Shooting Star Latisha Ranger excelled at the Bronze Medallion program and will be commencing employment at the Aquatic Centre in the 2019-2020 season.

CPR Resuscitation Courses & Competency Swim Assessments

Numerous CPR Resuscitation courses were conducted throughout the season at the Centre for members of the community.

A Competency Swim consists of a set of specified aquatic related outcomes to be assessed and certified by a Qualified Aquatic Trainer. Several Competency Swim Assessments were carried out at the Centre this season by Pilbara Regiment, Clontarf, Education Department and Mareterram Fisheries, who have introduced Competency Swims for all their masters and crew.

Interim Lessons

Interim Swimming lessons is a 2-week block of lesson provided by the Department of Education WA to all Government primary school children free of charge. Private schools in regional WA also have access to the same lessons free of charge.

An Austswim Course was organised by Centre management for the beginning of February 2019 with practical experience teaching under the supervision of a qualified teacher.

All Austswim Candidates successfully completed their practical hours and we were able to offer lessons to all five Primary Schools in our area during Term 1:

- 500 students
- 26% CALD
- 27% Indigenous
- 5% Special Needs.

New Equipment

Centre Management purchased the following new equipment:

- Swim Teaching Platform
- Lap Lane Signs
- 2 QCPR Resuscitation Manikins.

Swimming Carnivals

The Centre hosted Swimming Carnivals for all Primary Schools during the season. St Marys held Swimming Carnivals in November, Term 4, 2018 and in Term 1, 2019. They were joined by Carnarvon Christian School and Carnarvon Community College who both held carnivals during March and April in Term 1, 2019. All 3 Primary Schools plus the School of the Air students joined together for an Interschool Carnival at the beginning of April 2019. All carnivals were well organised by the schools and ran smoothly with the students involved having a great time competing against each other.

Carnarvon Amateur Swim Club – CASC (2088 attendances – approx. 10% of total attendances)

There was a delayed start to the 2018-2019 season due to the major plant upgrade at the Centre; Shire staff worked with CASC to allow pool access on a restricted hours basis to ensure that members could train for the Gascoyne Open in Exmouth that was held in early November.

CASC membership numbers are almost at capacity with all Junior Squads having a waiting list. Coaches conducted 23 weeks training during the season and the Club hosted 8 'Time Trial Nights' and 'Club Championships'. As noted earlier a team travelled to Exmouth at the beginning of November for the Gascoyne Open and then to Tom Price at the end of the month for the Pilbara Championships. CASC members performed well at both competitions achieving personal best times (PBs) and a few medals.

CASC held a Christmas Party for its members in December. Fun and Games were organised by the coaches for the children while committee members and parent helpers prepared a BBQ meal for everyone. Junior Dolphin members enjoyed dressing up as Lifeguards and patrolling the pool deck for the night.

Comps Competed:

- Country Championships and the Rookies Meet
- Country Pennants
- Club Championships
- Nor-West Open
- Gascoyne Open

Aquatic Centre Hires and User Groups

- WACHS, Carnarvon Physiotherapy Aqua Aerobics: 31 Participants, and 423 attendances
- Birthday Party's: 41 parties over the season
- Clontarf Academy
- Shooting Stars
- PCYC
- You & Me Playgroup

Major Projects & Maintenance Works

The following projects and maintenance works were undertaken at the Centre:

- Remote controlled shutters installed to the kiosk allowing staff to easily open and close; and providing increased security
- Handrails were installed at Toddler Pool to ensure compliance with the Code of Practice
- Two sections of grass were improved and received upgraded reticulation
- The plant room upgrade included:
 - a. Filter maintenance with installation of new filter sand
 - b. Installation of new pipework and a 5-way valve system

- c. New chemical dosing system, lint filter, electrical control board and variable speed drive, balance tank foot valve, and chlorine/pH probes
- A new door was installed to improve access and ventilation, and a new concrete pathway installed.

CARNARVON CIVIC CENTRE

The Civic Centre enjoyed a very successful 2018/19 year with approximately 3,540 people visiting the centre to see either a live performance or enjoy a movie; along with these events a total of 26 event hires were delivered.

The Civic Centre received grant funding from the Department of Local Government Sport and Cultural Industries to produce a music festival. With the help of this funding in 2018/2019 Centre staff produced a major event that is expected to become an iconic event for Carnarvon. The event “This Life Music Festival” was a resounding success with great accolades, reviews and attendee feedback, with event goers asking for a yearly repeat of the festival. The Festival which provided over 6 hours of live music was widely promoted on GWN with 500 tickets going on sale. The tickets were released in stages with early bird sales at \$55 per ticket, second run was at \$79 and the remaining 300 tickets sold at \$99. The creative set up of the Civic Centre car park provided an amazing in town venue for the event.

The “This Life Music Festival” featured:

- A popup restaurant
- Bar supplied by the Carnarvon Bowling Club
- Bands
 - Local band Black Jacks
 - Rai Thistlethwayte
 - Adam Harvey
 - Billy Joel Tribute
 - Proud Mary, Creedence Clear Water Revival Tribute
 - Bon but not Forgotten, ACDC tribute



Live Shows and Events for 2018/2019

Carnarvon Civic Centre hosted a number of live shows, movies and community event hires throughout the year.

- **Community Events** (ticket sales 500)
 - This Life Music Festival
 - Heartland Cartography
- **Camel Lane** (ticket sales 157)
 - Journey in Wonder – The Young King
 - Taste of Ireland
 - Comedy Gold
 - The ABBA Show – by Abbasolutely Fabbaulous
 - Skylab - simulcast
 - Can you put a price on paradise?
 - Bali
- **Woolshed** (ticket sales 451)
 - Great Danes – ‘Aborigilol’
 - The Beggars” (Seekers Tribute)
 - B2M – Mamanta National Tour
 - Kevin Bloody Wilson – Woolshed
 - Billy Joel Tribute Show
 - Led Zeppelin Experience - Hammer of the Gods
 - Songs and Tales of Grumpy Old Men
- **Movies** (30 movies with ticket sales of 2431)

- **Hires** (Number of hires: 26 in total, 8 at Camel Lane, and 18 at the Woolshed)
 - Bogan Bingo
 - NADOC Community Concert
 - Christmas parties and concerts
 - Children’s Week 2018 – Reduce, Reuse, Recycle
 - Burlesque – Tropical Ball

ECONOMIC AND TOURISM

During the 2018/19 financial year the Carnarvon Visitor Centre launched the “This Life” events campaign which reached more than 1.1 million people across Social Media, Radio, TV and Print. The increase of exposure for the region led a spike in website views at the destination website www.carnarvon.org.au, reaching just under 100,000 views for the 2018/19 financial year. The website has been upgraded to reflect the increased visitor demand; this led to an overall reach on social media, reaching 20,000 followers on Instagram and 5,000 on Facebook. On average, Instagram alone reached 2,312,894 people.



The Carnarvon Visitor Centre has also continued to provide excellence in all areas of service, promotion and the facilitation of tourism to visitors to the region. The Centre served 53,712 visitors, which an 8% increase from the 2017/18 financial year. This service is aimed to assist the local tourism industry and Visitor Centre business by better enabling the promotion of the Carnarvon region.

Booking activity for this financial year was:

Region – 2017/18 Financial Year	No. of Nights	Ave spend per night	No. of Bookings
Coral Coast Region	1770	\$202.81	1249 – Average consumer staying 1.42 nights
Region – 2018/19 Financial Year	No. of Nights	Ave spent per night	No. of bookings
Coral Coast Region	1337	\$219.27	1166 – Average consumer staying 1.62 nights

EMERGENCY SERVICES

The Shire’s Community Emergency Services Manager (CESM) Matthew Holland resigned from his position in August 2019 after gaining the position of DFES Area Officer Carnarvon. Mr Warren Hatt is currently acting in the CESM role until the end of the cyclone season.

Central to the CESM role is liaison between the Gascoyne Shires, Hazard Management Authorities and other stakeholders. Regular Local Emergency Management Committee (LEMC) meetings and exercises ensure that the activities of the Shire’s are sufficiently co-ordinated.

PREVENTION

The Shire has continued to assist DFES with bushfire mitigation burns on Crown land around the Carnarvon townsite with the most recent being completed in April 2019. In addition to this, planning of future bushfire mitigation measures has commenced with a firebreak being installed and the existing tracks maintained in preparation for further mitigation burns coming into the winter season.



PREPAREDNESS

The Shire is nearing the completion of the State Emergency Management Committee’s State Risk Project workshops. The three workshops cover the event of:

- Gascoyne Flood Intelligence
- Cyclones
- Bush Fire

The project is part of an enhanced focus by the State and Shire on raising the level of preparedness in the community for natural disasters.

With the addition of a number of new staff, DFES has continued to train staff in the 'Australasian Inter-Service Incident Management System' (AIIMS) to enhance the Shires preparedness emergencies.



RESPONSE

The Shire is responsible for the response to fire incidents outside of the Carnarvon townsite through the Gascoyne River Volunteer Bushfire Brigade and with Shire personal and equipment.

The table below provides information on the number of incidents that the Brigade attended in 2018/19:

Unit	Primary Response	Support Roles
Gascoyne River BFB	5	22
Shire of Carnarvon	3	8
Total	8	30

The Shire has been supportive of the development of the Gascoyne River Volunteer Bushfire Brigade through regular training, PPE purchased through LGGs grants and the establishment of the Brigade Facebook page.

RECOVERY

The Shire has finalised the Local Recovery Plan (LRP) and the Local Emergency Management Arrangements (LEMA) for Carnarvon with these being approved by Council and accepted by the District and the State Emergency Management Committees.

ENVIRONMENTAL HEALTH

The Shire's environmental health services consist of a diverse range of primarily regulatory roles relating to the protection of public health and wellbeing, and the protection of the environment. They can be divided into various broad subject areas:

- Built environment
- Water and waste
- Food safety
- Infection control and infectious diseases
- Animals & pests (including mosquitoes)

Built Environment

Public Buildings

The District has sixty-three (63) formally identified public buildings:

- Four (4) public building inspections were conducted.
- One (1) approval to alter a public building was issued (major renovation)
- Two (2) new Certificates of Approval were issued.

Events

- Two (2) events were assessed, approved and inspected.
- One (1) approval to exceed noise standards was issued - This Life Festival.

Lodging Houses

- The District has approximately twenty-three (23) accommodation facilities that are classified as 'lodging houses' under the *Health (Miscellaneous Provisions) Act 1911*. This includes eight (8) that are associated with a caravan park facility.
- Carnarvon town has fourteen (14) lodging houses, Coral Bay has four (4) and the remote areas have five (5) lodging houses.
- Twenty (20) lodging house registrations were renewed during the reporting period and two (2) lodging houses were inspected.
- Five (5) lodging house inspections were conducted during the year.

Caravan Parks & Camping Grounds

- The District has twenty (20) caravan parks/campground facilities of which eleven (11) are caravan parks, one (1) is a campground (for groups only) and eight (8) are nature-based parks.
- Carnarvon town has seven (7) caravan parks. Coral Bay has two (2) caravan parks and one (1) campground (for groups only). Remote areas include two (2) caravan parks (on the highway) and eight (8) nature-based parks.
- Two of the nature-based parks are operated by the Shire (Blowholes and Bush Bay/New Beach) and are not required to be licensed but are still required to be inspected and comply with the requirements for nature-based parks.

Water and Waste

On-site wastewater management

- The Shire is the regulatory authority for the onsite management of sewage and wastewater.
- Ten (10) applications to install onsite wastewater systems (e.g. septic systems) were approved.
- One (1) request for permission to modify an existing system (e.g. replace leach drains) was approved.
- At least 15 inspections were conducted

Aquatic Facilities

- While the Department of Health is the primary regulatory authority for the design and management of aquatic facilities, Shire EHOs are responsible for regular water testing and may also assess facilities against the Code of Practice relating to the operation and maintenance of the facility and may undertake enforcement action where required.
- Aquatic facility water testing/sampling is performed on a regular basis.

Drinking Water

- The Shire is the regulatory authority for non-scheme drinking water supplies and the Shire EHOs provide advice, professional assistance and direction for the management of water under the Australian Drinking Water Guidelines. EHOs liaise with the Department of Health in relation to any complaints received about scheme drinking water supplies.

Recycled Effluent Scheme

- Shire EHOs provide professional advice regarding the compliance and risk management of its Recycled Water Scheme for the irrigation of parks, ovals and public lawn areas.
- EHOs provide advice in consideration of the National and State guidelines and the Carnarvon Recycled Water Scheme Approval issued by the Department of Health.
- A coordinated recycled water testing program was conducted between the Shire of Carnarvon and Water Corporation as part of a verification and validation process to achieve WA Department of Health approval for the installation of new plant equipment.

Surface Waters Monitoring

- Fascine water and sediment was sampled and sent to a laboratory for chemical analysis several times during the Fascine dredging project. No specific chemical contaminants were identified it passed the screening for acid-sulphate soils.

Waste Facilities

- EHOs provide professional advice and assistance to the Shire in regard to the compliance and environmental risk management of its waste facilities (Brown Range and Coral Bay), and they liaise with the Department of Water and Environment Regulation in regard to the licensing and compliance of the waste facilities.
- EHOs also assess proposals for bulk waste disposal at the tip, which includes checking that the contaminant levels of the proposed bulk waste are within the allowable levels for class 2 landfills and that the waste is generally in accordance with the licence conditions.

Food Safety

Food businesses

- There are fifty-nine (59) registered food businesses in the District.
- Five (5) new food business registration certificates were issued.
- Fourteen (14) food business inspections were conducted.
- Several retail food product labels (for locally manufactured products) were assessed using the new food label assessment tool.

Infection control and infectious diseases

Personal Appearance Services

- Skin penetration establishments may consist of critical procedures (e.g. tattoo, body piercing) or semi-critical procedures (manicure, pedicure, waxing etc). These categories relate to the risk of blood-borne disease transmission.
- EHOs may inspect from time to time but primarily responds on a complaint basis.
- The Shire's register indicates there are no tattooists in the district and there only three (3) body piercers (two (2) are ear lobe only).
- There are numerous beauty therapy practitioners who perform semi-critical procedures.
- There were no complaints in relation to health and hygiene of beauty therapy.

Animal Management

Mosquito Management

- In the summer of 2018-19, there were some local infestations of the common brown house mosquito which were investigated by EHOs. A major source of local breeding was identified and sealed off to prevent further breeding.
- From April 2019 through to July 2019, saltmarsh mosquitoes were identified throughout Carnarvon and surrounds.
- Some mosquito trapping was conducted to confirm the species of mosquitoes.
- The aerial surveillance and treatment program are progressing in the 2019-20 year.

Other Animals of Public Health Significance

- EHOs may respond to complaints, investigate infestations and provide advice for the management of other animals or pests such as pigeons, rodents, bed bugs, ticks, lice, fleas, mites, scabies and cockroaches.
- EHOs will refer to official guidelines such as the 'Arthropod Pests of Public Health Significance in Australia (2013)' and may obtain advice from Department of Health officials or particular experts in dealing with individual cases.
- EHOs may also assist the Shire in its duties relating to the management of declared pests under the *Biosecurity and Agriculture Management Act 2007*.
- **Biting midge:** The financial year started with a period of biting midges prompted by the July winter rains.
- **Bees:** EHOs responded to a number of honeybee swarms in public areas. These swarms were kindly removed by Keith Collier. One in front of the Visitor Centre, and two in the old trees on Alexandra St (the higher of which was left alone).

