



SHIRE OF CARNARVON
AGENDA
SPECIAL COUNCIL MEETING
FRIDAY 14 OCTOBER 2022

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
Special Council Meeting
will be held
on Friday 14 October 2022
Council Chambers, Stuart Street Carnarvon
commencing at 8.30am



Andrea Selvey
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.

INFORMATION ON PUBLIC QUESTION TIME

The following information is provided should you wish to ask a question of Council at the Ordinary Meetings held on a monthly basis.

Please note that questions that have not been filled out on the Submission Form will not be accepted.

- The Local Government Act 1995 allows members of the public to ask questions in regard to any issue relating to the Shire.
- A maximum of 15 minutes will be allowed for public question time and the Presiding Member will allow a maximum of three (3) verbal/written questions per person.
- Prior to asking a question, the speaker must state his/her name and address.
- Members of the public are discouraged from asking questions which contain defamatory remarks, offensive language or questioning the competency of staff or Council members.
- The Presiding Member may nominate a member or officer to answer the question and may also determine that any complex questions requiring research be taken on notice and answered in writing.
- No debate or discussion is allowed to take place on any question or answer.
- A summary of each question asked and the response given will be included in the minutes of the meeting –

Local Government (Administration) Regulations 1996 – Pt 2, r.11 – (in part reads -)

11. Minutes, content of (Act s.5.25(1)(f))

The content of minutes of a meeting of a council or a committee is to include –

(e) a summary of each question raised by members of the public at the meeting and a summary of the response to the question.

Responses to questions that are taken on notice will be responded to as soon as possible.

- If you wish to ask a question, please complete the Public Question Time Submission Form at the back of this information sheet. Alternatively, questions can be submitted in writing to the Shire of Carnarvon 3 days prior to the meeting.

SPECIAL MEETINGS OF COUNCIL

Members of the public are welcome to attend a Special Meeting of Council if open, and ask questions of the Council within the allotted public question time ***subject to the questions being asked only relating to the purpose of the Special Meeting*** (s5.23 of the Act and regulation 12 (4) of the Local Government (Administration) Regulations 1996, the Department of Local Government and Communities Guide to Meetings and Governance Bulletin April 2014 and Guideline No. 3 Managing Public Question Time.)

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1.0 ATTENDANCES , APOLOGIES & APPROVED 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 PUBLIC QUESTION TIME

(In accordance with Section 5.24 of the Local Government Act 1995, a 15 minute public question time is made available to allow members of the public the opportunity of questioning Council on matters concerning them. All questions are to be provided on the Public Question Time Submission Form.)

3.0 DECLARATIONS OF INTEREST

(Councillors and Staff are reminded of the requirements of Section 5.65 of the Local Government Act 1995, to disclose any interest during the meeting or when the matter is to be discussed.)

4.0 ITEMS FOR DISCUSSION

4.1 Annual Report, Financial Statements for the Year Ended 30 June 2021 and Electors Meeting5

5.0 MATTERS FOR WHICH MEETING TO BE CLOSED TO MEMBERS OF THE PUBLIC

6.0 CLOSURE

Date of Meeting:	14 October 2022
Location/Address:	N/A
Name of Applicant:	Shire of Carnarvon
Name of Owner:	N/A
Author/s:	A. Selvey, Chief Executive Officer
Declaration of Interest:	Nil
Schedules:	Schedule 4.1 - Annual Report and Financial Statements 2020/2021
Previous Reports:	Nil

Authority / Discretion

	Advocacy	When Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.
X	Executive	The substantial direction setting and oversight role of the Council. E.g., adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.
	Legislative	Includes adopting local laws, town planning schemes and policies.
	Quasi-Judicial	When Council determines an application / matter that directly affects a person's right and interest. The judicial character arises from the obligations to abide by the principles of natural justice. Examples of Quasi-Judicial authority include town planning applications, building licenses, applications for other permits / licenses.
	Information	Includes items provides to Council for information purposes only that do not require a decision of Council (i.e. – for noting).

Summary of Item:

This report formally presents the Shire of Carnarvon 2020/2021 Annual Report (the Annual Report), inclusive of the 2020/2021 Financial Report, Auditor's Report and Auditors Management Report to Council. The officer's recommendation is that Council adopts the Shire of Carnarvon 2020/2021 Annual Report as presented *refer Schedule 4.1*

Background:

Section 5.53 of the *Local Government Act 1995* requires the preparation of an Annual Report and details the contents required within that report. Section 5.54 requires that the Annual Report for a financial year be accepted no later than 31 December after that financial year or within 2 months of receiving the auditor's report. In this instance, the finalization of the Annual Report has been delayed due to delays with finalising the financial statements and obtaining the Auditor's Report. This is due to several factors, including changes in key finance staff at the Shire and processes to changes to accounting standards.

The *Local Government Act 1995* requires that an Electors' General Meeting is to be held within 56 days of acceptance of the Annual Report. Pending adoption of the Annual Report, the Electors' General Meeting will be scheduled for 12noon on Tuesday 8 November 2022, at the Shire of Carnarvon, Council Chambers.

Consultation:

The Office of the Auditor General
The Shire of Carnarvon Audit and Risk Committee

Statutory Environment:

Sections 5.53, and 5.27 of the *Local Government Act 1995* provide the statutory framework for the Annual Report and Electors’ General Meeting. While the Shire of Carnarvon has not met statutory timeframes in this matter, other aspects of the process are compliant with the requirements of the legislation.

Relevant Plans and Policy:

N/A

Financial Implications:

There are no direct financial implications from the officer’s recommendation to receive the Annual Report and to set the date for the Electors’ General Meeting. However, the financial implications of the content of the financial statements are the very basis of this report. The Auditor’s Report provides further detail and is provided under the Risk Assessment section of this report – see below.

Risk Assessment:

Consequence → **STEP 3 – Risk Tolerance Chart Used to Determine Risk**

		Insignificant 1	Minor 2	Major 3	Critical 4	Extreme 5
Likelihood						
Almost certain	A	High	High	Extreme	Extreme	Extreme
Likely	B	Moderate	High	High	Extreme	Extreme
Possible	C	Low	Moderate	High	Extreme	Extreme
Unlikely	D	Low	Low	Moderate	High	Extreme
Rare	E	Low	Low	Moderate	High	High

Risk Category	Description	Rating (Consequence x likelihood)	Mitigating Action/s
Financial	A significant adverse trend in the financial position of the Shire is noted by the Auditor with specific note of the Asset Sustainability Ratio and the Operating Surplus Ratio below the Dept of Local Government standard for the past three years.	Extreme	The draft Long-Term Financial Plan which will be finalised in 2022/2023 and Corporate Business Plan review will take this into account and will include a review of services and will identify any asset replacement funding needs.
Health & Safety	N/A		
Reputation	The delay in calling an Electors’ General Meeting (Annual Electors’ Meeting) has the potential to raise concerns about the Shire’s financial management and cause reputational damage.	Moderate	Open and transparent reporting of the reason for the delay in this report which is made publicly available.
Service disruption	N/A		
Compliance	The Shire has not	Extreme	This will be addressed with the update

	reported the Asset Renewal Funding Ratio as required by section 50(1)(c) of the Local Government (Financial Management) Regulations 1996 as information on planned capital renewals and required capital expenditure over a 10-year period was not available.		of the Long Term Financial Plan which will inform and update the Asset Management Plan during 2022/2023.
Property	N/A		
Environment	N/A		
Fraud	Fraudulent reports	High	The objective of the audit is to obtain reasonable assurance that the financial report is free from material misstatement, either by fraud or error. This is expressed in the Auditor's Report.

Community & Strategic Objectives:

Improving Trust Between Citizens and the Shire

- Facilitate and provide transparency.

Comment:

The Audit opinion is expressed in the Independent Auditor's Report 2021. Items to note are as follows:

1. The Asset Sustainability Ratio and Operating Surplus Ratio have been below the Department of Local Government, Sport and Cultural Industries' standard for the past 3 years. The financial ratios are reported at Note 34 to the financial report. The Shire has not reported the Asset Renewal Funding Ratio for 2021 as required by section 50(1)(c) of the Local Government (Financial Management) Regulations 1996, as planned capital renewals and required capital expenditure were not estimated in a long-term financial plan and asset management plan.
The Shire first needed to update its Strategic Community Plan. This has been completed and the Corporate Business Plan is currently being updated. The Long Term Financial Plan and Asset Management Plans will be updated in 2023. It should be noted that ratios will not be required to be reported from 2022.
2. Accounting journal entries were mostly prepared and posted by the same officer, with no evidence of independent review and approval by a senior officer. Accounting journals can represent significant adjustments to previously approved accounting transactions and should therefore be appropriately reviewed and approved.
We recognise this matter and acknowledge that this is likely to have also occurred in 2021/22 and at the commencement of the 2022/23 financial year. However, management practices have been reviewed and general journals are now independently reviewed.
3. Funds totaling \$1.2 million were transferred from a cash backed reserve account to unrestricted cash in the Municipal account on 2 occasions without prior approval from the Council. This is also in breach of section 6.11(2)(b) of the Local Government Act 1995, which requires the Shire to give one month's local public notice if the money in a reserve account is proposed to be used for another purpose. These transfers were subsequently reversed.
This matter was recognised and the funds totalling \$1.2 million were returned to the reserve account. A report disclosing the error and the correction was presented to Council. Staff involved in that matter no longer work at the Shire of Carnarvon.

4. There were inadequate internal controls around the processing of employee termination payments. Inadequate or ineffective controls increases the risk of under or over payments to terminated employees.

These payments were made in mid to late 2020 at a time when the Shire had an Acting Finance Manager and Acting Senior Finance Officer. At this time, there were also a larger number of terminations being processed due to an organisational restructure. A new HR Manager has commenced since and made significant improvements to process.

5. Monthly bank reconciliations for the financial year ended 30 June 2021 were only prepared in June 2021. Errors were noted in the preparation of the bank reconciliations. In addition, the reconciliations included a large number of reconciling items that had not been cleared in a timely manner, with some reconciling items outstanding since August 2020. This increases the risk of misstatements, fraud and errors not being detected in a timely manner.

Bank reconciliations are now being carried out for the Municipal Bank Account in a timely manner. They are now reconciled to June 2022 with July 2022 reconciliations underway. Process is for all reconciliations to be completed within first week of the following month. There are still issues with the Synergy Bank Rec Module which have caused some issues. The Shire has repeatedly flagged this with ITVision.

It is a requirement (S7.12A of the *Local Government Act 1995*) of the that Local Government prepares a report on any matters identified as significant by the auditor in the audit report and submit the report to the Minister within three months of the audit report being received by the Local Government. The report is required to include an action plan to address these matters and must be published on the Shire's website.

OFFICER'S RECOMMENDATION

That Council, by Absolute Majority, pursuant to Section 5.54 of the Local Government Act 1995, resolves to:

1. *Accept the Shire of Carnarvon Annual Report for the 2020/2021 Financial Year, incorporating the Shire President's Report, CEO's Report, Financial Statements and Auditors Report, presented at Schedule 4.1 and make the Annual Report publicly available via the Shire website, at the Shire Administration Centre and at the Carnarvon Regional Library;*
2. *Set the date for the Annual Electors' General Meeting as Tuesday 8 November 2022 at 12noon at the Shire of Carnarvon Council Chambers, Stuart Street, Carnarvon; and*
3. *Give Public Notice of the meeting via local print and social media platforms and notices in public venues in Carnarvon and Coral Bay.*



Auditor General

INDEPENDENT AUDITOR'S REPORT 2021 Shire of Carnarvon

To the Councillors of the Shire of Carnarvon

Report on the audit of the annual financial report

Opinion

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

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

In my opinion the financial report of the Shire of Carnarvon:

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

Basis for opinion

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

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

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

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

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

Auditor's responsibility for the audit of the financial report

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

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

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

Report on other legal and regulatory requirements

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

- (i) In my opinion, the following material matters indicate significant adverse trends in the financial position of the Shire:
 - a. The Asset Sustainability Ratio and Operating Surplus Ratio have been below the Department of Local Government, Sport and Cultural Industries' standard for the past 3 years. The financial ratios are reported at Note 34 to the financial report.
- (ii) The following material matters indicating non-compliance with Part 6 of the Act, the Regulations or applicable financial controls of any other relevant written law were identified during the course of my audit:
 - a. The Shire has not reported the Asset Renewal Funding Ratio for 2021 as required by section 50(1)(c) of the Local Government (Financial Management) Regulations 1996, as planned capital renewals and required capital expenditure were not estimated in a long-term financial plan and asset management plan.
 - b. Accounting journal entries were mostly prepared and posted by the same officer, with no evidence of independent review and approval by a senior officer. Accounting journals can represent significant adjustments to previously approved accounting transactions and should therefore be appropriately reviewed and approved.
 - c. Funds totaling \$1.2 million were transferred from a cash backed reserve account to unrestricted cash in the Municipal account on 2 occasions without prior approval from the Council. This is also in breach of section 6.11(2)(b) of the *Local Government Act 1995*, which requires the Shire to give one month's local public notice if the money in a reserve account is proposed to be used for another purpose. These transfers were subsequently reversed.
 - d. There were inadequate internal controls around the processing of employee termination payments. Inadequate or ineffective controls increases the risk of under or over payments to terminated employees.

- e. Monthly bank reconciliations for the financial year ended 30 June 2021 were only prepared in June 2021. Errors were noted in the preparation of the bank reconciliations. In addition, the reconciliations included a large number of reconciling items that had not been cleared in a timely manner, with some reconciling items outstanding since August 2020. This increases the risk of misstatements, fraud and errors not being detected in a timely manner.
- (iii) All required information and explanations were obtained by me.
- (iv) All audit procedures were satisfactorily completed.
- (v) In my opinion, the Asset Consumption Ratio for 2019, 2020 and 2021 and the Asset Renewal Funding Ratio for 2019 included in the financial report were supported by verifiable information and reasonable assumptions.

Other matter

The financial ratios for 2019 in Note 34 of the financial report were audited by another auditor when performing their audit of the Shire for the year ending 30 June 2019. The auditor expressed an unmodified opinion on the financial report for that year.

Other information

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

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

Matters relating to the electronic publication of the audited financial report

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

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

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

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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

The Shire of Carnarvon acknowledges the Yingarrda people as the Traditional Custodians of this land which we work and live on. We pay our respects to their Elders past, present and emerging and extend this respect to all Aboriginal people and their ongoing connection to this Country.

Principal place of business:
3 Francis Street
Carnarvon WA 6701



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

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

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

Signed on the 10th day of October 2022



Chief Executive Officer

Andrea Selvey



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

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
Revenue				
Rates	27(a)	5,509,932	5,523,129	5,703,085
Operating grants, subsidies and contributions	2(a)	6,194,451	3,287,310	5,605,137
Fees and charges	2(a)	2,905,104	2,737,910	2,744,968
Interest earnings	2(a)	104,374	68,584	137,466
Other revenue	2(a)	300,686	306,557	335,773
		15,014,547	11,923,490	14,526,429
Expenses				
Employee costs		(6,611,782)	(7,171,945)	(7,771,785)
Materials and contracts		(4,462,988)	(5,003,286)	(3,973,557)
Utility charges		(754,488)	(809,328)	(800,823)
Depreciation on non-current assets	10(c)	(8,357,292)	(8,286,606)	(8,338,845)
Interest expenses	2(b)	(38,105)	(35,164)	(43,249)
Insurance expenses		(492,308)	(496,958)	(460,701)
Other expenditure		(472,568)	(502,066)	(238,799)
		(21,189,531)	(22,305,353)	(21,627,759)
		(6,174,984)	(10,381,863)	(7,101,330)
Non-operating grants, subsidies and contributions	2(a)	2,244,505	4,258,072	1,696,943
Profit on asset disposals	10(a)	0	0	1,306
(Loss) on asset disposals	10(a)	(70,655)	0	(184,883)
Fair value adjustments to financial assets at fair value through profit or loss		4,525	0	2,017
		2,173,850	4,258,072	1,515,383
Net result for the period		(3,996,609)	(6,123,791)	(5,585,947)
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	12	0	0	122,769
Total other comprehensive income for the period		0	0	122,769
Total comprehensive income for the period		(3,996,609)	(6,123,791)	(5,463,178)

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 30 JUNE 2021

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
Revenue				
Governance		33,277	148,705	81,744
General purpose funding		10,409,071	7,755,834	10,600,578
Law, order, public safety		479,413	225,169	102,858
Health		32,103	43,442	74,272
Education and welfare		216,485	218,034	172,372
Housing		6,254	23,900	14,704
Community amenities		2,218,060	1,943,896	2,000,305
Recreation and culture		153,631	254,258	125,778
Transport		1,068,393	773,652	939,653
Economic services		294,812	408,663	226,187
Other property and services		103,048	127,937	187,978
		15,014,547	11,923,490	14,526,429
Expenses				
Governance		(1,537,304)	(1,396,183)	(1,236,017)
General purpose funding		(269,038)	(204,795)	(180,436)
Law, order, public safety		(1,136,696)	(977,206)	(1,063,917)
Health		(613,102)	(672,783)	(602,763)
Education and welfare		(919,190)	(1,161,570)	(919,994)
Housing		(1,869)	(115,575)	(95,780)
Community amenities		(2,029,547)	(2,426,510)	(2,558,308)
Recreation and culture		(3,938,764)	(4,796,049)	(4,691,238)
Transport		(9,339,602)	(9,226,000)	(8,954,240)
Economic services		(1,061,017)	(1,188,273)	(1,090,556)
Other property and services		(305,297)	(105,246)	(191,261)
		(21,151,426)	(22,270,190)	(21,584,510)
Finance Costs				
	2(b)			
Governance		(85)	(446)	(486)
Housing		(334)	(296)	(1,131)
Transport		(11,969)	(9,057)	(11,596)
Other property and services		(25,717)	(25,365)	(30,036)
		(38,105)	(35,164)	(43,249)
		(6,174,984)	(10,381,864)	(7,101,330)
Non-operating grants, subsidies and contributions	2(a)	2,244,505	4,258,072	1,696,943
Profit on disposal of assets	10(a)	0	0	1,306
(Loss) on disposal of assets	10(a)	(70,655)	0	(184,883)
Fair value adjustments to financial assets at fair value through profit or loss		4,525	0	2,017
		2,178,375	4,258,072	1,515,383
Net result for the period		(3,996,609)	(6,123,791)	(5,585,947)
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	12	0	0	122,769
Total other comprehensive income for the period		0	0	122,769
Total comprehensive income for the period		(3,996,609)	(6,123,791)	(5,463,178)

This statement is to be read in conjunction with the accompanying notes.
Special Council Meeting Agenda 14 October 2022

