



Connie Fletcher
PHOTOGRAPHY

**SHIRE OF CARNARVON
ANNUAL REPORT
2019/2020**



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The 2019/2020 Annual Report was endorsed by Council on 25th May 2021.



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





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SHIRE PRESIDENT'S REPORT

A year of change and what a year it was!

I must acknowledge Mr Karl Brandenburg for his 20 years of service to our community. Firstly as a Councillor, then as Deputy President and finally as President of the Shire of Carnarvon.

October 2019 saw the Council elections held with a new President along with four Councillors being elected. Thank you to the community in placing your confidence in all those elected.

Early in Council's first term the Inquiry into the Shire of Carnarvon by the Department of Local Government was finalised and a report produced. The Inquiry was in relation to the performance of the Shire going back to 2012 and due to succession, the new Council and staff adhered to the Inquiry recommendations and completed a significant amount of training in all functions of Council.

Council also quickly realised that there were governance issues within Council's functions that needed to be addressed, amongst these were the failure to present a balance annual financial report by the 30th September resulting in the need for Council to request an extension. The rating for the past two years was non-compliant with the ACT, which resulted in the requirement for Council to re-adopt the budget and re-issue amended rate notices.

Council engaged Mr Paul Omodei, a former Minister for Local Government for eight years, to provide advice and guidance which assisted Council significantly. At the same time Council, with the assistance of Mr Gary Martin, conducted an overdue performance review of our CEO which highlighted a number of shortcomings. Council supported the CEO and planned another six month performance review to allow the CEO the opportunity to rectify the shortcomings.

During the year Council and staff worked collaboratively with the Department of Planning Lands and Heritage towards the finalisation of our new and much needed Town Planning Scheme 13.

Then came March 2020 and the impact that COVID19 had on our Shire and region. The immediate change to how the Shire operated as with all businesses was significant, with the included burden of complying with State Government directions to reduce the financial impact on all rate payers. It also increased the need for ongoing meetings with all stakeholders dealing with issues generated by the State Government directions.

A positive out of the damned virus was the way the community got on with doing the best it could in the circumstances. Personally, I congratulate the whole community with how you have carried on in spite of the significant changes brought about by the COVID 19.

I thank my fellow Councillors and all the Shire staff for your unwavering support during what was a difficult year.

Eddie Smith
SHIRE PRESIDENT



CHIEF EXECUTIVE OFFICER'S REPORT

This report by the Chief Executive Officer (CEO) for the 2019/2020 financial year Annual Report is qualified by the fact that the CEO for that period, Mr Burton, departed from the Shire in October 2020. Since that time, the Shire has been managed by two Acting CEOs (Mr. John Attwood and Mr. Gary Martin) with the formal appointment of Mrs Andrea Selvey as the Shire's CEO for a period of five year commencing in April 2021. The author of this report, Mr Gary Martin, commenced in January 2021 and was not involved in the management of the Shire during the year under review. The Shire has lacked consistent effective senior management with some three permanent and two Acting CEOs since 2015.

It is therefore unfortunate that the Elector's meeting for the 2019/2020 year has been delayed for such a long period from the end of the relevant financial year, but that is a result of the annual financial reports not being finalized and ready for audit by the required statutory date of 30 September 2020 and not ready until January 2021, following the engagement of external resources to properly prepare the report. That situation is unacceptable and a result of several contributing factors.

The audit report for 2019/20 is unqualified, due in a large part to the efforts of the Shire's finance team and external consultants engaged in November 2020 to assist the Acting CEO to ensure that the financial statements were prepared and of a high quality.

The Acting CEOs this financial year have placed a high priority on fixing the financial management and internal control problems (some of them longstanding) in the financial management function of the Shire and this included the engagement of external financial expertise. The recovery of the long-standing significant rate arrear debt was given a high priority. It is anticipated the incoming permanent CEO, Mrs Andrea Selvey will continue placing a high expectation on sound financial management but requires the time and resources to fix the problems that exist.

The management of the Shire was affected by the Covid19 Virus and the various restrictions which applied during the process. The Shire employees are commended for their collective approach to continuing to service the community to the best of their ability and within the constraints that applied.

The management of the Shire was further impacted by a restructure process of the Shire workforce. The restructure commenced during the financial year under review and has continued to settle into place since that time with several redundancies and other changes in the workplace. The restructure is an ongoing process, and this has created a level of concern and apprehension within the workforce. This restructure was associated with the Council's objective of achieving significant savings of some \$1M, much of it in the form of reduced employee costs. It must be emphasized that the restructure and its consolidation would have impacts on the level of services provided to the community. In the coming months, it is expected the new CEO will review these impacts and working with Council, staff and the community to fine-tune the restructure to minimize impacts on service delivery and good governance.



The Shire is served by a dedicated team of people who strive to always give their best, and I record my thanks to them for their hard work and support during the short time I was working with them. I also thank the Shire President and

Councillors for their support and encouragement and for their service to the community. It is a thankless but essential job and many residents do not appreciate the time and commitment given to serving the community.

I take this opportunity to make mention of the recent flood event in February 2021, which resulted in significant damage throughout much of the Shire. I am immensely proud of the way the Shire employees responded to the flood and the long hours they worked to service the community in very difficult circumstances. I recognize that effort.

Finally, I welcome the new permanent CEO, Mrs Selvey to the Shire and wish her all the very best in managing the Shire in future.

Gary Martin
CHIEF EXECUTIVE OFFICER (Acting)

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)

Min Temp – 17.2°C (63°F)

Annual Rainfall – 228.4mm (9 in)

Shire of Carnarvon Administration Centre

3 Francis Street
CARNARVON WA 6701

Shire of Carnarvon Works Depot

Robinson Street
CARNARVON WA 6701

Carnarvon Public Swimming Pool

Babbage Island Road
CARNARVON WA 6701

Shire of Carnarvon Regional Library and Art Gallery

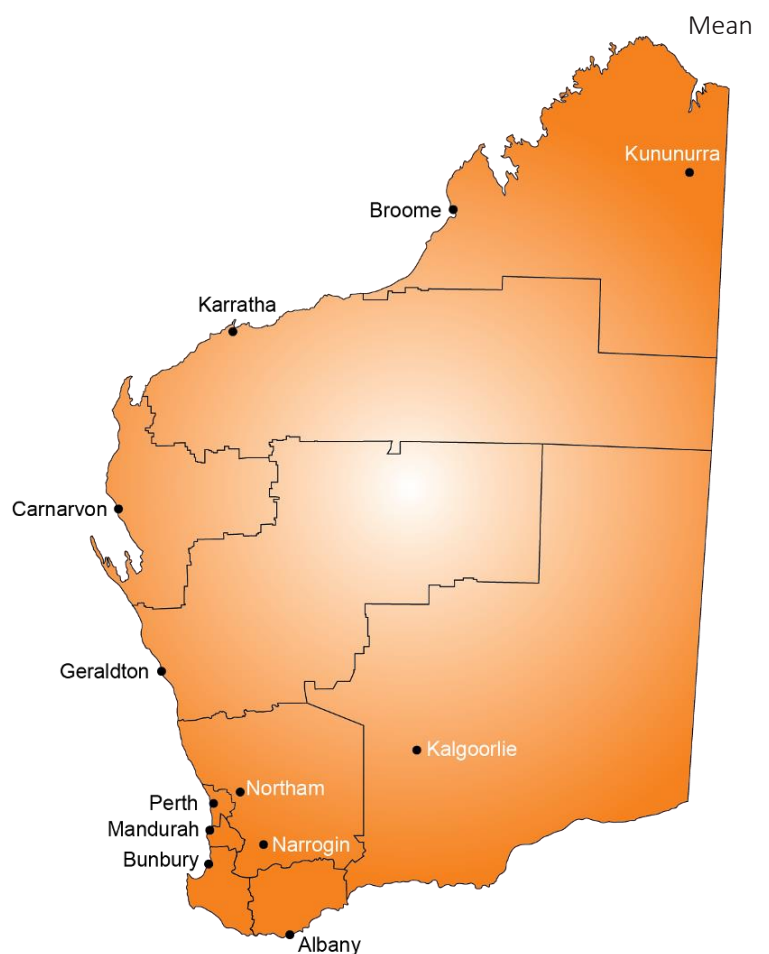
18 Egan Street
CARNARVON WA 6701

Shire of Carnarvon Civic Center

Cnr Camel Lane/Robinson Street
CARNARVON WA 6701

Shire of Carnarvon Visitors Centre

Cnr Camel Lane/Robinson Street
CARNARVON WA 6701



LOCATION

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

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

HISTORY

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



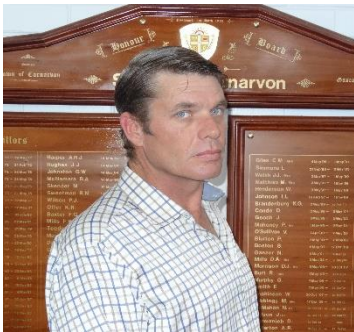
COUNCIL

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

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



YOUR COUNCIL MEMBERS 2019/2020



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

SUMMARY OF ELECTED MEMBER ATTENDANCES COUNCIL MEETINGS 1 JULY 2019 TO 30 JUNE 2020

MEMBER	MEETINGS HELD DURING OFFICE 2019/2020	ATTENDANCE		ATTENDANCE PERCENTAGE
		ATTENDED	LOA	
SMITH, E COUNCILLOR – TOWN WARD	19	19	0	100%
MASLEN, B COUNCILLOR – GASCOYNE/MINILYA WARD	19	19	0	100%
SIMPSON, K COUNCILLOR – CORAL BAY WARD	19	17	0	89%
SKENDER, L COUNCILLOR – PLANTATION WARD	19	18	0	94%
PINNER, K COUNCILLOR – TOWN WARD	19	13	2	68%
NELSON, J COUNCILLOR – TOWN WARD ELECTED – OCTOBER 2019	15	12	0	80%
VANDELEUR, L COUNCILLOR – TOWN WARD ELECTED – OCTOBER 2019	15	15	0	100%
FULLARTON, A COUNCILLOR – TOWN WARD ELECTED – OCTOBER 2019	15	15	0	100%
YOU, P COUNCILLOR – TOWN WARD RETIRED – SEPTEMBER 2019	4	3	0	75%
BRANDENBURG, K COUNCILLOR – TOWN WARD RETIRED – SEPTEMBER 2019	4	3	0	75%
GARRETT, E COUNCILLOR – TOWN WARD RETIRED – SEPTEMBER 2019	4	4	0	100%



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 2020 this is the Chief Executive Officer Mr David Burton.

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

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

SALARY RANGE 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

INTEGRATED PLANNING UPDATE

It is a legislative requirement and good governance that the Council plans for the future needs of the community.

The diagram demonstrates the planning cycle and how the plans fit together. A full strategic review was undertaken by this Council in 2017/18; therefore, a review will be due in 2021/22. 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 engagement 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.





SERVICE ACTIVITIES



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CORPORATE AND COMMUNITY SERVICES

Community Services; Airport; Library/Art Gallery; Finance; Rates; Customer Services; Information Technology; Procurement; Tenders; Records

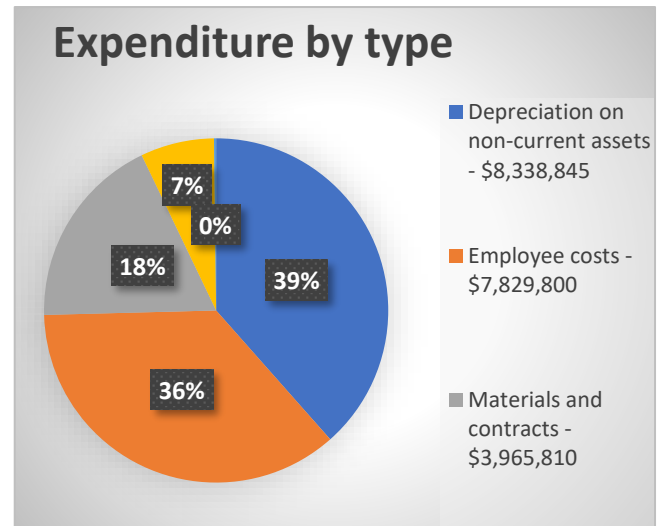
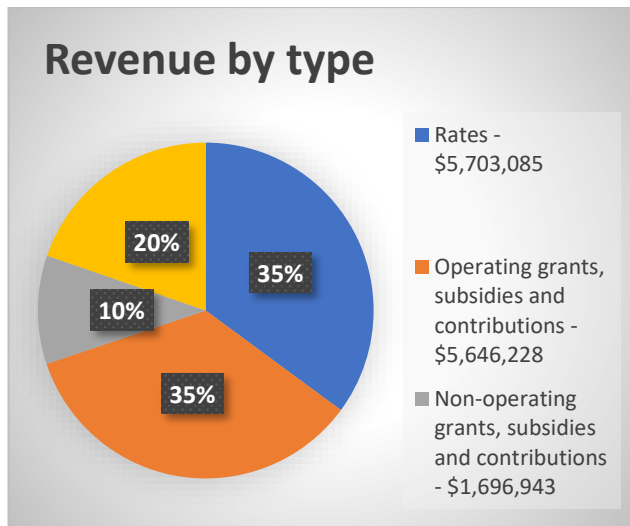
FINANCE

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.

Whilst you are invited to review the Annual Financial Report which satisfies the statutory requirements for financial reporting, answers to two key questions are below:

How much revenue does the shire receive and what is it made up of?

What do you spend all that money on?




CUSTOMER SERVICE

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

GOVERNANCE

The Governance team has been focused on ensuring the Shire's procurement was compliant with legislation and in keeping with Shire policy. The team has focused on developing a procurement system that increases compliance with a focus on efficiency and environmental sustainability.



The governance team has undertaken numerous tenders and quotation requests such as, but not limited to, renovation works to both Coral Bay and Carnarvon Airport. Several leases have been negotiated and re-negotiated by the Governance team this year with the notable disposal of the RSL building on Egan street to the club so they can have ownership of their clubhouse.

RECORDS MANAGEMENT

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

INFORMATION TECHNOLOGY

IT has been focused on ensuring the Shire’s systems are secure and optimised to industry standards with minimal downtime by adopting a proactive approach which includes preventative maintenance and housekeeping.

Major projects have included migration of the Shire’s payroll system to a cloud based service which was a great success and well received by all team members. Productivity and accountability have greatly increased in this area as a result.

Presently we are moving through a tender process for a new website. The aim is to provide a better, seamless experience for staff enabling a higher level of service delivery to our customers.

A recent audit of the Shire’s telecom accounts has revealed significant savings while improving the services we are heavily reliant on. Moving forward, we will be working closely with our Telstra Enterprise Partner to provide a more robust telephony system across Shire sites.

LIBRARY/ART GALLERY


The Library continued to deliver a high standard of Library Services, in keeping with the Community Strategic and Business Plans. Our partnership with the Mid-West Libraries Consortium continues to provide a highly supportive network, allowing for improved sharing of resources and skills through cost-sharing. Young People’s Services continued to deliver the Better Beginnings programs with weekly Storytime and Baby Rhyme Time, including special guest sessions. . For adults, several popular programmes continued, including our monthly Book and Film Clubs as well as events such as the launch of local author, Paquita Boston’s latest book *‘Language Lives!’*



Propel Youth Propel Youth Sketchbook Touring Exhibition September 2019
Kids’ Book Club attendees admiring the work.



Paquita Boston’s Book Launch 24th October 2019.



The Gallery continued to deliver a varied programme of exhibitions, which included calibre touring exhibitions as well as continuing to support and showcase local artists. Additionally, the gallery continued to expand the learning and engagement opportunities available to school and community groups, offering these as an integral component of all exhibitions. As a participant of the Regional Exhibition Touring Boost the gallery was invited to apply for a Minor Equipment Upgrade grant through the Department of Local Government, Sport and Cultural Industries. This application was successful funding upgrades to all security aspects of the gallery, including CCTV, door alarms, an improved Fire Alarm Early Detection system. It also funded the purchase of advanced installation equipment, an Environmental Monitoring and Data Logging System and a quality PA System. While the first capsule exhibition from the State Art Gallery of WA had to be postponed due to the Covid closure, this was re-scheduled for September 2020.

