

Shire of Carnarvon Annual Report 2021/2022



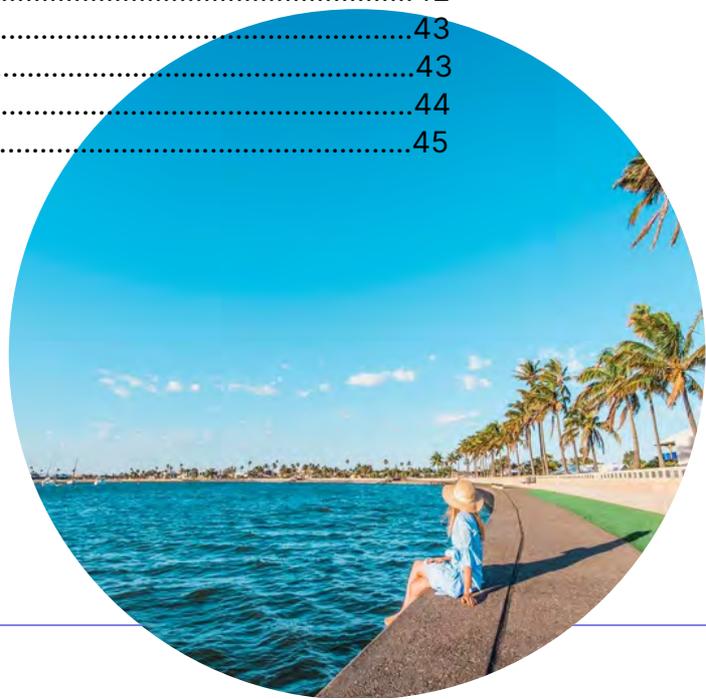
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INDEX

Shire President's Message	4
Chief Executive Officers Report	5
Shire Profile.....	6
Location.....	7
History.....	8
Council.....	9
Your Elected Members	10
Summary - Elected Member Meeting Attendance	11
Summary - Elected Member Training	12
Senior Staff.....	13
Organisation Structure.....	14
Integrated Planning Update	15
Our Service Activities - Corporate	17
Our Service Activities - Regulatory	21
Our Service Activities - Economic Development & Tourism	27
Our Service Activities - Community & Cultural Development	29
Our Service Activities - Infrastructure	33
Statutory Reports	
Disability Access & Inclusion Plan	37
Structure and Functions of Council Establishment	39
Services to the Community.....	41
Official Conduct Report.....	41
Freedom of Information Statement	42
National Competition Policy Statement	43
Competitive Neutrality.....	43
Structural Reform.....	44
State Records Act 2000.....	45
Financial Reports	
Annual Financial Report	
Auditors Report	





COMMUNITY VISION

Connie Fletcher
PHOTOGRAPHY

COMMUNITY VISION

Our Community is safe and harmonious

Our livelihoods are thriving

Our lifestyles are sustainable

Our health and learning opportunities serve our community

Our places nurture our past, present and future

Our community is engaged, inclusive and support

WE GROW OUR HORIZONS





SHIRE PRESIDENT'S REPORT

This year I would like to start by saying thank you to our communities Carnarvon and Coral Bay for your patience and fortitude during the past year, managing your lives within a changed world from the impact of Covid19.

For your Council it has been a year of managing that change, along with the ongoing lobbying and advocating the State Government for support and resources to assist dealing with the ongoing anti-social behaviour and crime perpetrated by a small group of disengaged youth. This is a problem that has developed over many years, this is unfortunate as the problem is now generational, Your Council has developed the Intensive Family and Community Intervention program which will require State support for which we are currently lobbying.

The Shire Council has also been actively with the Floodplain Management Working Group which has resulted in Council receiving funding to complete detailed surveys to assist in developing River care and Floodway Management Plan and Infrastructure improvements to the Riverbank and Floodplain.

There are many other issues, One Mile Jetty, Coral Bay waste site and issues with sand on Bills Bay Beach for example that your Shire Council are dealing with whilst carrying on with the daily services your Council provides.

I and Council along with the help of the Shire team lead by our CEO Andrea Selvey are fully committed to making change that will see Carnarvon develop into what we all know 6701 can be and should be. We will make the tough decisions that a few dis-encharnted locals will not support but will benefit the majority. I urge you all to consider that your Shire Council is working through all the same impacts that you deal with in your daily work and home life prior to complaining and yes, we also get frustrated.

In finishing, a huge thank you to all our Shire staff for your efforts over the year. To my fellow Councillors thank you for your commitment and service and thank you to your families for their patience and understanding.

Eddie Smith
SHIRE PRESIDENT

CHIEF EXECUTIVE OFFICER'S REPORT



I am pleased to write this update for the 2021/2022 Annual Report for the Shire of Carnarvon.

Following a very lengthy delay in finalising the 2021/2022 audit, the Shire team worked very hard to bring this audit to a swift and satisfactory conclusion and achieving the audit sign-off approximately six weeks after the audit commenced. A significant achievement for which I acknowledge the team. This result is a real demonstration of the improvements to internal governance and our financial management.