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

	NOTE	2021	2020
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	3	9,119,374	7,934,996
Trade and other receivables	6	1,766,853	1,702,172
Inventories	7	63,092	72,460
TOTAL CURRENT ASSETS		10,949,319	9,709,628
NON-CURRENT ASSETS			
Trade and other receivables	6	111,640	111,640
Other financial assets	5	129,162	124,637
Property, plant and equipment	8	32,840,535	33,538,675
Infrastructure	9	309,188,733	312,599,132
Right-of-use assets	11	701,971	1,022,471
TOTAL NON-CURRENT ASSETS		342,972,041	347,396,555
TOTAL ASSETS		353,921,360	357,106,183
CURRENT LIABILITIES			
Trade and other payables	13	1,827,468	1,134,973
Other liabilities	14	2,385,996	1,575,109
Lease liabilities	15(a)	290,325	331,808
Borrowings	16(a)	52,550	53,224
Employee related provisions	17	587,386	976,490
TOTAL CURRENT LIABILITIES		5,143,725	4,071,604
NON-CURRENT LIABILITIES			
Lease liabilities	15(a)	443,728	723,257
Borrowings	16(a)	211,689	264,260
Employee related provisions	17	227,083	155,318
TOTAL NON-CURRENT LIABILITIES		882,500	1,142,835
TOTAL LIABILITIES		6,026,225	5,214,439
NET ASSETS		347,895,135	351,891,744
EQUITY			
Retained surplus		60,822,268	63,538,345
Reserves - cash backed	4	2,683,109	3,963,641
Revaluation surplus	12	284,389,758	284,389,758
TOTAL EQUITY		347,895,135	351,891,744

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



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

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2019		71,046,097	3,705,040	284,541,989	359,293,126
Change in accounting policy		(1,663,204)	0	(275,000)	(1,938,204)
Balance as at 30 June 2019		69,382,893	3,705,040	284,266,989	357,354,922
Comprehensive income					
Net result for the period		(5,585,947)	0	0	(5,585,947)
Other comprehensive income	12	0	0	122,769	122,769
Total comprehensive income		(5,585,947)	0	122,769	(5,463,178)
Transfers from reserves	4	461,827	(461,827)	0	0
Transfers to reserves	4	(720,428)	720,428	0	0
Balance as at 30 June 2020		63,538,345	3,963,641	284,389,758	351,891,744
Comprehensive income					
Net result for the period		(3,996,609)	0	0	(3,996,609)
Total comprehensive income		(3,996,609)	0	0	(3,996,609)
Transfers from reserves	4	1,633,195	(1,633,195)	0	0
Transfers to reserves	4	(352,663)	352,663	0	0
Balance as at 30 June 2021		60,822,268	2,683,109	284,389,758	347,895,135

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



SHIRE OF CARNARVON
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		6,000,642	5,523,129	5,364,567
Operating grants, subsidies and contributions		6,665,244	3,287,310	5,707,586
Fees and charges		3,006,344	2,737,910	2,744,968
Interest received		104,374	68,584	137,466
Goods and services tax received		721,307	0	798,309
Other revenue		300,686	306,557	335,773
		16,798,597	11,923,490	15,088,669
Payments				
Employee costs		(6,929,121)	(7,171,945)	(7,190,661)
Materials and contracts		(3,790,230)	(5,003,286)	(4,191,071)
Utility charges		(754,488)	(809,328)	(800,823)
Interest expenses		(38,105)	(35,164)	(43,249)
Insurance paid		(492,308)	(496,958)	(460,701)
Goods and services tax paid		(1,009,072)	0	(827,614)
Other expenditure		(472,568)	(502,066)	(238,799)
		(13,485,892)	(14,018,747)	(13,752,918)
Net cash provided by (used in) operating activities	18	3,312,705	(2,095,257)	1,335,751
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	8(a)	(668,542)	(576,360)	(773,446)
Payments for construction of infrastructure	9(a)	(3,315,922)	(6,578,315)	(1,409,387)
Non-operating grants, subsidies and contributions	2(a)	2,244,505	4,258,072	1,696,943
Proceeds from sale of property, plant & equipment	10(a)	7,716	0	81,955
Net cash provided by (used in) investment activities		(1,732,243)	(2,896,603)	(403,935)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	16(b)	(53,245)	(53,244)	(54,534)
Payments for principal portion of lease liabilities	15(b)	(342,839)	(365,390)	(341,696)
Net cash provided by (used in) financing activities		(396,084)	(418,634)	(396,230)
Net increase (decrease) in cash held		1,184,378	(5,410,494)	535,586
Cash at beginning of year		7,934,996	7,814,282	7,399,412
Cash and cash equivalents at the end of the year	18	9,119,374	2,403,788	7,934,996

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



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

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)				
	28 (b)	4,611,014	5,152,400	4,193,405
		4,611,014	5,152,400	4,193,405
Revenue from operating activities (excluding rates)				
Governance		33,277	148,705	83,050
General purpose funding		5,143,589	2,473,899	5,138,687
Law, order, public safety		479,413	225,169	102,858
Health		32,103	43,442	74,272
Education and welfare		216,485	218,034	172,372
Housing		6,254	23,900	14,704
Community amenities		2,218,060	1,943,896	2,000,305
Recreation and culture		153,631	254,258	125,778
Transport		1,068,393	773,652	939,653
Economic services		294,812	408,663	226,187
Other property and services		107,573	127,937	189,995
		9,753,590	6,641,556	9,067,861
Expenditure from operating activities				
Governance		(1,581,388)	(1,396,629)	(1,294,598)
General purpose funding		(269,038)	(204,795)	(180,436)
Law, order, public safety		(1,136,696)	(977,206)	(1,063,917)
Health		(613,102)	(672,783)	(602,763)
Education and welfare		(919,190)	(1,161,570)	(919,994)
Housing		(2,203)	(115,871)	(96,911)
Community amenities		(2,029,547)	(2,426,510)	(2,558,308)
Recreation and culture		(3,938,764)	(4,796,049)	(4,729,057)
Transport		(9,378,227)	(9,235,057)	(9,021,933)
Economic services		(1,061,017)	(1,188,273)	(1,093,103)
Other property and services		(331,014)	(130,611)	(251,622)
		(21,260,186)	(22,305,353)	(21,812,642)
Non-cash amounts excluded from operating activities	28(a)	8,809,700	8,686,301	8,759,266
Amount attributable to operating activities		1,914,118	(1,825,096)	207,890
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	2(a)	2,244,505	4,258,072	1,696,943
Proceeds from disposal of assets	10(a)	7,716	0	81,955
Purchase of property, plant and equipment	8(a)	(668,542)	(576,360)	(773,446)
Purchase and construction of infrastructure	9(a)	(3,315,922)	(6,578,315)	(1,409,387)
		(1,732,243)	(2,896,603)	(403,935)
Amount attributable to investing activities		(1,732,243)	(2,896,603)	(403,935)
FINANCING ACTIVITIES				
Repayment of borrowings	16(b)	(53,245)	(53,244)	(54,534)
Payments for principal portion of lease liabilities	15(b)	(342,839)	(365,390)	(341,696)
Transfers to reserves (restricted assets)	4	(352,663)	(1,400,181)	(720,428)
Transfers from reserves (restricted assets)	4	1,633,195	1,512,110	461,827
Amount attributable to financing activities		884,449	(306,705)	(654,831)
Surplus/(deficit) before imposition of general rates		1,066,323	(5,028,404)	(850,877)
Total amount raised from general rates	27(a)	5,265,482	5,281,935	5,461,891
Surplus/(deficit) after imposition of general rates	28(b)	6,331,806	253,531	4,611,014

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



SHIRE OF CARNARVON
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FOR THE YEAR ENDED 30 JUNE 2021

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

1. BASIS OF PREPARATION

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

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

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

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

THE LOCAL GOVERNMENT REPORTING ENTITY

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

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 31 to these financial statements.

INITIAL APPLICATION OF ACCOUNTING STANDARDS

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

These were:

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

The adoption of these standards had no material impact on the financial report.

NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE YEARS

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

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

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

CRITICAL ACCOUNTING ESTIMATES

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

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

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

2. REVENUE AND EXPENSES

REVENUE RECOGNITION POLICY

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Timing of revenue recognition
Rates	General Rates	Over time	Payment dates adopted by Council during the year	None	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Rates - specified area rates	Rates charge for specific defined purpose	Over time	Payment dates adopted by council during the year	Refund in event monies are unspent	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Grant contracts with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants, subsidies or contributions for the construction of non-financial assets	Construction or acquisition of recognisable non-financial assets to be controlled by the local government	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants, subsidies or contributions with no contract commitments	General appropriations and contributions with no reciprocal commitment	No obligations	Not applicable	Not applicable	Cash received	On receipt of funds	Not applicable	When assets are controlled
Fees and Charges - Licences/ Registrations/ Approvals	Building, planning, development and animal management, having the same nature as a licence regardless of naming.	Single point in time	Full payment prior to issue	None	Set by State legislation or limited by legislation to the cost of provision	Based on timing of issue of the associated rights	May be refunded as set by State legislation	On payment and issue of the licence, registration or approval
Fees and Charges - pool inspections	Compliance safety check	Single point in time	Equal proportion based on an equal annually fee	None	Set by State legislation	Apportioned equally across the inspection cycle	No refunds	After inspection complete based on a 4 year cycle
Other inspections	Regulatory Food, Health and Safety	Single point in time	Full payment prior to inspection	None	Set by State legislation or limited by legislation to the cost of provision	Applied fully on timing of inspection	Not applicable	Revenue recognised after inspection event occurs
Fees and charges - Waste management collections	Kerbside collection service	Over time	Payment on an annual basis in advance	None	Adopted by council annually	Apportioned equally across the collection period	Not applicable	Output method base on regular weekly and fortnightly period as proportionate to collection service
Fees and charges - Waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	Adopted by council annually	Based on timing of entry to facility	Not applicable	On entry to facility
Fees and charges - Airport landing charges	Permission to use facilities and runway	Single point in time	Monthly in arrears	None	Adopted by council annually	Applied fully on timing of landing/takeoff	Not applicable	On landing/departure event
Fees and Charges - Property hire and entry	Use of halls and facilities	Single point in time	In full in advance	Refund if event cancelled	Adopted by council annually	Based on timing of entry to facility	Returns limited to repayment of transaction price	On payment
Fees and Charges - Memberships	Gym and pool membership	Over time	Payment in full in advance	Refunds limited to exceptional circumstances - not usually provided	Adopted by council annually	Based on timing of issue of the associated access rights	Returns limited to repayment of transaction price pro-rata	On payment and issue of access card
Fees and charges for other goods and services	Cemetery services, library fees, rental income, reinstatements and private works	Single point in time	Payment in full in advance	None	Adopted by council annually	Applied fully based on timing of provision	Not applicable	Output method based on provision of service or completion of works
Fees and Charges - Sale of stock	Aviation fuel, Diesel fuel and visitor centre stock	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	Adopted by council annually	Applied fully based on timing of provision	Returns limited to repayment of transaction price	Output method based on goods
Fees and Charges - Fines	Fines issued for breaches of local laws	Single point in time	Payment in full within defined time	None	Adopted by council through local law	When taxable event occurs	Not applicable	When assets are controlled
Other Revenue - Reimbursements	On- charge of expenses & Insurance claims	Single point in time	Payment in arrears for claimable event	None	Set by mutual agreement with the customer	When claim is agreed	Not applicable	When claim is agreed

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

2. REVENUE AND EXPENSES

(a) Grant revenue

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

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Operating grants, subsidies and contributions			
Governance	0	33,460	0
General purpose funding	5,009,000	2,368,734	4,969,873
Law, order, public safety	455,084	192,579	56,728
Health	5,312	8,000	28,500
Education and welfare	204,190	199,000	168,320
Community amenities	62,868	0	33,166
Recreation and culture	67,696	76,289	9,836
Transport	364,604	360,570	320,075
Economic services	25,697	48,678	18,639
	6,194,451	3,287,310	5,605,137
Non-operating grants, subsidies and contributions			
Law, order, public safety	120,969	134,100	38,900
Community amenities	146,250	0	17,315
Recreation and culture	1,150,354	1,526,746	352,906
Transport	801,144	2,597,226	1,287,822
Economic services	25,788	0	0
	2,244,505	4,258,072	1,696,943
Total grants, subsidies and contributions	8,438,956	7,545,382	7,302,080
Fees and charges			
Governance	4,675	15,834	13,471
General purpose funding	16,842	23,210	17,892
Law, order, public safety	15,489	21,540	21,545
Health	25,639	34,870	45,201
Education and welfare	0	990	665
Community amenities	1,906,946	1,700,452	1,722,891
Recreation and culture	76,982	176,529	113,434
Transport	697,848	399,660	604,443
Economic services	116,285	281,555	137,127
Other property and services	44,398	83,270	68,299
	2,905,104	2,737,910	2,744,968

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

SIGNIFICANT ACCOUNTING POLICIES

Grants, subsidies and contributions

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

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

Fees and Charges

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

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

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Contracts with customers and transfers for recognisable non-financial assets			
Revenue from contracts with customers and transfers to enable the acquisition or construction of recognisable non-financial assets to be controlled by the Shire was recognised during the year for the following nature or types of goods or services:			
Operating grants, subsidies and contributions	879,383	565,546	322,832
Fees and charges	2,860,174	2,727,910	2,704,458
Other revenue	196,004	135,793	114,611
Non-operating grants, subsidies and contributions	2,244,505	4,258,072	1,696,943
	6,180,066	7,687,321	4,838,844
Revenue from contracts with customers and transfers to enable the acquisition or construction of recognisable non-financial assets to be controlled by the Shire is comprised of:			
Revenue from contracts with customers included as a contract liability at the start of the period	1,575,109	48,587	0
Revenue from contracts with customers recognised during the year	2,360,452	3,380,662	0
Other revenue from performance obligations satisfied during the year	0	0	99,680
Revenue from transfers intended for acquiring or constructing recognisable non financial assets during the year	2,244,505	4,258,072	1,597,263
	6,180,066	7,687,321	1,696,943
Information about receivables, contract assets and contract liabilities from contracts with customers along with financial assets and associated liabilities arising from transfers to enable the acquisition or construction of recognisable non financial assets is:			
Trade and other receivables from contracts with customers	6 451,708	0	219,098
Contract liabilities from contracts with customers	14 (2,279,060)	0	(1,575,109)

Impairment of assets associated with contracts with customers are detailed at note 2 (b) under 'Other expenditure'. Contract liabilities for contracts with customers primarily relate to grants with performance obligations received in advance, for which revenue is recognised over time as the performance obligations are met. Information is not provided about remaining performance obligations for contracts with customers that had an original expected duration of one year or less. Consideration from contracts with customers is included in the transaction price. Performance obligations in relation to contract liabilities from transfers for recognisable non financial assets are satisfied as project milestones are met or completion of construction or acquisition of the asset. All associated performance obligations are expected to be met over the next 12 months.

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

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Revenue from statutory requirements

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

	2021 Actual \$	2021 Budget \$	2020 Actual \$
General rates	5,265,482	5,281,935	5,461,891
Specified area rates	235,077	234,963	234,964
Statutory permits and licences	34,938	0	26,890
Fines	9,992	10,000	13,650
	5,545,490	5,526,898	5,737,395
Other revenue			
Reimbursements and recoveries	104,682	170,764	221,162
Sale of inventory	85,046	86,130	0
Other	110,958	49,663	114,611
	300,686	306,557	335,773
Interest earnings			
Interest on reserve funds	1,509	10,000	9,870
Rates instalment and penalty interest (refer Note 27(d))	102,865	48,584	124,510
Other interest earnings	0	10,000	3,086
	104,374	68,584	137,466

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 30 JUNE 2021

2. REVENUE AND EXPENSES (Continued)

(b) Expenses

Note	2021 Actual \$	2021 Budget \$	2020 Actual \$
Auditors remuneration			
- Audit of the Annual Financial Report	54,100	65,000	68,860
- Other assurance services	1,600	1,000	2,050
	55,700	66,000	70,910
Interest expenses (finance costs)			
Borrowings	16(b) 12,303	9,353	12,727
Lease liabilities	15(b) 25,802	25,811	30,522
	38,105	35,164	43,249
Other expenditure			
Impairment loss on trade and other receivables	(5,184)	0	(104,255)
Sundry expenses	477,752	502,066	343,054
	472,568	502,066	238,799

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

3. CASH AND CASH EQUIVALENTS

NOTE	2021 \$	2020 \$
Cash at bank and on hand	9,119,374	7,934,996
Total cash and cash equivalents	9,119,374	7,934,996
Restrictions		
The following classes of assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:		
- Cash and cash equivalents	5,049,896	5,692,932
	5,049,896	5,692,932

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

Reserves - cash backed	4	2,683,109	3,963,641
Contract liabilities from contracts with customers	14	2,279,060	1,575,109
Bonds and deposits held	13	87,727	154,182
Total restricted assets		5,049,896	5,692,932

SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

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

Restricted assets

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

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

4. RESERVES - CASH BACKED

	2021 Actual	2021 Actual	2021 Actual	2021 Actual	2021 Budget	2021 Budget	2021 Budget	2021 Budget	2020 Actual	2020 Actual	2020 Actual	2020 Actual
	Opening Balance	Transfer to	Transfer (from)	Closing Balance	Opening Balance	Transfer to	Transfer (from)	Closing Balance	Opening Balance	Transfer to	Transfer (from)	Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Leave Reserve	172,529	57,596	0	230,125	172,529	230,000	0	402,529	129,455	43,074	0	172,529
(b) Plant Reserve	154,881	37,576	0	192,457	154,881	150,000	0	304,881	73,123	81,758	0	154,881
(c) Waste Disposal Reserve	78,279	25,045	0	103,324	78,279	100,000	0	178,279	78,217	62	0	78,279
(d) Property Infrastructure Reserve	1,764	0	0	1,764	1,764	0	0	1,764	1,763	1	0	1,764
(e) Staff Housing Reserve	700,219	321	0	700,540	700,219	0	0	700,219	699,665	554	0	700,219
(f) Civic Centre Reserve	60,487	28	0	60,515	60,487	0	0	60,487	60,438	49	0	60,487
(g) IT Replacement Reserve	94,522	12,543	0	107,065	94,522	50,000	0	144,522	53,479	41,043	0	94,522
(h) Airport Reserve	59,275	27	0	59,302	59,275	0	0	59,275	59,228	47	0	59,275
(i) Coral Bay Tip Reserve	21,850	10	0	21,860	21,850	0	0	21,850	21,833	17	0	21,850
(j) Surge/Fascine Wall Reserve	356,382	58,060	0	414,442	356,382	231,500	0	587,882	356,100	282	0	356,382
(k) Town Planning Reserve	1,451	0	0	1,451	1,451	0	0	1,451	1,450	1	0	1,451
(l) Fascine Dredging Reserve	84,654	39	0	84,693	84,654	0	0	84,654	84,587	67	0	84,654
(m) Flood Mitigation Reserve	11,880	6	0	11,886	11,880	0	0	11,880	11,871	9	0	11,880
(n) OTC/NASA Reserve	8,850	12,518	0	21,368	8,850	50,000	0	58,850	8,843	7	0	8,850
(o) Blowholes Reserve	2,748	2	0	2,750	2,748	0	0	2,748	2,746	2	0	2,748
(p) Unspent Grants and Contributions Reserve	1,575,111	84	(1,575,195)	0	1,471,030	0	(1,454,110)	16,920	1,602,504	434,434	(461,827)	1,575,111
(q) Land and Infrastructure Development Reserve	225,248	57,616	(58,000)	224,864	225,248	230,000	(58,000)	397,248	225,074	174	0	225,248
(r) Asset Management Reserve	36,879	2,017	0	38,896	36,879	8,000	0	44,879	28,856	8,023	0	36,879
(s) Emergency Response Reserve	252,787	12,615	0	265,402	252,787	50,000	0	302,787	202,627	50,160	0	252,787
(t) Mosquito Management Reserve	3,845	1,528	0	5,373	3,845	681	0	4,526	3,181	664	0	3,845
(u) County Roads Grading Reserve	60,000	75,032	0	135,032	60,000	300,000	0	360,000	0	60,000	0	60,000
	3,963,641	352,663	(1,633,195)	2,683,109	3,859,560	1,400,181	(1,512,110)	3,747,631	3,705,040	720,428	(461,827)	3,963,641

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

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

Name of Reserve	Anticipated date of use	Purpose of the reserve
(a) 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 Browns Range Refuse Site.
(d) Property Infrastructure Reserve	Ongoing	To be used to contribute to replacement of major upgrades on Shire of Carnarvon
(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 Wall 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 for capital upgrade costs associated with the Fascine Wall.
(m) Flood Mitigation Reserve	Ongoing	To be used to finance Council's obligations with respect to the Flood Mitigation Strategy.
(n) OTC/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.
(u) County Roads Grading Reserve	Ongoing	To be used for the country roads grading program in seasons when the climatic conditions are suitable.