During the Covid closure, the Library and Gallery Team continued to work behind the scenes offering patrons support through a *'Select and Collect'* and *'Click and Collect'* lending system. The Library Team also carried out a major stocktake in readiness for the transition to a new State Funding model in July 2020 which facilitated the transfer of ownership of stock. The time was also effectively spent with the commencement of the digitisation project of historical photographs.

YOUTH SERVICES

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

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

Carnarvon Youth Services had also been working closely with Edmund Rice Educational facility in order to provide an alternative for young people not attending school.

Current and emerging issues – Covid March - June 2020

As we are all aware the COVID19 virus has impacted on all sections of the community from Government departments to charity groups. The Shire of Carnarvon's Youth Officers have also felt the impact of the virus having to suspend many of its activities including its proposed school holiday program. As per the government recommendations the focus turned to the swift introduction of personal hygiene, isolating and distancing from one another in order to control and contain the spread of the disease.

The month of March posed new challenges to the youth team having to explore innovative ways to deliver programs and activities that were age appropriate and safe. Planning commenced immediately in developing the "Bringing Youth Together Online" program. Other Vital duties included assisting the shire's community development team to communicate and promote national health regulations surrounding the COVID19 Virus. This included leaflets, posters and cakes of soap being delivered to local residences throughout Carnarvon, including the Horticultural areas.

Additional tasks undertaken during the month of March included, exploring an integrated service delivery for young people and young people at risk through a structured youth drop-in centre. This project aims to create a safe environment for local youth on Friday, Saturday and Sunday nights from 10pm – 2am. All services and activities provided through the drop in centre will be delivered in a safe manner and will comply with all relevant

legislative requirements. It aims to provide at risk youth with social, recreational and educational programs including case management.

The identified location is the now vacant Central Primary School Kindergarten building, located on Egan Street Carnarvon. The model of delivery for youth focused services within the drop-in centre will be based on a capacity building model and will maintain a strengths-based approach.

The Key Activities include the provision of;

- A safe drop in space for indigenous youth at risk
- Centre based programs and activities
- Health and safety promotion activities
- Outreach and referral as necessary
- Case Management.



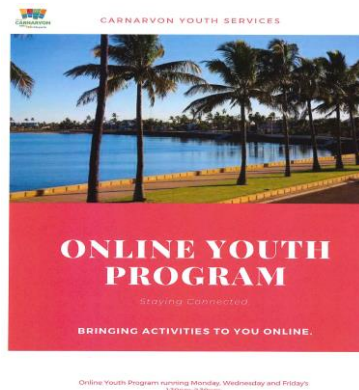
This initiative is required in order to support local youth with a safe environment during times when other family members and/or friends are engaging in anti-social behaviour within their respective homes, community and throughout the wider the community. This in turn creates a plethora of unsafe situations for young people including domestic violence and sexual assaults perpetrated against the young people themselves.

Currently there are limited services in Carnarvon where young people can escape to when feeling their safety is threatened or when they feel their homes are not safe places to be.

The Carnarvon Women’s Refuge provides accommodation for children under 12 years of age however they must be accompanied by a parent or guardian.

The youth drop in centre will allow young people to simply drop in when they feel unsafe without parent permission. This initiative underpins the councils support for programs aimed at reducing juvenile offending and improving community safety and the safety of young people. Focus is particularly important on the times of operation and 10pm – 2am is period when there is the highest risk of youths engaging in anti-social behavior or offending. As such the provision of a safe environment namely the proposed drop in centre will work towards reducing youth anti-social behavior and juvenile offending often committed due to boredom and an inability to return to their homes.

The youth drop in centre aims to provide a range of youth focused activities including a pool table, Xbox and PlayStation 2 games, Ping-Pong table, computers with controlled internet access, board games and access to TV. It is clear from literature and case studies carried out in Australia that the more structured the activities are in drop-in Centre’s, the better the youth engagement.





DEVELOPMENT SERVICES

PLANNING; BUILDING
 ENVIRONMENTAL HEALTH; RANGERS
 ECONOMIC DEVELOPMENT; VISITOR CENTRE
 ENTERTAINMENT; EMERGENCY

BUILDING

The Building Services Officer is available at the Shire Office as first point of contact for information and guidance relating to permit applications, plan search requests and general building enquiries. Consultation and comprehensive building advice is directed to the Building Surveyor, who is contracted to the Shire of Carnarvon (these services are offered to the Shire by the City of Greater Geraldton). The contracted Building Surveyor visits the Shire once a month to interact with local builders and developers, undertakes site inspections and liaises with the Shire’s personnel on any building related matters.

Building Services Activity

Activity	2016/2017	2017/2018	2018/2019	2019/2020
Permits Approved	148	96	116	179
Swimming Pool Fences Inspected	17	3	16	7
Building Orders	1			
Estimated Building Value	\$9,150,481	\$5,126,949	\$50 022.61	\$5,324,004

AQUATIC CENTRE

The 2019/2020 swimming season was abruptly cut short due to COVID-19. Please note that the season ceased on 25 March 2020 due to Covid-19 restrictions. The visitation numbers in April are therefore nil.

Total Attendances

	13/14 Actual	14/15 Actual	15/16 actual	16/17 actual	17/18 actual	18/19 actual	19/20 actual
Jul							
Aug							
Sept	0	196	754			0	
Oct	1249	2,059	5,872	3,410	3517	484	1766
Nov	1776	3249	4981	3592	5379	2231	3466
Dec	2362	3241	2670	2898	2913	2312	3245
Jan	3608	5456	3549	3853	3518	5199	4989
Feb	1873	4410	5360	3190	3350	3119	2371
Mar	1503	1929	3424	2946	4251	5846	4492
Apr	893	1637	1838	1858	1532	2407	0
May	0	0					
Jun	0	0					
TOTAL	13264	22177	28448	21747	24460	21598	20329

Aquatic Education

973 Participants 9035 Attendances 32% of Total Attendances

1. **RLSS of WA Endorsed Swim School - Carnarvon Swim School** operated by the Carnarvon Aquatic Centre Pool Manager has accounted for 18% of attendances with strong enrolment numbers in all programs.

2. **Swim & Survive**

Carnarvon Swim School successfully co-ordinated after school Lessons in Term 4 2019 (74 participants) & Term 1 2020 (54 Participants), Swim & Survive Vacation lesson in January 2020 were also offered again. Two Series comprising of 10 days each were offered to families with enrolments reaching capacity, 112 participants for Series 1 & 127 participants for the 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 67 bubs and carers joined the Infant Aquatics Program during the 2019-2020 season.

Other successful programs included:

Adult Learn to Swim Program – One 12-week program

Bronze Medallion Courses – 4 courses completed during the season with 29 participants

CPR Resuscitation Courses & Competency Swim Assessments – 12 completed during the season with 58 participants in Resus and 61 in Competency Swim

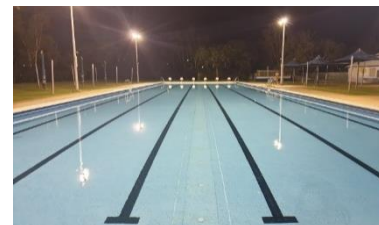
Education Department Interim Lessons - accounted for 14% of attendances

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

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:


- 460 students
- 27% CALD
- 25% Indigenous
- 6% Special Needs.
- **Swimming Carnivals**

All Carnivals were scheduled for the end of Term 1 2020 and were all cancelled due to CoVid-19.



Carnarvon Amateur Swim Club – CASC 2196 attendances – approx. 11% of total attendances

CASC had another successful year, strong membership numbers with some Junior Squads at capacity and having a waiting list. Coaches conducted 20 weeks training during the season and the Club hosted 7 'Time Trial Nights' and 'Club Championships'. The Club successfully hosted the Gascoyne Open and then travelled to Paraburdoo at the end of the month for the Pilbara Championships. CASC members performed well at both competitions achieving personal best times (PBs) and a few medals.

- 
- Other Competitions Competed:
 - Country Championships and the Rookies Meet
 - Asian Pacific Splash
 - Sprint Challenge
 - Northam Open
 - Country Pennants
 - Club Championships.

Unfortunately, the season was cut short with CoVid-19 and the restrictions and cancellations that accompanied the virus.

Major Projects & Maintenance Works

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

The plant room upgrade continued:

- A 'Prominent DULCOMETER Chemical Controller' was purchased and installed by Shenton Pumps. The technician also serviced and inspected the existing plantroom upgrade from November 2018. The Plant Room upgrade is now fully complete with vast improvements in the ease of operation and the ability to maintain complaint water quality.

CARNARVON CIVIC CENTRE

2019 - 2020 saw the completion of the Camel Lane Theatre major upgrades. With the assistance of the Regional Venues Improvement Fund 2018-2019 the Shire was able to complete the project which included the upgrading all rigging, lighting bars and power sources at Carnarvon's proscenium arch 305 seat Camel Lane Theatre.

The total project budget (\$310,038) included: \$228,538 of grant funding + \$37,500 cash from the Shire + \$44,000 In-kind from the Shire. In Oct 2019, the Shire advised the Department that the project was completed by the appointed contractor for a total of \$233,500 (ex-travel and freight). At the time the Shire had a total of \$66,342.56 budget remaining which included the budgeted In-Kind contribution of \$44,000. The Department approved the purchase of additional equipment relevant to the Theatre upgrade. The Shire has spent a total of \$57,245 on the equipment. For this reason, the Shire has made a larger cash contribution (\$74,437 instead of \$37,500).

Carnarvon can now boast of a top notch up to date facility that will be able to host some amazing shows with great professional effect. The upgrades included training for the centre Technician and Manager to operate the state-of-the-art equipment. These upgrades have also ensured that the Camel Lane Theatre is compliant with Australian Industry Safety Standards

In March of 2020 Michelle Goff, Centre Manager attended the Performing Arts Network of New Zealand (PANNZ) in New Zealand. Circuit West funded the flights and accommodation for Michelle Goff to attend this professional development opportunity. Attendance at this annual event is by invitation only. The core objective of the conference is to promote and encourage a sustainable performing arts touring network. At this event Michelle was able to attend workshops to develop her managerial skills and develop an extensive network within the industry to boost opportunities for live shows in Carnarvon.

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

A number of movies were shown before the maintenance and COVID-19 shutdowns. The statistics are:

LIVE SHOWS:

- Sapphires - 137
- A Night Out - 56

MOVIES:

- | | |
|-------------------------|---------------------|
| • 1917 - 7 | • Joker - 68 |
| • Starwars - 53 | • Jumanji - 74 |
| • Once upon a time - 29 | • IT Chapter 2 - 85 |
| • Maleficent - 86 | • Frozen 2 - 243 |
| • Lion King - 451 | • Angry Bird - 157 |
| • John Wick 26 | |

VISITORS CENTRE

During the 2019/20 financial year the Carnarvon Visitor Centre (CVC) launched a new destination website; the increased exposure for the region led a spike in website views to the destination website www.carnarvon.org.au, reaching just under 121,000 views for the 2019/20 financial year. This is a 24% increase from the previous financial year. This additional exposure has led to an increase in social media reach, resulting in the reaching of 26,000 followers on Instagram and 6,000 on Facebook.

The Visitor Centre ran the digital campaign spending approximately \$13k from the area promotions budget, which resulted in a paid reach of 4.5 million people in Australia via Facebook and Instagram alone.



The Carnarvon Visitor Centre (CVC) has also continued to provide excellence in all areas of service, promotion, and the facilitation of tourism to visitors to the Carnarvon region. The CVC served 32,044 visitors, however due to COVID-19 the visitors centre was closed from 24 March 2020 to 1 June 2020. During this reduced level of service period, the CVC moved to digital visitor servicing including implementing Live Chat on www.carnarvon.org.au, averaging 120 live chats per day, in addition to maintaining phone, Facebook and email enquiries during this period.

Booking activity for this financial year was:

Region – 18/19 Financial Year	No. of Nights	Ave spend per night	No. of Bookings
Coral Coast Region	1337	\$219.27	1166 – Average consumer staying 1.62 nights
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

EMERGENCY SERVICES

The Shire's shared Community Emergency Services Manager (CESM) position was previously being filled by Mr Warren Hatt in an acting capacity however, Mr Hatt was appointed to the position substantively in May 2020.

Central to the CESM role is the provision of liaison between the Gascoyne Shires, Hazard Management Authorities and other stakeholders. This has been achieved through various measures, although primarily through the holding of quarterly Local Emergency Management Committee (LEMC) meetings and exercises.



PREVENTION

The Shire has continued to assist DFES with bushfire mitigation in Crown land around the Carnarvon town site with the most recent works being completed in May 2020. These works included a fire break being installed and existing tracks maintained in preparation of mitigation burns to the East Carnarvon Area.

PREPAREDNESS The Shire has completed the State Emergency Management Committee's State Risk Project with the workshop for final two hazards being Flood and Plant Biosecurity conducted in November 2019.

A Local Risk Assessment Summary document was produced from the findings of these workshops and the final report was approved by the State Emergency Management Committee (SEMC). This project allowed the Shire to gather information on the level of risk presented by its four most significant hazards and was part of an enhanced focus by the Shire on raising the level of preparedness in the community for natural disasters.

To provide further preparedness the Carnarvon State Emergency Service (SES) unit has procured a new backup generator through the Local Government Grant Scheme (LGGS) funding. This new asset will ensure that this facility is able to operate independently should there be a power failure during an incident. Apart from this facility being an integral means of operating for the Carnarvon SES unit, the building is often used as an Incident Control Centre for larger scale events such as cyclones, floods and bushfires.



The Gascoyne River Bush Fire Brigade has been successful through the Shire of Carnarvon's Community Growth Fund in securing funding for a TV, with this item being an important asset in assisting the brigade to undertake practical training sessions and formal training courses enhancing their preparedness ahead of next fire season.

RESPONSE

The Shire is responsible for all fire incidents outside of the Carnarvon town site. To facilitate this, the Shire operates and supports the Gascoyne River Volunteer Bushfire Brigade.

The table below provides information on the number of incidents that the Shire and Gascoyne River Bushfire Brigade (Gascoyne River BFB) attended during 2019/20:

Unit	Primary Response	Support Roles
Gascoyne River BFB	8	17
Shire of Carnarvon	2	7
Total	10	24

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

The Gascoyne River Volunteer Bushfire Brigade has also been successful in obtaining funding through local charity organisations to fund electric motors for the roller doors of the appliance bays. Motorising these doors will alleviate potential Occupational Safety and Health issues with the lifting of heavy doors and promote a quicker turn out time when responding to incidents.



The Carnarvon State Emergency Services have also upgraded the 4 roller doors to their unit through Local Government Grant Scheme (LGGs) funding providing much needed room within the engine bays, promoting quicker response time and alleviating OH&S issues.



RECOVERY

As a part of the recovery process a debrief for the “Quobba fire” in December 2019 by the Shire of Carnarvon (burnt our approx. 15,700 hectares of pastoral property) raised many issues for improvement for further bushfire incidents including:

- Quarterly testing of Shire equipment.
- Building of incident management capacity within the Shire of Carnarvon.
- Promotion of the need to dial 000 for all fire on social networks, LEMC’s and Shire newsletter.
- Utilisation of State Emergency Services personnel for tasks during fire related incidents.
- Purchase of tabard and panels for Chief Bush Fire Control Officer to clearly mark Incident Controller, Operations Officer and Sector Commander functions during an incident.
-

ENVIRONMENTAL HEALTH

During 2019-20 the Shire’s environmental health services were provided by 2 environmental health officers (EHOs). An EHO’s time at the Shire of Carnarvon is spread into a large range of diverse duties and many demands are made on them both from inside and outside the organisation. The Shire’s environmental health services consist of a diverse range of primarily regulatory roles relating to the protection of public health and wellbeing and the protection of the environment.

EHOs made over 170 inspections or site visits during the year across all programs, not counting many more site visits for routine water sampling.

COVID 19

- From March through to the end of the financial year, a significant amount of the EHOs time was spent on the COVID-19 pandemic response.
- At least 53 inspections of businesses were conducted in relation to COVID-19
- EHOs assisted with drafting media statements and business information sheets and providing email mail-outs to business groups.