After almost two years in my role as Chief Executive Officer, my initial assessment of the opportunities for Carnarvon are well founded. And it is even more exciting to see some of those opportunities coming to fruition. These opportunities are diverse and, in some cases, will be transformational. Tourism developers such as the RAC in Coral Bay, DG Corp and Westralian Marine Group in Carnarvon, are all well advanced with their plans. At the same time, the interest in the Gascoyne region from the resources sector is growing with progress by Hastings in the Yangibana mine and from proponents of green energy. As always, our value as a region for food production is recognised and new opportunities are being realised.

A sample of these major projects and the benefits they will bring have been detailed in the On Our Horizons document. In all they bode well for the region with growth definitely on our horizon.

That is not to underplay the many challenges we face as a community and, as the Shire as the voice of the community. We know that anti-social behaviour and crime are taking their toll on businesses and residents. The Shire worked with community leaders from a broad cross section of the community to develop our Intensive Family and Community Intervention (IFCI). Along with the Chair and a Board Member of the Yinggarda Aboriginal Corporation, the Shire President and I presented the IFCI to several Ministers to get State Government support to bring about the change our community is crying out for and deserves. We look forward to support from State and Federal Government agencies in making that change.

We were very grateful to have had the support of the internationally renowned, Prof. Janette Hartz-Karp to offer her pro-bono support to guide us on a very different approach to developing our Strategic Community Plan. Prof Hartz-Karp and her colleague Dr Rob Weymouth, facilitated a Community Jury of 26 people, from all sections of our community, to deliberate together on the future they wanted for Carnarvon. We thank all members of the Community Jury for so generously giving their weekends for several weeks to give us a Strategic Community Plan that is truly the voice of the Community. I would invite and encourage all residents to read the Strategic Community Plan and look at what they can do to support the community's aspirations.

Investing in these activities has not taken our attention away from delivering new projects and core services. The following pages provide a few examples of highlights from our year. We hope they provide some insight into the hard work, passion and commitment of the Shire team who work tirelessly for our community. I thank them all and feel very grateful to be part of this wonderful team.

Our Shire President and Councillors have continued to provide strategic direction and leadership, not only within Chambers but in the Community. Their support is invaluable, and on behalf of the Administration, I thank them.

We now look towards 2023 with great anticipation as many of the building blocks put into place in 2022 bear fruit and deliver outcomes that current and future generations of residents will enjoy. Thank you.

A handwritten signature in black ink, appearing to read 'Andrea Selvey'.

Andrea Selvey

CHIEF EXECUTIVE OFFICER

SHIRE PROFILE

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

Climate

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

Statistics

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

Temperature

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

Shire of Carnarvon Administration Centre

3 Francis Street
CARNARVON WA 6701

Shire of Carnarvon Works Depot

Robinson Street
CARNARVON WA 6701

Carnarvon Public Swimming Pool

Babbage Island Road
CARNARVON WA 6701

Shire of Carnarvon Regional Library and Art Gallery

18 Egan Street
CARNARVON WA 6701

Shire of Carnarvon Civic Centre

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 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 4,600. 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 1.00pm. The other two meetings are convened on the fourth Tuesday at Bill's Tavern Function Room in Coral Bay at 10.30 am, usually being the months of May and November. All members of the public are welcome to attend.

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

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

YOUR ELECTED MEMBERS 2021/2022



President Eddie Smith



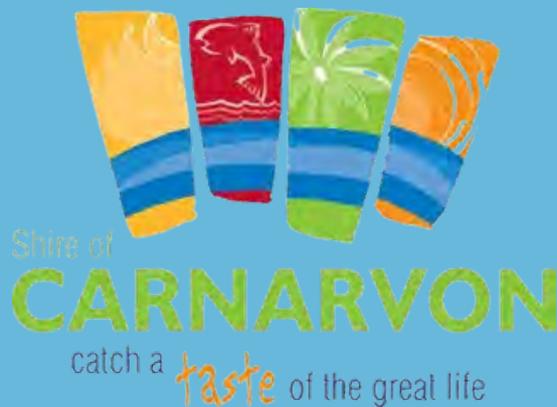
Cr Burke Maslen



Cr Luke Vandeleur



Cr Marco Ferreinha



Cr Luke Skender



Cr Tom Langley



Cr Alexander Fullarton



Cr Adam Cottrell

ELECTED MEMBER ATTENDANCE

Below is a summary of Elected Member attendance for Council Meetings for the reporting year
1 July 2021 to 30 June 2022