A swarm of bees outside the Carnarvon Visitor Centre was professionally removed by Keith Collier 14/12/18



- **Pigeons:** A visible increase in feral pigeons in Carnarvon has prompted the Shire to commence a pigeon control program. An initial pigeon control project plan has been prepared and it is expected that the results for eradication will be positive.

PLANNING AND DEVELOPMENT

The Shire's Planning Services team perform a diverse range of statutory and strategic roles, including assessing Development Applications against the relevant statutory requirements, and initiating/processing planning scheme amendments, and site-specific development controls such as Local Development Plans for proposed development projects.

Draft Local Planning Scheme 13 was endorsed by the Shire Council on 24 September 2019 and in accordance with the s28 of the *Planning and Development Regulations (2015)*. A summary of the draft Scheme was advertised and received a number of public submissions. The Shire's responses to the submissions has been forwarded to the Western Australian Planning Commission. The Commission is currently considering the draft Scheme documentation and will submit its recommendations to the Minister who is the Scheme approval authority.

With the support of Council, Planning Services has seen the facilitation and approval of development applications for Optus and Telstra telecommunication towers associated with the Federal Government's Mobile Black Spot Program with the expansion of the 5G network. This initiative will ensure the delivery of terrestrial mobile, voice and high-speed wireless data broadband which will improve mobile coverage in remote areas of the District.

Planning Services continues to ensure all development within the Shire is compliant with the Local Planning Schemes and State regulations. There has been an increase in the quality of Development Applications over the last year; this allows officers to more easily access the applications and issue approvals or reports to Council.



The summary table below illustrates the number of statutory planning matters undertaken by the Shire (includes the 2018/19 year - note the figures for Scheme amendments are for the year initiated not the gazettal year):

Application Type	2015/16	2016/17	2017/18	2018/2019
Development Applications	75	53	37	33
Subdivision Referrals	4	2	1	
Scheme Amendments	3	0	5	2

RANGERS

Ranger Services have had another busy year with a considerable increase in the statistics from last year. Our resources have been required to address matters relating to cats, dogs, livestock, reptile removal, illegal campers, litter, off road vehicles, fire hazard compliance and parking. Rangers have also assisted external departments such as the RSPCA, Department of Biosecurity, Conservation and Attraction, SAFE Carnarvon, Carnarvon's Wildlife Officer, Volunteer Bush Fire Brigade, Carnarvon Police and Fisheries.

Dogs currently registered with the Shire are 669. This is a huge increase last year's 325 registered dogs. Eighty-one (81) cats currently registered with the Shire. This has also increased from last year's twenty-eight (28) registered cats.

Below is a summary of the animals we have had through the pound, including dogs, cats and livestock. It should be noted that a high percentage of the animals euthanized are feral, extremely aggressive, diseased or have injuries that prevent re-homing.

DOGS - 1/7/2018 - 30/6/2019	
Total Impounded	187
Returned to owner	120
Euthanized	23
Rehomed through SAFE Carnarvon	44
Infringements Issued	50
Declared Dangerous Dogs	6



CATS - 1/7/2018 - 30/6/2019	
Total Impounded	169
Returned to owner	5
Euthanized	134
Rehomed through SAFE	28
Infringements Issued	0



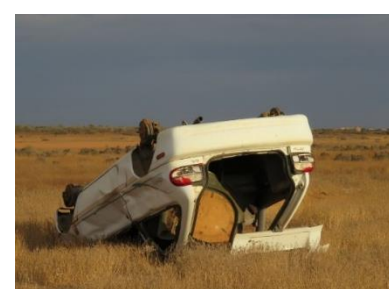
LIVESTOCK - 1/7/2018 to 30/6/2019	
Total Impounded	35
Returned to owner	27
Euthanized	1
Rehomed	7



Snakes - Our two new Rangers, Michael and Blair, have successfully completed a snake handling course with Brian Bush from Snakes Harmful and Harmless. This training is invaluable as during the warmer months numerous snakes and reptiles are removed from properties on a weekly basis.

This year twenty-six (26) snakes have been successfully and safely relocated. There were fourteen (14) reports where the snakes were not found, many of these reports were made days after the snake sighting or the reporter did not keep an eye on where the snake went.

INFRINGEMENTS ISSUED 1/7/2018 - 30/6/2019	
Illegal Camping	100
Dog	
Dog attack causing no injury	11
Dog attack causing injury	7
Other	32
Cat	0
Litter	1
Parking	50
Bush Fire	3
ORV	0
TOTAL	204



ABANDONED VEHICLES - 1/7/2018 to 30/6/2019	
Impounded	14
Fees paid & returned to owner	0
Removed before towing	9
TOTAL REPORTS	23

Parking – The only area where illegal parking is a continual issue is on the lawns associated with Robinson Street, Carnarvon. Although fifty (50) infringements were issued this financial year, countless verbal warnings have also been given to tourist and locals. New signage has been installed which will make it clear that parking on the lawn is not permitted.



Fire – With the assistance of Warren Hatt (Shire’s A/g CESM) and Matthew Holland from DFES, the Shire’s Firebreak Notices were upgraded this year with the restricted fire season brought forward to 1 October 2019. A fire information booklet was also created by the Rangers to help educate the community on their responsibilities of property owners.



Burning Permits are issued on a regular basis from 1 October onwards each year. Upon inspection, Rangers have found that residents have been intending to burn piles of plastic and other items that are environmentally harmful. This shows the need for further education on the hazards of burning potentially toxic substances. A number of warnings regarding fire hazards have been given each year, with visits to properties considered a fire hazard to explain what their responsibilities are as a property owner and what can be done to reduce the risk.



DFES have completed fire mitigation work on several Shire reserves, with the assistance of the Carnarvon Volunteer Bush Fire Brigade and Shire Rangers.

Wildlife – Carnarvon Rangers have assisted several external Departments when they have not been able to attend. Some of these include the RSPCA, DBCA, Wildlife Protection Branch, Parks and Wildlife Services. The RSPCA’s closest inspector is in Walkaway. The Department of Biodiversity, Conservation and Attractions (DBCA) has moved their office to Shark Bay. The Wildlife Protection Branch, Parks and Wildlife Service’s closest officer is in Exmouth. Some of the animals the Rangers have helped rescue include turtles, pelicans, dolphins, bungarras, mountain devils, brown falcons, ducks and a few sea birds such as Pacific Gulls, Crested Turns and Sea Gulls.



Paul Lees
EXECUTIVE MANAGER, DEVELOPMENT SERVICES

Our Service Activities



Infrastructure Services

(David Nielsen – Executive Manager, Infrastructure Services)



WASTE
PARKS AND GARDENS
ROADS, STREETS, FOOTPATHS
CLEANING
ASSET MANAGEMENT
ASSET MAINTENANCE
BUILDING MAINTENANCE

Infrastructure Services has responsibility across core operational functional areas including roads, parks and gardens, waste management, building maintenance services and fleet operations. Following is a brief summary of some activities completed in these areas for the 2018/19 year.

FLEET MANAGEMENT

The MEX IT maintenance platform tool continues to assist and improve planning, programming and completion of fleet maintenance and repair works. Preventative maintenance and scheduled servicing are taken care of by this system with services raised automatically for action by the mechanics. The system ties to regular odometer and hour meter readings to determine just when servicing work is required. Over one hundred and eighty work orders were completed by the workshop team for the year ranging from simple light vehicle services to detailed extensive projects such as replacement of a wiring harness on the Shire grader and major overhaul work on the rubbish trucks, landfill compactor and street sweeper. Fleet reliability continues to improve. The skill and dedication of the workshop team must be recognised. Their ability to diagnose and repair immediate issues is match by a determination to minimise or eliminate similar future issues. An apprentice is planned for commencement in 2020 to try and retain this

BUILDING MAINTENANCE

Back to basics on Shire buildings maintenance continues. This dedicated team of two are found in constant attendance on a variety of small, large and sometimes unusual maintenance tasks. A day can progress from painting a door to changing out light bulbs to extracting pigeons from ceiling spaces. This is the go-to team for all things building related. The MEX IT maintenance platform has extended across most Infrastructure Services operations now and in building maintenance it is delivering improvements to community building service levels. Its ability to track and notify staff of key, simple maintenance activities such as inspections, preventative services and treatments simplifies administration reducing reliance on individual memories allowing staff to concentrate on service delivery and process improvement. Our staff team is well supported by competent and dedicated local trade services and contractors. All are worthy of recognition for their community service commitment.

ROADS AND WORKS

This team has had a busy year. Major road work completed for the year included continuation of road resealing in Carnarvon and Coral Bay. Funding through the Federal Roads to Recovery program, Main Roads WA Regional Roads Group funding and Shire of Carnarvon was used. Resealing typically occurs every 10-15 years. All Coral Bay Shire controlled roads were completed. Overall, less than 8% of Shire sealed roads have now not received a reseal in the last 10 years. Approximately 70% of Shire sealed roads have been resealed since May 2017, a significant accomplishment.



Work of the Shire's contractors Fulton Hogan must be acknowledged and in addition, they generously donated time and materials to reseal the Bowls Club carpark. Initial preparation work was completed by Shire staff as part of its ongoing support for community sporting clubs.

Main Roads WA and the Shire continued the jointly funded Regional Roads Group scheme to support strategic Shire road improvement works. Completion during the year of all resealing on the Blowholes road allows focus on that road to now shift to edge repairs and widening in 19/20. Development and improvement of the Quobba/Gnaraloo Road continued with improvements around the Red Bluff turnoff completed to raise and widen the road formation, construct a gravel pavement, remove a dangerous crest and realign the intersection. Quobba Gnaraloo road presents a significant challenge with the monies available simply not able to keep up with the growth in traffic. Lobbying for a sealing program for that road continues.

The year saw commencement of a kerb replacement program initially targeting South Carnarvon. The works team prepared sites for specialist kerb contractors and all concrete for the works was provided locally. This program will continue in 19/20. Footpath replacements occurred on sections of Camel Lane and Robinson, Whitlock and Francis Streets. Drainage work included camera inspection and high-pressure water cleaning of drains in the main street and Douglas street. Many were severely restricted by a build up of dirt and litter impacting upon the ability for stormwater pipes and pumps to operate correctly. Additional main street drainage works are required however we are in a far better position now than previously to cope with stormwater.

Development at Robinson Street Works Depot included a tender to dispose of more surplus plant and equipment, fencing replacement, installation of monitored security systems and upgraded security doors and windows and construction of bulk materials bunkers.

PARKS AND GARDENS



Parks and gardens staff maintain key community park and garden facilities, sports grounds, public toilets and verge areas. The fascine park and town beach areas require constant and careful attention from this team to maintain these community focal areas to a high standard. Vandalism in community public open spaces by a small minority of offenders continues to be an unfortunate and unnecessary blight on our community. The hard work and efforts to maintain and improve these spaces when spoiled by a thoughtless few is frustrating and disheartening. Please, report vandalism to Crimestoppers online or by calling 1800 333 000. Much vandalism activity is a crime, property damage. If this is not reported then it will never have any chance of being allocated additional community crime prevention and enforcement resources. *If you do nothing, you have guaranteed nothing will happen.*

The final stage of fencing work at the recycled water storage ponds was completed this year along with completion of a pond aeration system. Odour issues continued to hamper the recycled water irrigation system. The problem relates to algae growing in the storage and treatment ponds. This has been a source of frustration for residents, staff and the water supplier, Watercorp. It is understood that in 19/20, Watercorp plan installation of a new, modernised algae treatment system to resolve this issue once and for all.

Cricket returns to Premier Oval with installation of a new pitch and quality soft covers for use during football season. There were teething problems with the covers however confidence is high those issues are now resolved. Overall playing surface quality was improved by consistent work from grounds staff aerating, mowing, fertilising and watering in a delicate balance that requires a considerable allocation of community resources. Lighting repair and improvement continues at the sporting grounds with the first of lighting switchboard replacements completed at Premier Oval. High quality vandal resistant low energy consumption fitting installation work was completed at Premier Oval Pavilion.

FASCINE ENTRANCE CLOSURE

The Carnarvon Yacht Club's dredge "Community Spirit" continued the Fascine entrance dredging trial while acknowledgement at State level of the impact of the closure upon community gained momentum. Setbacks associated with the main pump and other mechanical issues delayed work for extended periods however the determination of the dredge team is simply without precedent. We all wish resolution of this issue would occur more quickly. That is rarely if ever the case however when significant public money is required. The trial has clearly demonstrated that a local solution is feasible and worthy of inclusion in any long-term plan. Limited access through the entrance at higher tide levels has been achieved. Supporting studies completed in early 2019 will guide and inform the Shire and the Department of Transport with evidence-based information and technical knowledge to support the necessary capital investment.



WASTE MANAGEMENT

Further improvement of the operation and management of the Browns Range waste facility was completed. Reviewing photos from previous years shows the progress completed. Overall the site is neater and cleaner with less windblown litter and better separation of waste types. The strategy is to reduce the quantity of material going to landfill firstly through reuse and secondly through recycling where possible and economically sustainable for a remote regional community.

A recycling initiative where all of us can contribute is with metal. Almost any sort of metal product can be recycled, from tin cans to white goods to car bodies. Separate metal out at home and take it to the tip. Its free to dispose of scrap metal. Scrap metal collectors come at least once a year to collect scrap and transport it to recyclers. Between April and July 2018 saw almost 1250 tonnes of scrap metal diverted from landfill. From December 2018 to January 2019 another collection of over 1000 tonnes was completed. A large hole full of metal was cleared out completely, a real landfill space saver. The tip shop is another great way to contribute to waste reuse. Despite the team having hardly had the chance to fully set this up, our community is already showing its willingness to participate. Prices are hard to beat and if there is something you think someone else can use, talk to the team. We would much rather see it reused than buried. All monies from the tip shop go directly back into the team's budget to purchase tools and equipment to help them improve their service doing their work more efficiently and effectively.

SUMMARY

The Infrastructure Services team remain a dedicated group of predominantly long-term residents. They take pride in their work, have a diverse range of skills, experience and knowledge and are called upon to carry out difficult, hazardous and unpleasant tasks. They are committed to purchasing local materials, services and equipment to support operations whenever possible. Please spare a thought for these work teams when they are operating on our roads, parks or buildings. Work is often hot, dirty, smelly or physically challenging. Despite minority uniformed opinion, fortune or fame is not territory encountered by local government staff, to the contrary. The last thing our teams need is abuse or physical danger particularly when they are at work on our roads. To all those in the community who have been supportive to our workers by respecting their workplace by slowing down and following traffic controls, by a kind word or encouragement, by a thank you or a cool drink offered on a hot day, thank you. It is sincerely and warmly appreciated.