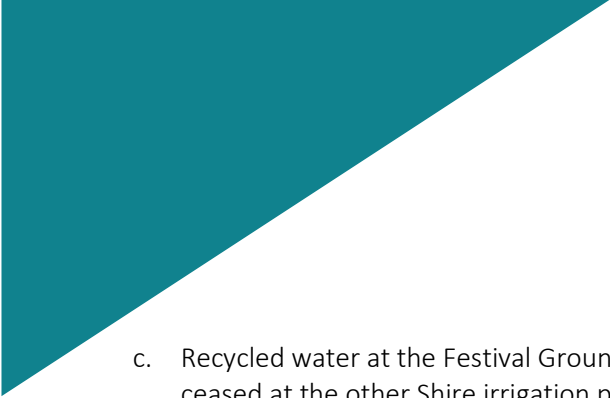
- EHOs provided advice and maintained phone contact with some remote accommodation facilities.
- EHOs attended many public health meetings, webinars and incident liaison meetings. EHOs had to keep up with the ever-changing situation and quickly learn the new emergency directions as they were updated so they could respond to numerous enquiries both internally and externally.
- EHOs inspected Shire workplaces and provided risk advice to Shire management.

Healthy Buildings & Gatherings

1. Public buildings
 - a. The Shire district has 63 known public buildings.
 - b. 2 public building inspections were conducted including an assessment covering many years of changes.
2. Events
 - a. 3 event approvals including 2x circus inspections
3. Lodging houses (ADM0017)
 - a. The Shire has approximately 23 accommodation facilities that are classed as 'lodging houses' under the Health (Miscellaneous Provisions) Act 1911. This includes 8 that are associated with a caravan park facility.
 - b. Carnarvon town has 14 lodging houses, Coral Bay has 4 and remote areas include 5 lodging houses.
 - c. 23 lodging house registrations were renewed during the reporting period
 - d. 2x lodging house inspections were conducted
4. Caravan parks & camping grounds (ADM1657, ADM1656)
 - a. The Shire district has 20 caravan parks/camp ground facilities of which 11 are caravan parks, 1 is a camp ground (for groups only) and 8 are 'nature based parks'.
 - b. Carnarvon town has 7 caravan parks. Coral Bay has 2 caravan parks and 1 campground (for groups only). Remote areas include 2 caravan parks (on the highway) and 8 nature-based parks.
 - c. In addition to the annual licensing, 3 caravan park inspections were conducted, an assessment was provided for 3 development applications for existing caravan parks.
 - d. 3 caravan parks changed ownership during the year.
5. Housing standards (ADM0182)
 - a. 7 complaints (and at least as many inspections) relating to Dept Housing houses, mostly relating to asbestos and rubbish accumulation
 - b. 1 inspection of fire damaged house
 - c. 4 other house inspections pursuant to complaints
 - d. 1 demolition notice was issued on a house unfit for habitation

Healthy Water

1. On-site wastewater management (ADM1655)
 - a. 9 applications to install onsite wastewater systems (e.g. septic systems) were approved.
 - b. 2 requests for permission to modify an existing system (e.g. replace leach drains) were approved.
 - c. 1 Local Government Report for a proposed commercial onsite wastewater system was provided for the Department of Health
2. Recycled Effluent Scheme (ADM1844, ADM0310)
 - a. A large amount of recycled water testing was conducted this year due to the problems with the system including algae, odour and system failures.
 - b. The Department of Health scheme approval for the recycled water system was updated in November 2019 (and again in August 2020) based on upgrades to the treatment system operated by the Water Corporation (effluent from Shire storage pond filtered, chlorinated and pumped to two storage tanks owned and operated by Water Corporation).

- 
- c. Recycled water at the Festival Grounds was ceased in January 2020 due to odour and complaints. It was ceased at the other Shire irrigation points in March for the same reason but continued to be used by the Christian School during this time. The Shire resumed use of the recycled water in June 2020.
3. Aquatic facilities (ADM0309)
 - a. There are 14 aquatic facilities in the Shire district, of which one is a Group 1 facility (Carnarvon Aquatic Centre) and the remainder are Group 3 facilities (e.g. swimming pools in caravan parks & motels).
 - b. 10 of these aquatic facilities are in Carnarvon and the remaining 4 in Coral Bay.
 - c. Reduced testing of aquatic facilities was performed this year due to time constraints, but the Coral Bay facilities were sampled several times and historically they have not been routinely sampled.
 4. Drinking water (ADM1798)
 - a. 1 complaint was received relating to a private water supply, which involved multiple water samples, multiple visits and lengthy discussions including a meeting with the Gascoyne Water Cooperative. Water quality was within the guidelines although recommendations for improvement were made.
 5. Surface waters monitoring (ADM1847)
 - a. Fascine waters were only sampled once during the year due to limited time. No indication of recent faecal contamination was found.

Healthy Food

1. Food safety - Food businesses (ADM0180, ADM0067)
 - a. There are over 130 food businesses within the Shire district including primary producers and small ventures such as home-based manufacturing (not all these require registration).
 - b. There are 56 properly registered food businesses
 - c. 7 new food business registration certificates were issued in the financial year, which includes 3 business ownership changes, 1 new home-based food business, 2 new mobile food businesses and 1 existing business that had not been registered.
 - d. 19 food businesses were inspected

Communicable Diseases

A summary of EHOs involvement in the COVID-19 pandemic response is provided at the start of this report.

1. Personal appearance and body art services (ADM0022)
 - a. The Shire's register indicates there are no tattooists in the district and there are 3 body piercers (2 are ear lobe only).
 - b. There are numerous beauty therapy practitioners who perform semi-critical procedures.
 - c. There were no complaints in relation to health and hygiene of beauty therapy.
2. Notifiable diseases (ADM0157)
 - a. The following tables summarise the official case notifications of various environmental health-related diseases based on doctor postcode 6701 for the last 5 years.

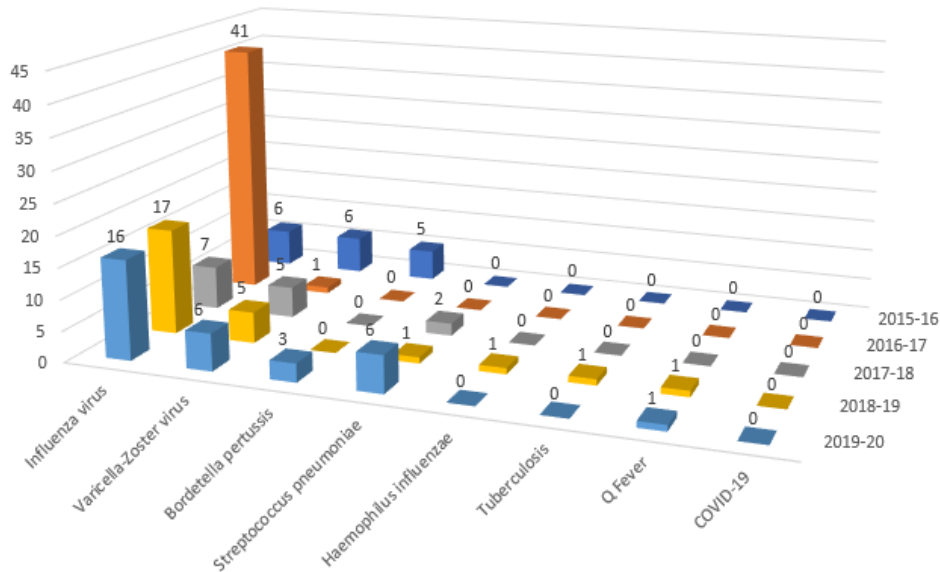


Figure 1 Environmental health-related disease notifications (except enteric) by doctor postcode 6701

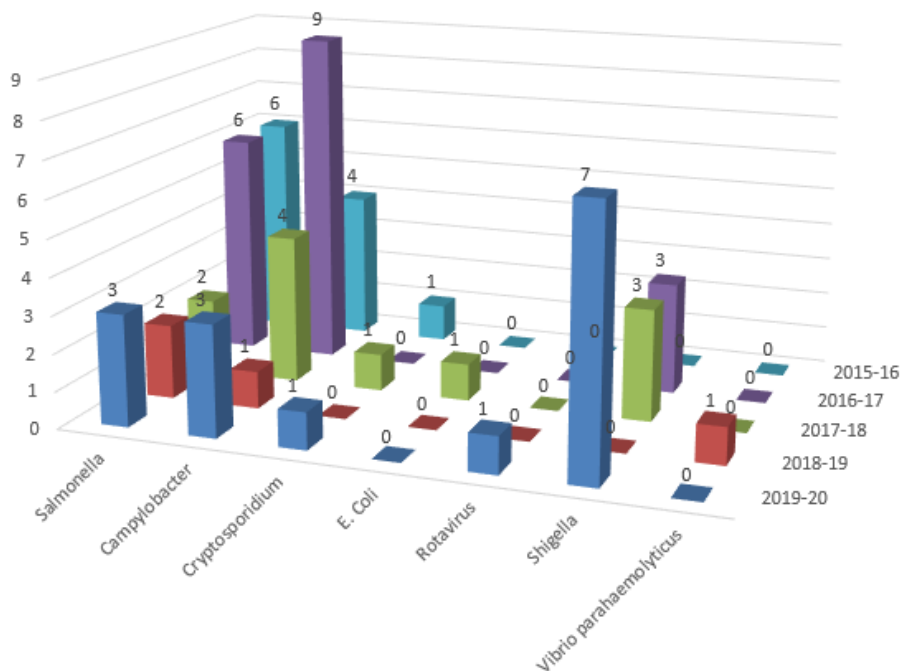
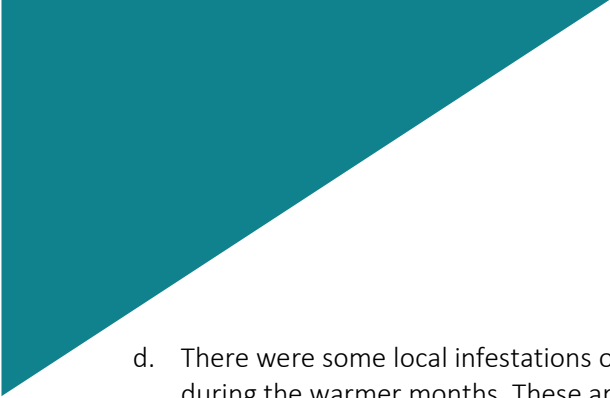


Figure 2 Enteric disease notifications by doctor postcode 6701

Animals of Public Health Significance

1. Mosquito management (ADM1839, ADM1838)

- The most amount of saltmarsh breeding since 2016 was observed thanks to tidal monitoring and helicopter surveillance. This was 5 ha of water in the One Tree Point area, which is enough for a very large amount of mosquitoes (*Ae vigilax*).
- This area was treated via aerial larviciding and the numbers of saltmarsh mosquitoes in town pursuant to this was relatively low. The treatment appeared to be successful.
- 5 aerial surveys were conducted but no further significant mosquito breeding was found.

- 
- d. There were some local infestations of the brown house mosquito (*Cx quinquefasciatus*) in Carnarvon during the warmer months. These are usually due to unsealed septic tanks and water containers that aren't emptied at least weekly. EHOs investigated as required and where breeding was found these areas were treated.
 - e. EHOs conducted trapping at two locations on an as-needed basis to monitor the species of mosquitoes in the area.
 - f. The Shire purchased a dedicated box trailer to carry the slung hopper, and the hopper and street fogger were allocated a storage shed at the airport to protect these assets from the elements.
 - g. The Department of Health coordinates a sentinel chicken programme throughout WA, to provide an early warning for Murray Valley encephalitis (MVE) and Kunjin (KUN) virus activity. The Shire was involved in the management of one sentinel chicken flocks within the region (12 chickens), as part of this program. No bleeding was conducted during the financial year due to the bleeder being unavailable. The chicken flock was closed after several chickens died of unknown cause. The Shire and the Department of Health wish to thank Don McLeod for approximately 20 years of being a carer for the sentinel chicken program.
2. Other animals of public health significance
 - a. 1 rat infestation was investigated during the year.
 3. Keeping of animals (ADM0194)
 - a. EHOs investigate complaints and provide comment on planning proposals for the keeping of animals including horses, goats, poultry and dog kennel establishments for compliance with health requirements. There were a number of complaints and development proposals during the year including some ongoing disputes relating to dogs and horses.

Environmental Management & Protection of Native Fauna and Flora

EHOs may assist the Shire in its general responsibilities for environmental management of the district including the protection of native fauna and flora, the protection of water bodies, the management of rubbish and dumping and contaminated sites. Many of the EH programs relate to environmental management.

1. Brown Range Waste Facility
 - a. Within time constraints, Shire EHOs provide professional advice and assistance to the Shire in regard to the compliance and environmental risk management of its waste facilities (Brown Range and Coral Bay), including the sampling of monitoring bores and drafting of annual environmental reports.
 - b. The **Brown Range Waste Facility** annual reports for the 2019-20 period were submitted in September 2020. The facility has recently been expanded and the monitoring bore locations need to be reassessed. The current bores are non-operational.
 - c. Significant improvements to the level of waste cover have been made at the Brown Range Waste Facility over the last few years.
 - d. The Shire will be reducing the number of stored tyres in an effort to reduce fire risk and comply with environmental regulations.
2. Coral Bay Waste Facility
 - a. The **Coral Bay Waste Facility** Annual Environmental Report and Annual Compliance Report were submitted in March 2020. The Coral Bay facility is at or has exceeded its reasonable capacity and needs to be expanded or relocated as an urgent priority.



3. Pest management (ADM1836)

- a. **Pigeons:** The Shire investigated an increase in feral pigeons. The visible pigeon problem was most likely due to existing pigeons being flushed out into the open after building renovations. A trial treatment with alphachloralose proved unsuccessful. A cull of pigeons is also only a temporary control measure as 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."
- b. The most viable long-term solution to control pigeons in Carnarvon is for relevant building owners to pigeon proof their buildings to prevent harbouring and breeding in enclosed or protected cavities such as with netting or mesh. Birds of prey populations should also be encouraged.
- c. **Mesquite:** Shire officers acted as a point of contact between the Shire, DPIRD and the local Biosecurity Group in relation to the increased pressure for the Shire to control the growing problem of mesquite on land managed by the Shire.
- d. **Rabbits:** It has been reported that there has been an increase in wild rabbits around Carnarvon.

4. Protection of native fauna and flora (ADM0178)

- a. **Crows** caused problems from about mid-February to the end of April due to congregating at the airport in large numbers (approx. >100) over-night leaving copious droppings on aircraft & infrastructure. It appears to be an annual occurrence and it is not known why the crows gather there for those months.
- b. **Corellas:** From April through August 2020, Little Corellas caused some concern this year due to very large numbers gathering at the Festival Grounds, feeding on the irrigated grass and making divots which caused a hazard for football players.
- c. **Burrowing bees**, endemic to this area, were seen in plentiful numbers this year during July and August 2020.
- d. **Miaboolya Creek:** The Miaboolya Creek Fish Habitat Protection Area dried out after the ocean entrance closed over with sand causing a large fish kill.
- e. **Gascoyne River reserves:** An increase of dumping of rubbish has been noted in the Crown reserves adjoining the Gascoyne River in Carnarvon.

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.

Draft Local Planning Scheme 13 was forwarded presented to the State Planning Committee of the Western Australian Planning Commission in June 2020 and is currently with the Minister for Planning for final endorsement. The new Scheme will replace the current aged schemes being Local Planning Scheme No. 10 and Local Planning Scheme No. 11. The new scheme will bring the Shire's key statutory planning document into line with the State's model scheme text and definitions.

Shire staff are nearing the finalisation of the Carnarvon Public Open Space Strategy. The information obtained through project associated research and community consultation will define how the Shire manages its open space, and the level of open space related infrastructure, going forward. The project will essentially ensure that the Shire better targets open space provision for community members and visitors.

Shire officers have also completed the Carnarvon Civic Precinct Revitalisation Plan 2020 which incorporates urban design guidelines for the future redevelopment of the abandoned justice/police precinct on the corner of Robinson Street and Olivia Terrace.