MEMBER	MEETINGS HELD DURING OFFICE 2021/2022	ATTENDANCE		ATTENDANCE PERCENTAGE
		ATTENDED	LOA	
SMITH, E COUNCILLOR – TOWN WARD	17	17	0	100%
MASLEN, B COUNCILLOR – ASCOYNE/MINILYA WARD	17	15	0	88%
FULLARTON, A COUNCILLOR – TOWN WARD	17	15	0	88%
VANDELEUR, L COUNCILLOR – TOWN WARD	17	15	0	88%
LANGLEY, T COUNCILLOR – TOWN WARD ELECTED 16.20.2021	12	9	75	75%
SKENDER, L COUNCILLOR – TOWN WARD RE-ELECTED 16.20.2021	17	16	0	94%
COTTRELL, A COUNCILLOR – CORAL BAY WARD ELECTED 16.20.2021	12	7	0	58%
FERREIRINHA, M COUNCILLOR – PLANTATION WARD ELECTED 16.20.2021	12	11	0	91%

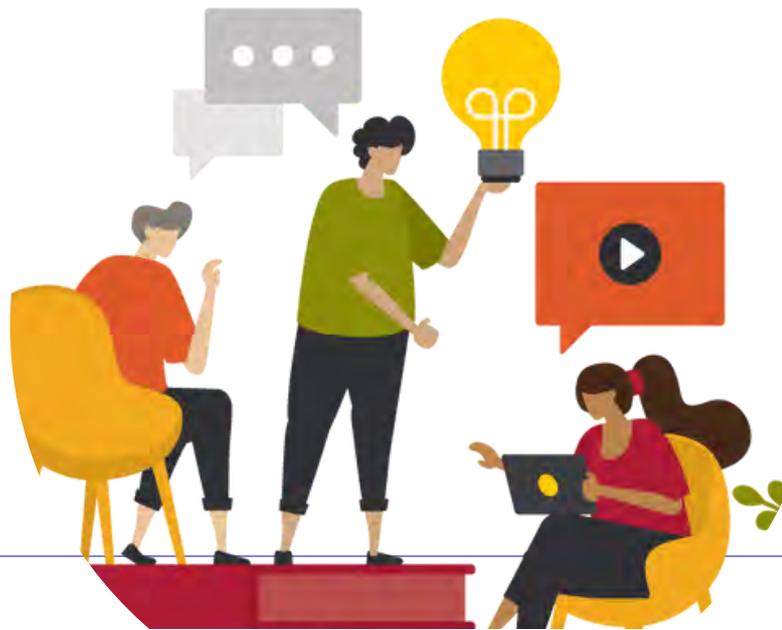
ELECTED MEMBER TRAINING

On 27 June 2019, changes to the *Local Government Act 1995* were passed by Parliament which require all council members to undertake training within the first 12 months of being elected. The changes have been introduced in recognition of the unique and challenging role that council members have. The training course, Council Member Essentials, has been developed to provide council members with the skills and knowledge to perform their role as leaders in their district.

For the period 1 July 2021 to 30 June 2022, the following training was conducted and completed by Councillors.

Course Details	Councillor Smith	Councillor Maslen	Councillor Ferreirinha	Councillor Skender	Councillor Fullarton	Councillor Cottrell	Councillor Vandeleur	Councillor Langley
Understanding Local Government (Member Essentials) s.35 Regs On-Line (WALGA)	N/A	N/A	March-June 2022	March-June 2022	N/A	March-June 2022	N/A	March-June 2022
Conflicts of Interest (Member Essentials) On-Line (WALGA)	N/A	N/A	March-June 2022	March-June 2022	N/A	March-June 2022	N/A	March-June 2022
Serving on Council (Member Essentials) On-Line (WALGA)	N/A	N/A	March-June 2022	March-June 2022	N/A	March-June 2022	N/A	March-June 2022
Meeting Procedures (Member Essentials) On-Line (WALGA)	N/A	N/A	March-June 2022	March-June 2022	N/A	March-June 2022	N/A	March-June 2022
Understanding Financial Reports & Budgets (Member Essentials) On-Line (WALGA)	N/A	N/A	March-June 2022	March-June 2022	N/A	March-June 2022	N/A	March-June 2022

To be noted that only those newly Elected Members were required to complete the training. Those Elected Members who are designated with N/A have completed the training previously.



SENIOR STAFF

Council has one designated senior employee position in accordance with section 5.37 of the *Local Government Act 1995*. For the year ended 30 June 2021 this is the Chief Executive Officer Mrs Andrea Selvey.

The Shire of Carnarvon also employs approximately 65 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	1
\$110,000 - \$119,999	8
\$120,000 - \$129,999	1
\$130,000 - \$139,999	0
\$140,000 - \$149,999	0
\$150,000 - \$159,999	2
\$160,000 - \$169,999	0
\$170,000 - \$179,999	0
\$180,000 - \$189,999	0
\$190,000 - \$199,999	0
\$200,000 - \$209,999	0
\$210,000 - \$219,999	0
\$220,000 - \$229,999	0
\$230,000 - \$239,999	1

ORGANISATION STRUCTURE

2021/2022



Andrea Selvey
CHIEF EXECUTIVE OFFICER

Governance
Records
Customer Service
Communications
Human Resources
Development Regulatory
Community & Cultural
Economic Development