5. OTHER FINANCIAL ASSETS

Non-current assets

Units in Local Government House Trust

	2021	2020
	\$	\$
	129,162	124,637
	129,162	124,637

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 29.

6. TRADE AND OTHER RECEIVABLES

Current

Rates receivable	
Sundry and other receivables	
GST receivable	
Allowance for impairment of receivables	
ESL receivable	
Bond Staff Housing	

Non-current

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

2021	2020
\$	\$
909,121	1,371,059
451,708	219,098
329,892	42,127
(5,184)	(16,358)
80,689	86,167
627	79
1,766,853	1,702,172
111,640	111,640
111,640	111,640

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 29.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Classification and subsequent measurement

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

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

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

7. INVENTORIES

Current

Fuel and materials
 Civic Centre
 Visitors Centre

	2021	2020
	\$	\$
Fuel and materials	63,092	45,272
Civic Centre	0	1,901
Visitors Centre	0	25,287
	63,092	72,460
Balance at beginning of year	72,460	45,911
Inventories expensed during the year	(48,863)	(48,158)
Additions to inventory	39,495	74,707
Balance at end of year	63,092	72,460

The following movements in inventories occurred during the year:

Balance at beginning of year

Inventories expensed during the year
 Additions to inventory

Balance at end of year

SIGNIFICANT ACCOUNTING POLICIES

General

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

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

8. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Balances

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

	Land - Freehold Land	Buildings - non- specialised	Buildings - specialised	Total Land and Buildings	Furniture and Equipment	Plant and Equipment	Total Property, Plant and Equipment
	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2019	8,383,800	14,736,933	8,589,006	31,709,739	338,770	2,132,915	34,181,424
Additions	0	374,725	44,508	419,233	55,408	298,805	773,446
(Disposals)	0	(2,950)	0	(2,950)	(37,896)	(174,395)	(215,241)
Revaluation increments / (decrements) transferred to revaluation surplus	(2,996,300)	3,119,069	0	122,769	0	0	122,769
Depreciation (expense)		(618,872)	(372,909)	(991,781)	(54,835)	(277,107)	(1,323,723)
Balance at 30 June 2020	5,387,500	17,608,905	8,260,605	31,257,010	301,447	1,980,218	33,538,675
Comprises:							
Gross balance amount at 30 June 2020	5,387,500	17,608,905	8,260,605	31,257,010	348,697	2,233,970	33,839,677
Accumulated depreciation at 30 June 2020	0	0	0	0	(47,250)	(253,752)	(301,002)
Balance at 30 June 2020	5,387,500	17,608,905	8,260,605	31,257,010	301,447	1,980,218	33,538,675
Additions	0	560,263	0	560,263	13,440	94,839	668,542
(Disposals)	(44,000)	0	0	(44,000)	0	(34,371)	(78,371)
Depreciation (expense)	0	(592,189)	(363,696)	(955,885)	(56,333)	(276,093)	(1,288,310)
Balance at 30 June 2021	5,343,500	17,576,979	7,896,909	30,817,388	258,554	1,764,593	32,840,535
Comprises:							
Gross balance amount at 30 June 2021	5,343,500	18,169,168	8,260,605	31,773,273	362,136	2,279,709	34,415,118
Accumulated depreciation at 30 June 2021	0	(592,189)	(363,696)	(955,885)	(103,582)	(515,116)	(1,574,583)
Balance at 30 June 2021	5,343,500	17,576,979	7,896,909	30,817,388	258,554	1,764,593	32,840,535

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

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Land and buildings					
Land - Freehold Land	2	Market approach using recent observable or estimated market data for similar properties	Independent Valuer	June 2020	Price per hectare / market borrowing rate
Buildings - non-specialised	2 & 3	Market approach using recent observable or estimated market data for similar properties / cost approach using depreciated replacement cost	Independent Valuer	June 2020	Construction costs and current condition, residual values and remaining useful life assessments inputs
Buildings - specialised	3	Cost approach using depreciated replacement cost	Independent Valuer	June 2020	Construction costs and current condition, residual values and remaining useful life assessments inputs

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

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

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

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

9. INFRASTRUCTURE

(a) Movements in Balances

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

	Infrastructure Roads	Infrastructure Drainage	Other infrastructure - bridges	Other infrastructure - footpaths	Other infrastructure Levee System	Other infrastructure - parks and ovals	Other infrastructure - airports	Other infrastructure Carparks	Infrastructure Other	Total Infrastructure
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2019	233,088,767	22,937,308	7,448,000	9,914,002	8,328,150	13,599,089	11,626,139	435,451	10,533,179	317,910,084
Additions	988,645	34,384	0	46,951	0	7,051	158,762	0	173,594	1,409,387
(Disposals)	0	0	0	0	0	(32,565)	0	0	(17,725)	(50,290)
Depreciation (expense)	(4,827,513)	(304,193)	(152,000)	(202,474)	(41,850)	(282,143)	(613,620)	(20,227)	(226,029)	(6,670,049)
Balance at 30 June 2020	229,249,899	22,667,499	7,296,000	9,758,479	8,286,300	13,291,432	11,171,281	415,224	10,463,018	312,599,132
Comprises:										
Gross balance at 30 June 2020	239,349,978	23,273,038	7,600,000	10,160,652	8,370,000	13,852,309	12,393,008	455,678	10,911,548	326,366,211
Accumulated depreciation at 30 June 2020	(10,100,079)	(605,539)	(304,000)	(402,173)	(83,700)	(560,877)	(1,221,727)	(40,454)	(448,530)	(13,767,079)
Balance at 30 June 2020	229,249,899	22,667,499	7,296,000	9,758,479	8,286,300	13,291,432	11,171,281	415,224	10,463,018	312,599,132
Additions	1,703,234	4,284	17,676	20,745	0	771,591	28,751	0	769,641	3,315,922
Depreciation (expense)	(4,861,721)	(307,631)	(152,000)	(203,174)	(41,850)	(284,090)	(620,841)	(20,227)	(234,787)	(6,726,321)
Balance at 30 June 2021	226,091,412	22,364,152	7,161,676	9,576,050	8,244,450	13,778,933	10,579,191	394,997	10,997,873	309,188,733
Comprises:										
Gross balance at 30 June 2021	241,053,213	23,277,323	7,617,676	10,181,397	8,370,000	14,623,900	12,421,758	455,678	11,681,188	329,682,133
Accumulated depreciation at 30 June 2021	(14,961,801)	(913,171)	(456,000)	(605,347)	(125,550)	(844,967)	(1,842,567)	(60,681)	(683,315)	(20,493,400)
Balance at 30 June 2021	226,091,412	22,364,152	7,161,676	9,576,050	8,244,450	13,778,933	10,579,191	394,997	10,997,873	309,188,733

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

9. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Infrastructure Roads	3	Cost approach using depreciated replacement cost	Management Valuation	June 2018	Construction costs and current condition, residual values and remaining useful life assessments inputs
Infrastructure Drainage	3	Cost approach using depreciated replacement cost	Management Valuation	June 2018	Construction costs and current condition, residual values and remaining useful life assessments inputs
Other infrastructure - bridges	3	Cost approach using depreciated replacement cost	Management Valuation	June 2018	Construction costs and current condition, residual values and remaining useful life assessments inputs
Other infrastructure - footpaths	3	Cost approach using depreciated replacement cost	Management Valuation	June 2018	Construction costs and current condition, residual values and remaining useful life assessments inputs
Other infrastructure Levee System	3	Cost approach using depreciated replacement cost	Independent Valuation	June 2018	Construction costs and current condition, residual values and remaining useful life assessments inputs
Other infrastructure - parks and ovals	3	Cost approach using depreciated replacement cost	Independent Valuation	June 2018	Construction costs and current condition, residual values and remaining useful life assessments inputs
Other infrastructure - airports	3	Cost approach using current replacement cost	Independent Valuation	June 2018	Construction costs and current condition, residual values and remaining useful life assessments inputs
Other infrastructure Carparks	3	Cost approach using current replacement cost	Independent Valuation	June 2018	Construction costs and current condition, residual values and remaining useful life assessments inputs
Infrastructure Other	3	Cost approach using depreciated replacement cost	Independent Valuation	June 2018	Construction costs and current condition, residual values and remaining useful life assessments inputs

SHIRE OF CARNARVON
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FOR THE YEAR ENDED 30 JUNE 2021

10. FIXED ASSETS

(a) Disposals of Assets

	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss	2021 Budget Net Book Value	2021 Budget Sale Proceeds	2021 Budget Profit	2021 Budget Loss	2020 Actual Net Book Value	2020 Actual Sale Proceeds	2020 Actual Profit	2020 Actual Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Land - Freehold Land	44,000	1	0	(43,999)	0	0	0	0	0	0	0	0
Buildings - non-specialised	0	0	0	0	0	0	0	0	2,950	0	0	(2,950)
Furniture and Equipment	0	0	0	0	0	0	0	0	37,896	0	0	(37,896)
Plant and Equipment	34,371	7,715	0	(26,656)	0	0	0	0	174,395	81,955	1,306	(93,746)
Other infrastructure - parks and ovals	0	0	0	0	0	0	0	0	32,565	0	0	(32,565)
Infrastructure Other	0	0	0	0	0	0	0	0	17,725	0	0	(17,725)
	78,371	7,716	0	(70,655)	0	0	0	0	265,531	81,955	1,306	(184,883)

The following assets were disposed of during the year.

	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss
Plant and Equipment				
Transport				
Mazda BT50 Ute	7,000	3,250	0	(3,750)
Mazda BT50 Ute	9,800	3,250	0	(6,550)
SAM Display Trailer	3,570	715	0	(2,855)
Arrow Kerbing Machine	14,000	500	0	(13,500)
	34,371	7,715	0	(26,656)
Land				
Other Property and Services				
Lot 1146 (86) Babbage Island Road - Bmx Track Land	44,000	1	0	(43,999)
	44,000	1	0	(43,999)
	78,371	7,716	0	(70,655)

(b) Temporarily Idle Assets

The carrying value of assets held by the Shire which are temporarily idle or retired from active use and not classified as held for sale are shown in the table below.

	2021	2020
	\$	\$
Plant and Equipment	5,540	32,497
	5,540	32,497

10. FIXED ASSETS

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

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

Initial recognition and measurement between mandatory revaluation dates

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

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

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

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

Revaluation

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

AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY Revaluation (Continued)

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

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

Land under roads from 1 July 2019

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

Vested improvements from 1 July 2019

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

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

SHIRE OF CARNARVON
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10. FIXED ASSETS

(c) Depreciation

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Buildings - non-specialised	592,189	984,754	618,872
Furniture and Equipment	56,333	44,590	54,835
Plant and Equipment	276,093	271,716	277,107
Buildings - specialised	363,696	0	372,909
Infrastructure Roads	4,861,721	4,815,571	4,827,513
Other infrastructure - footpaths	203,174	201,924	202,474
Infrastructure Drainage	307,631	303,776	304,193
Other infrastructure - parks and ovals	284,090	281,722	282,143
Infrastructure Other	234,787	203,178	226,029
Other infrastructure - airports	620,841	612,779	613,620
Other infrastructure - bridges	152,000	151,792	152,000
Other infrastructure Levee System	41,850	41,793	41,850
Other infrastructure - landfill	0	20,781	0
Other infrastructure Carparks	20,227	20,199	20,227
Right-of-use assets - plant and equipment	333,418	322,788	335,830
Right-of-use assets - Furniture and Equipment	9,243	9,243	9,243
	8,357,292	8,286,606	8,338,845

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.

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 80 years
Furniture and equipment	1 to 15 years
Plant and equipment	1 to 25 years
Sealed roads and streets formation pavement seal	not depreciated
-bituminous seals	50 years
-asphalt surfaces	20 years
Gravel roads formation pavement gravel sheet	25 years
Formed roads clearing and earthworks construction/roadbase	not depreciated
Infrastructure - Footpaths	50 years
Infrastructure - Drainage	50 to 90 years
Infrastructure - Parks & Ovals	20 to 75 years
Infrastructure - Other Infrastructure	10 to 50 years
Infrastructure - Bridges	Various
Infrastructure - Levee System	50 years
Infrastructure - Airport	200 years
Right of use assets - plant and equipment	25 to 75 years
Right of use assets - furniture and equipment	1 to 13 years
	2 years

Depreciation on revaluation

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

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

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

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11. LEASES

Right-of-Use Assets

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

	Right-of-use assets - plant and equipment	Right-of-use assets - Furniture and Equipment	Right-of-use assets Total
Balance at 1 July 2019	\$ 657,016	\$ 20,798	677,814
Additions	718,947	0	718,947
Transfer to retained earnings 1 July 2019	(29,217)	0	(29,217)
Depreciation (expense)	(335,830)	(9,243)	(345,073)
Balance at 30 June 2020	1,010,916	11,555	1,022,471
Additions	22,161	0	22,161
Depreciation (expense)	(333,418)	(9,243)	(342,661)
Balance at 30 June 2021	699,660	2,311	701,971

The following amounts were recognised in the statement of comprehensive income during the period in respect of leases where the entity is the lessee:

	2021 Actual	2020 Actual
	\$	\$
Depreciation expense on lease liabilities	(342,661)	(345,073)
Interest expense on lease liabilities	(25,802)	(30,522)
Total amount recognised in the statement of comprehensive income	(368,463)	(375,595)
Total cash outflow from leases	(368,641)	(372,218)

SIGNIFICANT ACCOUNTING POLICIES

Leases

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

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

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

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

Right-of-use assets - valuation

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

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

Right-of-use assets - depreciation

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

11. LEASES (CONTINUED)

(b) Property, Plant and Equipment Subject to Lease

The table below represents a maturity analysis of the undiscounted lease payments to be received after the reporting date.

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Less than 1 year	259,971	306,692	323,664
1 to 2 years	180,942	230,100	306,692
2 to 3 years	139,905	189,064	230,100
3 to 4 years	37,581	37,581	189,064
4 to 5 years	0	0	37,581
> 5 years	0	0	0
	618,399	763,437	1,087,101

SIGNIFICANT ACCOUNTING POLICIES

The Shire as Lessor

Upon entering into each contract as a lessor, the Shire assesses if the lease is a finance or operating lease.

The contract is classified as a finance lease when the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases not within this definition are classified as operating leases.

Rental income received from operating leases is recognised on a straight-line basis over the term of the specific lease.

Initial direct costs incurred in entering into an operating lease (eg legal cost, cost to setup) are included in the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

When a contract is determined to include lease and non-lease components, the Entity applies AASB 15 to allocate the consideration under the contract to each component.

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12. REVALUATION SURPLUS

	2021 Opening Balance	2021 Closing Balance	2020 Opening Balance	2020 Change of Accounting Policy	2020 Revaluation Increment	2020 Revaluation (Decrement)	Total Movement on Revaluation	2020 Closing Balance
	\$	\$	\$		\$	\$	\$	\$
Revaluation surplus - Land - freehold land	13,702,208	13,702,208	16,698,508	0	0	(2,996,300)	(2,996,300)	13,702,208
Revaluation surplus - Land - vested in and under the control of Council	0	0	275,000	(275,000)	0	0	0	0
Revaluation surplus - Buildings - non-specialised	3,119,069	3,119,069	0	0	3,119,069	0	3,119,069	3,119,069
Revaluation surplus - Furniture and equipment	246,839	246,839	246,839	0	0	0	0	246,839
Revaluation surplus - Plant and equipment	1,436,222	1,436,222	1,436,222	0	0	0	0	1,436,222
Revaluation surplus - Infrastructure - Roads	220,207,362	220,207,362	220,207,362	0	0	0	0	220,207,362
Revaluation surplus - Infrastructure - Footpaths	8,599,294	8,599,294	8,599,294	0	0	0	0	8,599,294
Revaluation surplus - Infrastructure - Drainage	22,147,677	22,147,677	22,147,677	0	0	0	0	22,147,677
Revaluation surplus - Infrastructure - Other infrastructure	2,224,090	2,224,090	2,224,090	0	0	0	0	2,224,090
Revaluation surplus - Infrastructure - Bridges	1,975,480	1,975,480	1,975,480	0	0	0	0	1,975,480
Revaluation surplus - Infrastructure - Levee System	3,116,626	3,116,626	3,116,626	0	0	0	0	3,116,626
Revaluation surplus - Infrastructure - Airport	7,343,124	7,343,124	7,343,124	0	0	0	0	7,343,124
Revaluation surplus - Infrastructure - Carparks	271,768	271,768	271,768	0	0	0	0	271,768
	284,389,758	284,389,758	284,541,990	(275,000)	3,119,069	(2,996,300)	122,769	284,389,758

Vested land is no longer required to be recognised at fair value. Land under golf courses, showgrounds, racecourses or any other sporting or recreational facility of State or regional significance should no longer be recognised. 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 AASB116 S40.1

13. TRADE AND OTHER PAYABLES

Current

Sundry creditors
Prepaid rates
Accrued salaries and wages
Accrued expenditure
Bonds and deposits held

	2021	2020
	\$	\$
	1,389,931	448,961
	74,835	46,063
	87,319	171,448
	187,656	314,319
	87,727	154,182
	<u>1,827,468</u>	<u>1,134,973</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 of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are normally paid within 30 days of recognition.