David Nielsen
EXECUTIVE MANAGER, INFRASTRUCTURE SERVICES



STATUTORY REPORTS

DISABILITY ACCESS AND INCLUSION PLAN



The *Disability Services Act 1993 (amended 2004)* requires local governments to report on their Disability Access & Inclusion Plan (DAIP) achievements annually. The achievements for the year ended 30 June 2019 are listed below and grouped into the outcome areas addressed in the **Shire of Carnarvon Disability Access and Inclusion Plan 2016-2021**.

AIP Outcome	Actions Taken
1. People with disability have the same opportunities as other people to access services and events .	Ensured staff were aware of their disability access responsibilities
	Events are held in venues accessible to people with a disability. Shire offices and services are available for, and accessible to, people with a disability. Accessible toilets are provided within the Shire.
2. People with disability have the same opportunities as other people to access buildings and other facilities .	Ensured construction and renovations complied with the relevant disability access standards.
	Accessible parking spaces are available throughout the Shire.
	Other actions (please describe): Companion Cards holders have free access to facilities when accompanying a person with disability
3. People with disability receive information in a format that will enable them to access information as readily as other people are able to access it.	Complied with the State Government Access Guidelines for Information, Services and Facilities to ensure information was delivered in an accessible format.
	Made information available in alternative formats upon request. Plain English information available. Assistance provided with reading and completing forms where required, which may include engaging with an independent service for the person with a disability.
	Website information maintained in an accessible format.
4. People with disability receive the same level and quality of service from staff as other people receive.	Improved staff awareness of disability issues. Ongoing informal training and information provided.
	Provided training to customer service staff on how to support people with disability. Ongoing informal training and information provided
	Provided services on a flexible basis to meet the needs of people with disability. People able to contact the organisation through various means including telephone, in person, email, etc
5. People with disability have the same opportunities as other people to make complaints .	Accepted complaints in a variety of formats, such as by telephone, email, written or in person. Complaints accepted in any format. While people are encouraged to complete a complaint form this is not a requirement and complaints will be accepted over the phone, via email, in person, etc
	Resolved complaints in a timely and constructive manner. Customer Service Charter requires that complaints are acknowledged and responded to in a timely fashion
	Ensured that information on how to make a complaint was accessible for people with disability.

	Complaints accepted in any format
6. People with disability have the same opportunities as other people to participate in any public consultation.	Used accessible venues for public meetings.
	Ensured consultation materials were accessible for people with disability.
7. People with disability have the same opportunities as other people to obtain and maintain employment with a public authority.	Provided job related information in alternative formats upon request.
	Held interviews in an accessible venue.
	Telephone and Skype interviews where more appropriate for the individual needs.
	Workplace assessments conducted to support employees with disability.
	Modified work schedule and tasks as required.
	Access to the LGIS Counselling Service is provided as a free and confidential service for all staff.
	Other actions (please describe):
	Flexible workplace arrangements are in place for both people with a disability and carers.

STRUCTURE AND FUNCTIONS OF COUNCIL ESTABLISHMENT



The Shire of Carnarvon is established under the *Local Government Act 1995* and has the responsibility for the administration of this legislation across the district. Other significant legislation which falls to the authority of Council to act upon, includes:

- ✓ *Building Act 2012*
- ✓ *Bush Fires Act 1954*
- ✓ *Caravan and Camping Grounds Act 1995*
- ✓ *Cemeteries Act 1986*
- ✓ *Dog Act 1976*
- ✓ *Cat Act 2011*
- ✓ *Environmental Protection Act 1995 (delegated responsibilities)*
- ✓ *Food Act 2008*
- ✓ *Freedom of Information Act 1992*
- ✓ *Health Act 1911*
- ✓ *Litter Act 1979*
- ✓ *Planning and Development Act 2005*

Council

The Governance level of the Shire comprises the elected Council. The Shire President has a range of statutory functions as the leader of the Council. The President chairs all Council meetings and is supported by a Deputy President. The Shire President together with seven other Councillors duly elected from, and by, the community. The Council as a whole:

- ✓ governs the Shire's affairs
- ✓ is responsible for the performance of the Shire's functions
- ✓ oversees the allocation of the Shire's finances and resources
- ✓ decides the Shire's policies

This includes:

- ✓ Applying good governance principles to Council decision-making

- ✓ guiding the Shire organisation through the development of a comprehensive range of policies
- ✓ determining type, range and scope of projects to be undertaken by the Shire
- ✓ Developing the Strategic Community Plan, Corporate Business Plan and Long Term Financial Plan along with a Range of other plans to ensure a structured and carefully managed approach to the functions of the Council

In the making of these decisions, Ordinary Council Meetings are held on the fourth Tuesday of each month in the Council Chambers commencing at 8.30 am, other than the months of May and October each year where the Ordinary Council Meetings are conducted at Bill's Tavern Function Room in Coral Bay commencing at 10.30am.

Personal Involvement

Elected Members involvement often extends to representing Council on other regional or state bodies that includes:

- ✓ WALGA Gascoyne Country Zone (Regional)
- ✓ Gascoyne Regional Road Group
- ✓ Local Emergency Management Committee
- ✓ Gascoyne Joint Development Assessment Panel
- ✓ Aviation Community Consultation Group
- ✓ Carnarvon Land Conservation District Advisory Committee
- ✓ Gascoyne Development Commission Board
- ✓ Ningaloo World Heritage Committee

Standing Committees

At present the Council has four specific Standing Committees, listed below:

- ✓ Audit Committee
- ✓ Management Review Committee
- ✓ Awards Committee
- ✓ Community Growth Fund Committee

Occasional Committees and Working Parties

Council utilises Occasional Committees and Working Groups as a tool to address specific issues or guide projects as required.

Agendas

Meeting agendas, largely consisting officer reports and recommendations, are prepared for Council and Committee meetings. These agendas are distributed one week prior to the meeting date. Copies of the meeting agenda is also made available to the public prior to the meeting date in accordance with the *Local Government Act 1995* and can be obtained on Council's website at www.carnarvon.wa.gov.au

Delegated Authority

In accordance with provisions of the *Local Government Act 1995* the Council may delegate many powers to a Committee or the Chief Executive Officer (CEO) of the Local Government, with ability for the Committee or CEO to then further delegate the duty or responsibility to an officer of the organisation. For accountability, delegations are recorded in a register reviewed by Council annually and available for viewing by members of the public.

SERVICES TO THE COMMUNITY



Council provides an extensive variety of services for the community under a wide range of legislation. Services provided include:

- ✓ Airport services
- ✓ Youth services
- ✓ Aquatic Centre and water park
- ✓ Community events
- ✓ Club development
- ✓ Ranger services
- ✓ Bushfire control
- ✓ Emergency response and recovery coordination
- ✓ Entertainment (Live Shows and Movies)
- ✓ Tourist Information
- ✓ Building regulation
- ✓ Environmental Health services
- ✓ Library services
- ✓ Playground equipment
- ✓ Street sweeping
- ✓ Drainage infrastructure
- ✓ Public buildings for hire
- ✓ Street tree planting and maintenance
- ✓ Bush fire control
- ✓ Litter bins
- ✓ Roads, footpaths & kerbs
- ✓ Cemeteries
- ✓ Nature based camping areas
- ✓ Rubbish collection and landfill disposal
- ✓ Citizenship ceremonies
- ✓ Recreation grounds, parks and other reserves
- ✓ Land use planning and development controls
- ✓ Street lighting
- ✓ Public toilets
- ✓ Dog control

FREEDOM OF INFORMATION STATEMENT



This information statement is published in accordance with section 96 of the *Freedom of Information Act 1992*.

Access to Council Documents

The following documents are available for inspection at the Shire Administration Office, free of charge-

- ✓ Minutes and Agendas of Council and Committee meetings
- ✓ General Policy Manual
- ✓ Annual Budget
- ✓ Annual Report
- ✓ Annual Financial Statements
- ✓ Monthly Financial Statements
- ✓ Council Local Laws
- ✓ Town Planning Schemes and Local Planning Strategy
- ✓ Electoral Roll
- ✓ Financial Interest Register - Primary and Annual Returns and Declarations
- ✓ Tender Register
- ✓ Complaints Register



✓ Gifts Register

Requests for other information can be considered pursuant to the Freedom of Information Act, subject to formal application being lodged. This includes an application fee and search fee being lodged with a completed request form, unless the information is of a personal nature, or an exemption is granted under this legislation.

The table below illustrates all the FOI applications received by the Shire of Carnarvon in 2018/2019

Access Type	Personal	Non-Personal	Total
Access in full	0	2	2
Edited access	0	1	1
Access refused	2	0	2
No documents found	0	0	0
Withdrawn by applicant	1	0	1
Not finalised	0	0	0
Total	3	3	6

Most documents can also be accessed through the Shire of Carnarvon website at www.carnarvon.wa.gov.au .
For further information you can also visit the Office of the Information Commissioner website at www.foi.wa.gov.au



OFFICIAL CONDUCT REPORT



The *Local Government Act 1995* requires the Shire to report on the number of official conduct complaints recorded under section 5.121 of the Local Government Act 1995 during a financial year. The Shire of Carnarvon did not receive any complaints of this nature that resulted in action under section 5.110 (6)(b) or (c) during the 2018/19 financial year.

NATIONAL COMPETITION POLICY STATEMENT



The State Government has a Competition Principles Agreement in place, which is binding on local government.

This agreement requires the Shire of Carnarvon to carry out a number of procedures and include a report on the matter in Annual Report.

The three areas that affect Local Government are:

1. Competitive Neutrality - To remove benefits (and costs) which accrue to Government business as a result of their public ownership.
2. Structural Reform - Local government is required to reform the structure of publicly owned monopoly businesses where it is proposed to introduce competition.
3. Legislation Review - To review legislation that restricts competition.

The full requirements of the package are contained in a statement issued by the Department of Local Government and Communities.

COMPETITIVE NEUTRALITY



There are ways in determining if there is a “significant business enterprise” undertaken by the Local Government, namely:

1. Is revenue received from external sources that exceeds \$200,000 per annum? (In determining this amount, Council has been advised to disregard grant income, internal charges, and statutory fees).
2. Would any benefits be realised from the implementation of competitive neutrality that exceeds costs?

From an examination of the revenue statement for the Shire of Carnarvon for the subject period there is no apparent activity that satisfies this first part of the test, and therefore the principles of competitive neutrality do not apply to any of Council activities during the 2018/2019 financial year.



In this area, the Council has no monopoly activities. What is basic to the function of restructuring public monopolies is the splitting or division of the regulatory role from the service provision role.

To address the question of monopoly, the following test has been applied to each activity:

1. *Definition*: In regards to this service, does the Council have “exclusive or near exclusive control of the market supply of this service?”
2. *Dual Function*: Does the Council have both a regulatory and supply function in this area of activity?
3. *Willing competitors*: If the Council tendered for the supply of this service in the open market, is it likely that there would be a supplier willing to perform this service?

The Council does not have a dual function role in any of the following services:

- ✓ Airport operations
- ✓ Swimming pool
- ✓ Parks and gardens
- ✓ Roads
- ✓ Recreation services
- ✓ Cemetery

When reviewed, these functions appear to have substance to the sole provider argument.

However, there are two areas that may be considered competitive, being:

- ✓ Waste collection
- ✓ Nature Based Camp Areas

Arguably, although the waste collection and nature based camping does have willing local competitors, it is considered Council does not present as anti-competitive and a disadvantage for the private sector, but rather complementary to the private sector to meet public demand

STATE RECORDS ACT 2000



The *State Records Act, 2000* requires the keeping records by the Local Government records. Specifically, Section 19 requires Council to have a Recordkeeping Plan approved by the State Records Commission. The State Records Commission (SRC) requires records to be created, managed and maintained over time and disposed of in accordance with an approved plan by the SRC, known as a Recordkeeping Plan (RKP).

The purpose of the Shire's RKP is to set the minimum requirements for records to be created and kept.

The RKP provides an accurate reflection of the organisation's records, including information regarding the Shire's recordkeeping system(s), disposal arrangements, policies, practices and processes. The RKP also presents as the primary means of providing evidence for compliance matters.

In summary, the main objectives of the Shire of Carnarvon RKP is to ensure:

- ✓ Compliance with Section 19 of the *State Records Act 2000*, as mentioned;
- ✓ Recordkeeping within the Local Government in a compliant manner weighted against the State Records Commission Standards and Records Management Standard AS ISO 15489;
- ✓ Processes are established that ensures complete/accurate records of the Shire's business transactions and decisions;
- ✓ The retrieval for recorded information in a quick, accurate and cheap manner; and
- ✓ The Protection/preservation of the Local Government's records as required by legislation.

In accordance with Section 17 of the Records Act the Shire is required to comply with the contents of this Plan. This includes participation from:

- ✓ Employees;
- ✓ Contractors;
- ✓ Elected Members; and
- ✓ Organisations performing outsourced services on behalf of the Shire.



FINANCIAL REPORTS



SHIRE OF CARNARVON
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2019

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COMMUNITY VISION

Unity, Humanity, Nature

A connected community across leaders, cultures, and generations.

A future for every young person.

A job-rich economy, built on local strengths.

A still-natural environment, looked after and used.