David Nielsen
EXECUTIVE MANAGER, INFRASTRUCTURE

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



LEADERSHIP



INTEGRATED PLANNING UPDATE

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

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

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





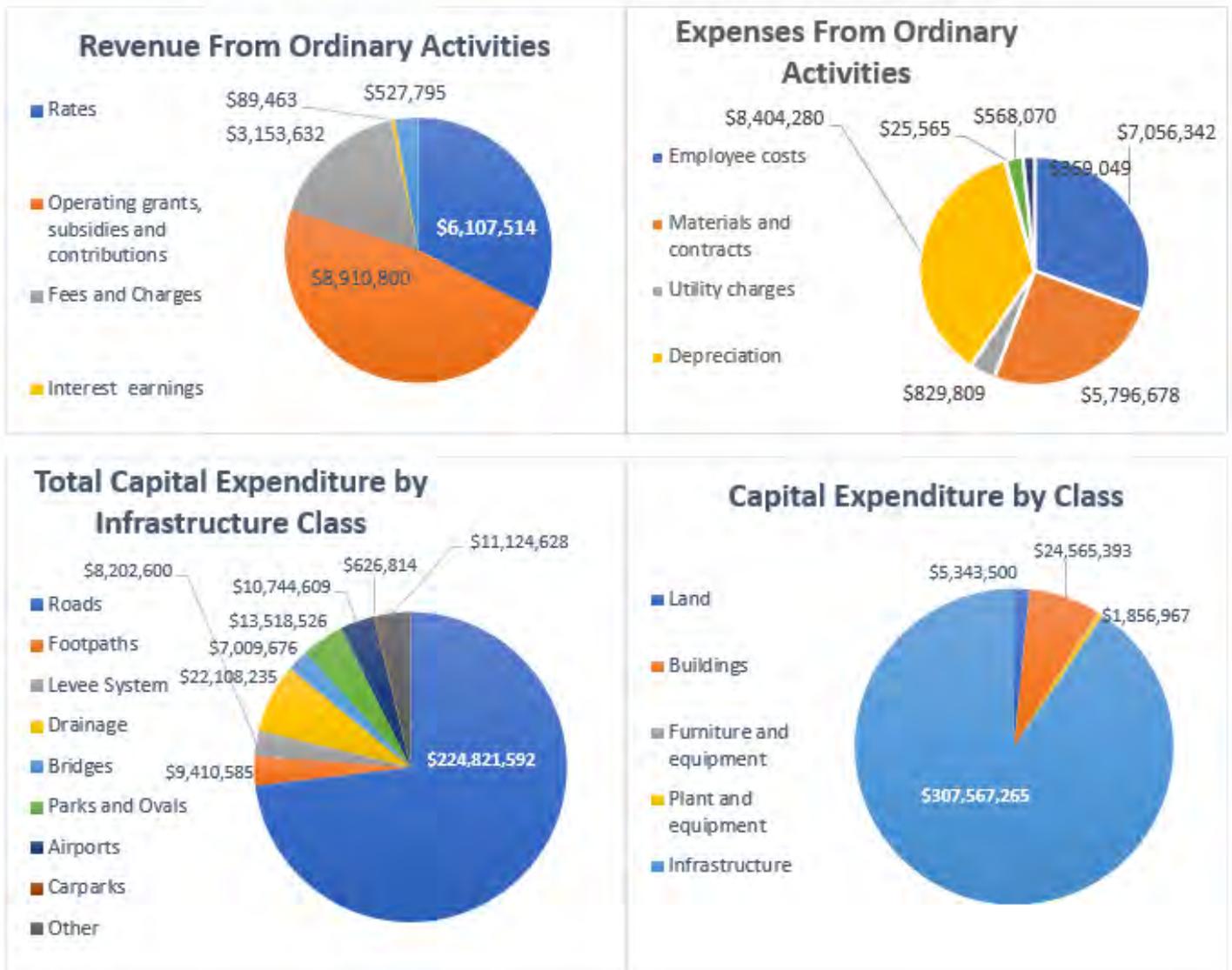
SERVICE ACTIVITIES

CORPORATE

Summer

FINANCIAL SERVICES

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



Note: graphs 3 and 4 relate to the total value of capitalised assets as per the Statement of Financial Position as at 30 June 2022. These figures are shown on page 4 of the 2022 Annual Financial Report.

PEOPLE, CULTURE AND SYSTEMS

One of the most important assets an organisation can have, are their people.

During the 2021/22 period, we have focussed on developing our people and developing a total remuneration package that offers a range of benefits to employees, without impacting the budget significantly, that would complement a work/life balance in a small rural community and retain and attract suitably qualified staff.