Prepaid rates

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

14. OTHER LIABILITIES

Current

Contract liabilities
 Deposits held for Visitor Centre Bookings

2021	2020
\$	\$
2,279,060	1,575,109
106,936	0
2,385,996	1,575,109

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

Less than 1 year

Contract liabilities	Liabilities under transfers to acquire or construct non-financial assets to be controlled by the entity
\$	\$
2,279,060	0

SIGNIFICANT ACCOUNTING POLICIES

Contract liabilities

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

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

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

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

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

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

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15. LEASE LIABILITIES

(a) Lease Liabilities	2021	2020
	\$	\$
Current	290,325	331,808
Non-current	443,728	723,257
	<u>734,053</u>	<u>1,055,065</u>

(b) Movements in Carrying Amounts

Purpose	Lease Number	Institution	Lease Interest Rate	Lease Term (Years)	30 June 2021	30 June 2021	30 June 2021	30 June 2021	30 June 2021	Budget	30 June 2021	30 June 2021	30 June 2021	Actual	30 June 2020	30 June 2020	30 June 2020	30 June 2020
					Actual Lease Principal	Actual New Leases	Actual Lease Repayments	Actual Lease Principal Outstanding	Actual Lease Interest Repayments	Lease Principal 1 July 2020	Budget Lease Principal Repayments	Budget Lease Principal Outstanding	Budget Lease Interest Repayments	Actual Lease Principal 1 July 2019	Actual New Leases	Actual Lease Repayments	Actual Lease Principal Outstanding	Actual Lease Principal
Governance					\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Photocopier	1	Ricoh	2.60%	2	11,973	0	(9,547)	2,426	(200)	11,973	(9,547)	2,426	(446)	21,273	-	(9,300)	11,973	(422)
P330 Toyota Hilux C28266	9	Easifleet	2.50%	3	6,581	0	(6,581)	0	(41)	6,581	(6,581)	-	(41)	0	0	0	0	0
P330 Toyota Hilux C28266		Easifleet		2	0	5,751	(1,647)	4,103	(74)	-	-	-	-	0	0	0	0	0
Extension		SG Fleet	2.70%	5	42,397	0	(9,344)	33,053	(1,041)	42,397	(9,344)	33,053	(1,041)	0	0	0	0	0
P351 Isuzu D-Max	24	SG Fleet	2.70%	5	28,888	0	(6,367)	22,521	(709)	28,888	(6,367)	22,521	(709)	0	0	0	0	0
P355 Toyota Hilux C28583	29	SG Fleet	2.50%	3	21,699	0	(8,233)	13,466	(450)	21,699	(8,233)	13,466	(450)	0	0	0	0	0
Law, order, public safety																		
P342 Toyota Hilux C28452	12	SG Fleet	2.50%	6	41,894	0	(27,754)	14,140	(734)	41,894	(27,754)	14,140	(734)	0	0	0	0	0
P344 Isuzu D-Max 1GRY05	13	SG Fleet	2.50%	6	32,496	0	(19,334)	13,162	(594)	32,496	(19,334)	13,162	(594)	0	0	0	0	0
P345 Isuzu D-Max 1GXV28	14	SG Fleet	2.50%	6	34,674	0	(19,627)	15,047	(646)	34,674	(19,627)	15,047	(646)	0	0	0	0	0
Health																		
P346 Nissan Navara C2846	15	SG Fleet	2.70%	5	26,782	0	(7,041)	19,741	(643)	26,782	(7,041)	19,741	(643)	0	0	0	0	0
Community amenities																		
PUTE37 Toyota Hilux	6	Easifleet	2.50%	5	2,968	0	(2,968)	0	(114)	2,968	(2,968)	0	(114)	0	0	0	0	0
PUTE37 Toyota Hilux Lease exten.	6	Easifleet	2.50%	1		3,984	(1,982)	2,001	(31)					0	0	0	0	0
PUTE35 Toyota Hilux C279	7	Easifleet	2.50%	5	2,572	0	(2,572)	0	(87)	2,572	(2,572)	0	(87)	0	0	0	0	0
PUTE35 Toyota Hilux C279 Lease Extension	1	Easifleet	2.50%	1	0	3,168	(1,576)	1,591	(24)	0	0	0	0	0	0	0	0	0
Recreation and culture																		
P331 Toyota Hilux		Easifleet		3	2,888	0	(2,888)	0	(12)	0	0	0	0	0	0	0	0	0
P331 Toyota Hilux		Easifleet		2	0	5,298	(4,406)	892	(70)	0	0	0	0	0	0	0	0	0
P339 Isuzu D-Max 1GPA29	4	Easifleet	2.50%	3	7,659	0	(7,062)	597	(111)	7,616	(7,023)	593	(111)	0	0	0	0	0
P353 Isuzu D-Max 1GXV24	27	SG Fleet	2.50%	3	26,003	0	(10,569)	15,434	(532)	26,003	(10,569)	15,434	(532)	0	0	0	0	0
P343 Toyota Hilux	3	Easifleet	2.70%	5	22,705	0	(6,115)	16,590	(543)	22,179	(5,973)	16,206	(531)	0	0	0	0	0
P299 Komatsu Excavator	10	SG Fleet	3.30%	10	121,417	0	(30,211)	91,206	(3,553)	121,417	(30,211)	91,206	(3,553)	0	0	0	0	0
P303 Komatsu Wheel Loader	11	SG Fleet	3.30%	10	130,986	0	(33,362)	97,624	(3,821)	130,986	(33,362)	97,624	(3,821)	0	0	0	0	0
P347 Isuzu F-Series TGVO	19	SG Fleet	2.70%	5	268,479	0	(60,401)	208,078	(6,577)	268,479	(60,401)	208,078	(6,577)	0	0	0	0	0
P348 Cat Skid Steer Loader	20	SG Fleet	2.70%	5	100,343	0	(22,115)	78,228	(2,464)	100,343	(22,115)	78,228	(2,464)	16,422	0	(16,422)	-	(69)
P350 Toyota Hilux C28554	23	SG Fleet	2.70%	5	31,614	0	(6,968)	24,646	(776)	31,614	(6,968)	24,646	(776)	0	0	0	0	0
P354 Isuzu D-Max 1GXV33	26	SG Fleet	2.50%	3	31,887	0	(12,961)	18,926	(652)	31,887	(12,961)	18,926	(652)	0	0	0	0	0
P352 Toyota Hilux C77	28	SG Fleet	2.70%	5	31,290	0	(6,497)	24,793	(773)	31,290	(6,497)	24,793	(773)	0	0	0	0	0
Economic services																		
PUTE36 Toyota Hilux C279	5	Easifleet	2.50%	5	3,133	0	(3,133)	0	(20)	3,133	(3,133)	0	(20)	0	0	0	0	0
PUTE36 Toyota Hilux C279 - Extension	1	Easifleet		1	0	3,626	(1,804)	1,822	(28)	0	0	0	0	0	0	0	0	0
P312 Nissan Navara C2773	17	SG Fleet	2.50%	5	1,303	0	(1,303)	0	(2)	1,303	(1,303)	0	(2)	0	0	0	0	0
Other property and services																		
Various Council Vehicles		SG Fleet	Various		(1,095)	0	1,095	0	0	0	0	0	0	537,965	718,947	(261,230)	995,682	(27,110)
Various Council Vehicles		Easifleet	Various		0	0	0	0	0	0	0	0	0	102,154	0	(54,744)	47,410	(2,921)
P311 Holden Colorado C27	16	SG Fleet	2.50%	5	0	0	0	0	0	2,888	(2,888)	(0)	(12)	0	0	0	0	0
P356 Isuzu D-Max 1GXV24	25	SG Fleet	2.50%	3	23,529	0	(9,564)	13,965	(481)	23,529	(9,564)	13,965	(481)	0	0	0	0	0
					<u>1,055,065</u>	<u>21,826</u>	<u>(342,839)</u>	<u>734,053</u>	<u>(25,802)</u>	<u>1,055,591</u>	<u>(332,337)</u>	<u>723,255</u>	<u>(25,811)</u>	<u>677,814</u>	<u>718,947</u>	<u>(341,696)</u>	<u>1,055,065</u>	<u>(30,522)</u>

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16. INFORMATION ON BORROWINGS

	2021	2020
	\$	\$
Current	52,550	53,224
Non-current	211,689	264,260
	264,239	317,484

(b) Repayments - Borrowings

Particulars	Loan Number	Institution	Interest Rate	Actual	30 June 2021	30 June 2021	30 June 2021	Budget	30 June 2021	30 June 2021	30 June 2021	Actual	30 June 2020	30 June 2020	30 June 2020	
				Principal 1 July 2020	Actual Principal repayments	Actual Interest repayments	Actual Principal outstanding	Principal 1 July 2020	Budget Principal repayments	Budget Interest repayments	Budget Principal outstanding	Principal 1 July 2019	Actual Principal repayments	Actual Interest repayments	Actual Principal outstanding	
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Housing																
Staff Housing	213	WATC*	6.04%	9,751	(9,751)	(334)	0	9,751	(9,750)	(296)	1	22,088	(12,337)	(1,131)	9,751	
Transport																
Airport Corrective Works	216	WATC*	3.05%	307,733	(43,494)	(11,969)	264,239	307,732	(43,494)	(9,057)	264,238	349,930	(42,197)	(11,596)	307,733	
				317,484	(53,245)	(12,303)	264,239	317,483	(53,244)	(9,353)	264,239	372,018	(54,534)	(12,727)	317,484	

* WA Treasury Corporation

All loan repayments were financed by general purpose revenue.

16. INFORMATION ON BORROWINGS (Continued)

	2021	2020
	\$	\$
(c) Undrawn Borrowing Facilities		
Credit Standby Arrangements		
Bank overdraft limit	20,000	20,000
Bank overdraft at balance date	0	0
Credit card limit	13,000	13,000
Credit card balance at balance date	(2,501)	(3,439)
Total amount of credit unused	30,499	29,561
Loan facilities		
Loan facilities - current	52,550	53,224
Loan facilities - non-current	211,689	264,260
Lease liabilities - current	290,325	331,808
Lease liabilities - non-current	443,728	723,257
Total facilities in use at balance date	998,292	1,372,549
Unused loan facilities at balance date	0	0

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.

The Shire has elected not to capitalise borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset.

Risk

Information regarding exposure to risk can be found at Note 29.

17. EMPLOYEE RELATED PROVISIONS

(a) Employee Related Provisions

	Provision for Annual Leave \$	Provision for Long Service Leave \$	Total \$
Opening balance at 1 July 2020			
Current provisions	723,295	253,195	976,490
Non-current provisions	0	155,318	155,318
	<u>723,295</u>	<u>408,513</u>	<u>1,131,808</u>
Additional provision	186,876	53,500	240,376
Amounts used	(482,974)	(74,741)	(557,715)
Balance at 30 June 2021	<u>427,197</u>	<u>387,272</u>	<u>814,469</u>
Comprises			
Current	427,197	160,189	587,386
Non-current	0	227,083	227,083
	<u>427,197</u>	<u>387,272</u>	<u>814,469</u>
Amounts are expected to be settled on the following basis:	2021	2020	
Less than 12 months after the reporting date	\$ 160,189	\$ 381,788	
More than 12 months from reporting date	651,354	710,866	
Expected reimbursements from other WA local governments	2,926	39,154	
	<u>814,469</u>	<u>1,131,808</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

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

Short-term employee benefits

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

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

Other long-term employee benefits

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

Other long-term employee benefits (Continued)

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

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

Provisions

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

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

18. NOTES TO THE STATEMENT OF CASH FLOWS

Reconciliation of Cash

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

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Cash and cash equivalents	9,119,374	2,403,788	7,934,996
Reconciliation of Net Cash Provided By Operating Activities to Net Result			
Net result	(3,996,609)	(6,123,791)	(5,585,947)
Non-cash flows in Net result:			
Adjustments to fair value of financial assets at fair value through profit and loss	(4,525)	0	(2,017)
Depreciation on non-current assets	8,357,292	8,286,606	8,338,845
(Profit)/loss on sale of asset	70,655	0	183,577
Changes in assets and liabilities:			
(Increase)/decrease in receivables	(64,681)	0	(252,559)
(Increase)/decrease in inventories	9,368	0	(26,549)
Increase/(decrease) in payables	692,162	0	66,776
Increase/(decrease) in employee provisions	(317,339)	0	332,722
Increase/(decrease) in contract liabilities	810,887	0	(22,154)
Increase/(decrease) in other liabilities			
Non-operating grants, subsidies and contributions	(2,244,505)	(4,258,072)	(1,696,943)
Net cash provided by/used in operating activities	3,312,705	(2,095,257)	1,335,751

19. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2021	2020
	\$	\$
Governance	4,046,653	3,793,525
General purpose funding	8,590,170	5,690,627
Law, order, public safety	1,075,727	887,219
Health	149,858	155,145
Education and welfare	1,950,172	2,016,872
Housing	1,292,117	1,304,623
Community amenities	11,004,800	11,105,646
Recreation and culture	40,827,754	41,830,135
Transport	277,942,173	282,730,479
Economic services	552,306	316,148
Other property and services	2,428,409	2,189,616
Unallocated	4,061,219	5,086,148
	<u>353,921,360</u>	<u>357,106,183</u>

20. CONTINGENT LIABILITIES

In compliance with the Contaminated Sites Act 2003 Section 11 , the Shire of Carnarvon has identified the following sites to be possible sources of contamination:

- 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.

21. CAPITAL COMMITMENTS

(a) Capital Expenditure Commitments

The Shire has the following capital commitments at the end of the current reporting period.

Contracted for:		
- capital expenditure projects	575,414	1,820,770
Payable:		
- not later than one year	575,414	1,820,770

The capital expenditure projects relate to:

Construction of Recycled Water Pipeline	0	148,360
Blowholes Road Shoulder Repair and Widening	0	579,700
Minilya River Crossing	0	1,066,392
Project Management Carnarvon Airport	0	26,318
DFES Building	18,301	0
Blowholes Development	146,539	0
Coral Bay Airstrip	410,574	0
	<u>575,414</u>	<u>1,820,770</u>

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22. ELECTED MEMBERS REMUNERATION

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Councillor, President - Mr Eddie Smith			
President's annual allowance	46,896	46,000	35,172
Meeting attendance fees	17,484	18,612	17,484
Travel and accommodation expenses	0	313	0
	64,380	64,925	52,656
Councillor, Deputy President - Mr Burke Maslen			
Deputy President's annual allowance	11,724	11,500	8,793
Meeting attendance fees	17,484	17,484	17,484
Travel and accommodation expenses	0	313	0
	29,208	29,297	26,277
Councillor - Mr Luke Vandeleur			
Meeting attendance fees	17,484	17,484	13,113
Travel and accommodation expenses	0	313	0
	17,484	17,797	13,113
Councillor - Mr Kristan Pinner			
Meeting attendance fees	17,484	17,484	17,484
Travel and accommodation expenses	0	313	0
	17,484	17,797	17,484
Councillor - Ms Julee Nelson			
Meeting attendance fees	17,484	17,484	13,113
Travel and accommodation expenses	0	313	0
	17,484	17,797	13,113
Councillor - Dr Alexander Fullarton			
Meeting attendance fees	17,484	17,484	13,113
Travel and accommodation expenses	0	313	0
	17,484	17,797	13,113
Councillor - Mr Luke Skender			
Meeting attendance fees	17,484	17,484	17,484
Travel and accommodation expenses	0	313	0
	17,484	17,797	17,484
Councillor - Mr Kane Simpson			
Meeting attendance fees	17,484	17,484	17,484
Travel and accommodation expenses	560	313	438
	18,044	17,797	17,922
Councillor - Mr Phil Youd			
Meeting attendance fees	0	0	4,371
	0	0	4,371
Councillor - Mr Edward John Garrett			
Deputy President's annual allowance	0	0	2,931
Meeting attendance fees	0	0	4,371
	0	0	7,302
Councillor - Mr Karl Brandenburg			
President's annual allowance	0	0	11,724
Meeting attendance fees	0	0	4,371
	0	0	16,095
	199,052	201,000	198,930
Fees, expenses and allowances to be paid or reimbursed to elected council members.			
President's annual allowance	46,896	46,000	46,896
Deputy President's annual allowance	11,724	11,500	11,724
Meeting attendance fees	139,872	141,000	139,872
Travel and accommodation expenses	560	2,500	438
	199,052	201,000	198,930

23. RELATED PARTY TRANSACTIONS

Key Management Personnel (KMP) Compensation Disclosure

	2021 Actual	2020 Actual
	\$	\$
The total of remuneration paid to KMP of the Shire during the year are as follows:		
Short-term employee benefits	923,711	1,435,654
Post-employment benefits	114,854	110,083
Other long-term benefits	25,366	12,466
Termination benefits	234,129	0
	1,298,060	1,558,204

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 annual leave and long service benefits accruing during the year.

Termination benefits

These amounts represent termination benefits paid to KMP.

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.

	2021 Actual	2020 Actual
	\$	\$
The following transactions occurred with related parties:		
Sale of goods and services	0	11,240
Materials and contracts (road works)	1,010,339	326,273
Amounts outstanding from related parties:		
Trade and other receivables	0	5,990

Related Parties

The Shire's main related parties are as follows:

i. Key management personnel

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

ii. Other Related Parties

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

24. INVESTMENT IN ASSOCIATE AND JOINT ARRANGEMENTS

The Shire did not take part in any associate or joint arrangements during the financial year ended 30 June 2021

25. MAJOR LAND TRANSACTIONS

The Shire was not party to any major trading undertakings during the current financial year ended 30 June 2021.

26. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

The Shire was not participate in any major trading undertakings during the current financial year ended 30 June 2021.

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27. RATING INFORMATION

(a) Rates

RATE TYPE	Rate in	Number of Properties	2020/21 Actual Rateable Value	2020/21 Actual Rate Revenue	2020/21 Actual Interim Rates	2020/21 Actual Back Rates	2020/21 Actual Total Revenue	2020/21 Budget Rate Revenue	2020/21 Budget Interim Rate	2020/21 Budget Back Rate	2020/21 Budget Total Revenue	2019/20 Actual Total Revenue
	\$		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Gross rental valuations												
GRV Residential	0.104740	1,284	22,107,929	2,315,584	0	16,620	2,332,204	2,323,318	10,330	4,464	2,338,112	4,156,330
GRV Special Use/Rural	0.104740	55	1,757,732	184,105	0	(9,977)	174,128	185,692	0	0	185,692	0
GRV Commercial/Industrial	0.094266	259	15,496,168	1,460,762	0	0	1,460,762	1,466,824	5,000	0	1,471,824	0
Unimproved valuations												
UV Mining	0.119933	27	584,805	70,137	0	(4,990)	65,147	70,330	0	(4,459)	65,871	70,329
UV Pastoral	0.039737	31	5,210,865	207,064	0	0	207,064	207,064	0	(10,050)	197,014	207,060
UV Intensive Horticulture	0.014728	168	33,799,000	497,792	(7,851)	(22,754)	467,187	493,300	0	(28,018)	465,282	493,273
Sub-Total		1,824	78,956,499	4,735,444	(7,851)	(21,101)	4,706,492	4,746,528	15,330	(38,063)	4,723,795	4,926,992
Minimum payment												
Gross rental valuations												
GRV Valued Properties												525,733
GRV Residential	1093	392	3,244,228	428,456	0	0	428,456	428,456	0	0	428,456	0
GRV Special Use/Rural	1093	47	372,683	51,371	0	0	51,371	50,278	0	0	50,278	0
GRV Commercial/Industrial	1093	63	497,096	68,859	0	0	68,859	68,859	0	0	68,859	0
Unimproved valuations												
UV Mining	229	19	17,524	4,351	0	0	4,351	5,496	0	0	5,496	5,038
UV Pastoral	461	9	30,700	4,149	0	0	4,149	4,149	0	0	4,149	3,227
UV Intensive Horticulture	902	2	50,000	1,804	0	0	1,804	902	0	0	902	902
Sub-Total		532	4,212,231	558,990	0	0	558,990	558,140	0	0	558,140	534,899
Total amount raised from general rate		2,356	83,168,730	5,294,434	(7,851)	(21,101)	5,265,482	5,304,668	15,330	(38,063)	5,281,935	5,461,891
Specified Area Rate (Note 27(b))							5,265,482				5,281,935	5,461,891
Ex-gratia rates							235,077				234,963	234,964
Totals							9,373				6,231	6,230
							5,509,932				5,523,129	5,703,085

SIGNIFICANT ACCOUNTING POLICIES

Rates

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

Prepaid rates are, until the taxable event has occurred (start of the next financial year), refundable at the request of the ratepayer.