To ensure compliance with the State and Commonwealth legislation, the Shire’s Mobile Traders Policy has been revised, and a new policy has been developed for Coral Bay which specifically addresses those matters peculiar to Coral Bay. Project approvals throughout the year include a Telstra 5G tower on North West Coastal Highway, a replacement navigation beacon on Babbage Island, and a new self-service fuel station at Coral Bay.

Planning Services continues to ensure 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 2019/20 year - note the figures for Scheme amendments are for the year initiated not the gazettal year):

Application Type	2015/16	2016/17	2017/18	2018/2019	2019/20
Development Applications	75	53	37	33	35
Subdivision Referrals	4	2	1	Nil	Nil
Scheme Amendments	3	0	5	2	1

RANGERS

As you can see by the increase of statistics from 2019 annual report, Rangers have again had a busier year than the one before.

COVID-19 was a tiring and daunting time for all Rangers who were required to be on the frontline of an unknown pandemic. Each camper within all caravan parks and campgrounds within the Shire were spoken to prior to the regional lockdown. Evening patrols were conducted to uncover illegal campers.

Currently registered with the Shire are 650 dogs and 61 cats.

There have been ongoing issues with irresponsible dog owners allowing their dogs to roam uncontrolled or walk them off lead when the owner cannot control their dog, which has resulted in a number of dog attacks. There have been 18 dog attack infringements issued for attacks which did not result in injuries, and 12 infringements issued for attacks which

resulted in injuries to people and/or animals, or death to another animals. A number of attacks per year will go unsolved. There are currently 8 dogs within the Shire of Carnarvon that have been declared as dangerous dogs.

The following is a summary of matters relating to cats and dogs:

Please note that a high percentage of the animals euthanized are feral, diseased or have injuries that prevent re-homing.

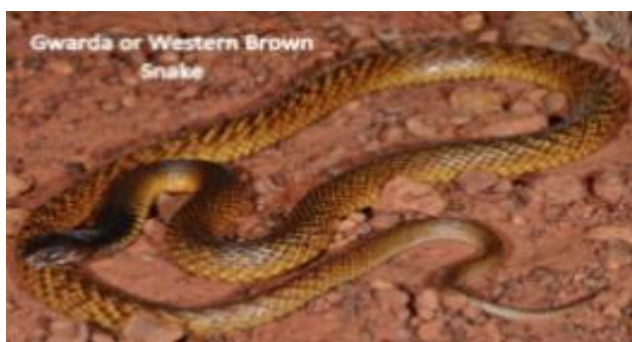
DOGS IMPOUNDED	
Total Impounded	158
Returned to owner	71
Euthanised	12
Rehomed through SAFE Carnarvon	75

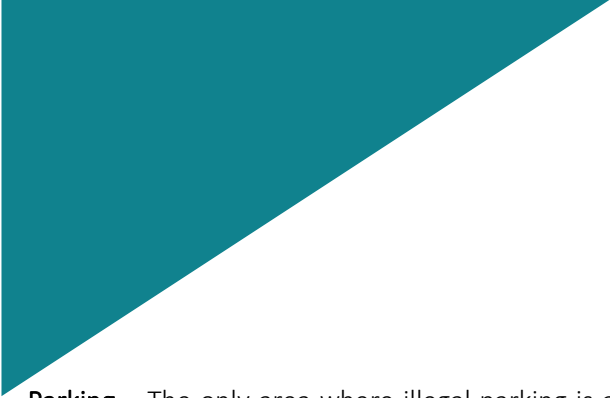
CATS IMPOUNDED	
Total Impounded	216
Returned to owner	6
Euthanised	156
Rehomed through SAFE	54

INFRINGEMENTS ISSUED	
Illegal Camping	174
Dog	51
Cat	0
Litter	0
Parking	33
Bush Fire	2
ORV	0
TOTAL	260



This year 28 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 thirty-three (33) infringements were issued this financial year, with many verbal and written warnings also issued. New signage has been installed; however, it is simply an easy option for tourist and locals to park on the grass or take a short cut and drive across it. There have been a number of occasions where large trucks have driven through Carnarvon’s main street, unaware their truck and trailers do not fit through the roundabouts, and they are left with no option but to destroy Parks and Gardens hard work. Parking on the irrigated grass compacts the soil and destroys the irrigation system necessary for the grass to remain healthy.



Paul Lees
EXECUTIVE MANAGER, DEVELOPMENT SERVICES



INFRASTRUCTURE SERVICES

Fleet Management, Building Maintenance,
Roads and Works, Parks and Gardens
Asset Management
Waste Management

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

Tracking the works required to maintain and service this infrastructure is beyond the capability of an individual. It 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 stormwater pump station inspection and test to ensure automatic switch-on when required. It can be as complex as a major machinery overhaul.

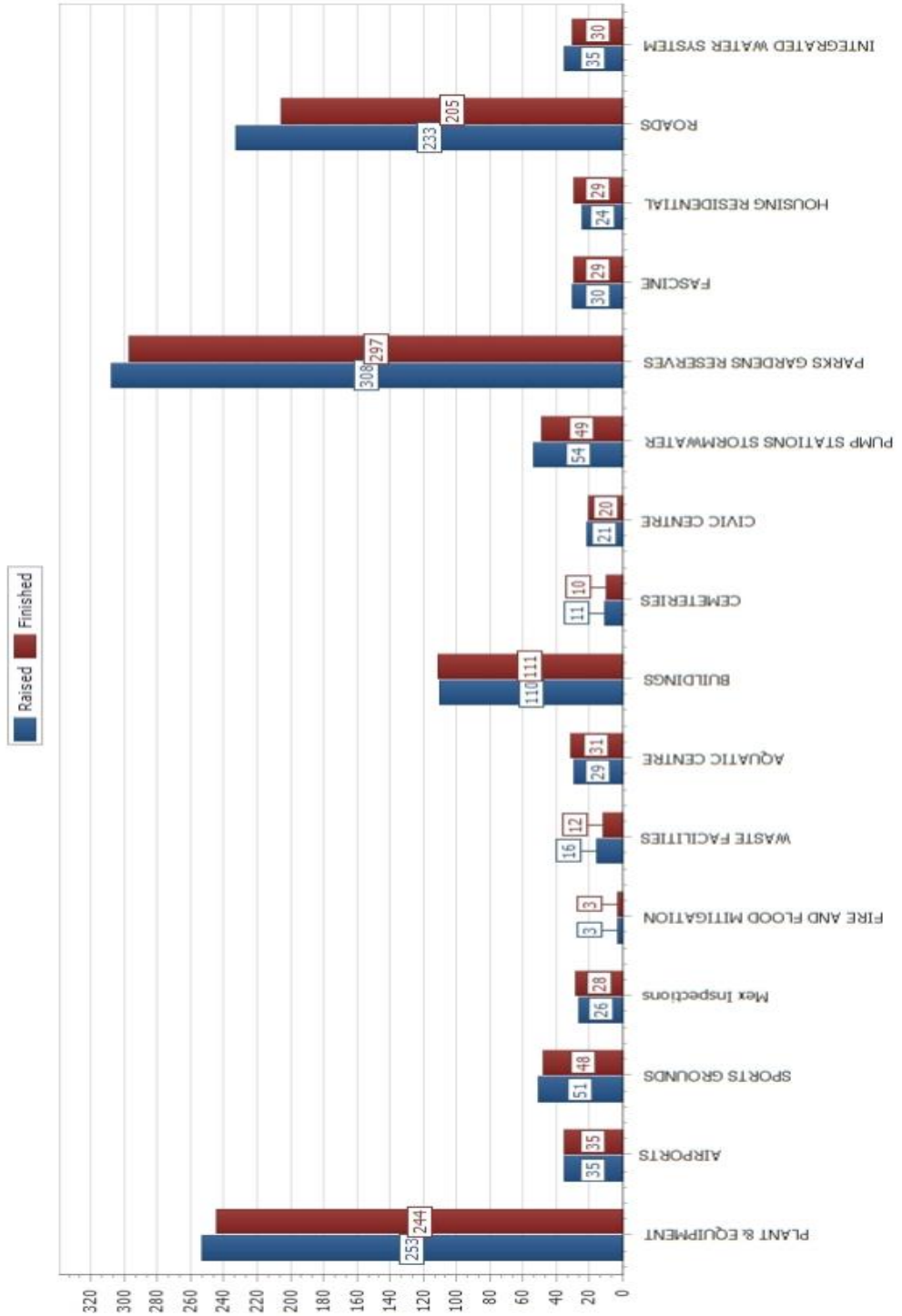
Graphed on the following page are all Shire of Carnarvon Work Orders handled by this system for the 2019/20 year. The total number of work orders for this period was 1239. Almost the same number of work orders were completed for that same period.

It is important to note that the system does not capture every single item of work. Many tasks are completed by the infrastructure team as regular as clockwork. 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 right across this state and nation. Everyone loves to see new things, new programs and exciting new projects. The reality is that a small team of dedicated, predominantly long-term residents have the job of keeping these community assets running and delivering essential community services that are often taken for granted and unfortunately at times, are trodden under foot.

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.

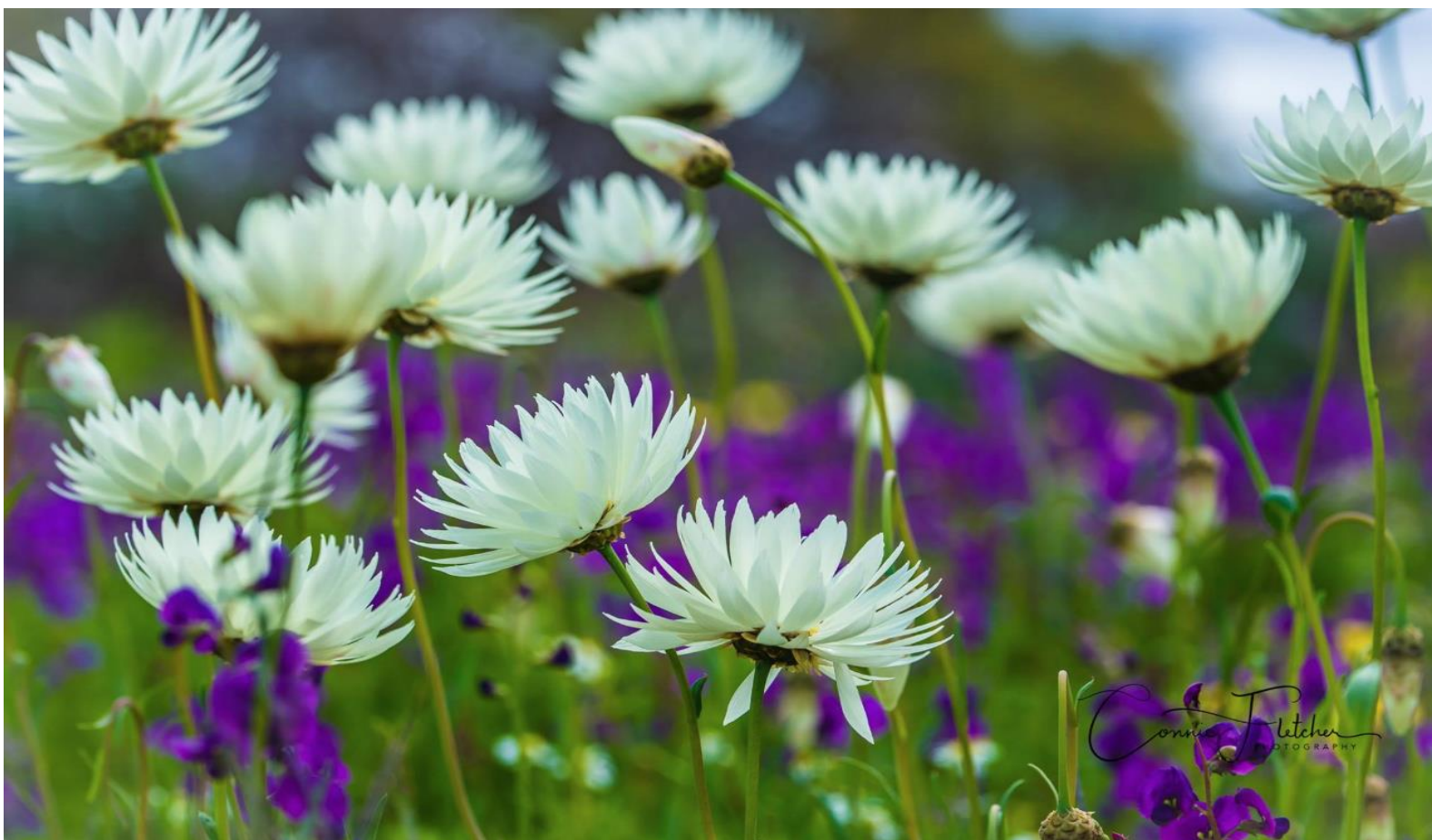
To all those in our community who have been supportive of our workers and their efforts, thank you. It is sincerely and warmly appreciated.



David Nielsen
 EXECUTIVE MANAGER, INFRASTRUCTURE SERVICES



STATUTORY REPORTS



DISABILITY ACCESS & INCLUSION PLAN

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

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



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





STRUCTURE AND FUNCTIONS OF COUNCIL ESTABLISHMENT

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

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

Council

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

- ✓ Governs the Shire's affairs
- ✓ Is responsible for the performance of the Shire's functions
- ✓ Oversees the allocation of the Shire's finances and resources
- ✓ Decides the Shire's policies

This includes:

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

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



Personal Involvement

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

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

Standing Committees

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

- ✓ Audit & 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.



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 2018/19 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 2019/2020

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

Most documents can also be accessed through the Shire of Carnarvon website at www.carnarvon.wa.gov.au .

For further information you can also visit the Office of the Information Commissioner website at www.foi.wa.gov.au





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 2019/2020 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



SHIRE OF CARNARVON
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

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SHIRE'S 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 2020**

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

Signed on the 13th day of May 2021



Chief Executive Officer

Andrea Selvey

Name of Chief Executive Officer

SHIRE OF CARNARVON
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30 JUNE 2020

	NOTE	2020 Actual \$	2020 Budget \$	2019 Actual \$
Revenue				
Rates	23(a)	5,703,085	5,729,007	5,479,095
Operating grants, subsidies and contributions	2(a)	5,605,137	6,040,181	5,863,033
Fees and charges	2(a)	2,744,968	3,550,861	3,668,836
Interest earnings	2(a)	137,466	162,951	135,101
Other revenue	2(a)	335,773	269,407	298,219
		14,526,429	15,752,407	15,444,284
Expenses				
Employee costs		(7,771,785)	(8,334,100)	(7,443,464)
Materials and contracts		(3,973,557)	(5,451,703)	(5,215,777)
Utility charges		(800,823)	(756,856)	(757,101)
Depreciation on non-current assets	10(d)	(8,338,845)	(8,636,116)	(8,441,747)
Interest expenses	2(b)	(43,249)	(25,453)	(17,608)
Insurance expenses		(460,701)	(472,530)	(467,976)
Other expenditure	2(b)	(238,799)	(371,457)	(366,850)
		(21,627,759)	(24,048,215)	(22,710,523)
		(7,101,330)	(8,295,808)	(7,266,239)
Non-operating grants, subsidies and contributions	2(a)	1,696,943	3,574,187	4,597,485
Profit on asset disposals	10(a)	1,306	-	137
(Loss) on asset disposals	10(a)	(184,883)	-	(69,902)
Fair value adjustments to financial assets at fair value through profit or loss		2,017	-	122,620
		1,515,383	3,574,187	4,650,340
Net result for the period		(5,585,947)	(4,721,621)	(2,615,899)
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	12	122,769	-	451,158
Total other comprehensive income for the period		122,769	-	451,158
Total comprehensive income for the period		(5,463,178)	(4,721,621)	(2,164,741)