One of the new initiatives that was introduced as part of the remuneration review, is paid Volunteer Emergency Services Leave (VESL). As in all small communities, most emergency services are provided by volunteers, one of the barriers that impacts people volunteering, is being called away from paid work. Without volunteers, the ability for emergency services such as Carnarvon Volunteer Marine Rescue, Bush Fire Brigade, Carnarvon Volunteer Fire and Rescue, SES and St John Ambulance, to attend to incidents would be impacted. Since the introduction of this initiative with the introduction of the paid VESL, 29.6% of people employed by the Shire during this period have joined emergency service agencies.

Another initiative was the introduction of salary sacrificing which offers new and existing employees the ability to salary sacrifice a range of living expenses, professional services, portable equipment and vehicles.

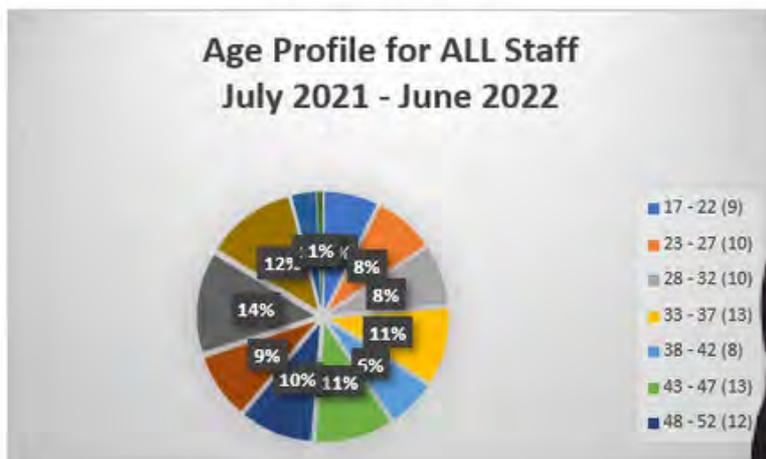
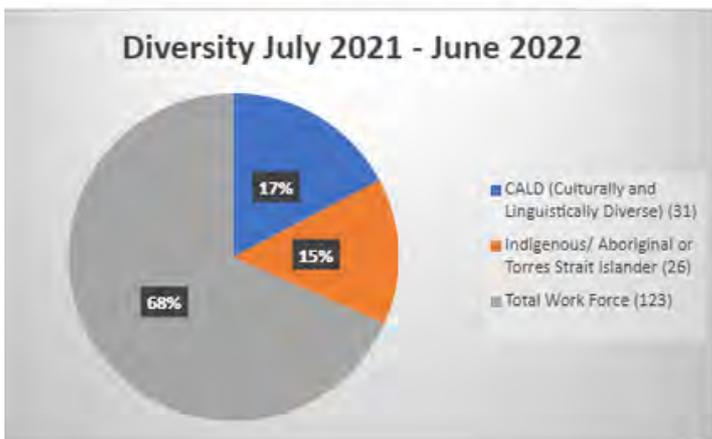
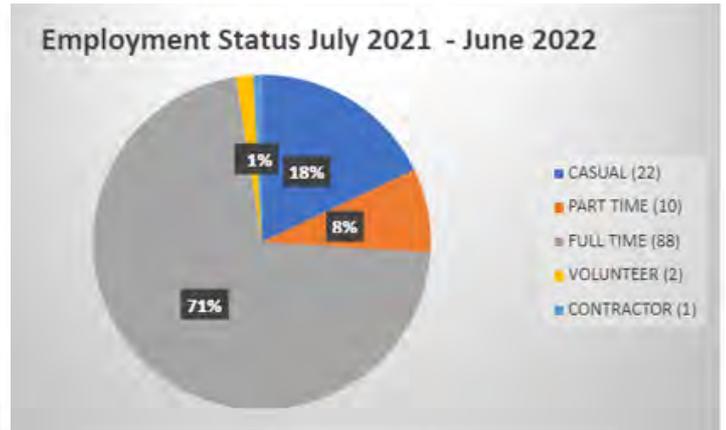
During this period, we have invested in our people, with a total number of 280 training and professional development opportunities being delivered to our employees across our organisation from external and internal providers, under budget. The training that was delivered focussed on upskilling workplace health and safety, governance, legislation and further development of emerging skills and core competencies.

As part of investing in our people, we also provided 7 new traineeship opportunities through employment of local people, who were employed in part time (1) and full time (6) positions working in our Parks and Garden Team, Visitor Centre, Library and Art Gallery and our Community Team.



PEOPLE, CULTURE AND SYSTEMS cont.....

As of the 30 June 2021, the Shire a total of 92 active employees. The following graphs provide you with a snap shot of all existing employees and employees engaged during July 2021 and June 2022.





Connie Fletcher
PHOTOGRAPHY

SERVICE ACTIVITIES REGULATORY

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.

The much-anticipated Shire of Carnarvon Local Planning Scheme No. 13 - Amendment No. 1 was initiated by Council on 25 May 2021 and awaits final sign off with the Hon Minister for Planning. This amendment proposes the local planning scheme to permit workforce accommodation as an ancillary use on most tourism lots in Coral Bay.