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

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27. RATING INFORMATION (Continued)

(b) Specified Area Rate

Specified Area Rate	Basis of Valuation	Rate in \$	2020/21 Rateable Value \$	2020/21 Rate Revenue \$	Interim Rate Revenue \$	Back Rate Revenue \$	Specified Area Rate Revenue \$	Budget Rate Revenue \$	Budget Back Rate Revenue \$	Budget Interim Rate Revenue \$	Total Budget Revenue \$	Total Actual Revenue \$
GRV Coral Bay	GRV	0.06953	3,360,510	233,656	1,421	0	235,077	234,963	0	0	234,963	234,964
			3,360,510	233,656	1,421	0	235,077	234,963	0	0	234,963	234,964
Specified Area Rate	Purpose of the rate	Area/properties Rate Imposed	2020/21 Actual Rate Applied to Costs \$	2020/21 Actual Rate Set Aside to Reserve \$	2020/21 Actual Reserve Applied to Costs \$	2020/21 Budget Rate Applied to Costs \$	2020/21 Budget Rate Set Aside to Reserve \$	2020/21 Budget Reserve Applied to Costs \$				
GRV Coral Bay	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 specified purpose reserve.	All properties located in Coral Bay	235,077	0	0	234,963	0	0				
			235,077	0	0	234,963	0	0				

(c) Service Charges

The Shire did not raise service charges for the year ended 30 June 2021.

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

No discount on rates and no waivers or concessions were given during the year ended 30 June 2021.

27. 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				
Payment in Full	20/10/2020	0	0.0%	8.0%
Option two				
Instalment 1	20/10/2020	4	5.5%	8.0%
Instalment 2	23/02/2021	4	5.5%	8.0%
Option three				
Instalment 1	20/10/2020	4	5.5%	8.0%
Instalment 2	22/12/2020	4	5.5%	8.0%
Instalment 3	23/02/2021	4	5.5%	8.0%
Instalment 4	27/04/2021	4	5.5%	8.0%

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Instalment plan admin charge revenue	4,916	2,000	5,812
Instalment plan interest earned	20,402	5,000	23,292
Unpaid rates and service charge interest earned	82,462	43,584	101,218
	107,781	50,584	130,322

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28. RATE SETTING STATEMENT INFORMATION

	2020/21 (30 June 2021 Carried Forward)	2020/21 Budget (30 June 2021 Carried Forward)	2019/20 (30 June 2020 Carried Forward)
Note	\$	\$	\$
(a) Non-cash amounts excluded from operating activities			
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .			
Adjustments to operating activities			
Less: Profit on asset disposals	10(a) 0	0	(1,306)
Less: Movement in liabilities associated with restricted cash	0	399,695	(27,393)
Less: Change in accounting policy	0	0	65,941
Less: Fair value adjustments to financial assets at fair value through profit and loss	(4,525)	0	(2,017)
Movement in employee benefit provisions (non-current)	71,765	0	45,292
Movement in lease accruals and trust funds	314,513	0	155,021
Add: Loss on disposal of assets	10(a) 70,655	0	184,883
Add: Depreciation on non-current assets	10(c) 8,357,292	8,286,606	8,338,845
Non cash amounts excluded from operating activities	8,809,700	8,686,301	8,759,266
(b) Surplus/(deficit) after imposition of general rates			
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.			
Adjustments to net current assets			
Less: Reserves - cash backed	4 (2,683,109)	(5,365,238)	(3,963,641)
Add: Current liabilities not expected to be cleared at end of year			
- Current portion of borrowings	16(a) 52,550	1,290	53,224
- Current portion of contract liability held in reserve	14 2,279,060	1,058,968	1,575,109
- Current portion of lease liabilities	15(a) 290,325	(365,917)	331,808
- Employee benefit provisions	17 587,386	172,529	976,490
Add: Movement in provisions between current and non current	0	516,530	0
Total adjustments to net current assets	526,212	(3,981,838)	(1,027,010)
Net current assets used in the Rate Setting Statement			
Total current assets	10,949,319	7,062,708	9,709,628
Less: Total current liabilities	(5,143,725)	(2,827,339)	(4,071,604)
Less: Total adjustments to net current assets	526,212	(3,981,838)	(1,027,010)
Net current assets used in the Rate Setting Statement	6,331,806	253,531	4,611,014

29. FINANCIAL RISK MANAGEMENT

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

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

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 \$
2021					
Cash and cash equivalents	0.02%	9,119,374	0	3,943,828	5,175,546
2020					
Cash and cash equivalents	0.05%	7,934,996	0	7,904,980	30,016

Sensitivity

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

	2021 \$	2020 \$
Impact of a 1% movement in interest rates on profit and loss and equity*	39,438	79,050

* 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 16(b).

29. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Trade and Other Receivables

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

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

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

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

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

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

	Current	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total
30 June 2021					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	524,240	205,812	95,572	83,497	909,121
30 June 2020					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	719,816	400,390	101,036	221,619	1,371,059

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

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
30 June 2021					
Trade and other receivables					
Expected credit loss	0.00%	0.00%	0.10%	0.33%	
Gross carrying amount	379,231	55,124	2,495	14,858	451,708
Loss allowance	1	16	255	4,912	5,184
30 June 2020					
Trade and other receivables					
Expected credit loss	0.01%	0.00%	0.00%	0.40%	
Gross carrying amount	69,521	689	114,119	34,769	219,098
Loss allowance	1,107	59	26	15,166	16,358

29. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

Payables and borrowings

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The Shire manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required and disclosed in Note 16(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
	\$	\$	\$	\$	\$
2021					
Payables	1,827,468	0	0	1,827,468	1,827,468
Borrowings	52,550	229,565	0	282,115	264,239
Lease liabilities	290,325	443,728	0	734,053	734,053
	2,170,343	673,293	0	2,843,636	2,825,760
2020					
Payables	1,134,973	0	0	1,134,973	1,134,973
Borrowings	62,597	210,202	78,826	351,625	317,484
Lease liabilities	331,808	723,257	0	1,055,065	1,055,065
	1,529,378	933,459	78,826	2,541,663	2,507,522

30. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

No matters or circumstances have arisen since the end of the financial year which significantly affected or significantly affect the operations of the Shire.

31. TRUST FUNDS

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

	1 July 2020	Amounts Received	Amounts Paid	30 June 2021
	\$	\$	\$	\$
Building in Training Fund	5,597	16,347	(20,260)	1,684
Public Open Space Deposits	140,374	0	0	140,374
Private Works	240,059	329,194	(329,118)	240,135
	<u>386,030</u>	<u>345,541</u>	<u>(349,378)</u>	<u>382,193</u>

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32. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

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

c) Rounding off figures

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

d) Comparative figures

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

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

e) Budget comparative figures

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

f) Superannuation

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

g) Fair value of assets and liabilities

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

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

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

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

h) Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

i) Impairment of assets

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

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

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

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

33. ACTIVITIES/PROGRAMS

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

PROGRAM NAME AND OBJECTIVES	ACTIVITIES
GOVERNANCE To provide a decision making process for the efficient allocation of scarce resources.	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.
GENERAL PURPOSE FUNDING To collect general revenue to allow for the provision of services.	Rates activity, general purpose grants, banking costs and interest revenue.
LAW, ORDER, PUBLIC SAFETY To provide services to help ensure a safer community.	Supervision of various local laws, fire prevention, emergency services, CBD security, administration of the Crime Prevention Plan.
HEALTH To provide an operational framework for good community health.	Food quality and pest control, inspections and infant health. This function also provides for the implementation of the Healthy Lifestyles model.
EDUCATION AND WELFARE To meet the needs of the community in these areas.	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.
HOUSING To meet the needs of the Shire of Carnarvon Staff.	Staff Housing.
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.	Refuse collection services, operation of refuse site, administration of town planning scheme, cemetery services and maintenance, environmental protection services and land development services.
RECREATION AND CULTURE To establish and manage efficiently infrastructure and resources which will help the social well being of the community.	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.
TRANSPORT To provide effective and efficient transport services to the community.	Maintenance of streets, roads, footpaths, street lighting, airport. Agency for Department of Planning and Infrastructure's on line vehicle licensing services.
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.	Noxious weed control, tourism and area promotion, building control and services.
OTHER PROPERTY AND SERVICES To ensure works programs are operating efficiently.	Private works operations, public works operations and plant operations.

34. FINANCIAL RATIOS

	2021 Actual	2020 Actual	2019 Actual
Current ratio	1.15	2.58	3.21
Asset consumption ratio	0.94	0.95	0.73
Asset renewal funding ratio	n/a	n/a	1.06
Asset sustainability ratio	0.40	0.14	0.57
Debt service cover ratio	4.96	2.50	8.86
Operating surplus ratio	(0.70)	(0.83)	(0.77)
Own source revenue coverage ratio	0.42	0.40	0.41

The above ratios are calculated as follows:

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



Auditor General

INDEPENDENT AUDITOR'S REPORT 2021 Shire of Carnarvon

To the Councillors of the Shire of Carnarvon

Report on the audit of the annual financial report

Opinion

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

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

In my opinion the financial report of the Shire of Carnarvon:

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

Basis for opinion

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

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

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

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

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

Auditor's responsibility for the audit of the financial report

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

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

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

Report on other legal and regulatory requirements

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

- (i) In my opinion, the following material matters indicate significant adverse trends in the financial position of the Shire:
 - a. The Asset Sustainability Ratio and Operating Surplus Ratio have been below the Department of Local Government, Sport and Cultural Industries' standard for the past 3 years. The financial ratios are reported at Note 34 to the financial report.
- (ii) The following material matters indicating non-compliance with Part 6 of the Act, the Regulations or applicable financial controls of any other relevant written law were identified during the course of my audit:
 - a. The Shire has not reported the Asset Renewal Funding Ratio for 2021 as required by section 50(1)(c) of the Local Government (Financial Management) Regulations 1996, as planned capital renewals and required capital expenditure were not estimated in a long-term financial plan and asset management plan.
 - b. Accounting journal entries were mostly prepared and posted by the same officer, with no evidence of independent review and approval by a senior officer. Accounting journals can represent significant adjustments to previously approved accounting transactions and should therefore be appropriately reviewed and approved.
 - c. Funds totaling \$1.2 million were transferred from a cash backed reserve account to unrestricted cash in the Municipal account on 2 occasions without prior approval from the Council. This is also in breach of section 6.11(2)(b) of the *Local Government Act 1995*, which requires the Shire to give one month's local public notice if the money in a reserve account is proposed to be used for another purpose. These transfers were subsequently reversed.
 - d. There were inadequate internal controls around the processing of employee termination payments. Inadequate or ineffective controls increases the risk of under or over payments to terminated employees.

- e. Monthly bank reconciliations for the financial year ended 30 June 2021 were only prepared in June 2021. Errors were noted in the preparation of the bank reconciliations. In addition, the reconciliations included a large number of reconciling items that had not been cleared in a timely manner, with some reconciling items outstanding since August 2020. This increases the risk of misstatements, fraud and errors not being detected in a timely manner.
- (iii) All required information and explanations were obtained by me.
 - (iv) All audit procedures were satisfactorily completed.
 - (v) In my opinion, the Asset Consumption Ratio for 2019, 2020 and 2021 and the Asset Renewal Funding Ratio for 2019 included in the financial report were supported by verifiable information and reasonable assumptions.

Other matter

The financial ratios for 2019 in Note 34 of the financial report were audited by another auditor when performing their audit of the Shire for the year ending 30 June 2019. The auditor expressed an unmodified opinion on the financial report for that year.

Other information

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

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

Matters relating to the electronic publication of the audited financial report

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



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

SHIRE OF CARNARVON ANNUAL REPORT 2020/2021



TEO
PHOTOGRAPHY

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COMMUNITY VISION

COMMUNITY VISION

*Unity, Humanity,
Nature*

**A CONNECTED COMMUNITY ACROSS
LEADERS, CULTURES &
GENERATIONS**

**A FUTURE FOR EVERY YOUNG
PERSON**

**A JOB-RICH ECONOMY, BUILT ON
LOCAL STRENGTHS**

**A STILL-NATURAL ENVIRONMENT,
LOOKED AFTER AND USED**

SHIRE PRESIDENT'S REPORT



Your Council has had a year busy year with significant change occurring with the CEO moving on and the process of replacing the CEO adding to the work on stabilizing our financial position, improving our towns amenity and fixing what we've got.

It is with pleasure that I can report that Council was successful in securing the services of Mrs Andrea Selvey to fill the position of Chief Executive Officer who commenced in the role April 2021. Council quickly realized that our choice was correct as we now have a CEO with the drive, passion and capacity to work with Council in providing services that our community expects.

The unprecedented weather events in early 2021 highlighted the problems your Council have in applying a comparatively low income over a large Shire. For example, for many years the pastoral roads have not been maintained to standard due to insufficient income and the February rain and subsequent flooding exacerbated this as it resulted in an approximately \$12 million dollars worth of repairs being required. The Shire has applied for emergency funding to effect the repairs, unfortunately this is proving to be a very slow process.

With Andrea and her staff's help, Council is committed to developing a revenue strategy that will guide the Shire in increasing our income therefore improving our asset maintenance program.

The ongoing impact of Covid19 virus has impacted your Shire Council as it has the business and wider community, and I must thank all of our staff for making that extra bit of effort in getting the job done during these difficult times. I must also thank the community for its resilience and patience whilst the services provided by the Shire Council are impacted by the Virus.

Another notable issue that is impacting our community is the ongoing antisocial activities and crime by a small number of children in our community which is an issue that has been developing for many years and has a number of complex issues driving it. Council is actively engaged in lobbying and advocating the State Government to mandate change in how these issues are managed.

I would like to thank my fellow Councillors and their families for their support and strength over the past year. With the changes that have occurred I believe that we are now moving forward in a fashion that given time, will have a positive impact across our community.

A handwritten signature in blue ink, appearing to read 'Eddie Smith'.

Eddie Smith
SHIRE PRESIDENT



CHIEF EXECUTIVE OFFICER'S REPORT

It is with pleasure that I present the 2020/2021 Annual Report for the Shire of Carnarvon, my first as the Chief Executive Officer for this Council.

I commenced in this role in April 2021, after what I know was a difficult period for Council, staff, and the community due to high staff turnover, Covid-19, and the flood in February. However, it was clear to me from the start that the resilience, professionalism, and passion for Carnarvon that I found amongst Councillors and staff, would ensure that those difficulties would be overcome. That same passion would also assist in realising the many opportunities that are present in Carnarvon.

When considering applying for Carnarvon, I was particularly impressed by the President's Mantra being to stabilise the financial position, improve the amenity of the town and surrounds and fix what is already here. These three tasks may sound simple and straightforward; however, they speak to the fundamental function of local government as the grass roots tier of government and will guide my tenure as your CEO.

Perhaps the most challenging element to achieve will be to fix the financial position. With the support of the team at the Shire, we have made significant progress.

Looking to the future Council has requested a revenue strategy that looks at all avenues and opportunities to improve our financial position. Without adequate funding, the other elements of the President's Mantra will be difficult to achieve. We will also commence a development of a new Strategic Community Plan in the coming year. While it is a legislative requirement to update the Strategic Community Plan, it is also important to do this work as many things have changed over the past four years. I sincerely hope that our community will support and participate in the planning process as it is the best way to ensure we can all strive to make the best of the opportunities and address the challenges. It is only working together that we can succeed.

On a day-to-day level, we have made significant improvements to our management and responses to customer enquiries and complaints. All enquiries sent to shire@carnarvon.wa.gov.au are captured in our records management system. This allows for tracking to ensure timely response times. This data can also be analysed so we can understand where there are issues and consider how they can be better managed. I would like to offer my thanks to the Shire President and Councillors for giving me this opportunity to serve the Carnarvon community as your CEO. I am very grateful to Council and staff for their support, dedication and hard work and feel privileged to work with such a professional team. I look forward to the coming year with excitement and positivity.

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

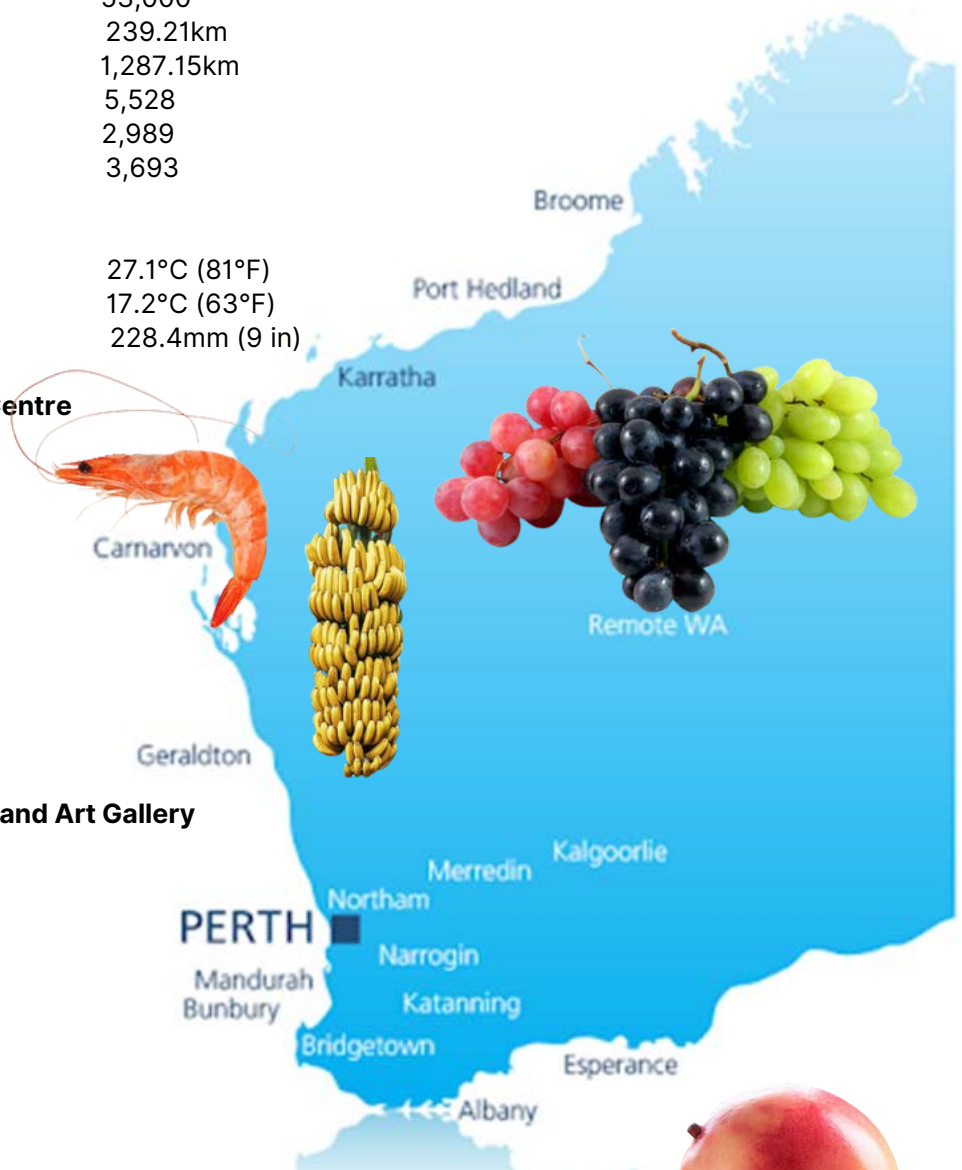
18 Egan Street
CARNARVON WA 6701

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

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 1.00pm. 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 November. All members of the public are welcome to attend.