Principal place of business:

3 Francis Street

Carnarvon WA 6701

**SHIRE OF CARNARVON
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2019**

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire of Carnarvon for the financial year ended 30 June 2019 is based on proper accounts and records to present fairly the financial position of the Shire of Carnarvon at 30 June 2019 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 27th day of February 2020



Chief Executive Officer

DAVID BURTON

Name of Chief Executive Officer

SHIRE OF CARNARVON
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30TH JUNE 2019

	NOTE	2019 Actual \$	2019 Budget \$	2018 Restated \$
Revenue				
Rates	23(a)	5,479,095	5,414,260	4,990,462
Operating grants, subsidies and contributions	2(a)	5,863,033	6,016,217	5,971,092
Fees and charges	2(a)	3,668,836	3,696,418	2,996,022
Interest earnings	2(a)	135,101	177,500	143,688
Other revenue	2(a)	298,219	254,756	210,280
		<u>15,444,284</u>	<u>15,559,151</u>	<u>14,311,544</u>
Expenses				
Employee costs		(7,443,464)	(7,686,536)	(6,937,231)
Materials and contracts		(5,215,777)	(6,345,053)	(4,514,195)
Utility charges		(757,101)	(803,699)	(760,278)
Depreciation on non-current assets	10(b)	(8,441,747)	(7,214,563)	(8,338,500)
Interest expenses	2(b)	(17,608)	(14,899)	(27,429)
Insurance expenses		(467,976)	(457,651)	(451,923)
Other expenditure		(366,850)	(389,869)	(537,620)
		<u>(22,710,523)</u>	<u>(22,912,270)</u>	<u>(21,567,176)</u>
		(7,266,239)	(7,353,119)	(7,255,632)
Non-operating grants, subsidies and contributions	2(a)	4,597,485	4,172,509	2,611,929
Profit on asset disposals	10(a)	137	0	20,982
(Loss) on asset disposals	10(a)	(69,902)	(61,247)	(52,697)
Fair value adjustments to financial assets at fair value through profit or loss	7	122,620	0	0
(Loss) on revaluation of Infrastructure - Parks and Ovals	9(a)	0	0	(2,559,302)
		<u>4,650,340</u>	<u>4,111,262</u>	<u>20,912</u>
		(2,615,899)	(3,241,857)	(7,234,720)
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	11	451,158	0	(46,160,742)
Total other comprehensive income for the period		451,158	0	(46,160,742)
Total comprehensive income for the period		(2,164,741)	(3,241,857)	(53,395,462)

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

SHIRE OF CARNARVON
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30TH JUNE 2019

	NOTE	2019 Actual \$	2019 Budget \$	2018 Restated \$
Revenue				
	2(a)			
Governance		94,966	70,846	43,891
General purpose funding		10,404,740	10,529,617	9,798,966
Law, order, public safety		219,636	193,925	192,089
Health		40,475	49,897	36,610
Education and welfare		242,665	286,850	430,062
Housing		13,768	11,960	12,477
Community amenities		2,183,096	2,052,563	1,884,914
Recreation and culture		392,294	300,093	370,169
Transport		1,071,111	1,047,380	996,689
Economic services		415,930	383,880	464,795
Other property and services		365,603	632,140	80,882
		<u>15,444,284</u>	<u>15,559,151</u>	<u>14,311,544</u>
Expenses				
	2(b)			
Governance		(1,250,897)	(1,329,551)	(1,306,043)
General purpose funding		(282,212)	(288,443)	(352,726)
Law, order, public safety		(1,019,913)	(970,239)	(938,651)
Health		(584,201)	(716,385)	(521,782)
Education and welfare		(1,076,345)	(1,314,456)	(1,135,103)
Housing		(125,550)	(113,658)	(109,550)
Community amenities		(2,506,486)	(2,953,457)	(2,104,456)
Recreation and culture		(4,961,496)	(4,959,603)	(4,865,749)
Transport		(9,387,310)	(8,440,355)	(8,857,185)
Economic services		(1,126,254)	(1,319,841)	(1,155,176)
Other property and services		(372,251)	(491,383)	(193,326)
		<u>(22,692,915)</u>	<u>(22,897,371)</u>	<u>(21,539,747)</u>
Finance Costs				
	2(b)			
Housing		(1,960)	(1,776)	(2,706)
Recreation and culture		(1,529)	(1,511)	(9,100)
Transport		(14,118)	(11,612)	(15,623)
		<u>(17,608)</u>	<u>(14,899)</u>	<u>(27,429)</u>
		<u>(7,266,239)</u>	<u>(7,353,119)</u>	<u>(7,255,632)</u>
Non-operating grants, subsidies and contributions	2(a)	4,597,485	4,172,509	2,611,929
Profit on disposal of assets	10(a)	137	0	20,982
(Loss) on disposal of assets	10(a)	(69,902)	(61,247)	(52,697)
Fair value adjustments to financial assets at fair value through profit or loss	7	122,620	0	0
(Loss) on revaluation of Infrastructure - Parks and Ovals	9(a)	0	0	(2,559,302)
		<u>4,650,340</u>	<u>4,111,262</u>	<u>20,912</u>
		<u>(2,615,899)</u>	<u>(3,241,857)</u>	<u>(7,234,720)</u>
Net result for the period				
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	11	451,158	0	(46,160,742)
Total other comprehensive income for the period		451,158	0	(46,160,742)
Total comprehensive income for the period		(2,164,741)	(3,241,857)	(53,395,462)

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

SHIRE OF CARNARVON
STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2019

	NOTE	2019 \$	2018 Restated \$
CURRENT ASSETS			
Cash and cash equivalents	3	7,399,412	8,200,962
Trade receivables	5	1,449,612	1,327,471
Inventories	6	45,911	52,785
TOTAL CURRENT ASSETS		8,894,935	9,581,218
NON-CURRENT ASSETS			
Trade receivables	5	111,640	95,771
Financial assets at fair value through profit and loss	7	122,620	0
Property, plant and equipment	8	34,456,424	34,123,378
Infrastructure	9	317,910,084	320,419,137
TOTAL NON-CURRENT ASSETS		352,600,768	354,638,286
TOTAL ASSETS		361,495,703	364,219,504
CURRENT LIABILITIES			
Trade and other payables	12	1,031,473	1,425,201
Borrowings	13(a)	54,534	122,964
Employee related provisions	14	689,059	622,175
TOTAL CURRENT LIABILITIES		1,775,066	2,170,340
NON-CURRENT LIABILITIES			
Borrowings	13(a)	317,484	372,018
Employee related provisions	14	110,027	105,324
TOTAL NON-CURRENT LIABILITIES		427,511	477,342
TOTAL LIABILITIES		2,202,577	2,647,682
NET ASSETS		359,293,126	361,571,822
EQUITY			
Retained surplus		71,046,097	73,112,614
Reserves - cash backed	4	3,705,040	4,368,377
Revaluation surplus	11	284,541,989	284,090,831
TOTAL EQUITY		359,293,126	361,571,822

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

SHIRE OF CARNARVON
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2019

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2017		78,977,210	5,738,501	330,251,573	414,967,284
Comprehensive income					
Net result for the period		(7,234,720)	0	0	(7,234,720)
Other comprehensive income	11	0	0	(46,160,742)	(46,160,742)
Total comprehensive income		(7,234,720)	0	(46,160,742)	(53,395,462)
Transfers from/(to) reserves		1,370,124	(1,370,124)	0	0
Balance as at 30 June 2018		73,112,614	4,368,377	284,090,831	361,571,822
Change in accounting policy	27 (c)	(113,957)	0	0	(113,957)
Restated total equity at the beginning of the financial year		72,998,657	4,368,377	284,090,831	361,457,865
Comprehensive income					
Net result for the period		(2,615,899)	0	0	(2,615,899)
Other comprehensive income	11	0	0	451,158	451,158
Total comprehensive income		(2,615,899)	0	451,158	(2,164,740)
Transfers from/(to) reserves		663,337	(663,337)	0	0
Balance as at 30 June 2019		71,046,097	3,705,040	284,541,989	359,293,126

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

SHIRE OF CARNARVON
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2019

	NOTE	2019 Actual \$	2019 Budget \$	2018 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		5,129,541	5,414,260	4,793,004
Operating grants, subsidies and contributions		5,769,971	5,398,927	6,079,881
Fees and charges		3,668,836	3,696,418	2,996,022
Interest received		135,101	177,500	143,688
Goods and services tax received		412,989	193,371	220,698
Other revenue		298,219	254,756	210,280
		<u>15,414,657</u>	<u>15,135,232</u>	<u>14,443,573</u>
Payments				
Employee costs		(7,287,789)	(7,633,979)	(6,769,582)
Materials and contracts		(5,702,564)	(6,345,053)	(4,029,155)
Utility charges		(757,101)	(803,699)	(760,278)
Interest expenses		(17,608)	(14,899)	(29,590)
Insurance paid		(467,976)	(457,651)	(451,923)
Goods and services tax paid		(206,494)	(52,557)	(164,344)
Other expenditure		(366,850)	(389,869)	(537,620)
		<u>(14,806,382)</u>	<u>(15,697,707)</u>	<u>(12,742,493)</u>
Net cash provided by (used in) operating activities	15	<u>608,275</u>	<u>(562,475)</u>	<u>1,701,080</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	8(a)	(1,298,831)	(1,681,877)	(1,064,266)
Payments for construction of infrastructure	9(a)	(4,589,987)	(5,206,007)	(4,069,307)
Non-operating grants, subsidies and contributions	2(a)	4,597,485	4,172,509	2,611,929
Proceeds from sale of property, plant & equipment	10(a)	4,472	106,400	54,578
Net cash provided by (used in) investment activities		<u>(1,286,861)</u>	<u>(2,608,975)</u>	<u>(2,467,066)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	13(b)	(122,964)	(122,964)	(228,789)
Net cash provided by (used in) financing activities		<u>(122,964)</u>	<u>(122,964)</u>	<u>(228,789)</u>
Net increase (decrease) in cash held		<u>(801,550)</u>	<u>(3,294,414)</u>	<u>(994,775)</u>
Cash at beginning of year		8,200,962	8,200,962	9,195,737
Cash and cash equivalents at the end of the year	15	<u><u>7,399,412</u></u>	<u><u>4,906,548</u></u>	<u><u>8,200,962</u></u>

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

SHIRE OF CARNARVON
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2019

	NOTE	2019 Actual \$	2019 Budget \$	2018 Actual \$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)	24(b)	3,889,507	3,981,008	4,117,971
		3,889,507	3,981,008	4,117,971
Revenue from operating activities (excluding rates)				
Governance		94,966	70,846	43,891
General purpose funding		5,160,012	5,343,477	5,037,004
Law, order, public safety		219,636	193,925	192,089
Health		40,475	49,897	36,610
Education and welfare		242,665	286,850	430,062
Housing		13,768	11,960	12,477
Community amenities		2,183,096	2,052,563	1,884,914
Recreation and culture		392,294	300,093	390,619
Transport		1,071,248	1,047,380	997,221
Economic services		415,930	383,880	464,795
Other property and services		488,223	632,140	80,882
		10,322,313	10,373,011	9,570,564
Expenditure from operating activities				
Governance		(1,263,647)	(1,332,776)	(1,306,043)
General purpose funding		(282,212)	(288,443)	(352,726)
Law, order, public safety		(1,029,360)	(976,537)	(939,671)
Health		(585,695)	(724,806)	(521,782)
Education and welfare		(1,076,345)	(1,314,456)	(1,135,103)
Housing		(127,510)	(115,434)	(112,256)
Community amenities		(2,515,338)	(2,959,255)	(2,104,456)
Recreation and culture		(4,984,126)	(4,964,488)	(4,884,749)
Transport		(9,403,388)	(8,486,098)	(8,914,585)
Economic services		(1,126,254)	(1,319,841)	(1,155,176)
Other property and services		(386,549)	(491,383)	(2,752,628)
		(22,780,424)	(22,973,517)	(24,179,175)
Non-cash amounts excluded from operating activities	24(b)	8,386,389	7,275,810	10,943,916
Amount attributable to operating activities		(182,215)	(1,343,688)	453,276
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	2(a)	4,597,485	4,172,509	2,611,929
Proceeds from disposal of assets	10(a)	4,472	106,400	54,578
Purchase of property, plant and equipment	8(a)	(1,298,831)	(1,681,877)	(1,064,266)
Purchase and construction of infrastructure	9(a)	(4,589,987)	(5,206,007)	(4,069,307)
Amount attributable to investing activities		(1,286,861)	(2,608,975)	(2,467,066)
FINANCING ACTIVITIES				
Repayment of borrowings	13(b)	(122,964)	(122,964)	(228,789)
Transfers to reserves (restricted assets)	4	(667,659)	(385,997)	(507,177)
Transfers from reserves (restricted assets)	4	1,330,996	1,860,310	1,877,301
Amount attributable to financing activities		540,373	1,351,349	1,141,335
Surplus/(deficit) before imposition of general rates		(928,703)	(2,601,314)	(872,455)
Total amount raised from general rates	23(a)	5,244,728	5,186,140	4,761,962
Surplus/(deficit) after imposition of general rates	24(b)	4,316,025	2,584,826	3,889,507

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

1. BASIS OF PREPARATION

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

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

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

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 26 to these financial statements.

2. REVENUE AND EXPENSES

(a) Revenue

Grant Revenue

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

	2019 Actual \$	2019 Budget \$	2018 Actual \$
Operating grants, subsidies and contributions			
Governance	0	0	3,390
General purpose funding	4,970,187	5,124,097	4,876,054
Law, order, public safety	183,573	160,265	163,933
Health	5,298	9,537	2,874
Education and welfare	239,350	280,000	426,550
Community amenities	0	38,250	0
Recreation and culture	171,519	71,578	185,927
Transport	291,106	332,490	303,777
Economic services	2,000	0	8,587
	5,863,033	6,016,217	5,971,092
Non-operating grants, subsidies and contributions			
Law, order, public safety	214,190	214,190	0
Education and welfare	60,000	60,000	0
Recreation and culture	456,956	0	93,184
Transport	3,866,339	3,898,319	2,518,745
	4,597,485	4,172,509	2,611,929
Total grants, subsidies and contributions	10,460,518	10,188,726	8,583,021

SIGNIFICANT ACCOUNTING POLICIES

Grants, donations and other contributions

Grants, donations and other contributions are recognised as revenues when the local government obtains control over the assets comprising the contributions.

Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over

Grants, donations and other contributions (Continued)

a particular period, and those conditions were undischarged as at the reporting date, the nature of and amounts pertaining to those undischarged conditions are disclosed in Note 22.

That note also discloses the amount of contributions recognised as revenues in a previous reporting period which were obtained in respect of the local government's operations for the current reporting period.

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Other revenue			
Reimbursements and recoveries	139,795	145,556	122,272
Other	158,424	109,200	88,008
	298,219	254,756	210,280
Fees and Charges			
Governance	4,782	15,600	4,669
General purpose funding	41,585	37,880	14,586
Law, order, public safety	25,528	26,560	22,972
Health	34,966	40,360	33,500
Education and welfare	810	1,210	546
Community amenities	1,951,160	1,777,873	1,656,192
Recreation and culture	200,558	220,325	176,566
Transport	756,049	701,940	676,224
Economic services	317,094	304,670	388,830
Other property and services	336,304	570,000	21,937
	3,668,836	3,696,418	2,996,022

There were no changes during the year to the amount of the fees or charges detailed in the original budget.

Interest earnings

Reserve accounts interest	24,757	50,000	35,211
Rates instalment and penalty interest (refer Note 23(d))	97,255	77,500	89,686
Other interest earnings	13,089	50,000	18,791
	135,101	177,500	143,688

SIGNIFICANT ACCOUNTING POLICIES

Interest earnings

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

Interest earnings (Continued)

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

SHIRE OF CARNARVON
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30TH JUNE 2019

2. REVENUE AND EXPENSES (Continued)

(b) Expenses	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Auditors remuneration			
- Audit of the Annual Financial Report	35,996	52,000	20,372
- Other services	12,910	7,000	43,768
- Assistance with Finalisation of the Annual Report	0	0	9,500
	48,906	59,000	73,640
Interest expenses (finance costs)			
Borrowings (refer Note 13(b))	17,608	14,899	27,429
	17,608	14,899	27,429
Rental charges			
- Operating leases	299,588	305,000	258,598
	299,588	305,000	258,598

3. CASH AND CASH EQUIVALENTS

	NOTE	2019 \$	2018 \$
Cash at bank and on hand		7,399,412	8,200,962
		<u>7,399,412</u>	<u>8,200,962</u>
Comprises:			
- Unrestricted cash and cash equivalents		3,694,372	3,832,585
- Restricted cash and cash equivalents		3,705,040	4,368,377
		<u>7,399,412</u>	<u>8,200,962</u>

The following restrictions have been imposed by regulations or other externally imposed requirements:

Reserve accounts

Leave Reserve	4	130,107	140,228
Plant Reserve	4	73,745	134,657
Waste Disposal Reserve	4	78,403	78,246
Public Ablutions Reserve	4	1,771	1,767
Staff Housing Reserve	4	700,415	730,138
Civic Centre Reserve	4	62,167	62,043
IT Replacement Reserve	4	54,162	54,054
Airport Reserve	4	58,977	49,140
Coral Bay Tip Reserve	4	21,940	21,896
Surge/Fascine Reserve	4	356,131	105,918
Town Planning Reserve	4	1,564	1,561
Fascine Dredging Reserve	4	84,594	125,755
Flood Mitigation Reserve	4	11,923	11,899
OCT/NASA Reserve	4	8,882	8,864
Blowholes Reserve	4	2,851	2,845
Unspent Grants and Contributions Reserve	4	1,602,502	2,472,354
Land and Infrastructure Development Reserve	4	220,112	184,386
Asset Management Reserve	4	28,985	28,927
Emergency Response Reserve	4	202,628	152,322
Mosquito Management Reserve	4	3,181	1,377
Total restricted cash and cash equivalents		<u>3,705,040</u>	<u>4,368,377</u>

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

Cash and cash equivalents (Continued)

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.