Another major amendment, the Shire of Carnarvon Local Planning Scheme No. 13 – Amendment No. 2, is also with approved by the Hon Minister for Planning that will rezone the old prawn/seafood processing facility on Babbage Island from 'Special Use' to 'Tourism' zone. A Local Development Plan for the tourism zoned land accompanied the amendment and includes a resort style tourist development.

Another significant project approval includes 'The Pier' multi-level mixed used development on the corner of Olivia Terrace and Robinson Street, known as the old justice precinct land.

In addition to the above approvals, the Shire planning section is working on some interesting planning projects, such as a Coastal Hazard Risk Management and Adaptation Plan (CHRMAP) for Carnarvon and Coral Bay. This project will ensure the Shire can plan for and adapt to future coastal hazard risk and support appropriate future development in the Carnarvon and Coral Bay townsites. The planning unit is also currently working with some pastoral station owners to develop Local Development Plans for their respective tourist nodes to guide the future development of these areas.

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

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



Application Type	2017/18	2018/19	2019/20	2020/21	2021/2022
Development Applications	37	33	35	41	54
Subdivision Referrals	1	Nil	Nil	1	2
Scheme Amendments	5	2	1	1	3





BUILDING

The figures in the Building Services Activity table below indicate that building activity has been steady throughout 2021/2022 across the Shire.

The estimated building value of approved permits increased during this period as there were several significant projects being undertaken in the region. The projects generated improvements and enhancements to current buildings/structures and the new buildings/structures added vibrancy and provided benefits to the local community, such as the assembly of two telecommunications towers, two new residential dwellings, additions and alterations to the Horizon Power existing office building and new warehouse/stores building.

Inflated costs and a shortage of building materials continued throughout this period, possibly impacting homeowners and builders to postpone building; hence, the building and demolition applications received marginally increased compared to the previous year.

Between 17 March 2022 and 6 April 2022, the Shire issued thirty-one notices to occupiers of shacks existing in the Blowholes area (Crown Reserve No. R 37457). The Shire's Contract Building Surveyor report stated that the "shacks and structures are at high risk of collapse and being dangerous in a high wind event." Council resolved to proceed with serving building orders on each of the shack occupiers requiring them to demolish and remove the shacks. The Shire continues to work with the State Government to find a suitable location for new chalets as per the Blowholes Reserve Management Plan 2014-2036 and Masterplan. These documents provide guidance on the way in which shack owners will have access to a lease on a new site for a chalet.

A Building Services Officer is available at the Shire Office as the first point of contact for information and guidance relating to permit applications, plan search requests, and general building inquiries. The Shire continues to outsource the building surveying service to the City of Greater Geraldton. The contracted Building Surveyors are available via phone or email during office hours. As required, one surveyor visits the Shire to interact with local builders and developers, undertake site inspections and liaise with the Shire's personnel on any building-related matters.

BUILDING SERVICES ACTIVITY

Activity	2018/2019	2019/2020	2020/2021	2021/2022
Building/Demolition Applications Received	117	203	96	101
Permits Approved	115	179	99	89
Swimming Pool Fences Inspected	16	7	4	2
Building Orders	0	0	0	31
Estimated Building Value of Approved Permits	\$8,598,046	\$5,324,004	\$5,495,125	\$11,703,650

ENVIRONMENTAL HEALTH

During 2021-22 the Shire's environmental health services were provided by 2 environmental health officers (EHOs) for 9 months and 1 EHO for the remaining 3 months.

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

Water Sampling and Onsite Wastewater Systems

Septic applications: 5 applications to install onsite wastewater systems were received.

Water sampling – recycled water town irrigation scheme: Monthly water sampling was conducted and while the maximum allowable E. Coli content of the recycled water is 1000 MPN/100ml, no E. Coli was detected in the treated water during the year.

Water sampling – aquatic facilities: monthly water sampling was conducted for 9 months of the year based on EHO availability.

Water sampling - Fascine waters: monthly water sampling was conducted for Fascine water and Pelican Point from July to January. Levels of contamination were on average low during the winter (wetter months) and not detected in the drier months. Contamination is expected to come mostly from stormwater flow into the fascine during wet weather. Swimming in the Fascine is generally not recommended for 3 days after rain.

Food Businesses

- Notably, 2 brand new commercial food premises were completed and began operations (Wooramel Station and Bumbak's Preserves and Icecreams).
- 3 new food businesses began operation at previously unused commercial premises (Old Post Office Café and Dingo's Pizza and 6701 Waterfront Cafe).
- 13 food business registrations were issued in total which involved 9 new food businesses and 4 amendments to existing registrations
- 4 new home-based food businesses commenced and 1 new temporary food premises.
- There were 100 food businesses on the Shire food business register at the end of the financial year.
- Approximately 35 food business inspections were conducted.

Caravan Parks and Lodging Houses

4 caravan park inspections and 4 lodging house inspections were conducted.

Complaints

2 noise complaints were received and responded to in relation to impacts from commercial fuel premises to nearby residential land.