There is also a total of 12 Agenda Forum Meeting which are held in the morning of the Council Meeting commencing at 8.30am. The purpose of these forums is to discuss the upcoming agenda and enables Councillors to be briefed on the agenda and to ask questions should the need arise. At no time at the forums are agenda items to be debated or decisions made.

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

YOUR ELECTED MEMBERS 2020/2021



Top – President Eddie Smith

2nd Row – (L-R) – Deputy President Cr Burke Maslen; Cr Luke Skender; Cr Kane Simpson

3rd Row – (L-R) – Cr Luke Vandeleur; Cr Julee Nelson

Bottom Row – (L-R) – Cr Kristan Pinner; Cr Alexander Fullarton

ELECTED MEMBER ATTENDANCE

Below is a summary of Elected Member attendance for Council Meetings for the reporting year
1 July 2020 to 30 June 2021.

MEMBER	MEETINGS HELD DURING OFFICE 2019/2020	ATTENDANCE		ATTENDANCE PERCENTAGE
		ATTENDED	LOA	
SMITH, E COUNCILLOR – TOWN WARD	17	17	0	100%
MASLEN, B COUNCILLOR – GASCOYNE/MINILYA WARD	17	17	0	100%
SIMPSON, K COUNCILLOR – CORAL BAY WARD	17	13	1	76%
SKENDER, L COUNCILLOR – PLANTATION WARD	17	15	0	88%
PINNER, K COUNCILLOR – TOWN WARD	17	16	0	94%
NELSON, J COUNCILLOR – TOWN WARD	17	14	0	82%
VANDELEUR, L COUNCILLOR – TOWN WARD	17	15	0	88%
FULLARTON, A COUNCILLOR – TOWN WARD	17	15	0	88%

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 2021 this is the Chief Executive Officer Mrs Andrea Selvey.

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 2019/2020	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

ORGANISATION STRUCTURE

EXECUTIVE LEADERSHIP TEAM



Andrea Selvey
**CHIEF EXECUTIVE
OFFICER**

David Perry
**EXECUTIVE MANAGER,
COMMUNITY & DEVELOPMENT
SERVICES**

Community Services
Library/Art Gallery
Planning
Building
Environmental Health
Rangers
Economic Development
Visitor Centre
Entertainment
Emergency

Governance
Records
Customer Service
Communications
Human Resources
& Systems
OSH
Finance
Budget
Rates
Procurement

David Nielsen
**EXECUTIVE MANAGER,
INFRASTRUCTURE**

Fleet Management
Building Maintenance
Roads & Works
Parks and Gardens
Asset Management
Waste Management
Airport
Tenders
Contract Management

INTEGRATED PLANNING UPDATE

It is critical that Council has sound planning in place to meet the future needs of the community. It is also a legislative requirement that a full review of the Strategic Community Plan is done every four years.

A full review was carried out by this Council in 2017/18; therefore, another full review is now due. The focus in this review will be integration of the Strategic Plan and Corporate Business Plan with the Long Term Financial Plan and Asset Management Plan.

We hope all members of the community will participate in the process so that these plans, that influence and inform Council decision-making truly reflects the aspirations of residents. We aim to make our engagement processes informative so that community input is based on awareness of the financial implications, prioritisation and trade-offs required to have a robust, affordable, and widely supported suite of plans that serve this community in the long term. For more information, please contact the Shire CEO, Andrea Selvey.





SERVICE ACTIVITIES

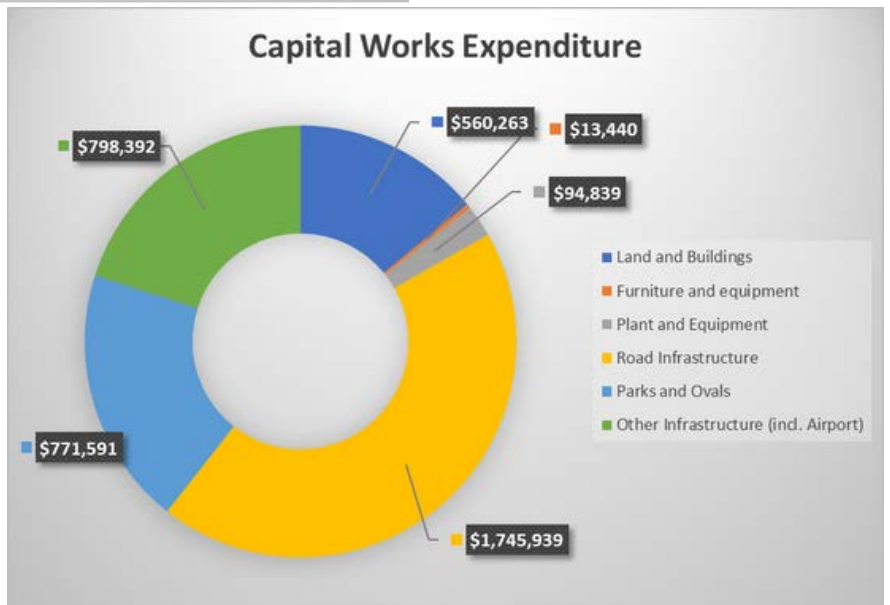
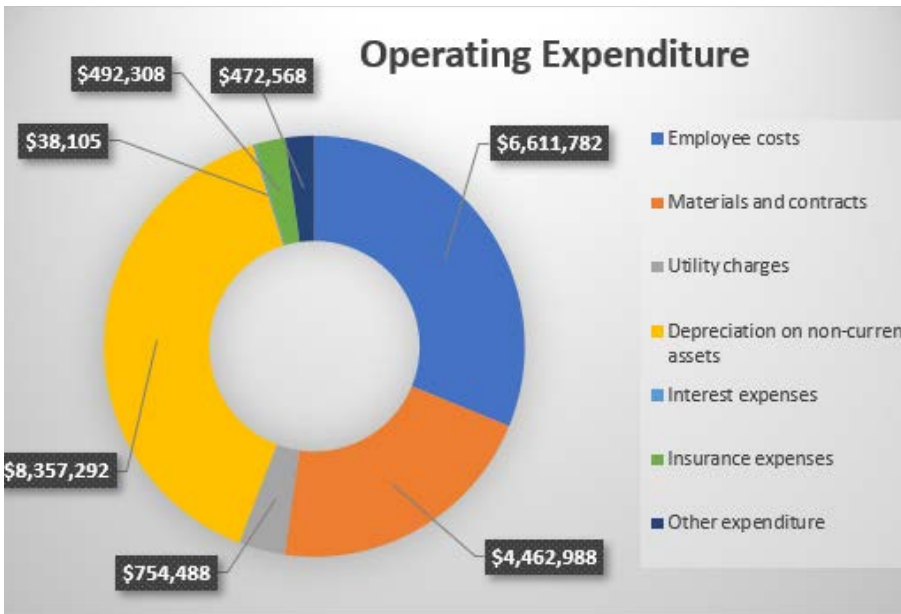
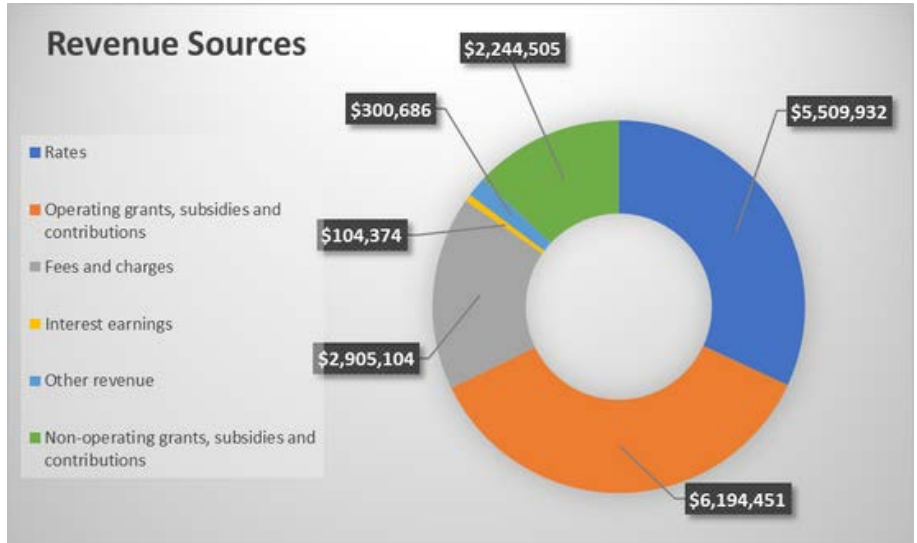
CORPORATE SERVICES



CORPORATE SERVICES

Financial Management of the Shires finances lies with the Finance Team.

The team is responsible for processing day to day accounting transactions, for raising Rates and Debtors Invoices, maintenance of property records, payment of salaries and wages, payments to Creditors, repayment of loans and advising on any new borrowings, and general investment of funds. Each year the Finance Team lead the preparation of the Budget, complete a mid year Budget Review, and provide financial reports for Council and committees.






Susan Mizen
MANAGER, FINANCE

PEOPLE, CULTURE & SYSTEMS

I commenced with the Shire in January 2021 and currently hold the position Manager People, Culture and Systems. Whilst I was not employed with the Shire for most of the period that is covered in this report, I am pleased to be able to present my very first report in our Annual Report.

During the 2020/21 period an external consultant was engaged by the previous Shire Management to review and implement a restructure of the workforce, which unfortunately resulted in several redundancies. This restructure was required to be performed as a response to the impacts that COVID-19 had on day-to-day operations (reduction of services) and to help reduce the impact that employee costs had on our budget. I would like to mention that the Shire had 4 CEOs in the space of 12 months and this lack of leadership continuity has an impact on morale and our reputation as an employer of choice.

As of June 2021 the Shire of Carnarvon had a total of 77 employees remaining in employment. The following graphs provide a snapshot of the diversity of our employees.

DIVERSITY SNAP SHOT		2020-2021
	People with Disability	None who have self-identified.
	Aboriginal or Torres Strait Islander ancestry (have self-identified)	13%
	Culturally and Linguistically Diverse (have self-identified)	15%

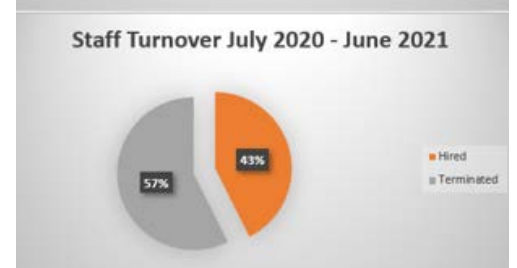
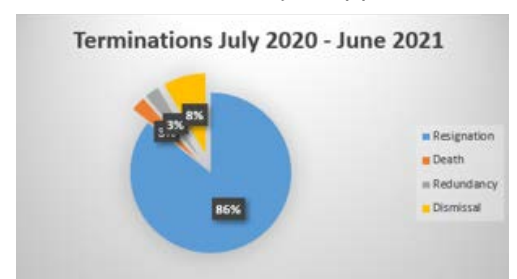


With the uncertainty of COVID-19 and the redundancy program, employee turnover was high than normal for this period. A total of 57% of our employees had ceased employment with the Shire, whilst recruitment for these vacancies was at 43%. In such a competitive employment market, the Shire has struggled to attract and retain adequately qualified and experience staff for key positions. Being a local government, the Shire is not able to offer salaries that are competitive with the corporate or mining sector, however, we pride ourselves on being able to offer a flexible approach to work/life balance in Western Australia's best location.

As a result the Shire has placed emphasis on building relationships with the local schools to create job opportunities for our youth through traineeships and work placements,

We are also committed to further diversifying our workforce with an emphasis on attracting, retaining and developing local talent.

I look forward to providing you an update for our next Annual Report.



Amanda Leighton
MANAGER PEOPLE CULTURE & SYSTEMS



SERVICE ACTIVITIES DEVELOPMENT & COMMUNITY SERVICES

DEVELOPMENT & COMMUNITY SERVICES

LIBRARY/ART GALLERY

2020-21 commenced with significant challenges following a reduction in staffing resources, opening days and hours, along with the many restrictions introduced due to COVID. Challenging times presented new opportunities, which led to a re-shaping of service delivery with the aim of meeting community needs and expectations while equally maintaining a high standard. Having previously been open 6 days per week prior to COVID, a reduction to two days from April required considerable adjustment for library users and required constant positive engagement, reassurance and encouragement in embracing the changes. Following an increase to four days from September 2020, including the new initiative of Late-Night Thursday opening until 8pm, some regular programs and events were reintroduced either as online options delivered and shared by Public Libraries WA Public or face-to-face in the library. This included the Better Beginnings Program in Term 4, Storytime and Baby Rhyme Time and the ever-popular Lego Club. Digital Literacy sessions for over 50s recommenced via the Be Connected program along with Film Club and Book Club for adults. Several key events were postponed until late 2020, including Children's Book Week, NAIDOC Week and Seniors' Week celebrations.

The Homebound Delivery Service continued to be in demand, supporting those community members who are physically challenged in visiting the library with the popular options of 'Click and Collect' or 'Select and Collect' continuing to be offered for vulnerable community members.

Throughout 2020, the State Library of WA supported all libraries through regular zoom meetings, offering opportunities for shared planning and initiatives for innovative service delivery. This led to new collaborations in utilising the library space such as Fruit Bowl Bubs in partnership with Parenting Connection.

The Gallery also faced immense challenges in 2020-21 due to the scheduled calendar of touring exhibitions being either cancelled, postponed or re-scheduled due to COVID restrictions. The space was finally re-invigorated in September 2020 with the re-scheduled Regional Touring Boost capsule exhibition from the State Art Gallery of WA entitled How did I get here, a collaborative exhibition showcasing portraits from the State Art collection alongside portraits of local Carnarvon community members by Nic Duncan. This was followed by Shipwrecked from the Australian Maritime Museum then back-to-back exhibitions showcasing the many talented local artists, including a collaborative exhibition for International Women's Day, an event supported by Carnarvon Soroptimists, Ningaloo Stories by Sadie James and Jess Hadden and the COVID Driveway Project photographic exhibition by Mary-Anne Livesy. Between February and June 2021, there were also collaborative opportunities for local creatives/art groups, including a Creative Co-Lab session in June funded by the Mycelium Project and driven by Southern Forest Arts



DEVELOPMENT & COMMUNITY SERVICES

COMMUNITY & YOUTH SERVICES

Community

As we are all aware the COVID-19 pandemic has impacted on all sections of the community from Government Departments to charity groups. The Shire of Carnarvon's Community Development Team has also felt the pandemic's impact, adopting and implementing legislative changes to protect our patron's attending community run events/programs, including the proposed school holiday program. As per the Government's recommendations, the focus turned to the swift introduction of personal hygiene, isolating and distancing from one another to control and contain the spread of the disease.

The Community Services portfolio has been extremely busy in 2020-21 organising and assisting with the following Programs & Events:

Australia Day R U OK Day Naidoc week
 Night Lights Youth Week Seniors week
 Xmas Lights Competition Remembrance Day Anzac Day
 Volunteers' week WA Clubs Outdoors October
 Gascoyne Games Every Club Xmas Street party
 Night Patrol Youth Hub School Holiday Programs

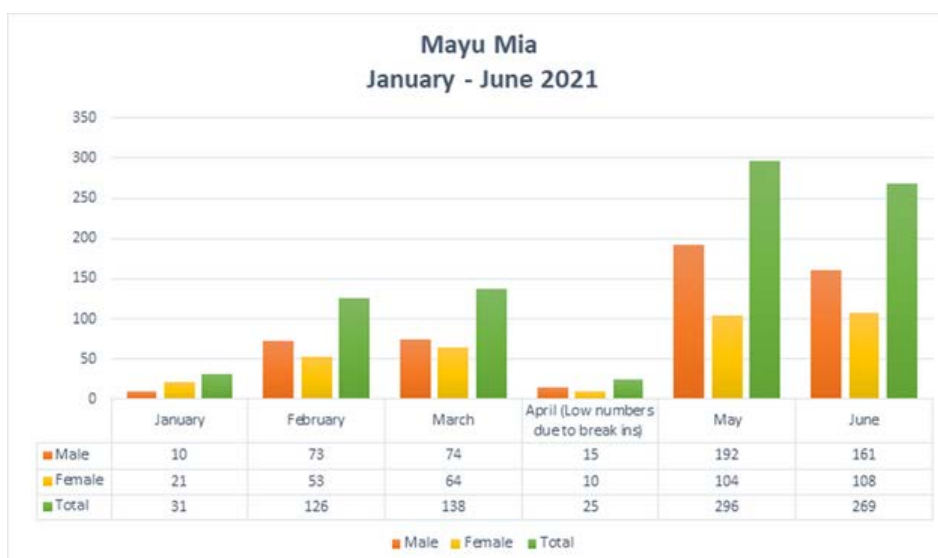
Youth

Youth workers attended a two-day Domestic Violence Training at Gwoonwardu Mia delivered by Lifeline WA. Domestic and Family Violence Response Training is part of the National Plan to reduce violence against women and children. The course enabled workers to recognise, respond and refer to domestic violence.

Mayu-Mia Youth Hub

The Mayu-Mia Youth Hub will be changing the usual routine to opening the hub only twice a week for programs as Youth staff will be assisting with the Basketball Program on Tuesday nights at PCYC. Shire Youth staff will help run the program and will also be available to transport the Youth to and from on these nights.

Dan Hunt visited Carnarvon in October and delivered a Carnarvon Community Coaching Course – this is an introductory level course that covers general principles of coaching while encompassing basketball-specific fundamentals and exploring the coach's role.



DEVELOPMENT & COMMUNITY SERVICES

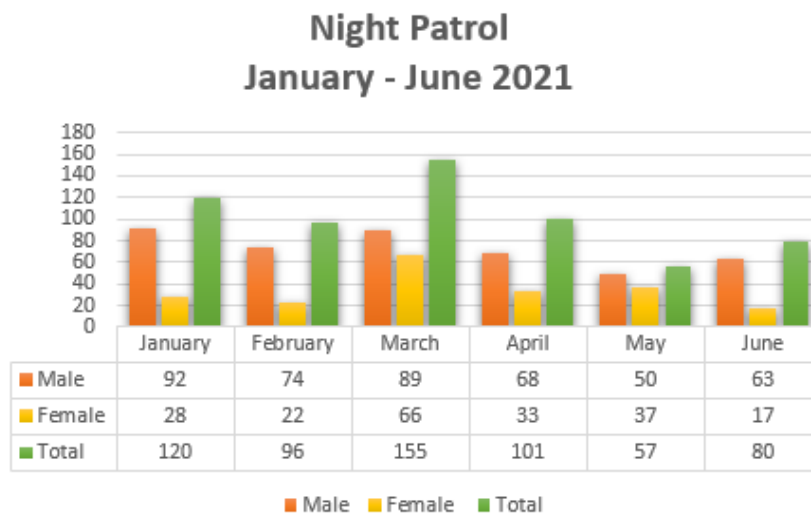
Community Connectors Pilot Program

The concept of the Community Connectors Program (SOCCP) that was funded by the Department of Communities and supported by the Shire of Carnarvon and local Aboriginal Leaders, was to be one of the projects to address anti-social behaviour within the community

The primary goals of the Community Connectors program were to:

- Establish and embed a SOCCP for the Carnarvon Townsite and surrounding near vicinity communities, within the local Aboriginal community considering local cultural and traditional approaches that will divert juveniles and Youth at risk from the justice system—thereby reducing juvenile anti-social and criminal behaviour.
- Develop relationships strengthened through Partnering Understandings with key service providers that clearly define the boundaries and the extent of authority and responsibilities, particularly by the Shire of Carnarvon, SOCCP and WAPF—a clear understanding between mediation and outreach, and powers of arrest.
- Engage and build the community to support and enhance the service through other skill sets and community services.
- Improve the SOCCP through performance information and success indicators, which will enable the transition to other quality service provisions.