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 2020

	NOTE	2020 Actual \$	2020 Budget \$	2019 Actual \$
Revenue				
	2(a)			
Governance		81,744	123,251	94,966
General purpose funding		10,600,578	10,704,565	10,404,740
Law, order, public safety		102,858	202,451	219,636
Health		74,272	92,950	40,475
Education and welfare		172,372	180,422	242,665
Housing		14,704	12,269	13,768
Community amenities		2,000,305	2,164,883	2,183,096
Recreation and culture		125,778	393,275	392,294
Transport		939,653	1,072,267	1,071,111
Economic services		226,187	463,121	415,931
Other property and services		187,978	342,953	365,603
		14,526,429	15,752,407	15,444,284
Expenses				
	2(b)			
Governance		(1,236,017)	(1,318,085)	(1,250,897)
General purpose funding		(180,436)	(218,966)	(282,212)
Law, order, public safety		(1,063,917)	(1,014,713)	(1,019,913)
Health		(602,763)	(754,694)	(584,201)
Education and welfare		(919,994)	(1,206,134)	(1,076,345)
Housing		(95,780)	(113,231)	(125,550)
Community amenities		(2,558,308)	(2,687,450)	(2,506,486)
Recreation and culture		(4,691,238)	(5,336,146)	(4,961,496)
Transport		(8,954,240)	(9,885,085)	(9,387,310)
Economic services		(1,090,556)	(1,226,091)	(1,126,254)
Other property and services		(191,261)	(262,167)	(372,251)
		(21,584,510)	(24,022,762)	(22,692,915)
Finance Costs				
	2(b)			
Governance		(486)	(446)	-
Housing		(1,131)	(2,337)	(1,960)
Recreation and culture		-	-	(1,529)
Transport		(11,596)	(10,354)	(14,118)
Other property and services		(30,036)	(12,316)	-
		(43,249)	(25,453)	(17,608)
		(7,101,330)	(8,295,808)	(7,266,239)
Non-operating grants, subsidies and contributions	2(a)	1,696,943	3,574,187	4,597,485
Profit on disposal of assets	10(a)	1,306	-	137
(Loss) on disposal of assets	10(a)	(184,883)	-	(69,902)
Fair value adjustments to financial assets at fair value through profit or loss		2,017	-	122,620
		1,515,383	3,574,187	4,650,340
Net result for the period		(5,585,947)	(4,721,621)	(2,615,899)
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	12	122,769	-	451,158
Total other comprehensive income for the period		122,769	-	451,158
Total comprehensive income for the period		(5,463,178)	(4,721,621)	(2,164,741)

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

SHIRE OF CARNARVON
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	NOTE	2020	2019
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	3	7,934,996	7,399,412
Trade and other receivables	6	1,702,172	1,449,612
Inventories	7	72,460	45,911
TOTAL CURRENT ASSETS		9,709,628	8,894,935
NON-CURRENT ASSETS			
Trade and other receivables	6	111,640	111,640
Other financial assets	5	124,637	122,620
Property, plant and equipment	8	33,538,675	34,456,424
Infrastructure	9	312,599,132	317,910,084
Right of use assets	11(a)	1,022,471	-
TOTAL NON-CURRENT ASSETS		347,396,555	352,600,768
TOTAL ASSETS		357,106,183	361,495,703
CURRENT LIABILITIES			
Trade and other payables	13	1,134,973	1,031,473
Contract liabilities	14	1,575,109	-
Lease liabilities	15(a)	331,808	-
Borrowings	16(a)	53,224	54,534
Employee related provisions	17	976,490	689,059
TOTAL CURRENT LIABILITIES		4,071,604	1,775,066
NON-CURRENT LIABILITIES			
Lease liabilities	15(a)	723,257	-
Borrowings	16(a)	264,260	317,484
Employee related provisions	17	155,318	110,027
TOTAL NON-CURRENT LIABILITIES		1,142,835	427,511
TOTAL LIABILITIES		5,214,439	2,202,577
NET ASSETS		351,891,744	359,293,126
EQUITY			
Retained surplus		63,538,345	71,046,097
Reserves - cash backed	4	3,963,641	3,705,040
Revaluation surplus	12	284,389,758	284,541,989
TOTAL EQUITY		351,891,744	359,293,126

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 2020

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2018		72,998,657	4,368,377	284,090,831	361,457,865
Comprehensive income					
Net result for the period		(2,615,899)	-	-	(2,615,899)
Other comprehensive income	12	-	-	451,158	451,158
Total comprehensive income		(2,615,899)	-	451,158	(2,164,740)
Transfers from reserves	4	1,330,996	(1,330,996)	-	-
Transfers to reserves	4	(667,659)	667,659	-	-
Balance as at 30 June 2019		71,046,097	3,705,040	284,541,989	359,293,126
Change in accounting policy	28 (b)	(1,663,204)	-	(275,000)	(1,938,204)
Restated total equity at 1 July 2019		69,382,893	3,705,040	284,266,989	357,354,922
Comprehensive income					
Net result for the period		(5,585,947)	-	-	(5,585,947)
Other comprehensive income	12	-	-	122,769	122,769
Total comprehensive income		(5,585,947)	-	122,769	(5,463,178)
Transfers from reserves	4	461,827	(461,827)	-	-
Transfers to reserves	4	(720,428)	720,428	-	-
Balance as at 30 June 2020		63,538,345	3,963,641	284,389,758	351,891,744

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 2020

	NOTE	2020 Actual \$	2020 Budget \$	2019 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		5,364,567	5,729,007	5,129,541
Operating grants, subsidies and contributions		5,707,586	6,040,181	5,769,971
Fees and charges		2,744,968	3,550,861	3,668,836
Interest received		137,466	162,951	135,101
Goods and services tax received		798,309	218,136	412,989
Other revenue		335,773	269,407	298,219
		15,088,669	15,970,543	15,414,657
Payments				
Employee costs		(7,190,661)	(8,334,100)	(7,287,789)
Materials and contracts		(4,191,071)	(5,451,703)	(5,702,564)
Utility charges		(800,823)	(756,856)	(757,101)
Interest expenses		(43,249)	(25,453)	(17,608)
Insurance paid		(460,701)	(472,530)	(467,976)
Goods and services tax paid		(827,614)	(109,068)	(206,494)
Other expenditure		(238,799)	(371,457)	(366,850)
		(13,752,918)	(15,521,167)	(14,806,382)
Net cash provided by (used in) operating activities	18	1,335,751	449,376	608,275
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	8(a)	(773,446)	(1,022,245)	(1,298,831)
Payments for construction of infrastructure	9(a)	(1,409,387)	(4,714,135)	(4,589,987)
Non-operating grants, subsidies and contributions	2(a)	1,696,943	3,574,187	4,597,485
Proceeds from sale of property, plant & equipment	10(a)	81,955	-	4,472
Net cash provided by (used in) investment activities		(403,935)	(2,162,193)	(1,286,861)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	16(b)	(54,534)	(54,534)	(122,964)
Payments for principal portion of lease liabilities	15(b)	(341,696)	-	-
Net cash provided by (used in) financing activities		(396,230)	(54,534)	(122,964)
Net increase (decrease) in cash held		535,586	(1,767,351)	(801,550)
Cash at beginning of year		7,399,412	7,202,731	8,200,962
Cash and cash equivalents at the end of the year	18	7,934,996	5,435,380	7,399,412

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

SHIRE OF CARNARVON
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2020

	NOTE	2020 Actual \$	2020 Budget \$	2019 Actual \$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)	24 (b)	4,193,405	4,272,063	3,889,507
		4,193,405	4,272,063	3,889,507
Revenue from operating activities (excluding rates)				
Governance		83,050	123,251	94,966
General purpose funding		5,138,687	5,210,522	5,160,012
Law, order, public safety		102,858	202,451	219,636
Health		74,272	92,950	40,475
Education and welfare		172,372	180,422	242,665
Housing		14,704	12,269	13,768
Community amenities		2,000,305	2,164,883	2,183,096
Recreation and culture		125,778	393,275	392,294
Transport		939,653	1,072,267	1,071,248
Economic services		226,187	463,121	415,931
Other property and services		189,995	342,953	488,222
		9,067,861	10,258,364	10,322,313
Expenditure from operating activities				
Governance		(1,278,041)	(1,318,531)	(1,263,647)
General purpose funding		(180,436)	(218,966)	(282,212)
Law, order, public safety		(1,063,917)	(1,014,713)	(1,029,360)
Health		(602,763)	(754,694)	(585,695)
Education and welfare		(919,994)	(1,206,134)	(1,076,345)
Housing		(96,911)	(115,568)	(127,510)
Community amenities		(2,558,308)	(2,687,450)	(2,515,338)
Recreation and culture		(4,745,614)	(5,336,146)	(4,984,126)
Transport		(9,021,933)	(9,895,439)	(9,403,388)
Economic services		(1,093,103)	(1,226,091)	(1,126,254)
Other property and services		(251,622)	(274,483)	(386,549)
		(21,812,642)	(24,048,215)	(22,780,424)
Non-cash amounts excluded from operating activities	24(a)	8,759,266	7,068,070	8,386,389
Amount attributable to operating activities		207,890	(2,449,718)	(182,215)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	2(a)	1,696,943	3,574,187	4,597,485
Proceeds from disposal of assets	10(a)	81,955	-	4,472
Purchase of property, plant and equipment	8(a)	(773,446)	(1,022,245)	(1,298,831)
Purchase and construction of infrastructure	9(a)	(1,409,387)	(4,714,135)	(4,589,987)
Amount attributable to investing activities		(403,935)	(2,162,193)	(1,286,861)
FINANCING ACTIVITIES				
Repayment of borrowings	16(b)	(54,534)	(54,534)	(122,964)
Payments for principal portion of lease liabilities	15(b)	(341,696)	-	-
Transfers to reserves (restricted assets)	4	(720,428)	(161,761)	(667,659)
Transfers from reserves (restricted assets)	4	461,827	1,932,379	1,330,996
Amount attributable to financing activities		(654,831)	1,716,084	540,373
Surplus/(deficit) before imposition of general rates		(850,877)	(2,895,827)	(928,703)
Total amount raised from general rates	23(a)	5,461,891	5,494,043	5,244,728
Surplus/(deficit) after imposition of general rates	24(b)	4,611,015	2,598,216	4,316,025

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 2020

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1. BASIS OF PREPARATION

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

AMENDMENTS TO LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996

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

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

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

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

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

NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE YEARS

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

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

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

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

CRITICAL ACCOUNTING ESTIMATES

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

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

THE LOCAL GOVERNMENT REPORTING ENTITY

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

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

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

SHIRE OF CARNARVON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

2. REVENUE AND EXPENSES

REVENUE RECOGNITION POLICY

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Timing of revenue recognition
Rates	General Rates	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 2020

2. REVENUE AND EXPENSES

(a) Grant revenue

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

	2020 Actual \$	2020 Budget \$	2019 Actual \$
Operating grants, subsidies and contributions			
Governance	-	33,460	-
General purpose funding	4,969,873	5,000,000	4,970,187
Law, order, public safety	56,728	167,896	183,573
Health	28,500	51,101	5,298
Education and welfare	168,320	176,487	239,350
Community amenities	33,166	71,416	-
Recreation and culture	9,836	140,477	171,519
Transport	320,075	338,093	291,106
Economic services	18,639	43,022	2,000
Other property and services	-	18,229	-
	5,605,137	6,040,181	5,863,033
Non-operating grants, subsidies and contributions			
Law, order, public safety	38,900	-	214,190
Community amenities	17,315	17,315	-
Recreation and culture	352,906	1,519,307	516,956
Transport	1,287,822	2,037,565	3,866,339
	1,696,943	3,574,187	4,597,485
	7,302,080	9,614,368	10,460,518
Total grants, subsidies and contributions			
Fees and charges			
Governance	13,471	15,723	4,782
General purpose funding	17,892	41,412	41,585
Law, order, public safety	21,545	26,801	25,528
Health	45,201	41,799	34,966
Education and welfare	665	1,237	810
Community amenities	1,722,891	1,849,854	1,951,160
Recreation and culture	113,434	237,700	200,558
Transport	604,443	716,041	756,049
Economic services	137,127	343,237	317,094
Other property and services	68,299	277,057	336,304
	2,744,968	3,550,861	3,668,836

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 2020

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Contracts with customers and transfers for recognisable non-financial assets

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

Non-operating grants, subsidies and contributions

	2020 Actual \$	2020 Budget \$	2019 Actual \$
Non-operating grants, subsidies and contributions	1,696,943	3,574,187	4,597,485
	1,696,943	3,574,187	4,597,485

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:

Contracts with customers included as a contract liability at the start of the period

Other revenue from performance obligations satisfied during the year

Contracts with customers included as a contract liability at the start of the period	1,597,263	-	-
Other revenue from performance obligations satisfied during the year	99,680	3,574,187	-
	1,696,943	3,574,187	-

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

Contract liabilities from contracts with customers

Trade and other receivables from contracts with customers	219,098	-	-
Contract liabilities from contracts with customers	(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 2020

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Revenue from statutory requirements

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

General rates
 Specified area rates
 Statutory permits and licences
 Fines

Other revenue

Reimbursements and recoveries
 Other

Interest earnings

Interest on reserve funds
 Rates instalment and penalty interest (refer Note 23(d))
 Other interest earnings

	2020 Actual \$	2020 Budget \$	2019 Actual \$
	5,461,891	5,487,420	5,244,728
	234,964	234,964	228,119
	26,890	26,255	24,884
	13,650	-	8,850
	5,737,395	5,748,639	5,506,581
	221,162	117,719	139,795
	114,610	151,688	158,424
	335,773	269,407	298,219
	9,870	51,100	24,757
	124,510	92,951	97,255
	3,086	18,900	13,089
	137,466	162,951	135,101

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 2020

2. REVENUE AND EXPENSES (Continued)

(b) Expenses

Auditors remuneration

- Audit of the Annual Financial Report
- Other services and costs

Interest expenses (finance costs)

- Borrowings
- Lease liabilities

Other expenditure

- Impairment loss on trade and other receivables
- Sundry expenses

Note	2020 Actual \$	2020 Budget \$	2019 Actual \$
	53,000	50,000	35,996
	17,910	7,000	12,910
	70,910	57,000	48,906
16(b)	12,727	12,691	17,608
15(b)	30,522	12,762	-
	43,249	25,453	17,608
	(104,255)	-	-
	343,054	371,457	366,850
	238,799	371,457	366,850

SHIRE OF CARNARVON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

3. CASH AND CASH EQUIVALENTS

NOTE	2020 \$	2019 \$
Cash at bank and on hand	7,934,996	7,399,412
Total cash and cash equivalents	7,934,996	7,399,412

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	4,117,823	3,705,040
	4,117,823	3,705,040

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

Reserves - cash backed	4	3,963,641	3,705,040
Bonds and Deposits Held		154,182	-
Total restricted assets		4,117,823	3,705,040

Note: Contract Liabilities of \$1,575,111 are included in the Reserves - cash backed amount

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 2020

4. RESERVES - CASH BACKED

	2020 Actual Opening Balance	2020 Actual Transfer to	2020 Actual Transfer (from)	2020 Actual Closing Balance	2020 Budget Opening Balance	2020 Budget Transfer to	2020 Budget Transfer (from)	2020 Budget Closing Balance	2019 Actual Opening Balance	2019 Actual Transfer to	2019 Actual Transfer (from)	2019 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Leave Reserve	130,107	43,074	-	173,181	130,107	542	-	130,649	140,228	32,029	(42,150)	130,107
(b) Plant Reserve	73,745	81,758	-	155,503	73,746	571	-	74,317	134,657	270	(61,182)	73,745
(c) Waste Disposal Reserve	78,403	62	-	78,465	78,400	751	-	79,151	78,246	157	-	78,403
(d) Public Ablutions Reserve	1,771	1	-	1,772	1,771	7	-	1,778	1,767	4	-	1,771
(e) Staff Housing Reserve	700,415	554	-	700,969	700,419	3,097	(38,645)	664,871	730,138	1,465	(31,188)	700,415
(f) Civic Centre Reserve	62,167	49	-	62,216	62,168	470	-	62,638	62,043	124	-	62,167
(g) IT Replacement Reserve	54,162	41,043	-	95,205	54,162	229	(20,000)	34,391	54,054	108	-	54,162
(h) Airport Reserve	58,977	47	-	59,024	58,976	208	-	59,184	49,140	9,837	-	58,977
(i) Coral Bay Tip Reserve	21,940	17	-	21,957	21,939	93	-	22,032	21,896	44	-	21,940
(j) Surge/Fascine Wall Reserve	356,131	282	-	356,413	356,131	1,252	(250,000)	107,383	105,918	250,213	-	356,131
(k) Town Planning Reserve	1,564	1	-	1,565	1,564	91	-	1,655	1,561	3	-	1,564
(l) Fascine Dredging Reserve	84,594	67	-	84,661	84,594	533	(25,819)	59,308	125,755	252	(41,413)	84,594
(m) Flood Mitigation Reserve	11,923	9	-	11,932	11,923	50	-	11,973	11,899	24	-	11,923
(n) OTC/NASA Reserve	8,882	7	-	8,889	8,882	38	-	8,920	8,864	18	-	8,882
(o) Blowholes Reserve	2,851	2	-	2,853	2,851	12	-	2,863	2,845	6	-	2,851
(p) Unspent Grants and Contributions Reserve	1,602,502	434,434	(461,827)	1,575,109	1,602,502	39,979	(1,587,915)	54,566	2,472,354	285,211	(1,155,063)	1,602,502
(q) Land and Infrastructure Development Reserve	220,112	174	-	220,286	220,112	2,592	(10,000)	212,704	184,386	35,726	-	220,112
(r) Asset Management Reserve	28,985	8,023	-	37,008	28,985	123	-	29,108	28,927	58	-	28,985
(s) Emergency Response Reserve	202,628	50,160	-	252,788	202,627	50,456	-	253,083	152,322	50,306	-	202,628
(t) Mosquito Management Reserve	3,181	664	-	3,845	3,181	667	-	3,848	1,377	1,804	-	3,181
(u) Country Roads Reserve	-	60,000	-	60,000	-	60,000	-	60,000	-	-	-	-
	3,705,040	720,428	(461,827)	3,963,641	3,705,040	161,761	(1,932,379)	1,934,422	4,368,377	667,659	(1,330,996)	3,705,040