SHIRE OF CARNARVON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2019

4. RESERVES - CASH BACKED

	2019		2019		2019		2019		2019		2018		2018		2018	
	Actual Opening Balance	Actual Transfer	Actual Closing Balance	Budget Opening Balance	Budget Transfer	Budget Closing Balance	Actual Opening Balance	Actual Transfer	Actual Closing Balance	Budget Opening Balance	Budget Transfer	Budget Closing Balance	Actual Opening Balance	Actual Transfer	Actual Closing Balance	
(a) Leave Reserve	140,228	32,029	172,257	139,577	530	140,107	128,601	23,991	152,592	128,601	23,991	152,592	128,601	(12,364)	140,228	
(b) Plant Reserve	134,657	270	134,927	134,035	559	64,594	134,267	390	134,657	134,267	390	134,657	0	0	134,657	
(c) Waste Disposal Reserve	78,246	157	78,403	78,060	735	78,795	187,749	497	188,246	187,749	497	188,246	(110,000)	78,246		
(d) Public Ablutions Reserve	1,767	4	1,771	1,759	7	1,766	1,762	5	1,767	1,762	5	1,767	0	0	1,767	
(e) Staff Housing Reserve	730,138	1,465	731,603	729,388	3,030	682,418	728,021	2,117	730,138	728,021	2,117	730,138	0	0	730,138	
(f) Civic Centre Reserve	62,043	124	62,167	60,314	460	60,774	116,090	313	62,043	116,090	313	62,043	(54,360)	7,683		
(g) IT Replacement Reserve	54,054	108	54,162	53,371	224	53,595	53,897	157	54,054	53,897	157	54,054	0	0	54,054	
(h) Airport Reserve	49,140	9,837	58,977	49,392	204	49,596	48,997	143	49,140	48,997	143	49,140	0	0	49,140	
(i) Coral Bay Tip Reserve	21,896	44	21,940	21,789	91	21,880	21,832	64	21,896	21,832	64	21,896	0	0	21,896	
(j) Surge/Fascine Reserve	105,918	250,213	356,131	105,887	251,225	357,112	315,701	105,217	461,318	315,701	105,217	461,318	(315,000)	106,318		
(k) Town Planning Reserve	1,561	3	1,564	1,447	89	1,536	23,502	59	1,561	23,502	59	1,561	(22,000)	1,561		
(l) Fascine Dredging Reserve	125,755	252	126,007	125,748	522	66,270	125,390	365	125,755	125,390	365	125,755	0	0	125,755	
(m) Flood Mitigation Reserve	11,899	24	11,923	11,847	49	11,896	11,864	35	11,899	11,864	35	11,899	0	0	11,899	
(n) OCT/NASA Reserve	8,864	18	8,882	8,825	37	8,862	8,838	26	8,864	8,838	26	8,864	0	0	8,864	
(o) Blowholes Reserve	2,845	6	2,851	2,740	12	2,752	2,837	8	2,845	2,837	8	2,845	0	0	2,845	
(p) Unspent Grants and Contributions Reserve	2,472,354	285,211	2,757,565	2,472,356	39,118	2,511,474	3,049,062	217,172	2,728,646	3,049,062	217,172	2,728,646	(793,880)	1,934,766		
(q) Land and Infrastructure Development Reserve	184,386	35,726	220,112	189,347	37,892	227,239	647,990	106,093	333,432	647,990	106,093	754,083	(569,697)	184,386		
(r) Asset Management Reserve	28,927	58	28,985	28,798	120	28,918	28,843	84	28,927	28,843	84	28,927	0	0	28,927	
(s) Emergency Response Reserve	152,322	50,306	202,628	152,321	50,446	202,767	102,003	50,319	253,086	102,003	50,319	152,322	0	0	152,322	
(t) Mosquito Management Reserve	1,377	1,804	3,181	1,377	647	2,024	1,255	122	1,377	1,255	122	1,377	(1,877,301)	4,368,377		
	4,368,377	667,659	5,036,036	4,368,378	385,997	4,754,375	5,738,501	507,177	5,261,552	5,738,501	507,177	5,261,552	(1,877,301)	4,368,377		

All of the reserve accounts are supported by money held in financial institutions and match the amount shown as restricted cash in Note 3 to this financial report.

In accordance with Council resolutions 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) Leave Reserve	Ongoing	To be used to fund annual and long service leave requirements.
(b) Plant Reserve	Ongoing	To be used to implement the Shire's Plant Replacement Program.
(c) Waste Disposal Reserve	Ongoing	To be used for maintenance or capital expenditure at Brown's Range Refuse Site.
(d) Public Ablutions Reserve	Ongoing	To be used to contribute to replacement of major upgrades on Shire of Carnarvon ablutions.
(e) Staff Housing Reserve	Ongoing	To be used for major maintenance and capital purchases with respect to staff housing.
(f) Civic Centre Reserve	Ongoing	To be used for major building and equipment upgrades to Carnarvon Civic Centre.
(g) IT Replacement Reserve	Ongoing	To be used to fund the Shire of Carnarvon Information Technology Strategy.
(h) Airport Reserve	Ongoing	To be used to contribute to capital costs in relation to the Carnarvon Airport.
(i) Coral Bay Tip Reserve	Ongoing	To be used for maintenance and capital costs associated with Coral Bay Refuse Site.
(j) Surge/Fascine Reserve	Ongoing	To be used for capital upgrade costs associated with the Fascine Wall.
(k) Town Planning Reserve	Ongoing	To be used to contribute to funding town planning scheme reviews, new scheme & relevant town planning purposes.
(l) Fascine Dredging Reserve	Ongoing	To be used to contribute to funding the fascine dredging program.
(m) Flood Mitigation Reserve	Ongoing	To be used to finance Council's obligations with respect to the Flood Mitigation Strategy.
(n) OCT/NASA Reserve	Ongoing	To be used for the development & conservation of the OTC site.
(o) Blowholes Reserve	Ongoing	To be used to assist with the removal of shack debris and post demolition rehabilitation of shack area.
(p) Unspent Grants and Contributions Reserve	Ongoing	To be used to isolate grants and contributions for specific purposes to be spent at a later date or in subsequent years.
(q) Land and Infrastructure Development Reserve	Ongoing	To be used for the purchase of land and development of infrastructure within the Shire of Carnarvon.
(r) Asset Management Reserve	Ongoing	To be used for the replacement and improvement of specified assets within the Shire of Carnarvon in accordance with the Shire's Asset Management Plan.
(s) Emergency Response Reserve	Ongoing	To be used in the preparation for and providing immediate assistance, relief and recovery to the community in response to an Emergency within the Shire of Carnarvon.
(t) Mosquito Management Reserve	Ongoing	To be used for the purpose of delivering services to assist in mosquito management within the Shire of Carnarvon, which includes funding from the Department of Health.

5. TRADE RECEIVABLES

Current

Rates receivable	1,023,202	689,517
Sundry and Other receivables	462,682	372,272
GST receivable	12,822	219,315
Allowance for impairment of receivables	(120,613)	(9,227)
ESL Receivable	69,388	53,544
Bond Staff Housing	2,131	2,050
	<u>1,449,612</u>	<u>1,327,471</u>

Non-current

Pensioner's rates and ESL deferred	111,640	95,771
	<u>111,640</u>	<u>95,771</u>

SIGNIFICANT ACCOUNTING POLICIES

Trade and other receivables

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

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

Impairment and risk exposure

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 25.

Previous accounting policy: Impairment of trade receivables

In the prior year, the impairment of trade receivables was assessed based on the incurred loss model. Individual receivables which were known to be uncollectible were written off by reducing the carrying amount directly. The other receivables were assessed collectively to determine whether there was objective evidence that an impairment had been incurred but not yet identified. For these receivables the estimated impairment losses were recognised in a separate provision for impairment.

	2019	2018
	\$	\$
Rates receivable	1,023,202	689,517
Sundry and Other receivables	462,682	372,272
GST receivable	12,822	219,315
Allowance for impairment of receivables	(120,613)	(9,227)
ESL Receivable	69,388	53,544
Bond Staff Housing	2,131	2,050
	<u>1,449,612</u>	<u>1,327,471</u>
Pensioner's rates and ESL deferred	111,640	95,771
	<u>111,640</u>	<u>95,771</u>

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.

6. INVENTORIES

	2019	2018
	\$	\$
Current		
Fuel and Materials	21,756	22,643
Civic Centre	2,072	4,176
Visitors Centre	22,083	25,966
	45,911	52,785

The following movements in inventories occurred during the year:

Carrying amount at 1 July	52,785	52,785
Inventories expensed during the year	(6,874)	0
Carrying amount at 30 June	45,911	52,785

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.

7. OTHER FINANCIAL ASSETS

	2019	2018
	\$	\$
Non-current assets		
Financial assets at fair value through profit and loss	122,620	0
	<u>122,620</u>	<u>0</u>
Financial assets at fair value through profit and loss		
- Units in Local Government House Trust	122,620	0
	<u>122,620</u>	<u>0</u>
During the year, the following gains/(losses) were recognised in profit and loss:		
Fair value gains/(losses) on equity investments at fair value through profit and loss are recognised in other gains/(losses) and classified as other property and services	122,620	0
	<u>122,620</u>	<u>0</u>

The units in Local Government House Trust have been recognised using fair value as at 30 June 2018. Changes in fair value of the units trust have not been recognised or considered as they are unlikely to be material and are unable to be reliably determined at the time of preparation of these statements.

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 25.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Previous accounting policy: available for sale financial assets

Available-for-sale financial assets were non-derivative financial assets that were either not suitable to be classified as other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Previous accounting policy: Loans and receivables

Non-derivative financial assets with fixed or determinable payments that were not quoted in an active market and are solely payments of principal and interest were classified as loans and receivables and are subsequently measured at amortised cost, using the effective interest rate method.

Refer to Note 27 for explanations regarding the change in accounting policy and reclassification of available for sale financial assets to financial assets at fair value through profit and loss.

8. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Carrying Amounts

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

	Land - freehold land	Land - vested in and under the control of Council	Total land	Buildings - non-specialised	Buildings - specialised	Total buildings	Total land and buildings	Furniture and equipment	Plant and equipment	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2017	8,383,800	275,000	8,658,800	14,630,756	8,949,458	23,580,214	32,239,014	321,898	1,905,606	34,466,519
Additions	0	0	0	839,426	26,825	866,251	866,251	6,673	191,343	1,064,266
(Disposals)	0	0	0	0	0	0	0	0	(86,294)	(86,294)
Depreciation (expense)	0	0	0	(607,592)	(359,731)	(967,323)	(967,323)	(50,388)	(303,402)	(1,321,113)
Carrying amount at 30 June 2018	8,383,800	275,000	8,658,800	14,862,590	8,616,552	23,479,142	32,137,942	278,183	1,707,253	34,123,378
Comprises:										
Gross carrying amount at 30 June 2018	8,383,800	275,000	8,658,800	15,470,182	8,976,283	24,446,465	33,105,265	384,505	2,286,645	35,776,415
Accumulated depreciation at 30 June 2018	0	0	0	(607,592)	(359,731)	(967,323)	(967,323)	(106,322)	(579,392)	(1,653,037)
Carrying amount at 30 June 2018	8,383,800	275,000	8,658,800	14,862,590	8,616,552	23,479,142	32,137,942	278,183	1,707,253	34,123,378
Additions	0	0	0	476,263	335,329	811,592	811,592	37,606	449,633	1,298,831
(Disposals)	0	0	0	0	0	0	0	(23,498)	(50,739)	(74,237)
Revaluation increments / (decrements) transferred to revaluation surplus	0	0	0	0	0	0	0	98,118	353,040	451,158
Depreciation (expense)	0	0	0	(601,920)	(362,875)	(964,795)	(964,795)	(51,639)	(326,272)	(1,342,706)
Carrying amount at 30 June 2019	8,383,800	275,000	8,658,800	14,736,933	8,589,006	23,325,939	31,984,739	338,770	2,132,915	34,456,424
Comprises:										
Gross carrying amount at 30 June 2019	8,383,800	275,000	8,658,800	15,946,445	9,311,612	25,258,057	33,916,857	338,770	2,132,915	36,388,542
Accumulated depreciation at 30 June 2019	0	0	0	(1,209,512)	(722,606)	(1,932,118)	(1,932,118)	0	0	(1,932,118)
Carrying amount at 30 June 2019	8,383,800	275,000	8,658,800	14,736,933	8,589,006	23,325,939	31,984,739	338,770	2,132,915	34,456,424

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Land and buildings					
Land - freehold land	2 & 3	Market approach using recent observable or estimated market data for similar properties	Independent Valuers	June 2017	Price per hectare / market borrowing rate
Land - vested in and under the control of Council	3	Cost approach using depreciated replacement cost	Management Valuation	June 2017	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 & 3	Market approach using recent observable or estimated market data for similar properties	Independent Valuers	June 2017	Price per square metre / market borrowing rate
Buildings - specialised	3	Cost approach using depreciated replacement cost	Independent Valuers	June 2017	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Furniture and equipment					
	2 & 3	Cost approach using depreciated replacement cost	Independent Valuers & Management Valuation	June 2019	Market price per item / purchase costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Plant and equipment					
	2 & 3	Market approach using recent observable market data for similar properties / cost approach using depreciated replacement cost	Independent Valuers & Management Valuation	June 2019	Market price per item / 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.