Community Connectors Figures Jan – June 2021



DEVELOPMENT & COMMUNITY SERVICES

BUILDING

The following statistics indicate the building activity has been steady throughout 2020/2021 across the Shire in terms of the type of applications. Building applications received and permit approvals are lower than previous years, possibly due to COVID restrictions; a shortage in the supply of building materials is impacting homeowners and builders; post-Cyclone Seroja triggering builders to work in the cyclone-affected areas (outside the Shire) and the solar panel allocation had been filled.

There has been no change to the Building Services team. The Building Services Officer is available at the Shire Office as the first point of contact for information and guidance relating to permit applications, plan search requests, and general building inquiries. The Shire continues to outsource the building surveying service to the City of Greater Geraldton. The contracted Building Surveyors are available via phone or email during office hours. One surveyor visits the Shire as required to interact with local builders and developers, undertake site inspections and liaise with the Shire's personnel on any building-related matters.

The Shire's Building Services Officer has also recently completed a course in swimming pool barrier compliance to provide an in-house service to our community.

Building Services Activity

Activity	2017/2018	2018/2019	2019/2020	2020/2021
Building/Demolition Applications Received	98	117	203	96
Permits Approved	97	115	179	99
Swimming Pool Fences Inspected	3	16	7	4
Building Orders	0	0	0	0
Estimated Building Value of Approved Permits	\$5,126,949	\$8,598,046	\$5,324,004	\$5,495,125

AQUATIC CENTRE

Total Attendances

	14/15 Actual	15/16 actual	16/17 actual	17/18 actual	18/19 actual	19/20 actual	20/21 actual
Jul							
Aug							
Sept	196	754					
Oct	2,059	5,872	3,410	3517	484	1766	1605
Nov	3249	4981	3592	5379	2231	3466	2992
Dec	3241	2670	2898	2913	2312	3245	3186
Jan	5456	3549	3853	3518	5199	4989	2961
Feb	4410	5360	3190	3350	3119	2371	3547
Mar	1929	3424	2946	4251	5846	4492	3417
Apr	1637	1838	1858	1532	2407	0	753
May							
Jun							
TOTAL	22177	28448	21747	24460	21598	20329	18461

DEVELOPMENT & COMMUNITY SERVICES

Aquatic Education

828 Participants 6983 Attendances 37% of Total Attendances

1. RLSS of WA Endorsed Swim School - Carnarvon Swim School operated by the Carnarvon Aquatic Centre Pool Manager has accounted for 19% of attendances with substantial enrolment numbers in all programs.

2. Swim & Survive

Carnarvon Swim School successfully coordinated after-school Lessons in Term 4 2020 (113 participants) & Term 1 2021 (69 Participants); Swim & Survive Vacation lessons in January 2021 were also offered again. Two Series comprising of 10 days each were offered to families with enrolments reaching capacity, 134 participants for Series 1 & 104 participants for Series 2.

Infant Aquatics

Infant Aquatics uses songs, games, and activities to ensure babies experience a variety of skills, including pool entry, floating, breathing, and movement. A total of 54 bubs and carers joined the Infant Aquatics Program during the 2020/2021 season.

Other successful programs included:

Adult Learn to Swim Program – One 15-week program

Bronze Medallion Courses – 4 courses completed during the season with 27 participants

CPR Resuscitation Courses & Competency Swim Assessments – 6 completed during the season with 21 participants in Resus and 15 in Competency Swim

Education Department Interim Lessons - accounted for 16% of attendances

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

All 5 Primary Schools; Carnarvon Community College, Carnarvon Christian School, St Mary's Star of the Sea, Gascoyne Junction, and School of the Air and Home-Schooled Children in our area participated in lessons during Term 1:

- 402 students
- 24% CALD
- 27% Indigenous
- 6% Special Needs.
- Swimming Carnivals

All Carnivals were conducted at the end of Term 1 2021.



Carnarvon Amateur Swim Club – CASC 1505 attendances – approx. 8% of total attendances

CASC had another successful year, strong membership numbers with some Junior Squads at capacity, and a waiting list. Coaches conducted 16 weeks of training during the season, and the Club hosted 6' Time Trial Nights' and 'Club Championship.' The Club successfully hosted the Gascoyne Open in November 2021. CASC members performed well at this event, with swimmers achieving personal best times (PBs), a few new records, and earned a few medals.

Major Projects & Maintenance Works

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

Painting of the Pool Shell: Both pools were re-painted in June 2021, with the tiles at all bulkheads being replaced as well. Shade Sails: 5 of the small shade sails were replaced with the other 5 to be replaced next financial year.



DEVELOPMENT & COMMUNITY SERVICES

PLANNING AND DEVELOPMENT

The Shire's Planning Services is responsible for the strategic and statutory planning matters within the Shire of Carnarvon. Broadly this relates to all proposed planning and building activity requiring statutory approval within the Shire and ensuring compliance with all relevant State policies and the Shire of Carnarvon Local Planning Scheme(s) and related policies.

Local Planning Scheme 13 was approved by the Minister for Planning and gazetted on 3 November 2020 following its endorsement by Council on 24 September 2019.

This year has also seen several changes to legislation, such as the Coral Bay Mobile Traders Policy has been revoked by Council following its decision on a controversial mobile traders application. A few local laws have also been updated throughout the year.

Significant project approvals throughout the year include a 20 holiday unit redevelopment at the Bayview Resort in Coral Bay; a wind monitoring tower on the North Common, a Local Development Plan for Lot 50, Coral Bay and additional ponds at the Beta Nutrition facility at Lake McLeod.

In addition to the above approvals, the Shire planning section is working on some interesting planning projects, such as the Babbage Island tourist development that will see the old prawn factory and surroundings be redeveloped into a tourist destination. The planning unit is also currently working with some pastoral station owners to develop Local Development Plans for their respective tourist nodes to guide the future development of these areas.

Planning Services ensures all development within the Shire is compliant with the Local Planning Scheme(s) and State regulations.

The summary table below illustrates the number of statutory planning matters undertaken by the Shire (includes the 2020/21 year - note the figures for Scheme amendments are for the year initiated not the gazettal year):

Application Type	2016/17	2017/18	2018/2019	2019/20	2020/21
Development Applications	53	37	33	35	41
Subdivision Referrals	2	1	Nil	Nil	1
Scheme Amendments	0	5	2	1	1



DEVELOPMENT & COMMUNITY SERVICES



CARNARVON CIVIC CENTRE

Due to COVID-19 the Civic Centre was closed in March of 2020. Unfortunately, all acts booked for the This Life Festival and other shows for the community had to be cancelled. The centre remained closed up to and beyond the end of the 2019/2020 financial year.

VISITORS CENTRE

The Carnarvon Visitor Centre (CVC) saw a significant increase in West Australian travel after Tourism WA successful Wander Out Yonder campaign, with a recorded number of 28,910 visitors to the centre after reopening on 1 June 2020 following the COVID closure. It continued to provide excellence in all areas of service, promotion, and the facilitation of tourism to visitors to the Carnarvon region. Whilst there was a reduction in visitor numbers, this resulted in higher enquiries through LiveChat via the website and Facebook and increased bookings by 190% from the previous financial year.

The Visitor Centre continued to run the digital campaign, spending approximately \$7,500 from the area promotions budget, which resulted in a paid reach of 2.16 million people in Australia via Facebook and Instagram, with an organic reach of 744k on Facebook and 622k on Instagram. In addition, the return of events in early 2020 saw the This Life Events campaign relaunch attracting a significant amount of PR, reaching 1.6 million people alone. This additional exposure has led to an increase in social media reach, resulting in 28,000 followers on Instagram and 7,700 on Facebook.

Due to border closures, all marketing took a refocus to target the West Australian market.

Booking activity for this financial year was:

Region – 19/20 Financial Year	No. of Nights	Ave spent per night	No. of bookings
Coral Coast Region	1160	\$149.30	770 – Average consumer staying 1.51 nights
Region – 20/21 Financial Year	No. of Nights	Ave spend per night	No. of Bookings
Coral Coast Region	4033	\$192.45	2246 – Average consumer staying 1.80 nights

DEVELOPMENT & COMMUNITY SERVICES

EMERGENCY

Prevention

The Shire of Carnarvon received funding from the Department of Fire and emergency services to employ a Bushfire Risk Planning coordinator (BRPC) in January 2021. The Shire of Carnarvon is a local government with a significant bushfire risk; the BRPC will work towards creating a Strategic Bushfire Risk Management Plan (BRMP). This document provides a coordinated and efficient approach to identifying, assessing, and treating assets exposed to bushfire risk on the Shire-owned and managed lands. The BRMP is currently in progress and likely to be completed during 2022. Upon completing and endorsing the plan, the Shire of Carnarvon will apply for funding to complete treatments identified within the plan.

Preparedness

The Carnarvon State Emergency Service (SES) unit has procured a new Vertical Rescue Training Tower through Local Government Grant Scheme (LGGS) funding. This new asset assists the unit in their operational training requirements according to their response profile. The new tower will allow this training to be conducted in a safer, more appropriate

environment with a purpose-built structure to enhance the skills of the Carnarvon SES unit more readily. Several shire staff recently undertook training in basic firefighting as offered by the Department of Fire and Emergency Services. This training was in preparation for this year's fire season, with reportedly some of the largest fuel loads seen in ten years. Three of these staff members have already been deployed to assist pastoralists with an outbreak of fire this year and will play an important role in response to fire outside the gazetted townsite of Carnarvon.

Response

The Shire is responsible for all fire incidents outside of the Carnarvon townsite. The Shire operates and supports the Gascoyne River Volunteer Bushfire Brigade to facilitate this. Within the 2020/2021 financial year, the brigade responded to 21 incidents and actively inspected shire-maintained firebreaks surrounding the town and access tracks for familiarisation.

The Shire has supported the development of the Gascoyne River Volunteer Bushfire Brigade with regular training opportunities, new PPC and equipment purchased through LGGS grants, and the establishment of a brigade Facebook page.



DEVELOPMENT & COMMUNITY SERVICES

The Shire of Carnarvon responded to flooding of the Gascoyne River in February 2021, with the river eventually peaking at 7.11 metres Saturday 6th February. The response included temporary building levees, road closures, sandbag filling locations, stormwater pump checks, and public information functions.

Recovery

A successful grant funding application through the "All West Australians Reducing Emergencies (AWARE) program" allowed for several local government staff to complete the full suite of emergency management training through WA Local Government Association (WALGA). We had 8 Staff from the Shire of Carnarvon, 2 Staff from the Shire of Ashburton, and 1 Staff member from the Shire of Upper Gascoyne complete the week-long training. This training has been constructed specifically to address the fundamental skills required to operate effectively in the Local Government Emergency Management environment.

Since undertaking the training, these staff has commenced reviewing the Shire's Local Recovery Plan to ensure the document remains contemporary and reflects the correct processes and information intending to exercise its functionality in the new year.

ENVIRONMENTAL HEALTH

During 2020-21 the Shire's environmental health services were provided by 2 environmental health officers (EHOs) for 7 months after which one tragically passed away in an accident. Another was recruited at the end of May.

Generally, the Shire's environmental health services consist of a diverse range of primarily regulatory roles—set by State Government—relating to the environmental impacts on public health and wellbeing and the protection of the environment.

Flood

In February 2021, the Gascoyne River broke its banks for the first time since 2010. The Shire EHO with the assistance of City of Geraldton EHOs visited ~50 lower Gascoyne farms to survey damage which was reported to Council. Most of the damage was topsoil loss, while some properties required leach drains to be pumped out and a few old houses were flooded. No new buildings were flooded.

The flood of 2021 washed many empty 200L blue plastic drums downstream. This indicates that improvements to the timely and proper disposal of these containers is required. The Brown Range Waste Facility will take empty and rinsed 200L plastic drums for free through the DrumMuster recycling program.

Water and wastewater

Septic applications: 11 applications to install onsite wastewater systems (e.g. septic systems) were assessed.

Recycled effluent scheme: In the first half of the financial year EHOs conducted monthly water testing and sampling to monitor the quality of effluent. E. Coli was undetected (i.e. below 10 MPN/100ml) in all treated effluent samples taken which is an improvement to previous years, although there was a period in March 2021 when the algae levels were high and odour caused the system to be shut down. There were two instances of the chlorine being below the required limit. A major pipeline upgrades occurred during the year and were completed by the end of March 2021.

Aquatic facilities: Monthly water quality testing of Carnarvon aquatic facilities was conducted for the first 5 months and in the near year the sole EHO was not able to maintain this program until June after the new EHO commenced. The Coral Bay facilities were tested and sampled several times during the first half of the year.

DEVELOPMENT & COMMUNITY SERVICES

Fascine waters: Fascine waters were sampled in November at 7 sites. 5 sites had no detection of faecal contamination (Enterococci), while 2 sites indicated a low level of faecal contamination (10 and 20 MPN/100ml). This level is generally not associated with illness according to Department of Health guideline Microbial Quality of Recreational Waters. As a general guide, swimming in the Fascine should be avoided within a few days after rainfall which can temporarily flush contaminants into the water from stormwater systems.

Food businesses

The new year (2021) saw an increased amount of new food business applications and, including change of ownership of existing businesses and new businesses starting up. 13 new registration certificates were issued during the year, 4 of which were new businesses taking over a continually operating enterprise, the remaining 7 being new start-ups. There were 94 food businesses on the Shire food business register at the end of the financial year, at least 11 food business inspections were conducted and numerous food related enquiries and at least 3 complaints were attended to during the financial year.

Communicable diseases

COVID19: Early in the financial year, EHOs spent additional time providing advice to businesses, attending incident liaison meetings and conducting additional site visits related to COVID-19 safety plans and contact registers.

Notifiable diseases: The following tables summarise the official case notifications of various environmental healthrelated diseases based on doctor postcode 6701 for the last 5 years.

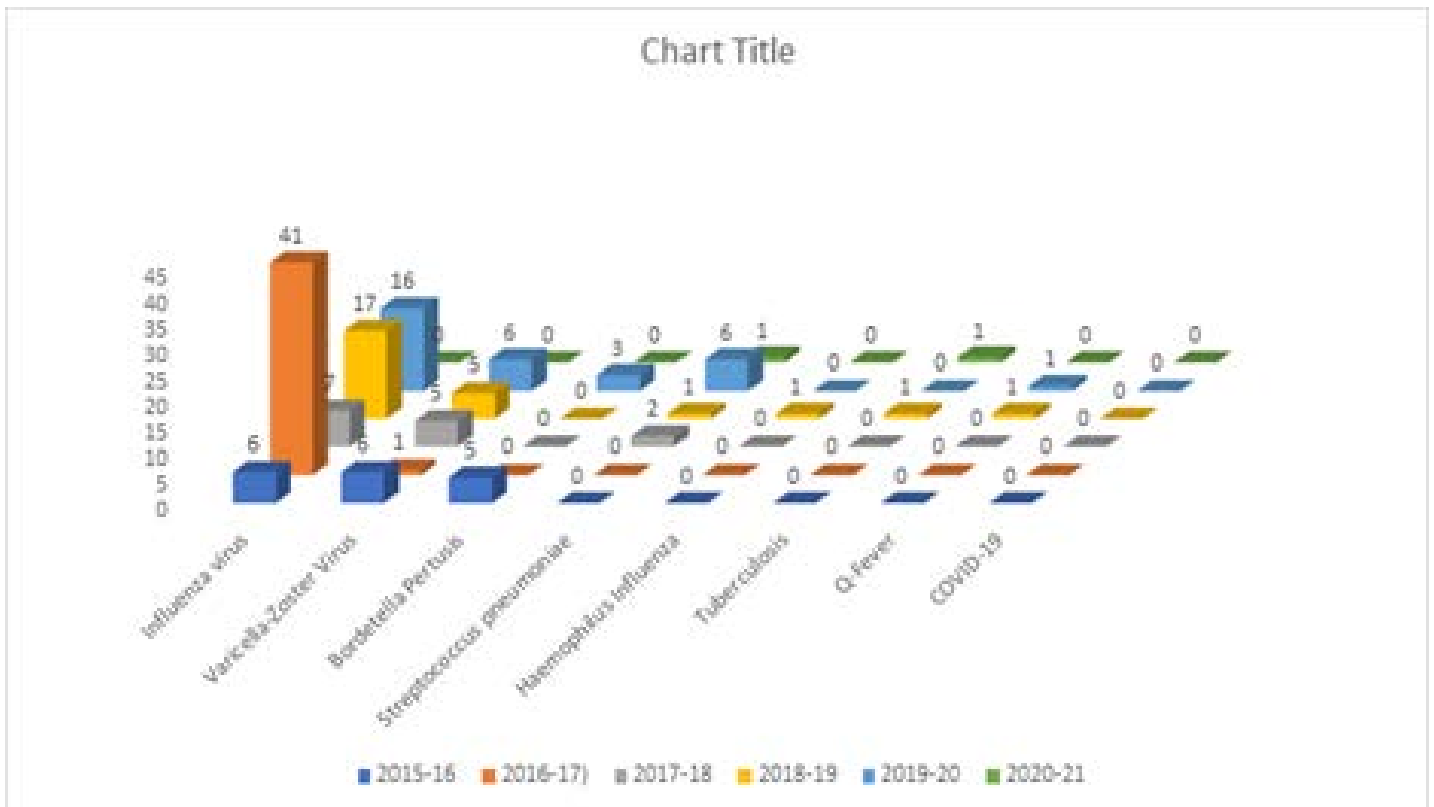


FIGURE 1. ENVIRONMENTAL HEALTH-RELATED DISEASE NOTIFICATIONS (EXCEPT ENTERIC) BY DOCTOR POSTCODE 6701

DEVELOPMENT & COMMUNITY SERVICES

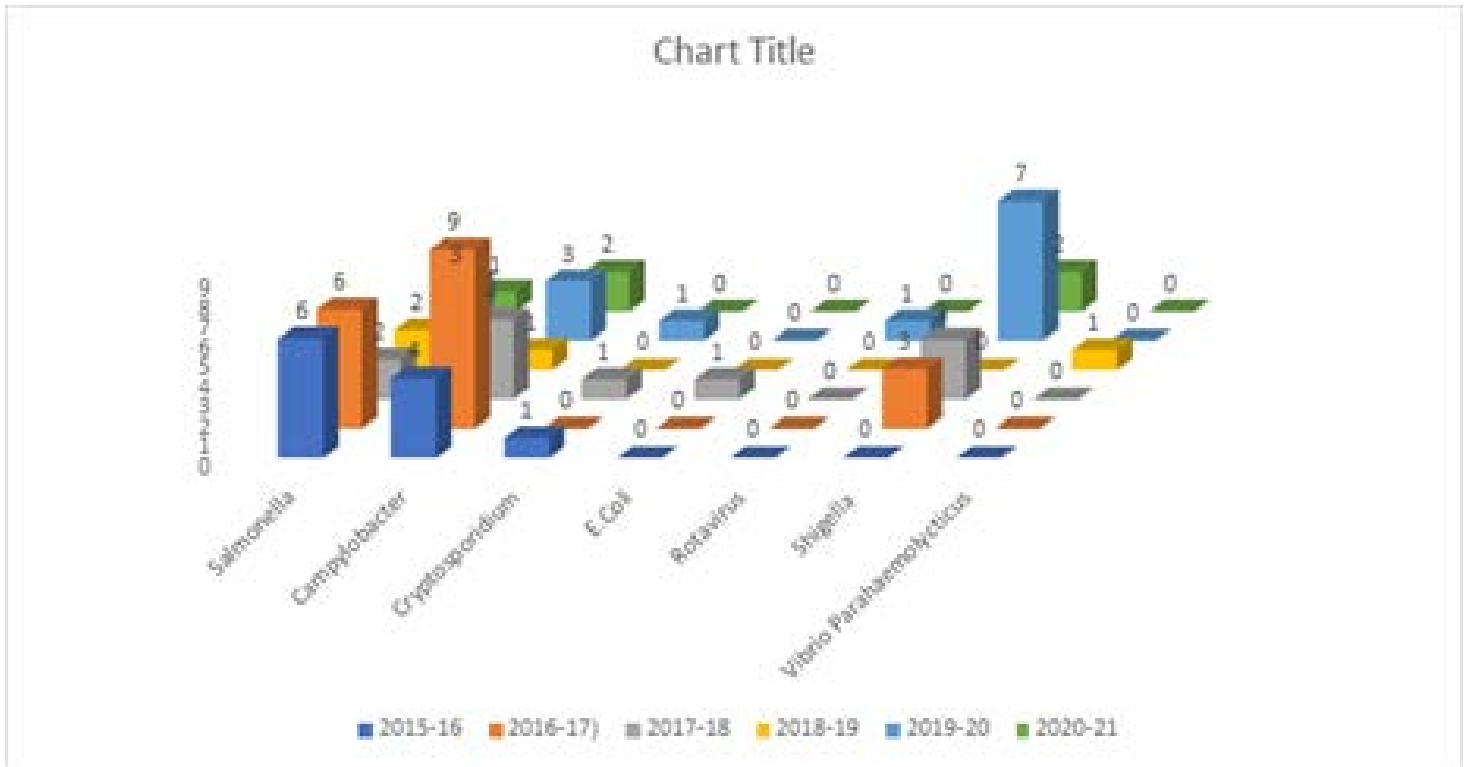


FIGURE 2. ENTERIC DISEASE NOTIFICATIONS BY DOCTOR POSTCODE 6701

The built environment

Approximately 7 public buildings, lodging houses and/or caravan parks were inspected. The caravan park licences and lodging house registrations were renewed as required. One new rigid annexe was approved in a caravan park. EHOs responded to a number of complaints of poor housing condition.