Other complaints related to:

- Rooster noise
- Dumping and waste
- Excessive poultry on small lot
- Sand/dust
- Overgrown land and car bodies
- Feral pigeons
- Recycled water odour

ENVIRONMENTAL HEALTH cont..

Mosquito Management

2022 was the second wetter than average year in a row. Mosquitoes were controlled primarily by larviciding the identified breeding areas which was 2.5 hectares of saltmarsh near One Tree Point carried out in January, and 1.7 hectares inside the airport perimeter drain carried out in April after the rains and again in June. An additional 1 ha saltmarsh was treated in May. Many street drains holding water were also treated. Aerial helicopter surveys were done to search for mosquito breeding in the areas surrounding Carnarvon.

The saltmarsh mosquitoes were effectively controlled until mid-June when their numbers crept back up before disappearing mid-July.

Street fogging was also done in April due to the freshwater mosquitoes and again in July due to increasing saltwater mosquitoes possibly combined with freshwater mosquitoes from an unknown source.

Natural Environment and Weather

- Rains: April 1 was the wettest April day on record. The total rain in April was almost 200mm which is far above the average level. The weather from April to June was frequently wet or overcast.
- Regrowth: By the end of the financial year, Carnarvon and surrounds were lush and green with an abundance of birdlife.
- Burrowing frogs came out in great numbers after the rains. Burrowing frogs are a remarkable type of frog that inhabits the desert regions of Australia. They can survive underground for several years in a hibernation-like state waiting for rain. No mosquito larvae were found in freshwater pools containing frog tadpoles.





RANGERS

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

The number of dog and cats currently registered in the Shire – 129 dogs and 4 cats.

Parking

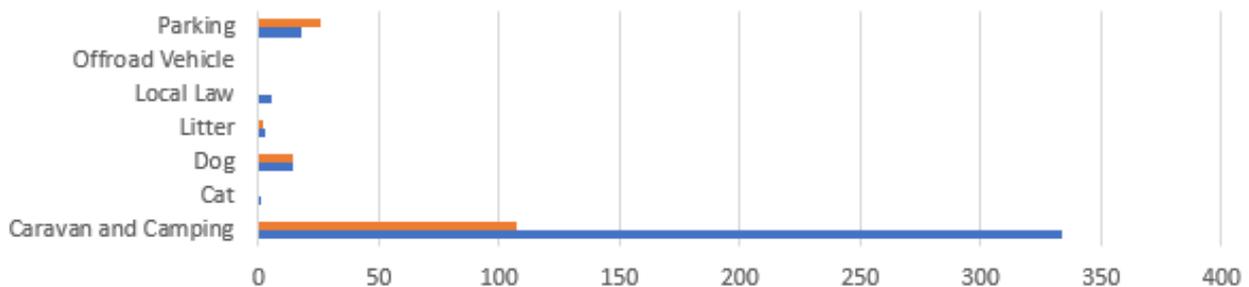
The only area where illegal parking is a continual issue is on the lawned area of the main street (Robinson Street). A total of eighteen (18) parking infringements were issued this year, with many verbal and written warnings also issued.

Camping

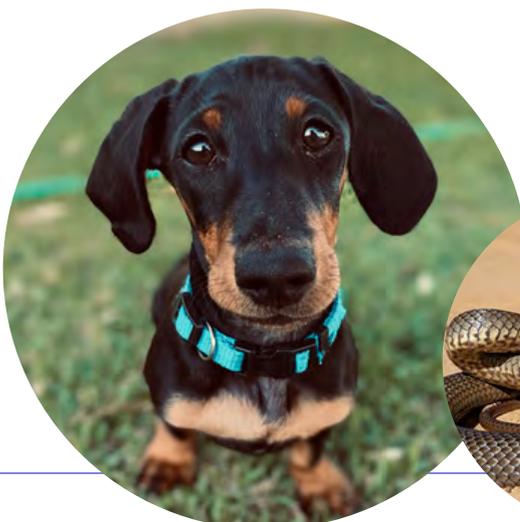
During the 2021 to 2022 year, a total of three hundred and thirty-four (334) Caravan and Camping infringements were issued between the Coral Bay and Carnarvon areas.

Out of the 334 Caravan and Camping infringements, a total of seven (7) were cancelled due to successful withdrawal requests.

Infringements



	Caravan and Camping	Cat	Dog	Litter	Local Law	Offroad Vehicle	Parking
2020-2021	107	0	14	2	0	0	26
2021-2022	334	1	14	3	5	0	18





SERVICE ACTIVITIES

ECONOMIC DEVELOPMENT TOURISM

Connie Fletcher
PHOTOGRAPHY

ECONOMIC DEVELOPMENT

2021/22 saw a renewed commitment from Council to drive economic growth by focusing on activities which addressed:

- Investment attraction
- Business retention and expansion
- Industry development
- Strategic infrastructure
- Place-making and activation

The development of the On Our Horizons – Pipeline of Projects Analysis and the Shire of Carnarvon's Revenue Strategy has provided clear direction which will guide a whole-of-organisation approach to development in coming years.