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9. INFRASTRUCTURE

(a) Movements in Carrying Amounts

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

	Infrastructure - Roads	Infrastructure - Footpaths	Infrastructure - Drainage	Infrastructure - Parks and Ovals	Infrastructure - Other Infrastructure	Infrastructure - Bridges	Infrastructure - Levee System	Infrastructure - Airport	Infrastructure - Car Parks	Total Infrastructure
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2017	307,742,371	2,171,695	6,581,484	16,435,112	10,235,566	7,660,800	8,861,774	12,201,967	196,498	372,087,267
Additions	2,904,005	110,412	23,600	244,337	786,953	0	0	0	0	4,069,307
Revaluation increments / (decrements) transferred to revaluation surplus	(70,918,500)	7,960,294	16,692,979	0	(243,096)	87,655	(447,018)	435,176	271,768	(46,160,742)
Revaluation (loss) / reversals transferred to profit or loss	0	0	0	(2,559,308)	0	0	0	0	0	(2,559,308)
Depreciation (expense)	(5,412,209)	(185,843)	(87,876)	(346,424)	(232,293)	(148,455)	(44,756)	(546,943)	(12,588)	(7,017,387)
Carrying amount at 30 June 2018	234,315,667	10,056,558	23,210,187	13,773,717	10,547,130	7,600,000	8,370,000	12,090,200	455,678	320,419,137
Comprises:										
Gross carrying amount at 30 June 2018	320,412,566	10,056,558	23,210,187	13,773,717	10,547,130	7,600,000	8,370,000	12,090,200	455,678	406,516,036
Accumulated depreciation at 30 June 2018	(86,096,899)	0	0	0	0	0	0	0	0	(86,096,899)
Carrying amount at 30 June 2018	234,315,667	10,056,558	23,210,187	13,773,717	10,547,130	7,600,000	8,370,000	12,090,200	455,678	320,419,137
Additions	4,045,665	57,142	28,467	105,461	209,206	0	0	144,046	0	4,589,987
Depreciation (expense)	(5,272,565)	(199,698)	(301,346)	(280,089)	(223,158)	(152,000)	(41,850)	(608,107)	(20,227)	(7,089,040)
Carrying amount at 30 June 2019	233,088,767	9,914,002	22,937,308	13,599,089	10,533,178	7,448,000	8,328,150	11,626,139	435,451	317,910,084
Comprises:										
Gross carrying amount at 30 June 2019	324,458,231	10,113,700	23,238,654	13,879,178	10,756,336	7,600,000	8,370,000	12,234,246	455,678	411,106,023
Accumulated depreciation at 30 June 2019	(91,369,464)	(199,698)	(301,346)	(280,089)	(223,158)	(152,000)	(41,850)	(608,107)	(20,227)	(93,195,939)
Carrying amount at 30 June 2019	233,088,767	9,914,002	22,937,308	13,599,089	10,533,178	7,448,000	8,328,150	11,626,139	435,451	317,910,084

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9. INFRASTRUCTURE (Continued)

(b) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Infrastructure - Roads	3	Cost approach using depreciated replacement cost	Management Valuation	June 2018	Construction costs and current condition (Level 2) residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - Footpaths	3	Cost approach using depreciated replacement cost	Management Valuation	June 2018	Construction costs and current condition (Level 2) residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - Drainage	3	Cost approach using depreciated replacement cost	Management Valuation	June 2018	Construction costs and current condition (Level 2) residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - Parks and Ovals	3	Cost approach using depreciated replacement cost	Independent Valuers	June 2018	Construction costs and current condition (Level 2) residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - Other Infrastructure	3	Cost approach using depreciated replacement cost	Independent Valuers	June 2018	Construction costs and current condition (Level 2) residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - Bridges	3	Cost approach using depreciated replacement cost	Management Valuation	June 2018	Construction costs and current condition (Level 2) residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - Levee System	3	Cost approach using depreciated replacement cost	Independent Valuers	June 2018	Construction costs and current condition (Level 2) residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - Airport	3	Cost approach using depreciated replacement cost	Independent Valuers	June 2018	Construction costs and current condition (Level 2) residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - Car Parks	3	Cost approach using depreciated replacement cost	Independent Valuers	June 2018	Construction costs and current condition (Level 2) residual values and remaining useful life assessments (Level 3) inputs

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

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

9. PROPERTY, PLANT AND EQUIPMENT (INCLUDING INFRASTRUCTURE)

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

All assets are initially recognised at cost where the fair value of the asset at date of acquisition is equal to or above \$5,000. All assets are subsequently revalued in accordance with the mandatory measurement framework.

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 no cost or for nominal consideration, 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 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 fixed assets is determined at least every three years and no more than five years in accordance with the regulatory framework. 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 property, plant and equipment 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

In accordance with *Local Government (Financial Management) Regulation 16(a)(ii)*, the Shire was required to include as an asset (by 30 June 2013), 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 in accordance with the other policies detailed in this Note.

Land under roads

In Western Australia, all 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 fact *Local Government (Financial Management) Regulation 16(a)(i)* prohibits local governments from recognising such land as an asset.

In respect of land under roads acquired on or after 1 July 2008, as detailed above, *Local Government (Financial Management) Regulation 16(a)(i)* prohibits 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 is not included as an asset of the Shire.

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10. PROPERTY, PLANT AND EQUIPMENT (INCLUDING INFRASTRUCTURE) (Continued)

(a) Disposals of Assets

	2019 Actual Net Book Value	2019 Actual Sale Proceeds	2019 Actual Profit	2019 Actual Loss	2019 Budget Net Book Value	2019 Budget Sale Proceeds	2019 Budget Profit	2019 Budget Loss	2018 Actual Net Book Value	2018 Actual Sale Proceeds	2018 Actual Profit	2018 Actual Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Plant and equipment	26,368	4,472	137	(22,033)	167,647	106,400	0	(61,247)	86,294	54,578	20,982	(52,697)
Plant and equipment - Write Off	24,371	0	0	(24,371)	0	0	0	0	0	0	0	0
Furniture and Equipment - Write Off	23,498	0	0	(23,498)	0	0	0	0	0	0	0	0
	74,237	4,472	137	(69,902)	167,647	106,400	0	(61,247)	86,294	54,578	20,982	(52,697)

The following assets were disposed of during the year.

	2019 Actual Net Book Value	2019 Actual Sale Proceeds	2019 Actual Profit	2019 Actual Loss
Plant and Equipment				
Law, order, public safety				
Rangers Vehicle - PUTE27	9,202	1,132	0	(8,070)
Community amenities				
Waste Facility Vehicle - PUTE23	9,202	350	0	(8,852)
Recreation and culture				
Parks & Gardens Vehicle - PUTE8	3,451	300	0	(3,151)
Ride on Mower - PMOW8	2,013	2,150	137	0
Transport				
Transark 400 Welder - P134	800	86	0	(714)
Caravan camp trailer - P91	1,700	455	0	(1,245)
	26,368	4,472	137	(22,033)
Assets Written Off				
Plant and Equipment	24,371	0	0	(24,371)
Furniture and Equipment	23,498	0	0	(23,498)
	47,869	0	0	(47,869)
	74,237	4,472	137	(69,902)

10. PROPERTY, PLANT AND EQUIPMENT (INCLUDING INFRASTRUCTURE) (Continued)

(b) Depreciation	2019	2019	2018
	Actual	Budget	Actual
	\$	\$	\$
Buildings - non-specialised	601,920	851,818	607,592
Buildings - specialised	362,875	0	359,731
Furniture and equipment	51,639	21,141	50,388
Plant and equipment	326,272	258,055	303,402
Infrastructure - Roads	5,272,565	4,883,094	5,412,209
Infrastructure - Footpaths	199,698	38,444	185,843
Infrastructure - Drainage	301,346	87,985	87,876
Infrastructure - Parks and Ovals	280,089	331,476	346,424
Infrastructure - Other Infrastructure	223,158	177,308	232,293
Infrastructure - Bridges	152,000	159,799	148,455
Infrastructure - Levee System	41,850	44,812	44,756
Infrastructure - Airport	608,107	324,242	546,943
Infrastructure - Car Parks	20,227	12,604	12,588
Infrastructure - Landfill	0	23,785	0
	8,441,747	7,214,563	8,338,500

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	10 to 100 years
Furniture and Equipment	3 to 10 years
Plant and Equipment	5 to 20 years
Sealed roads and streets	
formation	not depreciated
pavement	50 years
seal	
- bituminous seals	20 years
- asphalt surfaces	25 years
Gravel roads	
formation	not depreciated
pavement	50 years
gravel sheet	12 years
Formed roads	
clearing and earthworks	not depreciated
construction/roadbase	50 years
Other Infrastructure	Various

Depreciation (Continued)

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.

11. REVALUATION SURPLUS

	2019		2019		2019		2018		2018		2018	
	Opening Balance	Revaluation Increment	Revaluation (Decrement)	Closing Balance	Opening Balance	Revaluation Increment	Revaluation (Decrement)	Closing Balance	Opening Balance	Revaluation Increment	Revaluation (Decrement)	Closing Balance
Revaluation surplus - Land and Buildings	16,973,508	0	0	16,973,508	16,973,508	0	0	16,973,508	0	0	0	16,973,508
Revaluation surplus - Furniture and equipment	148,721	98,118	0	246,839	148,721	0	0	148,721	0	0	0	148,721
Revaluation surplus - Plant and equipment	1,083,182	353,040	0	1,436,222	1,083,182	0	0	1,083,182	0	0	0	1,083,182
Revaluation surplus - Infrastructure - Roads	220,207,362	0	0	220,207,362	291,125,862	0	(70,918,500)	220,207,362	0	(70,918,500)	0	220,207,362
Revaluation surplus - Infrastructure - Footpaths	8,599,294	0	0	8,599,294	639,000	7,960,294	0	8,599,294	7,960,294	0	0	8,599,294
Revaluation surplus - Infrastructure - Drainage	22,147,677	0	0	22,147,677	5,454,698	16,692,979	0	22,147,677	16,692,979	0	0	22,147,677
Revaluation surplus - Other Infrastructure	2,224,090	0	0	2,224,090	2,467,186	0	(243,096)	2,224,090	0	(243,096)	0	2,224,090
Revaluation surplus - Infrastructure - Bridges	1,975,480	0	0	1,975,480	1,887,825	87,655	0	1,975,480	87,655	0	0	1,975,480
Revaluation surplus - Infrastructure - Levee System	3,116,626	0	0	3,116,626	3,563,644	0	(447,018)	3,116,626	0	(447,018)	0	3,116,626
Revaluation surplus - Infrastructure - Airport	7,343,124	0	0	7,343,124	6,907,948	435,176	0	7,343,124	435,176	0	0	7,343,124
Revaluation surplus - Infrastructure - Car Parks	271,768	0	0	271,768	0	271,768	0	271,768	271,768	0	0	271,768
	284,090,831	451,158	0	284,541,989	330,251,574	25,447,872	(71,608,614)	284,090,831	25,447,872	(71,608,614)	(46,160,742)	284,090,831

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

12. TRADE AND OTHER PAYABLES

Current

Sundry creditors
 Accrued salaries and wages
 Accrued Expenditure
 Bonds and Deposits (refer to Note 26)

	2019	2018
	\$	\$
	763,700	1,333,844
	157,688	73,600
	79,677	17,757
	30,408	0
	<u>1,031,473</u>	<u>1,425,201</u>

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

Trade and other payables (Continued)

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.

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13. INFORMATION ON BORROWINGS

	2019	2018
(a) Borrowings	\$	\$
Current	54,534	122,964
Non-current	3,174,884	3,720,018
	<u>3,720,018</u>	<u>4,949,982</u>

(b) Repayments - Borrowings

Particulars	Loan Number	Institution	Interest Rate	30 June 2018			30 June 2019			30 June 2019			30 June 2019			30 June 2019			30 June 2019			30 June 2018			30 June 2018		
				Actual Principal	Actual Interest	Actual Outstanding	Budget Principal	Budget Interest	Budget Outstanding	Actual Principal	Actual Interest	Actual Outstanding	Budget Principal	Budget Interest	Budget Outstanding	Actual Principal	Actual Interest	Actual Outstanding	Budget Principal	Budget Interest	Budget Outstanding	Actual Principal	Actual Interest	Actual Outstanding	Budget Principal	Budget Interest	Budget Outstanding
Housing																											
Staff Housing	213	WATC	6.04%	33,707	1,960	22,088	33,707	1,776	22,088	0	11,619	1,776	22,088	44,650	2,706	33,707	0	10,943	2,706	33,707	0	10,943	2,706	33,707	44,650	2,706	33,707
Recreation and culture																											
Library	211	WATC	6.96%	0	0	0	0	0	0	0	0	0	0	40,822	1,071	0	0	40,822	1,071	0	0	40,822	1,071	0	40,822	1,071	0
Infrastructure Development	215	WATC	3.77%	70,406	1,529	0	70,406	1,511	0	0	70,406	1,511	0	207,712	8,029	70,406	0	137,306	8,029	70,406	0	137,306	8,029	70,406	207,712	8,029	70,406
Transport																											
Airport Corrective Works	216	WATC	3.05%	390,869	14,118	349,930	390,869	11,612	349,930	0	40,939	11,612	349,930	430,587	15,623	390,869	0	39,718	15,623	390,869	0	39,718	15,623	390,869	430,587	15,623	390,869
				494,982	17,608	372,018	494,982	14,899	372,018	0	122,964	14,899	372,018	723,771	27,429	494,982	0	228,789	27,429	494,982	0	228,789	27,429	494,982	723,771	27,429	494,982

All other loan repayments were financed by general purpose revenue.

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13. INFORMATION ON BORROWINGS (Continued)

	<u>2019</u>	<u>2018</u>
(c) Undrawn Borrowing Facilities	\$	\$
Credit Standby Arrangements		
Bank overdraft limit	200,000	200,000
Credit card limit	40,000	40,000
Credit card balance at balance date	<u>(7,583)</u>	<u>(2,625)</u>
Total amount of credit unused	232,417	237,375
Loan facilities		
Loan facilities - current	54,534	122,964
Loan facilities - non-current	<u>317,484</u>	<u>372,018</u>
Total facilities in use at balance date	372,018	494,982

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

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

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

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

Borrowing costs

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

Risk

Information regarding exposure to risk can be found at Note 25.

14. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions

	Provision for Annual Leave	Provision for Long Service Leave	Total
	\$	\$	\$
Opening balance at 1 July 2018			
Current provisions	403,734	218,441	622,175
Non-current provisions	0	105,324	105,324
	<u>403,734</u>	<u>323,765</u>	<u>727,499</u>
Additional provision	438,957	250,102	689,059
Amounts used	(403,734)	(213,738)	(617,472)
Balance at 30 June 2019	<u>438,957</u>	<u>360,129</u>	<u>799,086</u>
Comprises			
Current	438,957	250,102	689,059
Non-current	0	110,027	110,027
	<u>438,957</u>	<u>360,129</u>	<u>799,086</u>

Amounts are expected to be settled on the following basis:

	2019	2018
	\$	\$
Less than 12 months after the reporting date	181,614	115,070
More than 12 months from reporting date	617,472	507,105
	<u>799,086</u>	<u>622,175</u>

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.

15. 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:

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Cash and cash equivalents	7,399,412	4,906,548	8,200,962

Reconciliation of Net Cash Provided By Operating Activities to Net Result

Net result	(2,615,899)	(3,241,857)	(7,234,720)
Non-cash flows in Net result:			
Adjustments to fair value of financial assets	(122,620)	0	0
Depreciation	8,441,747	7,214,563	8,338,500
(Profit)/loss on sale of asset	69,765	61,247	31,715
Loss on revaluation of fixed assets	0	0	2,559,302
Changes in assets and liabilities:			
(Increase)/decrease in receivables	(251,967)	(423,919)	(32,241)
(Increase)/decrease in inventories	6,874	0	(1,664)
Increase/(decrease) in payables	(393,728)	0	508,046
Increase/(decrease) in provisions	71,587	0	144,071
Grants contributions for the development of assets	(4,597,485)	(4,172,509)	(2,611,929)
Net cash from operating activities	608,275	(562,475)	1,701,080

16. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2019	2018
	\$	\$
Governance	3,714,896	3,831,049
Law, order, public safety	764,896	539,360
Health	118,464	129,914
Education and welfare	1,644,435	1,707,300
Housing	799,000	829,500
Community amenities	11,755,038	11,480,706
Recreation and culture	39,703,146	39,996,595
Transport	286,686,819	288,843,578
Economic services	65,430	68,006
Other property and services	1,711,395	2,059,670
Unallocated	14,532,184	14,733,826
	<u>361,495,703</u>	<u>364,219,504</u>

17. CONTINGENT LIABILITIES

In compliance with the *Contaminated Sites Act 2003 Section 11*, the Shire has listed sites to be possible sources of contamination.