Noise complaints were investigated relating to:

- Pub noise – this involved multiple late night noise measurements for 2 Carnarvon pub venues
- Fuel station noise - compressor and pump noise complaints about multiple fuel stations
- Food trailer generator noise
- Private residences — music, anti-social behaviour and power tools



DEVELOPMENT & COMMUNITY SERVICES

Mosquito Management

2021 was the wettest year for approximately 10 years. In February the Gascoyne River flooded (broke the banks) and the area received the highest rainfall on record for February (186mm). This resulted in large numbers of burrowing frog tadpoles and, after several weeks, significant freshwater mosquitoes (*Culex annulirostris*). Despite numerous aerial surveys to check outlying floodplain waters, including the large McNeil Claypan behind Brown Range, no freshwater larvae were found other than in various stormwater pump-pits, which were treated. A final aerial survey indicated many water tanks with a green appearance, which is a possible site for freshwater mosquitoes, but by this time (late April) the more aggressive saltwater mosquitoes (*Aedes vigilax*) had already emerged. The effort to find the freshwater mosquitoes resulted in missing the first saltwater mosquito breeding event. Mosquito trapping was carried out to obtain a basic indication of numbers and species.

Priorities shifted to finding and treating the source of the saltwater mosquito breeding so as to treat at the source to prevent or mitigate a second, bigger wave. The second wave was only partly found and treated in time, the airport gully having filled with rainwater and on 10 May it was found to consist of 2.5 ha of extremely dense mosquito larvae, which is the most larvae we have seen so close to town for 10 years or more. The area was immediately hand-larvicided and as an emergency also fogged with a handheld thermal fogger with high numbers of dead larvae visible post-treatment. Additionally, 1 ha of breeding was found and treated near One Tree Point, a tidal pool treated near the golf course and several sapphire pools treated on Babbage Is. Despite these efforts, the number of mosquitoes in town was causing much stress to the community and the street fogging was carried out twice. The salt-marsh mosquitoes were a problem periodically until mid-June after which time they all but disappeared as per usual.



Pests

- Pigeons: Feral homing pigeons remain a problem for Carnarvon. Culling may only provide a temporary control because pigeons can quadruple their population in one year in favourable conditions. The Department of Health's position is "Implementing non-lethal control techniques is the most effective long-term solution to reducing the pigeon population."
- The pigeons will breed up to the level that the environment can support which in Carnarvon is most likely to be the availability of internal roosting locations (rather than food sources). The incremental pigeon proofing of buildings to limit access to enclosed spaces may be the best long-term strategy. Natural predators such as falcons and grey butcherbirds should be encouraged.
- Mesquite: Mesquite is a large thorny pest bush/tree that is taking over in some areas such as near the old abattoirs and has been multiplying in many parts of Carnarvon and surrounding reserves. The Shire contributed funding towards a project of the Carnarvon Rangelands Biosecurity Group to poison mesquite within the immediate vicinity of Carnarvon.
- Looper caterpillars: A major infestation of looper caterpillars occurred in April after the rains. These infected nearly every Poinciana tree on the main street and stripped their leaves. EHOs arranged for the trees to be sprayed and the Shire work crew to clean up the caterpillars from the footpaths. The caterpillars abated after a while and the Poinciana trees survived.

Biting midges appeared in great numbers for some time after the flood and rain, particularly on the eastern side of Carnarvon where there is more grassland and less salt scrub. It is understood they breed in the damp grass.

DEVELOPMENT & COMMUNITY SERVICES

Waste management

District waste strategy and reporting: The annual district waste reporting to the Department of Water and Environment Regulation was completed.

Brown Range Waste Facility

- The Brown Range Waste Facility annual reports for the 2020-21 period were submitted to DWER.
- A green waste fire occurred in the waste facility in late May and took some weeks to go out. Above ground storage of tyres and plastics is also a fire hazard and efforts will be made to reduce this risk. The Shire will be purchasing a tyre shredder during the 2021-22 year.
- New monitoring bores will be drilled in the 2021-22 year to comply with environmental regulations and to monitor impacts on the ground water.
- The year involved a much larger than usual quantity of asbestos containing demolition material and soil as well as inert waste largely due to some large demolition projects. Liquid waste quantity also increased due to the increase in caravan and camping tourism.
- Changes during the year include arrangements for the public to dispose directly into skip bins near the entrance to assist in assuring waste will go to the correct locations and to improve the capacity for recycling of materials.

Coral Bay Waste Facility

The Coral Bay Waste Facility annual reports were submitted to DWER. The Coral Bay facility is at or has exceeded its reasonable capacity and needs to be expanded or relocated as an urgent priority.

Natural environment

- **Regrowth:** the flood and rains from February onwards brought on a large regrowth of vegetation in the district which brought about an abundance of birdlife.
- **Burrowing frogs** came out in great numbers after the rains. Burrowing frogs are a remarkable type of frog that inhabits the desert regions of Australia. They can survive underground for several years in a hibernation-like state waiting for rain.
- **Burrowing bees**, endemic to this area, were seen in plentiful numbers this year during July and August 2021.
- **Crows and corellas:** Crows and corellas did not cause problems to Shire facilities during February to April, as they did the previous year, which may be related to the rains and revival of native vegetation.



DEVELOPMENT & COMMUNITY SERVICES

RANGERS

The Shire of Carnarvon Rangers uphold community law and enhance and promote public safety by investigating, issuing infringements, and enforcing various State and local laws breaches. This includes such items as dog and cat control, off-road vehicles, litter, parking, camping, abandoned vehicles, firebreak and fire hazard inspections, verge obstructions and kennel establishments. Shire of Carnarvon Ranges are located in Carnarvon and Coral Bay. Regular visits are made to Bush bay and Blowholes concentrating on camping irregularities.



The number of dog and cats currently registered in the Shire – 850 dogs and 65 cats.

This year 39 snakes have been successfully and safely relocated. Often reported snakes are not found because many of these reports were made days after the snake sighting or the reporter did not keep an eye on where the snake went.

Parking

The only area where illegal parking is a continual issue is on the lawned area of the main street (Robinson Street). A total of twenty-four (24) infringements were issued this year, with many verbal and written warnings also issued.

	DOGS IMPOUNDED	CATS IMPOUNDED
Total Impounded	105	77
Returned to Owner	30	0
Euthanised	21	55
Re-Homed through SAFE Carnarvon	54	22

INFRINGEMENTS ISSUED	
Illegal Camping	94
Dog	14
Cat	0
Litter	2
Parking	24
Bush Fire	0
Off Road Vehicles	1
Total	135

David Perry
**EXECUTIVE MANAGER, COMMUNITY & DEVELOPMENT
SERVICES**





SERVICE ACTIVITIES INFRASTRUCTURE SERVICES

INFRASTRUCTURE SERVICES

Infrastructure Services has responsibility across multiple core operational areas including roads, drainage, parks and gardens, waste management, building maintenance, airport and fleet operations.

Tracking the works required to maintain and service this infrastructure relies upon a team of people to identify, cost, prioritise, program, and safely undertake a wide variety of tasks.

Your infrastructure team utilises a computerised maintenance system to:

- Capture infrastructure defects;
- Process and allocate works requests;
- Schedule preventative maintenance and inspections;
- Track, document and record completed works; and
- Establish and monitor performance indicators.

This system relies upon generation of a Work Order to document required tasks. Work orders are issued to the relevant individual employee, team, or contractor to complete the task. A work order task can be as straightforward as a simple inspection or as complex as a major machinery overhaul.

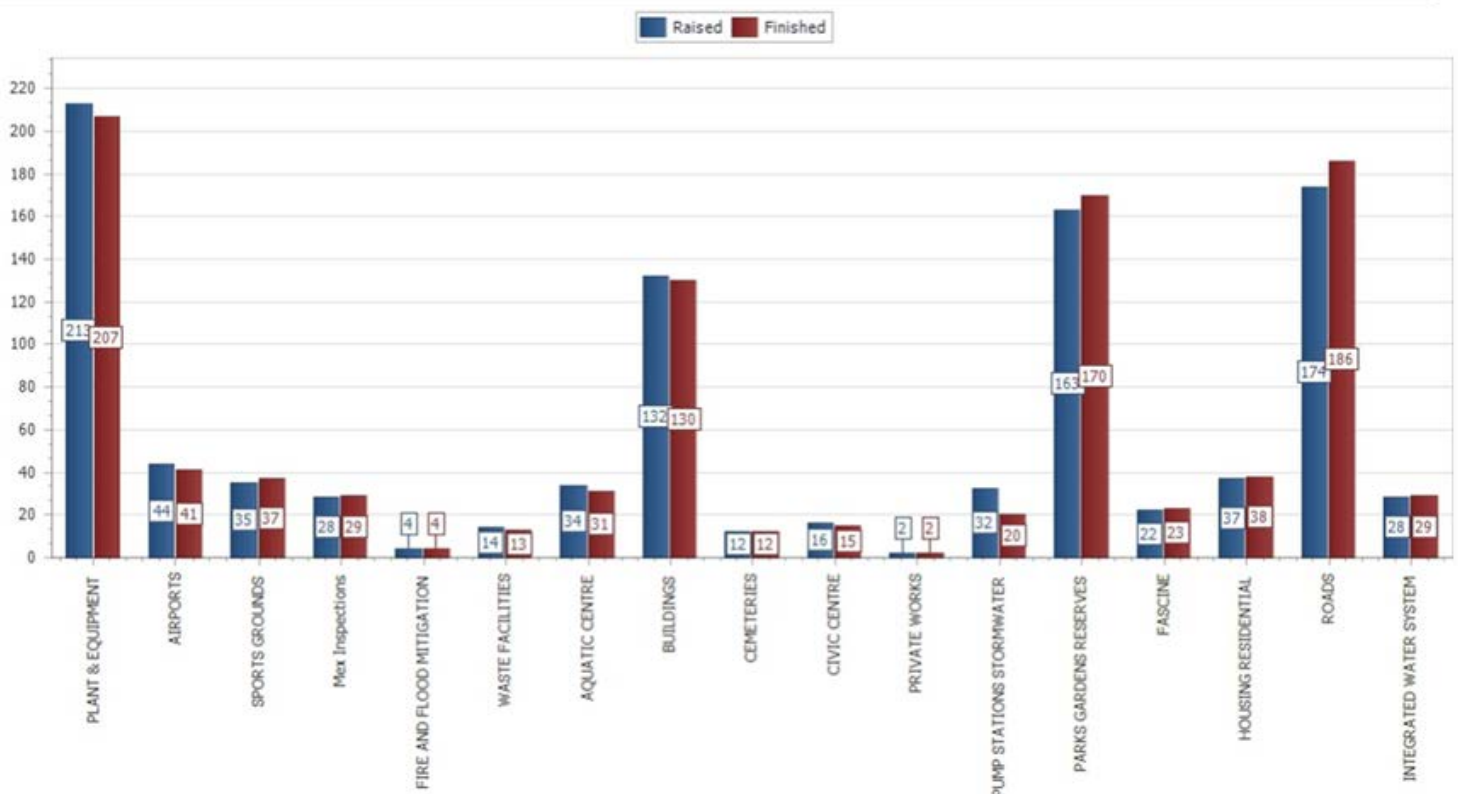
Graphed are all Shire of Carnarvon Work Orders handled by this system for the 2020/21 year.

SHIRE OF CARNARVON

Date 1: 1/07/2020 - 30/06/2021

Work Order Count

Mon, 19-Sep-2022



INFRASTRUCTURE SERVICES

It is important to note that the system does not capture every single item of work completed. Many tasks are completed by the infrastructure team without the need for a formal Work Order. The system is not used for capturing activities like the rubbish collection service and the daily processing of that waste at the waste facility site. It is also not used for more complex capital type project works. Actual job completions for the team for the year will be higher than the number graphed.

This is the nuts and bolts of work completed by your Shire of Carnarvon Infrastructure Services team. It is the nuts and bolts of Local Government. The reality is that a small team of dedicated, predominantly long-term residents have the task of keeping community assets running and delivering essential community services that are often taken for granted.

Help us to help you and your community. Where possible, please direct your reports of infrastructure damage or faults to our shire@carnarvon.wa.gov.au email address. This captures the work required allowing us to deliver any necessary action.

To all those in our community who have been supportive of our workers and their efforts, thank you. It is sincerely and warmly appreciated.

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To all those in our community who have been supportive of our workers and their efforts, thank you. It is sincerely and warmly appreciated.



David Nielsen
EXECUTIVE MANAGER, INFRASTRUCTURE SERVICES





STATUTORY REPORTS

PHOTOGRAPHY

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 2020 are listed below and grouped into the outcome areas addressed in the Shire of Carnarvon Disability Access and Inclusion Plan 2016-2021. Good access and inclusion creates social and economic benefits across our community, not just for people with disability, but also their families and carers, as well as people from diverse, people with low literacy levels, people with temporary mobility issues and people who use prams.

DAIP Outcomes	Actions Taken
1. People with disability have the same opportunities as other people to access services and events.	<ul style="list-style-type: none"> Enforcement on ACROD parking for target groups through Ranger Services and public awareness. Continue to provide 'Home Bound Library Services' for people with mobility restriction due to disability Promote inclusion and participation of people with disability in the community
2. People with disability have the same opportunities as other people to access buildings and other facilities.	<ul style="list-style-type: none"> Identify and report the needs and improvements for access parking in public areas Ensure that new or redeveloped public buildings and infrastructure incorporate the principles of universal access designs
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.	<ul style="list-style-type: none"> Monthly Newsletter and other relevant information <u>is</u> available in alternate format upon request All staff are made aware of disability inclusion as part of their day-to-day roles The Shire's website to prominently promote and navigate from front pages and easily navigate to all information regarding access to people with disability
4. People with disability receive the same level and quality of service from staff as other people receive.	<ul style="list-style-type: none"> The Shires DAIP is easily accessible for all staff and elected members Continue to raise disability and access issues with community groups & interagency meetings within cost effective measures.
5. People with disability have the same opportunities as other people to make complaints	<ul style="list-style-type: none"> Customer Service Charter requires that complaints are acknowledged and responded to in a timely fashion Promote feedback mechanisms through shire newsletter, website, and radio
6. People with disability have the same opportunities as other people to participate in any public consultation.	<ul style="list-style-type: none"> Increased engagement with CaLD groups through key stakeholders to ensure individual and community needs are being meet.
7. People with disability have the same opportunities as other people to obtain and maintain employment with a public authority.	<ul style="list-style-type: none"> Modified work schedule and tasks to meet individual requirements Flexible workplace arrangements are in place for both people with a disability and carers Annual inspection of Shire Administration Building to assist in developing and improving accessibility for public and staff



STRUCTURE & 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 1.00pm, 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
- Gascoyne Development Commission Board

STRUCTURE & FUNCTIONS OF COUNCIL ESTABLISHMENT

Standing Committees

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

- Audit & Risk Management 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.

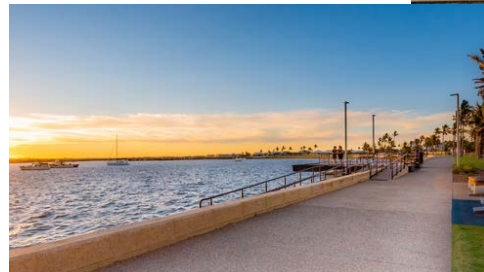


(L-R) Cr Fullarton, Cr Langley, Cr Maslen, Cr Vandeleur, Mrs Andrea Selvey (CEO), President Smith, Cr Cottrell, Cr Ferreirinha, Cr Skender

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



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 2020/2021 financial year.

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



The table below illustrates all the FOI applications received by the Shire of Carnarvon in 2020/2021

Access Type	Personal	Non-Personal	Total
Access in full	0	2	2
Edited access	0	2	2
Access refused	0	0	0
No documents found	0	0	0
Withdrawn by applicant	0	0	0
Not finalised	0	0	0
Total	0	4	4

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



Office of the
Information Commissioner

Freedom of information for Western Australia

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 2020/2021 financial year.

STRUCTURAL REFORM

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



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

The Shire of Carnarvon's Recordkeeping Plan was reviewed, amended, and submitted to the State Records Office on 7th April 2020, the State Records Commission approved the plan on 7th August 2020.

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 outlines the Shire of Carnarvon's Recordkeeping training program, in 2018, a new file plan was created – Keywords for Council (KFC), all training and induction material was reviewed and updated at this time. Induction and refresher training is conducted for all staff and Elected Members. Material is provided to staff to outline their Recordkeeping Responsibilities and face-to-face training given to outline procedures for the capture of records in the Records Management system (EDRMS).

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

- Compliance with Section 19 of the State Records Act 2000,
- 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 ensure complete/accurate records of the Shire's Operations, 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