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

SHIRE OF CARNARVON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

4. RESERVES - CASH BACKED (Continued)

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) Public Ablutions 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) Country Roads 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

Financial assets at fair value through profit and loss

	2020	2019
	\$	\$
	124,637	122,620
	<u>124,637</u>	<u>122,620</u>
	124,637	122,620
	<u>124,637</u>	<u>122,620</u>

Financial assets at fair value through profit and loss

Units in Local Government House Trust

SIGNIFICANT ACCOUNTING POLICIES

Other financial assets at amortised cost

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

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

Financial assets at fair value through profit and loss

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

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

Impairment and risk

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

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	
------------------------------------	--

2020	2019
\$	\$
1,371,059	1,023,202
219,098	462,682
42,127	12,822
(16,358)	(120,613)
86,167	69,388
79	2,131
1,702,172	1,449,612
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 25.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Classification and subsequent measurement

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

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

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

7. INVENTORIES

Current

Fuel and materials
 Civic Centre
 Visitors Centre

	2020	2019
	\$	\$
	45,272	21,756
	1,901	2,072
	25,287	22,083
	<u>72,460</u>	<u>45,911</u>
	45,911	52,785
	(48,158)	(6,874)
	74,707	-
	<u>72,460</u>	<u>45,911</u>

The following movements in inventories occurred during the year:

Carrying amount at beginning of period

Inventories expensed during the year
 Additions to inventory

Carrying amount at end of period

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.

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8. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Carrying Amounts

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

	Land - freehold land	Land - vested in and under the control of Council	Total land	Buildings - non- specialised	Buildings - specialised	Total buildings	Total land and buildings	Furniture and equipment	Plant and equipment	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2018	8,383,800	275,000	8,658,800	14,862,590	8,616,552	23,479,142	32,137,942	278,183	1,707,253	34,123,378
Additions	-	-	-	476,263	335,329	811,592	811,592	37,606	449,633	1,298,831
(Disposals)	-	-	-	-	-	-	-	(23,498)	(50,739)	(74,237)
Revaluation increments / (decrements) transferred to revaluation surplus	-	-	-	-	-	-	-	98,118	353,040	451,158
Depreciation (expense)	-	-	-	(601,920)	(362,875)	(964,795)	(964,795)	(51,639)	(326,272)	(1,342,706)
Carrying amount at 30 June 2019	8,383,800	275,000	8,658,800	14,736,933	8,589,006	23,325,939	31,984,739	338,770	2,132,915	34,456,424
Comprises:										
Gross carrying amount at 30 June 2019	8,383,800	275,000	8,658,800	15,946,445	9,311,612	25,258,057	33,916,857	338,770	2,132,915	36,388,542
Accumulated depreciation at 30 June 2019	-	-	-	(1,209,512)	(722,606)	(1,932,118)	(1,932,118)	-	-	(1,932,118)
Carrying amount at 30 June 2019	8,383,800	275,000	8,658,800	14,736,933	8,589,006	23,325,939	31,984,739	338,770	2,132,915	34,456,424
Change in accounting policy	-	(275,000)	(275,000)	-	-	-	(275,000)	-	-	(275,000)
Carrying amount at 1 July 2019	8,383,800	-	8,383,800	14,736,933	8,589,006	23,325,939	31,709,739	338,770	2,132,915	34,181,424
Additions	-	-	-	374,725	44,508	419,233	419,233	55,408	298,805	773,446
(Disposals)	-	-	-	(2,950)	-	(2,950)	(2,950)	(37,896)	(174,395)	(215,241)
Revaluation increments / (decrements) transferred to revaluation surplus	(2,996,300)	-	(2,996,300)	3,119,069	-	3,119,069	122,769	-	-	122,769
Depreciation (expense)	-	-	-	(618,872)	(372,909)	(991,781)	(991,781)	(54,835)	(277,107)	(1,323,723)
Carrying amount at 30 June 2020	5,387,500	-	5,387,500	17,608,905	8,260,605	25,869,510	31,257,010	301,447	1,980,218	33,538,675
Comprises:										
Gross carrying amount at 30 June 2020	5,387,500	-	5,387,500	17,608,905	8,260,605	25,869,510	31,257,010	348,697	2,233,970	33,839,677
Accumulated depreciation at 30 June 2020	-	-	-	-	-	-	-	(47,250)	(253,752)	(301,002)
Carrying amount at 30 June 2020	5,387,500	-	5,387,500	17,608,905	8,260,605	25,869,510	31,257,010	301,447	1,980,218	33,538,675

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Land and buildings					
Land - freehold land	2	Market approach using recent observable or estimated market data for similar properties	Independent Valuers	June 2020	Price per hectare / market borrowing rate
Buildings - non-specialised	2 & 3	Market approach using recent observable market data for similar assets / cost approach using depreciated replacement cost	Independent Valuers	June 2020	Price per square metre / market borrowing rate
Buildings - specialised	3	Cost approach using depreciated replacement cost	Independent Valuers	June 2020	Construction costs and current condition , residual values and remaining useful life assessments inputs
Furniture and equipment	3	Cost approach using depreciated replacement cost	Independent Valuers & Management Valuation	June 2019	Market price per item / purchase costs and current condition, residual values and remaining useful life assessments inputs
Plant and equipment	2 & 3	Market approach using recent observable market data for similar assets / cost approach using depreciated replacement cost	Independent Valuers & Management Valuation	June 2019	Market price per item / purchase 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.

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9. INFRASTRUCTURE

(a) Movements in Carrying Amounts

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

	Infrastructure - Roads	Infrastructure - Footpaths	Infrastructure - Drainage	Infrastructure - Parks & Ovals	Infrastructure - Other infrastructure	Infrastructure - Bridges	Infrastructure - Levee System	Infrastructure - Airport	Infrastructure - Carparks	Total Infrastructure
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2018	234,315,667	10,056,558	23,210,187	13,773,717	10,547,130	7,600,000	8,370,000	12,090,200	455,678	320,419,138
Additions	4,045,665	57,142	28,467	105,461	209,206	-	-	144,046	-	4,589,987
Depreciation (expense)	(5,272,565)	(199,698)	(301,346)	(280,089)	(223,158)	(152,000)	(41,850)	(608,107)	(20,227)	(7,099,041)
Carrying amount at 30 June 2019	233,088,767	9,914,002	22,937,308	13,599,089	10,533,178	7,448,000	8,328,150	11,626,139	435,451	317,910,084
Comprises:										
Gross carrying amount at 30 June 2019	324,458,231	10,113,700	23,238,654	13,879,178	10,756,336	7,600,000	8,370,000	12,234,246	455,678	411,106,023
Accumulated depreciation at 30 June 2019	(91,369,464)	(199,698)	(301,346)	(280,089)	(223,158)	(152,000)	(41,850)	(608,107)	(20,227)	(93,195,939)
Carrying amount at 30 June 2019	233,088,767	9,914,002	22,937,308	13,599,089	10,533,178	7,448,000	8,328,150	11,626,139	435,451	317,910,084
Additions	988,645	46,951	34,384	7,051	173,594	-	-	158,762	-	1,409,387
(Disposals)	-	-	-	(32,565)	(17,725)	-	-	-	-	(50,290)
Depreciation (expense)	(4,827,513)	(202,474)	(304,193)	(282,143)	(226,029)	(152,000)	(41,850)	(613,620)	(20,227)	(6,670,049)
Carrying amount at 30 June 2020	229,249,899	9,758,479	22,667,499	13,291,432	10,463,018	7,296,000	8,286,300	11,171,281	415,224	312,599,132
Comprises:										
Gross carrying amount at 30 June 2020	239,349,978	10,160,652	23,273,038	13,852,309	10,911,548	7,600,000	8,370,000	12,393,008	455,678	326,366,211
Accumulated depreciation at 30 June 2020	(10,100,079)	(402,173)	(605,539)	(560,877)	(448,530)	(304,000)	(83,700)	(1,221,727)	(40,454)	(13,767,079)
Carrying amount at 30 June 2020	229,249,899	9,758,479	22,667,499	13,291,432	10,463,018	7,296,000	8,286,300	11,171,281	415,224	312,599,132

SHIRE OF CARNARVON
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9. INFRASTRUCTURE (Continued)

(b) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Infrastructure - Roads	3	Cost approach using depreciated replacement cost	Management Valuation	June 2018	Construction costs and current condition residual values and remaining useful life assessments inputs
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
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
Infrastructure - Parks & Ovals	3	Cost approach using depreciated replacement cost	Independent Valuers	June 2018	Construction costs and current condition residual values and remaining useful life assessments inputs
Infrastructure - Other infrastructure	3	Cost approach using depreciated replacement cost	Independent Valuers	June 2018	Construction costs and current condition residual values and remaining useful life assessments inputs
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
Infrastructure - Levee System	3	Cost approach using depreciated replacement cost	Independent Valuers	June 2018	Construction costs and current condition residual values and remaining useful life assessments inputs
Infrastructure - Airport	3	Cost approach using depreciated replacement cost	Independent Valuers	June 2018	Construction costs and current condition residual values and remaining useful life assessments inputs
Infrastructure - Carparks	3	Cost approach using depreciated replacement cost	Independent Valuers	June 2018	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 to determine the fair value of infrastructure using level 3 inputs.

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

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

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

AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY

Land under control prior to 1 July 2019

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

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

Land under roads prior to 1 July 2019

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

Effective as at 1 July 2008, Council elected not to recognise any value for land under roads acquired on or before 30 June 2008.

This accords with the treatment available in *Australian Accounting Standard AASB 1051 Land Under Roads* and the then *Local Government (Financial Management) Regulation 16(a)(i)* which arbitrarily prohibited local governments from recognising such land as an asset. This regulation has now been deleted.

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

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

Land under roads from 1 July 2019

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

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

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

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10. FIXED ASSETS

(a) Disposals of Assets

	2020		2020		2020		2020		2019		2019	
	Actual Net Book Value	Actual Sale Proceeds	Actual Profit	Actual Loss	Budget Net Book Value	Budget Sale Proceeds	Budget Profit	Budget Loss	Actual Net Book Value	Actual Sale Proceeds	Actual Profit	Actual Loss
Plant and equipment	118,300	81,955	1,306	(37,651)	-	-	-	-	26,368	4,472	137	(22,033)
Buildings - no specialised Write Off	2,950	-	-	(2,950)	-	-	-	-	-	-	-	-
Plant and equipment Write Off	56,095	-	-	(56,095)	-	-	-	-	24,371	-	-	(24,371)
Furniture and Equipment Write Off	37,896	-	-	(37,896)	-	-	-	-	23,498	-	-	(23,498)
Infrastructure - Parks & ovals Write Off	32,565	-	-	(32,565)	-	-	-	-	-	-	-	-
Infrastructure - Other Infrastructure Write Off	17,725	-	-	(17,725)	-	-	-	-	-	-	-	-
	265,531	81,955	1,306	(184,883)	-	-	-	-	74,237	4,472	137	(69,902)

The following assets were disposed of during the year.

	2020		2020	
	Actual Net Book Value	Actual Sale Proceeds	Actual Profit	Actual Loss
Plant and Equipment				
Governance	\$	\$	\$	\$
CEO Vehicle	25,204	23,818	-	(1,386)
EMCORP Vehicle	15,603	16,909	1,306	-
Recreation and culture				
Mazda BT50 Dualcab	4,201	1,591	-	(2,610)
PU1 Holden	3,601	2,818	-	(783)
Economic services				
Mazda BT50 Dualcab	9,002	6,455	-	(2,547)
Other property and services				
Admin Pool Vehicle	16,470	6,455	-	(10,015)
Holden Crew cab	16,471	16,364	-	(107)
Hino Truck	27,748	7,545	-	(20,203)
	118,300	81,955	1,306	(37,651)
Assets Written Off				
Buildings - non specialised Write Off	2,950	-	-	(2,950)
Plant and equipment Write Off	56,095	-	-	(56,095)
Furniture and Equipment Write Off	37,896	-	-	(37,896)
Infrastructure - Parks & ovals Write Off	32,565	-	-	(32,565)
Infrastructure - Other Infrastructure Write Off	17,725	-	-	(17,725)
	147,231	-	-	(147,232)
	265,531	81,955	1,306	(184,883)

(b) Fully Depreciated Assets in Use

The Shire has no fully depreciated assets currently in use.

(c) 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.

	2020	2019
	\$	\$
Plant and equipment	32,497	-
	32,497	-

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10. FIXED ASSETS

(d) Depreciation

	2020 Actual	2020 Budget	2019 Actual
	\$	\$	\$
Buildings - non-specialised	618,872	966,455	601,920
Buildings - specialised	372,909	-	362,875
Furniture and equipment	54,835	33,229	51,639
Plant and equipment	277,107	486,401	326,272
Infrastructure - Roads	4,827,513	5,272,565	5,272,565
Infrastructure - Footpaths	202,474	199,698	199,698
Infrastructure - Drainage	304,193	301,346	301,346
Infrastructure - Parks & Ovals	282,143	376,086	280,089
Infrastructure - Other infrastructure	226,029	228,156	223,158
Infrastructure - Bridges	152,000	128,690	152,000
Infrastructure - Levee System	41,850	41,850	41,850
Infrastructure -Airport	613,620	581,517	608,107
Infrastructure - Carparks	20,227	20,123	20,227
Right of use assets - plant and equipment	335,830	-	-
Right of use assets - Furniture and Equipment	9,243	-	-
	8,338,845	8,636,116	8,441,747

SIGNIFICANT ACCOUNTING POLICIES

Depreciation

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

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

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

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

Depreciation rates

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

Asset Class	Useful life
Buildings	10 to 80 years
Furniture and equipment	1 to 15 years
Plant and equipment	1 to 25 years
Sealed roads and streets	
formation	not depreciated
pavement	50 years
seal	
- bituminous seals	20 years
- asphalt surfaces	25 years
Gravel roads	
formation	not depreciated
pavement	50 years
gravel sheet	12 years

Depreciation rates continued

Formed roads	
clearing and earthworks	not depreciated
construction/roadbase	50 years
Infrastructure - Footpaths	50 to 90 years
Infrastructure - Drainage	20 to 75 years
Infrastructure - Parks & Ovals	10 to 50 years
Infrastructure - Other infrastructure	40 to 110 years
Infrastructure - Bridges	50 years
Infrastructure - Levee System	200 years
Infrastructure -Airport	25 to 75 years
Infrastructure - Carparks	15 to 25 years
Infrastructure - Landfill	10 to 50 years
Right of use assets - plant and equipment	1 to 13 years
Right of use assets - furniture and equipment	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

(a) Right of Use Assets

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

	Right of use assets - plant and equipment \$	Right of use assets - Furniture and Equipment \$	Right of use assets Total
Carrying amount at 30 June 2019	-	-	-
Recognised on initial application of AASB 16	656,541	21,273	677,814
Restated total equity at the beginning of the financial year	656,541	21,273	677,814
Additions	718,947	-	718,947
Transfer to retained earnings 1 July 2019	(29,217)	-	(29,217)
Depreciation (expense)	(335,830)	(9,243)	(345,073)
Carrying amount at 30 June 2020	1,010,441	12,030	1,022,471
(b) Cash outflow from leases			
Interest expense on lease liabilities	(30,100)	(422)	(30,522)
Lease principal expense	(332,396)	(9,300)	(341,696)
Total cash outflow from leases	(362,496)	(9,722)	(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.