Details of those sites are:

- Shire of Carnarvon Airport
- Shire of Carnarvon Brown's Range Landfill Site
- Shire of Carnarvon Coral Bay Landfill Site

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

18. LEASING COMMITMENTS

(a) Operating Lease Commitments

Non-cancellable operating leases contracted for but not capitalised in the accounts.

Payable:

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

2019	2018
\$	\$
70,947	157,567
70,947	141,893
141,894	299,460

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 payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses on a straight line basis over 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.

19. RELATED PARTY TRANSACTIONS

Elected Members Remuneration

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

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Meeting Fees	140,866	140,000	136,426
President's allowance	42,988	46,000	45,594
Deputy President's allowance	11,724	11,500	11,464
Travelling expenses	18,205	20,000	7,942
Telecommunications allowance	3,109	4,320	4,295
	<u>216,892</u>	<u>221,820</u>	<u>205,721</u>

Key Management Personnel (KMP) Compensation Disclosure

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

	2019 Actual	2018 Actual
	\$	\$
Short-term employee benefits	1,331,388	1,523,379
Post-employment benefits	114,093	126,879
Other long-term benefits	15,740	27,989
	<u>1,461,221</u>	<u>1,678,247</u>

Short-term employee benefits

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

Post-employment benefits

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

Other long-term benefits

These amounts represent long service benefits accruing during the year.

19. 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.

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

The following transactions occurred with related parties:	2019	2018
	Actual	Actual
	\$	\$
Sale of goods and services	13,606	12,060
Purchase of goods and services	72,112	170,326
Amounts outstanding from related parties:		
Trade and other receivables	1,966	1,073
Amounts payable to related parties:		
Trade and other payables	1,517	5,879

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.

20. MAJOR LAND TRANSACTIONS

The Shire did not participate in any major land transactions during the 2018/19 financial year.

21. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

The Shire did not participate in any trading or major trading undertakings during the 2018/19 financial year.

22. CONDITIONS OVER GRANTS/CONTRIBUTIONS

Grant/Contribution	Opening	Received ⁽²⁾	Expended ⁽³⁾	Closing	Received ⁽²⁾	Expended ⁽³⁾	Closing
	Balance ⁽¹⁾			Balance ⁽¹⁾			Balance
	1/07/17	2017/18	2017/18	30/06/18	2018/19	2018/19	30/06/19
	\$	\$	\$	\$	\$	\$	\$
Governance							
CLGF Photovoltaic System (solar panels)	188,594	13,257	(22,600)	179,251	752	(180,003)	0
Health							
CLAG/FIMMWA (mosquitoes)	26,101	130	0	26,231	123	0	26,354
Education and welfare							
Youth DCP & DCS	207,395	1,036	(91,657)	116,774	426	(117,200)	0
Kidsport	4,284	0	(4,284)	0	0	0	0
Ageing in Place - GDC RFR	2,544	0	(2,544)	0	0	0	0
Club Development Officer (DSR)	3	0	(3)	0	0	0	0
Indigenous Advancement Strategy (DP&C)	34,871	10,276	(8,176)	36,971	135	(37,106)	(0)
Housing							
CLGF Executive Housing	54,980	279	(55,259)	0	0	0	0
Community amenities							
Waste Services	25,815	1,574	(9,160)	18,229	86	(4,854)	13,460
Local Planning Strategy	28	0	(28)	0	0	0	0
CLGF Waste Facility Improvements	802,737	84,616	(473,970)	413,383	1,272	(397,341)	17,314
CLGF Coral Bay Transfer Station	80,204	(80,204)	0	0	0	0	0
Town Planning Scheme Grant (DoP)	89,865	449	(687)	89,627	421	(56,882)	33,166
Recreation and culture							
Blowholes (balance of \$1,800,000)	997,988	14,481	(424)	1,012,045	14,589	0	1,026,634
DRD Fascine "Final" Stage	308,952	4,030	(2,300)	310,682	1,718	(204,000)	108,400
CLGF Aquatic Centre Refurbishment	106,869	534	(95,234)	12,169	25	(12,194)	0
WACA Grant - Cricket Pitch Installation	0	8,910	0	8,910	33	(8,943)	(0)
Civic Centre Grant - Raise the Roof	0	156,662	0	156,662	735	(102,331)	55,066
Circuitwest Building Arts Audiences	0	0	0	0	11,223	0	11,223
DLGSCI - Civic Centre Theatre Upgrade	0	0	0	0	228,538	0	228,538
DLGSCI - Art Gallery Venu Upgrade	0	0	0	0	24,418	0	24,418
Transport							
Robinson Street	14,083	650	(105)	14,628	277	0	14,905
Economic services							
VC Sustainability Grant (Tourism WA)	1	0	(1)	0	0	0	0
Water Management Strategy Plan (DoP)	46,039	230	(12,300)	33,969	238	(34,208)	(0)
Public Open Space Strategy Project (DoP)	33,602	167	(9,500)	24,269	114	0	24,383
Civic Precinct Development Plan (DoP)	18,460	93	0	18,553	87	0	18,640
Heritage Trail (GDC)	5,647	0	(5,647)	0	0	0	0
Total	3,049,062	217,172	(793,879)	2,472,354	285,211	(1,155,063)	1,602,502

Notes:

(1) - Grants/contributions recognised as revenue in a previous reporting period which were not expended at the close of the previous reporting period.

(2) - New grants/contributions which were recognised as revenues during the reporting period and which had not yet been fully expended in the manner specified by the contributor.

(3) - Grants/contributions which had been recognised as revenues in a previous reporting period or received in the current reporting period and which were expended in the current reporting period in the manner specified by the contributor.

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23. RATING INFORMATION

(a) Rates

RATE TYPE	Differential general rate / general rate	2018/19		2018/19		2018/19		2018/19		2018/19		2018/19		2017/18	
		Rate in \$	Number of Properties	Actual Rateable Value	Actual Rate Revenue	Actual Interim Rates	Actual Back Rates	Actual Total Revenue	Budget Rate Revenue	Budget Interim Rate	Budget Back Rate	Budget Total Revenue	Actual Total Revenue	Budget Total Revenue	Actual Total Revenue
Gross rental valuations															
GRV Valued Properties	9.1864	1,895	45,829,215	4,209,056	13,655	72,947	4,295,658	4,210,055	15,000	4,422	4,229,477	3,881,388			
Unimproved valuations															
UV Mining	12.656	23	522,539	66,133	0	0	66,133	66,133	0	0	66,133	61,033			
UV Pastoral	7.1666	33	2,725,690	195,339	0	0	195,339	195,339	0	0	195,339	180,869			
UV Intensive Horticulture	1.2268	167	37,862,500	464,497	0	0	464,497	464,497	0	0	464,497	430,089			
Sub-Total		2,118	86,939,944	4,935,025	13,655	72,947	5,021,627	4,936,024	15,000	4,422	4,955,446	4,553,379			
Minimum payment															
Minimum payment															
Gross rental valuations															
GRV Valued Properties	1,031	206	1,576,231	213,386	0	0	213,386	212,386	0	0	212,386	199,386			
Unimproved valuations															
UV Mining	216	23	17,029	4,968	0	0	4,968	4,968	0	0	4,968	4,800			
UV Pastoral	435	7	11,900	3,045	0	0	3,045	3,045	0	0	3,045	2,821			
UV Intensive Horticulture	851	2	60,000	1,702	0	0	1,702	1,702	0	0	1,702	1,576			
Sub-Total		238	1,665,160	223,101	0	0	223,101	222,101	0	0	222,101	208,583			
Total amount raised from general rate															
Specified Area Rate (refer Note 23(c))		2,356	88,605,104	5,158,126	13,655	72,947	5,244,728	5,158,125	15,000	4,422	5,177,547	4,761,962			
Ex-gratia rates							228,119				228,120	225,824			
Totals							6,248				8,593	2,676			
							5,479,095				5,414,260	4,990,462			

SIGNIFICANT ACCOUNTING POLICIES

Rates

Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates.

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23. RATING INFORMATION (Continued)

(b) Specified Area Rate

Specified Area Rate	Basis of Valuation	Rate in \$	2018/19 Rateable Value	2018/19 Rate Revenue	2018/19 Interim Rate Revenue		2018/19 Back Rate Revenue	2018/19 Specified Area Rate Revenue	2018/19 Budget Rate Revenue		2018/19 Budget Interim Rate Revenue	2018/19 Budget Set Aside to Reserve	2018/19 Budget Applied to Costs	2018/19 Budget Reserve Applied to Costs	2018/19 Total Budget Revenue	2017/18 Total Actual Revenue
					\$	\$			\$	\$						
GRV Coral Bay Refuse Site	GRV	0.065374	3,489,440	228,119	0	0	0	228,119	228,120	0	0	0	0	0	228,120	225,824
				228,119	0	0	0	228,119	228,120	0	0	0	0	0	228,120	225,824

Specified Area Rate	Purpose of the rate	Area/properties Rate Imposed	2018/19 Actual Rate Applied to Costs		2018/19 Actual Reserve Applied to Costs	2018/19 Budget Rate Applied to Costs		2018/19 Budget Reserve Applied to Costs
			\$	\$		\$	\$	
GRV Coral Bay Refuse Site	This rate is raised to contribute to the maintenance and future deliberations of the Coral Bay Refuse Site. The rate will be applied in full to the Coral Bay Refuse Site. Any surplus is required to be transferred to a specific purpose reserve. A surplus is not anticipated.	All properties located in Coral Bay.	0	0	0	228,120	0	0
			0	0	0	228,120	0	0

(c) Service Charges

No service charges were imposed by the Shire during the year ended 2019.

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

No discounts on rates is available and no waivers or concessions were given during the year ended 2019.

23. RATING INFORMATION (Continued)

(d) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
Option One				
Single full payment	26 Oct 2018	0	5.50%	11.00%
Option Two				
First instalment	26 Oct 2018	0	5.50%	11.00%
Second instalment	11 Mar 2019	4	5.50%	11.00%
Option Three				
First instalment	26 Oct 2018	0	5.50%	11.00%
Second instalment	07 Jan 2019	4	5.50%	11.00%
Third instalment	11 Mar 2019	4	5.50%	11.00%
Fourth instalment	13 May 2019	4	5.50%	11.00%

	2019 Actual \$	2019 Budget \$	2018 Actual \$
Interest on unpaid rates	75,274	57,000	71,083
Interest on instalment plan	21,981	20,500	18,603
	97,255	77,500	89,686
Charges on instalment plan	5,316	5,710	4,756
	102,571	83,210	94,442

24. RATE SETTING STATEMENT INFORMATION

	2018/19 (30 June 2019 Carried Forward)	2018/19 Budget (30 June 2019 Carried Forward)	2018/19 (1 July 2018 Brought Forward)
Note	\$	\$	\$
(a) Non-cash amounts excluded from operating activities			
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .			
Adjustments to operating activities			
Less: Profit on asset disposals	10(a) (137)	0	(20,982)
Less: Change in accounting policy	27(b) (113,957)	0	0
Movement in pensioner deferred rates (non-current)	(15,869)	0	(14,601)
Movement in employee benefit provisions (non-current)	4,703	0	29,000
Add: Loss on disposal of assets	10(a) 69,902	61,247	52,697
Add: Depreciation on assets	10(b) 8,441,747	7,214,563	8,338,500
Non cash amounts excluded from operating activities	8,386,389	7,275,810	10,943,916
(b) Surplus/(deficit) after imposition of general rates			
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.			
Adjustments to net current assets			
Less: Reserves - restricted cash	3 (3,705,040)	(2,894,065)	(4,368,377)
Less: Units in Local Government House Trust	7 122,620	0	0
Add: Borrowings	13(a) 54,534	54,534	122,964
Add: Provision for annual leave	438,957	403,734	403,734
Add: Provision for long service leave	250,102	218,441	218,441
Add: Prepaid income	34,983	0	101,867
Total adjustments to net current assets	(2,803,844)	(2,217,356)	(3,521,371)
Net current assets used in the Rate Setting Statement			
Total current assets	8,894,935	6,098,891	9,581,218
Less: Total current liabilities	(1,775,066)	(1,296,709)	(2,170,340)
Less: Total adjustments to net current assets	(2,803,844)	(2,217,356)	(3,521,371)
Net current assets used in the Rate Setting Statement	4,316,025	2,584,826	3,889,507

25. FINANCIAL RISK MANAGEMENT

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

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

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

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

(a) Interest rate risk

Cash and cash equivalents

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

Excess cash and cash equivalents are invested in fixed interest rate term deposits which do not expose the Shire to cash flow interest rate risk. 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
	%	\$	\$	\$	\$
2019					
Cash and cash equivalents	0.82%	7,399,412	1,149,940	6,246,372	3,100
2018					
Cash and cash equivalents	1.08%	8,200,962	1,337,356	6,860,506	3,100

Sensitivity

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

	2019	2018
	\$	\$
Impact of a 1% movement in interest rates on profit and loss and equity*	62,464	68,605

* 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 13(b).

25. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Trade 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 2018 or 1 July 2019 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as the ability of ratepayers and residents to settle the receivables. Housing prices and unemployment rates have been identified as the most relevant factor in repayment rates, and accordingly adjustments are made to the expected credit loss rate based on these factors. There are no material receivables that have been subject to a re-negotiation of repayment terms.

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

	Current	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total
30 June 2019					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	333,685	80,229	174,434	434,854	1,023,202
Loss allowance	0	0	0	0	0

01 July 2018

Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	80,229	174,434	62,797	372,057	689,517
Loss allowance	0	0	0	0	0

The loss allowance as at 30 June 2019 and 1 July 2018 (on adoption of AASB 9) was determined as follows for sundry receivables.

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
30 June 2019					
Sundry Receivables					
Expected credit loss	16.33%	49.94%	62.09%	91.48%	
Gross carrying amount	176,643	15,526	15,230	81,495	288,894
Loss allowance	28,848	7,754	9,457	74,554	120,613

01 July 2018

Sundry Receivables					
Expected credit loss	14.16%	25.51%	86.32%	97.17%	
Gross carrying amount	145,805	89,577	49,863	28,217	313,462
Loss allowance	20,646	22,851	43,042	27,418	113,957

25. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

Payables and borrowings

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The Shire manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required and disclosed in Note 13(c).