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.

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12. REVALUATION SURPLUS

	2020 Opening Balance	2020 Change of Accounting Policy	2020 Revaluation Increment	2020 Revaluation (Decrement)	Total Movement on Revaluation	2020 Closing Balance	2019 Opening Balance	2019 Revaluation Increment	2019 Revaluation (Decrement)	Total Movement on Revaluation	2019 Closing Balance
	\$		\$	\$	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land	16,698,508	-	-	(2,996,300)	(2,996,300)	13,702,208	16,698,508	-	-	-	16,698,508
Revaluation surplus - Land - vested in and under the control of Council	275,000	(275,000)	-	-	-	-	275,000	-	-	-	275,000
Revaluation surplus - Buildings - non-specialised	-	-	3,119,069	-	3,119,069	3,119,069	-	-	-	-	-
Revaluation surplus - Furniture and equipment	246,839	-	-	-	-	246,839	148,721	98,118	-	98,118	246,839
Revaluation surplus - Plant and equipment	1,436,222	-	-	-	-	1,436,222	1,083,182	353,040	-	353,040	1,436,222
Revaluation surplus - Infrastructure - Roads	220,207,362	-	-	-	-	220,207,362	220,207,362	-	-	-	220,207,362
Revaluation surplus - Infrastructure - Footpaths	8,599,294	-	-	-	-	8,599,294	8,599,294	-	-	-	8,599,294
Revaluation surplus - Infrastructure - Drainage	22,147,677	-	-	-	-	22,147,677	22,147,677	-	-	-	22,147,677
Revaluation surplus - Infrastructure - Other infrastructure	2,224,090	-	-	-	-	2,224,090	2,224,090	-	-	-	2,224,090
Revaluation surplus - Infrastructure - Bridges	1,975,480	-	-	-	-	1,975,480	1,975,480	-	-	-	1,975,480
Revaluation surplus - Infrastructure - Levee System	3,116,626	-	-	-	-	3,116,626	3,116,626	-	-	-	3,116,626
Revaluation surplus - Infrastructure - Airport	7,343,124	-	-	-	-	7,343,124	7,343,124	-	-	-	7,343,124
Revaluation surplus - Infrastructure - Carparks	271,768	-	-	-	-	271,768	271,768	-	-	-	271,768
	284,541,990	(275,000)	3,119,069	(2,996,300)	122,769	284,389,758	284,090,831	451,158	-	451,158	284,541,990

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

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

13. TRADE AND OTHER PAYABLES

Current

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

2020	2019
\$	\$
448,961	763,700
46,063	-
171,448	157,688
314,319	79,677
154,182	30,408
1,134,973	1,031,473

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. CONTRACT LIABILITIES

Current

Contract liabilities from contracts with customers

2020	2019
\$	\$
1,575,109	-
1,575,109	-

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

Less than 1 year

1,575,109	-
1,575,109	-

SIGNIFICANT ACCOUNTING POLICIES

Contract Liabilities

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

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

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

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15. LEASE LIABILITIES

(a) Lease Liabilities	2020	2019
	\$	\$
Current	331,808	-
Non-current	723,257	-
	1,055,065	-

(b) Movements in Carrying Amounts

Purpose	Institution	Lease Interest Rate	Lease Term	Actual	30 June 2020	30 June 2020	30 June 2020	30 June 2020	Budget	30 June 2020	30 June 2020	30 June 2020	30 June 2020	Actual	30 June 2019	30 June 2019	30 June 2019	30 June 2019
				Lease Principal 1 July 2019	Actual New Leases	Actual Lease Principal Repayments	Actual Lease Principal Outstanding	Actual Lease Interest Repayments	Lease Principal 1 July 2019	Budget New Leases	Budget Lease Principal Repayments	Budget Lease Principal Outstanding	Budget Lease Interest Repayments	Lease Principal 1 July 2018	Actual New Loans	Actual Lease Principal Repayments	Actual Lease Principal Outstanding	Actual Lease Interest Repayments
Photocopier	Ricoh	2.62%	48 Months	\$ 21,273	\$ -	\$ 9,300	\$ 11,973	\$ 422	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Road Sweeper(Disposed)	All Leasing	Various	Various	16,422	-	16,422	-	69	-	-	-	-	-	-	-	-	-	-
Various Council Vehicles	Easifleet	Various	Various	102,154	-	54,744	47,410	2,921	-	-	-	-	-	-	-	-	-	-
Various Council Vehicles	SG Fleet	Various	Various	537,965	718,947	261,230	995,682	27,110	-	-	-	-	-	-	-	-	-	-
				677,814	718,947	341,696	1,055,065	30,522	-	-	-	-	-	-	-	-	-	-

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16. INFORMATION ON BORROWINGS

(a) Borrowings

	2020	2019
	\$	\$
Current	53,224	54,534
Non-current	264,260	317,484
	317,484	372,018

(b) Repayments - Borrowings

Particulars	Loan Number	Institution	Interest Rate	Actual	30 June 2020	30 June 2020	30 June 2020	Budget	30 June 2020	30 June 2020	30 June 2020	Actual	30 June 2019	30 June 2019	30 June 2019
				Principal	Actual	Actual	Actual	Principal	Budget	Budget	Budget	Principal	Actual	Actual	Actual
				1 July 2019	Principal	Interest	Principal	1 July 2019	Principal	Interest	Principal	1 July 2018	Principal	Interest	Principal
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Housing															
Staff Housing	213	WATC *	6.04%	22,088	12,337	1,131	9,751	22,088	12,337	2,337	9,751	33,707	11,619	1,960	22,088
Recreation and culture															
Infrastructure Development	215	WATC *	3.77%	-	-	-	-	-	-	-	-	70,406	70,406	1,529	-
Transport															
Airport Corrective Works	216	WATC *	3.05%	349,930	42,197	11,596	307,733	349,929	42,197	10,354	307,732	390,869	40,939	14,118	349,930
				372,018	54,534	12,727	317,484	372,017	54,534	12,691	317,483	494,982	122,964	17,608	372,018
				372,018	54,534	12,727	317,484	372,017	54,534	12,691	317,483	494,982	122,964	17,608	372,018

* WA Treasury Corporation

All loan repayments were financed by general purpose revenue.

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16. INFORMATION ON BORROWINGS (Continued)

	2020	2019
	\$	\$
(c) Undrawn Borrowing Facilities		
Credit Standby Arrangements		
Bank overdraft limit	20,000	200,000
Bank overdraft at balance date	-	-
Credit card limit	13,000	40,000
Credit card balance at balance date	(3,439)	(7,583)
Total amount of credit unused	29,561	232,417
Loan facilities		
Loan facilities - current	53,224	54,534
Loan facilities - non-current	264,260	317,484
Lease liabilities - current	331,808	-
Lease liabilities - non-current	723,257	-
Total facilities in use at balance date	1,372,549	372,018
Unused loan facilities at balance date	-	-

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 25.

17. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions

Opening balance at 1 July 2019

Current provisions

Non-current provisions

Additional provision

Amounts used

Balance at 30 June 2020

Comprises

Current

Non-current

	Provision for Annual Leave	Provision for Long Service Leave	Total
	\$	\$	\$
Current provisions	438,957	250,102	689,059
Non-current provisions	-	110,027	110,027
	438,957	360,129	799,086
Additional provision	822,805	86,050	908,855
Amounts used	(538,467)	(37,666)	(576,133)
	723,295	408,513	1,131,808
Current	723,295	253,195	976,490
Non-current	-	155,318	155,318
	723,295	408,513	1,131,808

Amounts are expected to be settled on the following basis:

Less than 12 months after the reporting date

More than 12 months from reporting date

Expected reimbursements from other WA local governments

	2020	2019
	\$	\$
Less than 12 months after the reporting date	381,788	181,614
More than 12 months from reporting date	710,866	577,304
Expected reimbursements from other WA local governments	39,154	40,168
	1,131,808	799,086

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

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

Short-term employee benefits

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

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

Other long-term employee benefits

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

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

Other long-term employee benefits (Continued)

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

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

Provisions

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

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

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. Cash at the end of the reporting period is reconciled to the related items in the Statement of Financial Position as follows:

	2020 Actual	2020 Budget	2019 Actual
	\$	\$	\$
Cash and cash equivalents	7,934,996	5,435,380	7,399,412
Reconciliation of Net Cash Provided By Operating Activities to Net Result			
Net result	(5,585,947)	(4,721,621)	(2,615,899)
Non-cash flows in Net result:			
Adjustments to fair value of financial assets at fair value through profit and loss	(2,017)	-	(122,620)
Depreciation on non-current assets	8,338,845	8,636,116	8,441,747
(Profit)/loss on sale of asset	183,577	-	69,765
Changes in assets and liabilities:			
(Increase)/decrease in receivables	(252,559)	-	(251,967)
(Increase)/decrease in inventories	(26,549)	-	6,874
Increase/(decrease) in payables	66,776	109,068	(393,728)
Increase/(decrease) in provisions	332,722	-	71,587
Increase/(decrease) in contract liabilities	(22,154)	-	-
Non-operating grants, subsidies and contributions	(1,696,943)	(3,574,187)	(4,597,485)
Net cash from operating activities	1,335,751	449,376	608,275

19. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2020	2019
	\$	\$
Governance	3,793,525	3,714,896
General purpose funding	5,690,627	-
Law, order, public safety	887,219	764,896
Health	155,145	118,464
Education and welfare	2,016,872	1,644,435
Housing	1,304,623	799,000
Community amenities	11,105,646	11,755,038
Recreation and culture	41,830,135	39,703,146
Transport	282,730,479	286,686,819
Economic services	316,148	65,430
Other property and services	2,189,616	1,711,395
Unallocated	5,086,148	14,532,184
	<u>357,106,183</u>	<u>361,495,703</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

Contracted for:

- capital expenditure projects

2020	2019
\$	\$
1,820,770	-
<u>1,820,770</u>	<u>-</u>

Payable:

- not later than one year

1,820,770	-
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The capital expenditure projects relate to:

Construction of Recycled Water Pipeline

148,360

Blowholes Road Shoulder Repair and Widening

579,700

Minilya River Crossing

1,066,392

Project Management Carnarvon Airport

26,318

1,820,770

22. RELATED PARTY TRANSACTIONS

Elected Members Remuneration

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

	2020 Actual	2020 Budget	2019 Actual
	\$	\$	\$
Meeting fees	139,872	141,000	140,866
President's allowance	46,896	46,000	42,988
Deputy President's allowance	11,724	11,500	11,724
Travelling expenses	7,883	18,500	18,205
Telecommunications allowance	1,947	4,389	3,109
	<u>208,322</u>	<u>221,389</u>	<u>216,892</u>

Key Management Personnel (KMP) Compensation Disclosure

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

	2020 Actual	2019 Actual
	\$	\$
Short-term employee benefits	1,435,654	1,492,216
Post-employment benefits	110,083	114,093
Other long-term benefits	12,466	15,740
	<u>1,558,204</u>	<u>1,622,049</u>

Short-term employee benefits

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

Post-employment benefits

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

Other long-term benefits

These amounts represent long service benefits accruing during the year.

22. RELATED PARTY TRANSACTIONS (Continued)

Transactions with related parties

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

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

The following transactions occurred with related parties:

	2020 Actual	2019 Actual
	\$	\$
Sale of goods and services	11,240	13,606
Purchase of goods and services	326,273	72,112
Amounts outstanding from related parties:		
Trade and other receivables	5,990	1,966
Amounts payable to related parties:		
Trade and other payables	-	1,517

Related Parties

The Shire's main related parties are as follows:

i. Key management personnel

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

ii. Other Related Parties

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

iii. Entities subject to significant influence by the Shire

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

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23. RATING INFORMATION

(a) Rates

RATE TYPE	Rate in \$	Number of Properties	2019/20 Actual Rateable Value \$	2019/20 Actual Rate Revenue \$	2019/20 Actual Interim Rates \$	2019/20 Actual Back Rates \$	2019/20 Actual Total Revenue \$	2019/20 Budget Rate Revenue \$	2019/20 Budget Interim Rate \$	2019/20 Budget Back Rate \$	2019/20 Budget Total Revenue \$	2018/19 Actual Total Revenue \$
Differential general rate / general rate												
Uniform General Rates												
GRV Valued Properties	0.104740	1,616	39,737,102	4,162,064	(5,240)	(495)	4,156,330	4,162,064	15,330	4,464	4,181,858	4,295,658
Differential General Rate												
UV Mining	0.141000	24	498,787	70,329	-	-	70,329	70,329	-	-	70,329	66,133
UV Pastoral	0.075966	33	2,725,690	207,060	-	-	207,060	207,060	-	-	207,060	195,339
UV Intensive Horticultural	0.013028	167	37,862,500	493,273	-	-	493,273	493,273	-	-	493,273	464,497
Sub-Total		1,840	80,824,079	4,932,725	(5,240)	(495)	4,926,991	4,932,726	15,330	4,464	4,952,520	5,021,627
Minimum payment												
			Minimum \$									
Gross rental valuations												
GRV Valued Properties	1.093	481	3,907,627	525,733	-	-	525,733	525,733	-	-	525,733	213,386
Unimproved valuations												
UV Mining	229	22	17,196	5,038	-	-	5,038	5,038	-	-	5,038	4,968
UV Pastoral	461	7	11,900	3,227	-	-	3,227	3,227	-	-	3,227	3,045
UV Intensive Horticultural	902	1	50,000	902	-	-	902	902	-	-	902	1,702
Sub-Total		511	3,986,723	534,900	-	-	534,900	534,900	-	-	534,900	223,101
Total amount raised from general rate		2,351	84,810,802	5,467,625	(5,240)	(495)	5,461,891	5,467,626	15,330	4,464	5,487,420	5,244,728
Specified Area Rate (Note 23(b))							5,461,891				5,487,420	5,244,728
Ex-gratia rates							234,964				234,964	228,119
Totals							6,230				6,623	6,248
							5,703,085				5,729,007	5,479,095

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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23. RATING INFORMATION (Continued)

(b) Specified Area Rate

Specified Area Rate	Basis of Valuation	Rate in \$	2019/20 Rateable Value	2019/20 Rate Revenue	2019/20 Interim Rate Revenue	2019/20 Back Rate Revenue	2019/20 Total Specified Area Rate Revenue	2019/20 Budget Rate Revenue	2019/20 Budget Back Rate Revenue	2019/20 Budget Interim Rate Revenue	2019/20 Total Budget Revenue	2018/19 Total Actual Revenue
GRV Coral Bay	GRV	0.069528	\$ 3,379,403	\$ 234,964	\$ -	\$ -	\$ 234,964	\$ 234,964	\$ -	\$ -	\$ 234,964	\$ 228,119
			3,379,403	234,964	-	-	234,964	234,964	-	-	234,964	228,119

Specified Area Rate	Purpose of the rate	Area/properties Rate Imposed	2019/20 Actual Rate Applied to Costs	2019/20 Actual Rate Set Aside to Reserve	2019/20 Actual Reserve Applied to Costs	2019/20 Budget Rate Applied to Costs	2019/20 Budget Rate Set Aside to Reserve	2019/20 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	\$ 234,964	\$ -	\$ -	\$ 234,964	\$ -	\$ -
			-	-	-	234,964	-	-

(c) Service Charges

No service charges were imposed by the Shire during the year ended 2020.

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

No discounts on rates is available and no waivers or concessions were given during the year ended 2020.