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
	\$	\$	\$	\$	\$
<u>2019</u>					
Payables	1,031,473	0	0	1,031,473	1,031,473
Borrowings	122,964	198,816	173,202	494,982	372,018
	<u>1,154,437</u>	<u>198,816</u>	<u>173,202</u>	<u>1,526,455</u>	<u>1,403,491</u>
<u>2018</u>					
Payables	1,425,201	0	0	1,425,201	1,425,201
Borrowings	137,863	233,643	183,927	555,433	494,982
	<u>1,563,064</u>	<u>233,643</u>	<u>183,927</u>	<u>1,980,634</u>	<u>1,920,183</u>

SHIRE OF CARNARVON
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30TH JUNE 2019

26. 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:

In previous years bonds and deposits were held as trust monies. They are now included as a current liability at Note 12.

	1 July 2018	Amounts Received	Amounts Paid	Amounts transferred to Municipal Fund	30 June 2019
	\$	\$	\$		\$
Civic Centre Hire	1,779	20,326	(20,245)	(1,860)	0
Footpath Deposits	20,099	0	0	(20,099)	0
Private Works Deposits	552,000	45,000	(310,942)	(45,999)	240,059
Shire Facility Deposits	5,520	27,378	(22,589)	(10,309)	0
Public Open Space	110,374	30,000	0	0	140,374
Other Sundry Trust	36,980	82,470	(68,751)	(50,699)	0
Suspense	15,912	1,726	(1,611)	(5,517)	10,510
Unclaimed Monies	4,142	738	(400)	0	4,480
Civic Centre Airconditioning	51	0	(51)	0	0
Perth Glory	12,500	0	0	(12,500)	0
Footpath Cash in Lieu	7,200	0	0	0	7,200
Building in Training Fund	921	30,404	(27,508)	0	3,817
Visitors Centre Booking Sales	27,435	202,678	(230,113)	0	0
Nomination Deposits	0	160	(160)	0	0
	794,913	440,880	(682,370)	(146,983)	406,440

27. INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS

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

Whilst many reflected consequential changes associated with the amendment of existing standards, the only new standard with material application is AASB 9 *Financial Instruments*.

AASB 9 Financial instruments

AASB 9 *Financial Instruments* replaces AASB 139 *Financial Instruments: Recognition and Measurement* for annual reporting periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Shire applied AASB 9 retrospectively, with an initial application date of 1 July 2018. The adoption of AASB 9 has resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. In accordance with AASB 9.7.2.15, the Shire has not restated the comparative information which continues to be reported under AASB 139. Differences arising from adoption have been recognised directly in accumulated surplus/(deficit).

(a) Classification and measurement

Under AASB 9, financial assets are subsequently measured at amortised cost, fair value through other comprehensive income (fair value through OCI) or fair value through profit or loss (fair value through P/L). The classification is based on two criteria: the Shire's business model for managing the assets; and whether the assets' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

The assessment of the Shire's business model was made as of the date of initial application, 1 July 2018. The assessment of whether contractual cash flows on financial assets are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

27. INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS (Continued)

The classification and measurement requirements of AASB 9 did not have a significant impact on the Shire. The following are the changes in the classification of the Shire's financial assets:

- Trade receivables and Loans and advances (i.e. Other debtors) classified as Loans and receivables as at 30 June 2018 are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are classified and measured as Financial assets at amortised cost beginning 1 July 2018.

- The Shire did not designate any financial assets as at fair value through profit and loss.

(b) Impairment

The adoption of AASB 9 has fundamentally changed the Shire's accounting for impairment losses for financial assets by replacing AASB 139's incurred loss approach with a forward-looking expected credit loss (ECL) approach. AASB 9 requires the Shire to recognise an allowance for ECLs for all financial assets not held at fair value through P/L. Upon adoption of AASB 9, the Shire recognised an additional impairment on the Shire's Trade receivables of \$113,957 which resulted in a decrease in accumulated surplus/(deficit) of \$113,957 as at 1 July 2018.

Set out below is the reconciliation of the ending impairment allowances in accordance with AASB 139 to the opening loss allowances determined, in accordance with AASB 9:

	Impairment under AASB 139 as at 30 June 2018	Remeasurement	ECL under AASB 9 as at 01 July 2018
	\$	\$	\$
Loans and receivables under AASB 139 / Financial assets at amortised cost under AASB 9	9,227	113,957	123,184
	<u>9,227</u>	<u>113,957</u>	<u>123,184</u>

(c) Impact of changes to Retained Surplus

The impact on the Shire of the changes as at 1 July 2018 is as follows:

	Adjustments	2018
		\$
Retained surplus - 30 June 2018		73,112,614
Adjustment to retained surplus from adoption of AASB 9	(113,957)	<u>(113,957)</u>
Retained surplus - 1 July 2018		72,998,657

28. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS FOR APPLICATION IN FUTURE YEARS

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Shire.

This note explains management's assessment of the new and amended pronouncements that are relevant to the Shire, the impact of the adoption of AASB 15 *Revenue from Contracts with Customers*, AASB 16 *Leases* and AASB 1058 *Income for Not-for-Profit Entities*.

These standards are applicable to future reporting periods and have not yet been adopted.

(a) Revenue from Contracts with Customers

The Shire will adopt 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 will adopt the new rules retrospectively with the cumulative effect of initially applying these rules recognised on 1 July 2019. In summary the following adjustments are expected to be made to the amounts recognised in the Statement of Financial Position at the date of initial application (1 July 2019):

	AASB 118 carrying amount		AASB 15 carrying amount
Note	30 June 2019	Reclassification	01 July 2019
	\$	\$	\$
Contract assets	0	182,292	182,292
Contract liabilities - current			
Unspent grants, contributions and reimbursements	0	182,292	182,292
Adjustment to retained surplus from adoption of AASB 15	28(d)	0	

(b) 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 the AASB 16 under the specific transition provisions chosen, the Shire will not restate comparatives for prior reporting periods.

On adoption of AASB 16, the Shire will recognise lease liabilities in relation to leases which had previously been classified as an 'operating lease' applying AASB 117. These lease liabilities will be measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate on 1 July 2019. The weighted average lessee's incremental borrowing rates applied to the lease liabilities on 1 July 2019 is 3.50%.

Note	2019
	\$
Operating lease commitments disclosed as at 30 June 2019	141,894
Lease liability recognised as at 1 July 2019	
Discounted using the lease incremental borrowing rate	(677,814)
Right-of-use asset recognised as at 1 July 2019	<u>648,597</u>
Impact on retained earnings on 1 July 2019	28(d) <u>(29,217)</u>

On adoption of AASB 16, the Shire will recognise a right-of-use asset in relation to a lease which had previously been classified as an 'operating lease' applying AASB 117. This right-of-use asset is to be measured as if AASB 16 had been applied since its commencement date by the carrying amount but discounted using the lessee's incremental borrowing rate as on 1 July 2019. Property, plant and equipment increases by \$648,597 on 1 July 2019 resulting in (\$29,217) impact on retained earnings on 1 July 2019.

On adoption of AASB 16 Leases (issued February 2016), for leases which had previously been classified as an 'operating lease' when applying AASB 117, the Shire is not required to make any adjustments on transition for leases for which the underlying asset is of low value. 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).

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.

28. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS FOR APPLICATION IN FUTURE YEARS (Continued)

(c) Income For Not-For-Profit Entities

The City will adopt 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 will adopt the new rules retrospectively with the cumulative effect of initially applying AASB 1058 recognised at 1 July 2019. Comparative information for prior reporting periods shall not be 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 will occur to the following financial statement line items by application of AASB 1058 as compared to AASB 1004 Contributions before the change:

	AASB 1004 carrying amount		AASB 1058 carrying amount
Note	30 June 2019	Reclassification	01 July 2019
	\$	\$	\$
Trade and other payables	1,031,473	1,414,971	2,446,444
Adjustment to retained surplus from adoption of AASB 1058	28(d)	(1,414,971)	

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 give rise to a financial liability that is within the scope of AASB 9. On 1 July 2019 the prepaid rates will be 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 occurs the financial liability will be extinguished and the Shire will recognise 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.

(d) Impact of changes to Retained Surplus

The impact on the Shire of the changes as at 1 July 2019 is as follows:

	Note	Adjustments	2019
			\$
Retained surplus - 30 June 2019			71,046,097
Adjustment to retained surplus from adoption of AASB 16	28(b)	(29,217)	
Adjustment to retained surplus from adoption of AASB 1058	28(c)	(1,414,971)	(1,444,188)
Retained surplus - 01 July 2019			69,601,909

29. PRIOR YEAR CORRECTION

Balances relating to the 2018 comparative period have been amended due to the correction of prior period balances. These amendments have been adjusted as shown below. In accordance with the requirements of AASB101, a Statement of Financial Position as at the beginning of the earliest comparative period (which is 2018 restated), has been included.

In June 2018 the Shire incorrectly recognised the revaluation decrement of "Infrastructure - Parks and Ovals" in the Revaluation surplus equity account. As the class of assets "Infrastructure - Parks and Ovals" did not have a corresponding Revaluation surplus balance, the revaluation decrement as at 30 June 2018 should have been recorded in the net result for period and ultimately in the retained earnings.

The Shire has applied this change retrospectively, adjusting the Financial report as at 30 June 2018. The following are effects on the 2018 comparative values:

Statement of Comprehensive Income	2018 Actual	Amount of Adjustment	2018 Restated
	\$	\$	\$
<i>By Nature or Type</i>			
(Loss) on revaluation of Infrastructure - Parks and Ovals	0	(2,559,302)	(2,559,302)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Changes in asset revaluation surplus	(48,720,046)	2,559,304	(46,160,742)
<i>By program</i>			
(Loss) on revaluation of Infrastructure - Parks and Ovals	0	(2,559,302)	(2,559,302)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Changes in asset revaluation surplus	(48,720,046)	2,559,304	(46,160,742)
Statement of Financial Position			
<i>Equity</i>			
Retained Surplus	75,671,916	(2,559,301)	73,112,615
Revaluation surplus	281,531,529	2,559,303	284,090,832
Note 11. Revaluation Surplus			
Revaluation surplus - Infrastructure surplus - Parks and Ovals	(2,559,303)	2,559,303	0
Note 32. Financial Ratios			
Debt service cover ratio	4.21	(9.99)	(5.78)
Operating surplus ratio	(0.87)	(0.32)	(1.19)
Own source revenue coverage ratio	0.42	(0.08)	0.34

30. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

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

c) Rounding off figures

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

d) Comparative figures

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

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

e) Budget comparative figures

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

f) Superannuation

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

g) Fair value of assets and liabilities

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

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

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

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

h) Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

i) Impairment of assets

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

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

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

For non-cash generating specialised assets that are measured under the revaluation model, such as roads, drains, public buildings and the like, no annual assessment of impairment is required. Rather AASB 116.31 applies and revaluations need only be made with sufficient 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.

31. ACTIVITIES/PROGRAMS

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

PROGRAM NAME AND OBJECTIVES

GOVERNANCE

To provide a decision making process for the efficient allocation of resources.

GENERAL PURPOSE FUNDING

To collect general revenue to allow for the provision of services.

LAW, ORDER, PUBLIC SAFETY

To provide services to help ensure a safer community.

HEALTH

To provide an operational framework for good community health.

EDUCATION AND WELFARE

To meet the needs of the community in these areas.

HOUSING

To meet the needs of the Shire of Carnarvon Staff.

COMMUNITY AMENITIES

To provide sanitary and essential services required by the community.

To provide land development strategies and to process land development activities.

Environmental sustainability.

RECREATION AND CULTURE

To establish and manage efficiently infrastructure and resources which will help the social well being of the community.

TRANSPORT

To provide effective and efficient transport services to the community.

ECONOMIC SERVICES

To help promote and market the Shire of Carnarvon to the world and improve the economic well being.

To ensure building development regulations are adhered to.

OTHER PROPERTY AND SERVICES

To ensure works programs are operating efficiently.

ACTIVITIES

Administration and operations of facilities and services to members of Council. Other costs which relate to the tasks of assisting elected members and ratepayers on matters which do not concern specific council services.

Rates activity, general purpose grants, banking costs and interest revenue.

Supervision of various local laws, fire prevention, emergency services, CBD security, administration of the Crime Prevention Plan.

Food quality and pest control, inspections and infant health. This function also provides for the implementation of the Healthy Lifestyles model.

Support pre-school facilities and assistance of seniors and retirement villages. This function also provides for Youth Strategy and the accounting of the Carnarvon Youth Co-Ordinating Networks finance as part of the agreement.

Staff Housing.

Refuse collection service, operation of refuse site, administration of town planning scheme, cemetery service and maintenance, environmental protection services and land development services.

Operations of the Civic Centre (Camel Lane), aquatic centre and beach areas, regional library service, cultural and heritage services and facilities, reserves, parks and gardens.

Maintenance of streets, roads, footpaths, street lighting, airport. Agency for Department of Planning and Infrastructure's on line vehicle licensing service.

Noxious weed control, tourism and area promotion, building control and services.

Private works operations, public works operations and plant operations.

32. FINANCIAL RATIOS

	2019 Actual	2018 Restated	2017 Actual
Current ratio	3.21	2.57	3.16
Asset consumption ratio	0.73	0.74	0.97
Asset renewal funding ratio	1.06	1.05	1.00
Asset sustainability ratio	0.57	0.48	0.71
Debt service cover ratio	8.86	(5.78)	10.69
Operating surplus ratio	(0.77)	(1.19)	(0.37)
Own source revenue coverage ratio	0.41	0.34	0.42

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 TO THE COUNCILLORS OF THE SHIRE OF CARNARVON

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REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the accompanying financial report of the Shire of Carnarvon (the Shire), which comprises the Statement of Financial Position as at 30 June 2019, 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 Carnarvon:

- a) is based on proper accounts and records; and
- b) fairly represents, in all material respects, the results of the operations of the Shire for the year ended 30 June 2019 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 Note 1 to the financial report, which describes the basis of preparation. The financial report has been prepared for the purpose of fulfilling the Shire's financial reporting responsibilities under the Act. Regulation 16 of the Local Government (Financial Management) Regulations 1996 (Regulations), does not allow a local government to recognise some categories of land, including land under roads, as assets in the annual financial report. Our opinion is not modified in respect of this matter.

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

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

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

REPORT ON THE AUDIT OF THE FINANCIAL REPORT (CONTINUED)

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, international omissions, misrepresentation, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Shire's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the CEO.
- Conclude on the appropriateness of the CEO's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Shire's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report, as we cannot predict future events or conditions that may have an impact.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Council and the CEO regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**INDEPENDENT AUDITOR'S REPORT
TO THE COUNCILLORS OF
THE SHIRE OF CARNARVON (CONTINUED)**

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

- a) In our opinion, there is a significant adverse trend in the financial position of the Shire as the Asset Sustainability Ratio and Operating Surplus Ratio have been below the DLGSCI standard for the past 3 years.
- b) 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 asset renewal funding ratio included in the annual financial report were supported by verifiable information and reasonable assumptions.

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 Carnarvon for the year ended 30 June 2019 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.

MOORE STEPHENS
CHARTERED ACCOUNTANTS



WEN-SHIEN CHAI
PARTNER

Signed at Perth this 27th day of February 2020.