23. RATING INFORMATION (Continued)

(d) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
Option One				
Single full payment	28/10/2019	0.00	0.00%	11.00%
Option Two				
First instalment	28/10/2019	0.00	5.50%	11.00%
Second instalment	9/03/2020	4.00	5.50%	11.00%
Option Three				
First instalment	28/10/2019	0.00	5.50%	11.00%
Second instalment	6/01/2020	4.00	5.50%	11.00%
Third instalment	9/03/2020	4.00	5.50%	11.00%
Fourth instalment	11/05/2020	4.00	5.50%	11.00%

	2020 Actual \$	2020 Budget \$	2019 Actual \$
Interest on unpaid rates	101,218	72,000	75,274
Interest on instalment plan	23,292	20,951	21,981
	124,510	92,951	97,255
Charges on instalment plan	5,812	5,300	5,316
	130,322	98,251	102,571

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24. RATE SETTING STATEMENT INFORMATION

		2019/20 (30 June 2020) Carried Forward)	2019/20 Budget (30 June 2020) Carried Forward)	2019/20 (1 July 2019) Brought Forward)	2018/19 (30 June 2019) Carried Forward)
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)	(1,306)	-	(137)
	Less: Non-cash grants and contributions for assets		-	(1,597,263)	-
	Less: Movement in liabilities associated with restricted cash		(27,393)	-	-
	Less: Change in accounting policy		65,941	-	(113,957)
	Less: Fair value adjustments to financial assets at fair value through profit and loss		(2,017)	-	-
	Movement in pensioner deferred rates (non-current)		-	-	(15,869)
	Movement in employee benefit provisions (non-current)		45,292	-	4,703
	Movement in accruals and Trust Funds		155,021	-	-
	Add: Loss on disposal of assets	10(a)	184,883	-	69,902
	Add: Loss on revaluation of fixed assets		-	29,217	-
	Add: Depreciation on non-current assets	10(d)	8,338,845	8,636,116	8,441,747
	Non cash amounts excluded from operating activities		8,759,266	7,068,070	8,386,389
(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	(3,963,641)	(1,934,422)	(3,705,040)
	Less: Current assets not expected to be received at end of year		-	(33,704)	-
	- Accruals salaries and wages		-	(33,704)	-
	Add: Current liabilities not expected to be cleared at end of year		-	-	-
	- Current portion of borrowings	16(a)	53,224	109,068	54,534
	- Current portion of contract liability held in reserve	14	1,575,109	-	-
	- Current portion of lease liabilities	15(a)	331,808	-	-
	- Current provision for annual leave	17	723,295	-	438,957
	- Current provision for long service leave	17	253,195	689,059	250,102
	- Prepaid Income		-	-	34,983
	Total adjustments to net current assets		(1,027,010)	(1,169,999)	(2,926,464)
Net current assets used in the Rate Setting Statement					
	Total current assets		9,709,628	7,049,972	8,894,935
	Less: Total current liabilities		(4,071,604)	(3,281,757)	(1,775,066)
	Less: Total adjustments to net current assets		(1,027,010)	(1,169,999)	(2,926,464)
	Net current assets used in the Rate Setting Statement		4,611,014	2,598,216	4,193,405
(c) Adjustments to current assets and liabilities at 1 July 2019 on application of new accounting standards					
Total current assets at 1 July 2019					
					8,894,935
Total current liabilities at 30 June 2019					
	- Contract liabilities from contracts with customers	27(a)			(1,775,066)
	- Rates paid in advance	27(b)			(1,597,263)
	- Lease liabilities	28(b)			(36,724)
	Total current liabilities at 1 July 2019				(29,217)
					(3,438,270)

25. FINANCIAL RISK MANAGEMENT

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

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

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

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

(a) Interest rate risk

Cash and cash equivalents

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

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

	Weighted Average Interest Rate %	Carrying Amounts \$	Fixed Interest Rate \$	Variable Interest Rate \$	Non Interest Bearing \$
2020					
Cash and cash equivalents	0.05%	7,934,996	1,057,202	3,876,206	3,001,588
2019					
Cash and cash equivalents	0.82%	7,399,412	1,149,940	6,246,372	3,100

Sensitivity

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

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

	2020	2019
	\$	\$
	38,762	62,464

* 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).

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25. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Trade and Other Receivables

The Shire's major receivables comprise rates annual charges and user fees and charges. The major risk associated with these receivables is credit risk – the risk that the debts may not be repaid. The Shire manages this risk by monitoring outstanding debt and employing debt recovery policies. 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 on overdue rates over the land, that is, the land can be sold to recover the debt. Whilst the Shire was historically able to charge interest and annual charges at higher than market rates, which further encourage payment, the effect of COVID-19 needs to be considered. Financial assistance provided to ratepayers is expected to adversely affect the Shire's cash flows.

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

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

The expected loss rates are based on the payment profiles of rates and fees and charges over a period of 36 months before 1 July 2019 or 1 July 2020 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as the ability of ratepayers and residents to settle the receivables. Housing prices and unemployment rates have been identified as the most relevant factor in repayment rates, and accordingly adjustments are made to the expected credit loss rate based on these factors. Re-negotiation of repayment terms is expected due to the COVID-19 pandemic.

The loss allowance as at 30 June 2020 and 30 June 2019 was determined as follows for rates receivable. No expected credit loss was forecast on 30 June 2019 or 30 June 2020 for rates receivable as penalty interest applies to unpaid rates and properties associated with unpaid rates may be disposed of to recover unpaid rates.

	Current	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total
30 June 2020					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	719,816	400,390	101,036	221,619	1,371,059

30 June 2019					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	333,685	80,229	174,434	434,854	1,023,202

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

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
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

30 June 2019					
Trade and other receivables					
Expected credit loss	16.33%	49.94%	62.09%	91.48%	
Gross carrying amount	176,643	15,526	15,230	81,495	288,894
Loss allowance	28,848	7,754	9,457	74,554	120,613

25. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

Payables and borrowings

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The Shire manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required and disclosed in Note 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
	\$	\$	\$	\$	\$
2020					
Payables	1,134,973	-	-	1,134,973	1,134,973
Borrowings	62,597	210,202	78,826	351,625	317,484
Lease liabilities	331,808	723,257	-	1,055,065	1,055,065
	<u>1,529,378</u>	<u>933,459</u>	<u>78,826</u>	<u>2,541,663</u>	<u>2,507,522</u>
2019					
Payables	1,031,473	-	-	1,031,473	1,031,473
Borrowings	122,964	198,816	173,202	494,982	372,018
	<u>1,154,437</u>	<u>198,816</u>	<u>173,202</u>	<u>1,526,455</u>	<u>1,403,491</u>

26. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

Following the end of the financial year (February 2021) the Shire's roads were significantly damaged by a severe storm and minor damages to other infrastructure and buildings. This resulted in disruption of services due to road closures. The Shire's administration building was closed to the public for a very short time. Estimates for the repair works to infrastructure and the Shire's administration building are approximately \$14M.

- Roads - \$13.5M
- Other Infrastructure (Retaining Wall and Levy Bank) - \$35K
- Buildings (Shire Office and Civic Centre) - \$15K

Disaster Recovery Funding Arrangements (known as DRFAWA) submission for grant funding is currently being assessed by Department of Fire and Emergency Services (DFES). It is anticipated the \$13.5M estimated for roads will be funded by DRFAWA, with the remaining asset damages covered by insurance. The exact extent of the damage is yet to be quantified and assessed by insurance. The Shire does not expect to incur significant financial loss as a result.

These funding arrangements in place are expected to cover most of the repair cost while initial repair costs can be funded from the Shire's Emergency Response Reserve.

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27. INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS

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

(a) AASB 15: Revenue from Contracts with Customers

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

	Note	AASB 118 carrying amount 30 June 2019 \$	Reclassification \$	AASB 15 carrying amount 01 July 2019 \$
Contract liabilities - current				
Contract liabilities from contracts with customers	14	-	(1,597,263)	(1,597,263)
Adjustment to retained surplus from adoption of AASB 15	28(b)		(1,597,263)	

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

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

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

	Note	AASB 118 and AASB 1004 carrying amount 30 June 2019 \$	Reclassification \$	AASB 1058 carrying amount 01 July 2019 \$
Trade and other payables				
Rates paid in advance	13	-	(36,724)	(36,724)
Adjustment to retained surplus from adoption of AASB 1058	28(b)		(36,724)	

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

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

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27. INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS (Continued)

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

		2020 \$		2020 \$
	Note	As reported under AASB 15 and AASB 1058	Adjustment due to application of AASB 15 and AASB 1058	Compared to AASB 118 and AASB 1004
Statement of Comprehensive Income				
Revenue				
Rates	23(a)	5,703,085	(36,724)	5,666,361
Operating grants, subsidies and contributions	2(a)	5,605,137	(182,292)	5,422,845
Fees and charges	2(a)	2,744,968	-	2,744,968
Non-operating grants, subsidies and contributions	2(a)	1,696,943	(1,414,971)	281,972
Net result		(5,585,947)	(1,633,987)	(7,219,934)
Statement of Financial Position				
Trade and other payables	13	1,134,973	(36,724)	1,098,249
Contract liabilities	14	1,575,109	(1,597,263)	(22,154)
Net assets		351,891,744	1,633,987	353,525,731
Statement of Changes in Equity				
Net result		(5,585,947)	(1,633,987)	(7,219,934)
Retained surplus		63,538,345	(1,633,987)	61,904,358

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

(c) AASB 16: Leases

The Shire adopted AASB 16 retrospectively from 1 July 2019 which resulted in changes in accounting policies. In accordance with the transition provisions of AASB 16, the Shire has applied this Standard to its leases retrospectively, with the cumulative effect of initially applying AASB16 recognised on 1 July 2019. In applying AASB 16, under the specific transition provisions chosen, the Shire will not restate comparatives for prior reporting periods.

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

	Note	2020 \$
Operating lease commitments at 30 June 2019 applying AASB 117		141,894
		141,894
Lease liability recognised as 1 July 2019 discounted using the Shire's incremental borrowing rate 3.50%		(141,894)
Lease extensions recognised at 1 July 2019		(535,920)
Right-of-use asset recognised at 1 July 2019		648,597
Impact on retained earnings on 1 July 2019		(29,217)
Lease liability - current		229,655
Lease liability - non-current		448,159
Right-of-use assets recognised at 1 July 2019	15(b)	677,814

On adoption of AASB 16, the Shire recognised a right-of-use asset in relation to leases which had previously been classified as an 'operating lease' applying AASB 117. This right-of-use asset is deemed to be equal to the lease liability adjusted by the amount of any prepaid or accrued lease payments. Property, plant and equipment and lease liabilities increased by \$648,597 on 1 July 2019 resulting in (\$29,217) impact on retained surplus. On adoption of AASB 16 Leases (issued February 2016), for leases which had previously been classified as an 'operating lease' when applying AASB 117, the Shire is not required to make any adjustments on transition for leases for which the underlying asset is of low value. Assets for which the fair value as at the date of acquisition is under \$5,000 are not recognised as an asset in accordance with Financial Management Regulation 17A (5).

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

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28. CHANGE IN ACCOUNTING POLICIES

(a) Change in Accounting Policies due to regulation changes

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

In accordance with the changes, the Shire was required to remove the values attributable to certain crown land assets previously required to be recognised, as well as the associated revaluation surplus at 1 July 2019. These assets have been measured as concessionary lease right-of-use assets at zero cost in accordance with AASB 16. For further details relating to these changes, refer to Note 10.

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

	Note	Carrying amount 30 June 2019 \$	Reclassification \$	Carrying amount 01 July 2019 \$
Property, plant and equipment	8	34,456,424	(275,000)	34,181,424
Revaluation surplus	12	284,541,990	(275,000)	284,266,990

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

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

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

	Note	Adjustments	2019 \$
Retained surplus - 30 June 2019			71,046,097
Adjustment to retained surplus from adoption of AASB 15	27(a)	(1,597,263)	
Adjustment to retained surplus from adoption of AASB 16	27(c)	(29,217)	
Adjustment to retained surplus from adoption of AASB 1058	27(b)	(36,724)	(1,663,204)
Retained surplus - 1 July 2019			69,382,893

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

	Note	Adjustments	2019 \$
Revaluation surplus - 30 June 2019			284,541,990
Adjustment to revaluation surplus from amendment to FM Reg 17A	28(a)	(275,000)	(275,000)
Revaluation surplus - 1 July 2019			284,266,990

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29. TRUST FUNDS

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

	1 July 2019	Amounts Received	Amounts Paid	Reclassification to Trade and Other Payables as 30 June 2020	30 June 2020
	\$	\$	\$		\$
Building in Training Fund	3,817	24,201	(22,421)	-	5,597
Footpaths Cash in Lieu	7,200	-	-	(7,200)	-
Public Open Space Deposits	140,374	-	-	-	140,374
Private Works	240,059	-	-	-	240,059
Suspense	10,510	-	-	(10,510)	-
Unclaimed Monies	4,480	15,567	-	(20,047)	-
	406,440	39,768	(22,421)	(37,757)	386,030

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30. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

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

c) Rounding off figures

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

d) Comparative figures

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

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

e) Budget comparative figures

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

f) Superannuation

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

g) Fair value of assets and liabilities

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

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

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

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

h) Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

Valuation techniques that reflect the current replacement cost of the service capacity of a Shire 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 ends of the reporting period.

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31. ACTIVITIES/PROGRAMS

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

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

32. FINANCIAL RATIOS

	2020 Actual	2019 Actual	2018 Actual
Current ratio	2.58	3.21	2.57
Asset consumption ratio	0.95	0.73	0.74
Asset renewal funding ratio	N/A	1.06	1.05
Asset sustainability ratio	0.14	0.57	0.48
Debt service cover ratio	16.34	8.86	(5.78)
Operating surplus ratio	(0.83)	(0.77)	(1.19)
Own source revenue coverage ratio	0.40	0.41	0.34

The above ratios are calculated as follows:

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

INDEPENDENT AUDITOR'S REPORT TO THE OFFICE OF THE AUDITOR GENERAL FOR WESTERN AUSTRALIA SHIRE OF CARNARVON

Report on the Audit of the Financial Report

Opinion

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

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

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

Basis for Opinion

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

Emphasis of Matter – Basis of Preparation

We draw attention to Note 1 to the financial report, which describes the basis of preparation. The financial report has been prepared for the purpose of fulfilling the Shire's financial reporting responsibilities under the Act. In respect of the comparatives for the previous year ended 30 June 2019, Regulation 16 of the *Local Government (Financial Management) Regulations 1996*, did not allow a local government to recognise some categories of land, including land under roads, as assets in the annual financial report. Our opinion is not modified in respect of this matter.

INDEPENDENT AUDITOR'S REPORT TO THE OFFICE OF THE AUDITOR GENERAL FOR WESTERN AUSTRALIA SHIRE OF CARNARVON (CONTINUED)

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

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

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

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

Auditor's Responsibility for the Audit of the Financial Report

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

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

Report on Other Legal and Regulatory Requirements

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

- a) In our opinion, there is an indication of a significant adverse trend in the financial position of the Shire as the asset sustainability ratio and operating surplus ratio have been below the DLGSCI standard for the past 3 years.
- b) The following material matters indicating non-compliance with Part 6 of the Local Government Act 1995, the Local Government (Financial Management) Regulations 1996 or applicable financial controls of any other written law were identified during the course of our audit:
 - i. The Shire has not 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.
- c) All required information and explanations were obtained by us.
- d) All audit procedures were satisfactorily completed in conducting our audit.
- e) In our opinion, the asset consumption ratio and the asset renewal funding ratio for 2018 and 2019 included in the annual financial report were supported by verifiable information and reasonable assumptions.

**INDEPENDENT AUDITOR'S REPORT
TO THE OFFICE OF THE AUDITOR GENERAL FOR WESTERN AUSTRALIA
SHIRE OF CARNARVON (CONTINUED)**

Matters Relating to the Electronic Publication of the Audited Financial Report

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



WEN-SHIEN CHAI
PARTNER



MOORE AUSTRALIA AUDIT (WA)
CHARTERED ACCOUNTANTS

Signed at Perth this 14th day of May 2021.