A lack of fit for purpose housing and supporting social infrastructure continues to create a barrier to attracting and retaining a skilled labour force and remains a strong focus of the Shire's economic development activities. An application to the DPIRD Regional Economic Development Grant Fund Round 6 was successful in securing \$240,000 to assist to develop two workforce houses, which will commence construction in 2023. The project has been developed in collaboration with Horizon Power and will result in a minimum of four workforce houses being constructed and maximisation of economies of scale throughout the project.

The Shire is committed to ensuring local businesses, new and existing, are supported to thrive. Improving the way the Shire engages with business is prioritised by:

- Assisting a better understanding of regulatory process, planning and permit systems
- Adherence to local business price preferencing in Shire tender processes
- Support to business through the Chamber of Commerce and Industry Grow Local Program, proudly sponsored by the Shire of Carnarvon
- Provision and facilitation of skills development, leadership, and business capability training programs

The tourism industry, largely recovered from the uncertainty brought by the Covid-19 pandemic continues to be a major contributor to the Shire's economy. A shift in the demographic of travellers has resulted in a shift away from traditional marketing campaigns and a focus on place-making activation activities, encouraging tourists to extend their stay in the region.

The Carnarvon Visitor Centre saw increased visitation from domestic and intrastate tourists after the opening of State borders, with international travel continuing to be largely restricted. There was a record number of 36,210 visitors through the centre, the majority attending between May and October, indicating a return to our traditional high season patterns. The Visitor Centre continued to provide excellence in all areas of service, promotion, and the facilitation of tourism to visitors to the Carnarvon region. The Carnarvon Visitor Centre continued to play a pivotal role in supporting promotional activities for the annual events calendar, winter market season and This Life Music Festival.





SERVICE ACTIVITIES COMMUNITY & CULTURAL DEVELOPMENT

Connie Fletcher
PHOTOGRAPHY

COMMUNITY

Following the impacts of the COVID-19 pandemic, as restrictions started to lift, the Shire's community development team commenced re-engaging and partnering with community organisations to support events/ programs; in particular, the team looked at what engagement looked like for the community and how events and programs would be delivered, considering COVID-19 would spread and impact the planning of programs and events.

Despite all this, the Community Development team delivered an extensive program of events/ programs in partnership:

- Australia Day
- R U OK Day
- NAIDOC Week
- National Youth Week
- Seniors week
- Christmas Street Party & Light Competition
- School Holiday Programs



CULTURAL DEVELOPMENT

Cinema

The Cinema reopened in May 2022 with the new release of Ghostbusters. This was the launch of ongoing fortnightly programming of movies of all genres for the community.

Youth

The Mayu-Mia Youth Hub delivered programs twice weekly with PCYC and other service providers. The youth team also secured additional funding to deliver School Holiday activities such as circus, dance, art and sports workshops for the community.

Community Connectors Pilot Program

The concept of the Community Connectors Program (SOCCP) known as Night Patrol funded by the Department of Communities and supported by the Shire of Carnarvon and local Aboriginal Leaders, was to be one of the projects to address anti-social behaviour within the community. The service is run from Thursday to Sunday and supports getting youth off the streets and getting young people to locations safely.

The primary goals of the Community Connectors program were to:

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

LIBRARY AND ART GALLERY

2021-2022 was a year of resurgence for the Library and Art Gallery, one in which the opening hours and days expanded as did staffing levels following COVID times of restricted service delivery in the previous year. Initially, the number of opening days increased to five days, from Monday to Friday; however, following public consultation, the days and opening hours were changed to Tuesday through to Saturday ensuring that services and the space were more accessible.

The Library and Art Gallery team continued to deliver a high standard of services, aligned with the Community Strategic and Business Plans. Our partnership with the Mid-West Libraries Consortium continued 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 programmes from birth to kindergarten, including visits to schools and weekly Storytime sessions. Partnerships were forged for efficient delivery of several programs including Baby Rhyme Time incorporated with the Snuggles Program run by Centacare and Parenting Connection. Additionally, several workshops for parents and teens were held in the space led by Parenting Connection and Ngala.

Regular programming increased, including the return of the ever-popular LEGO Club, as well as new clubs led by community interest, including the Makers' Hub, Crafty Bookworms and Homework Hub. This year in CBCA Book Week the library and art gallery hosted local artist, author/illustrator Sadie James who launched her latest book 'The Puggle and the Humbug'. Great enjoyment was had by many Carnarvon school children who benefited from her sessions. As in previous years, our young people participated in the Propel Youth Sketchbook Project of 2022; their completed sketchbooks forming part of the annual Sketchbook Touring Exhibition. Adult programs continued, including our monthly Book and Film Clubs as well as events such as one held during Adult Learners' Week when local physician Dr. Lili Costello presented a talk about Gut Health which proved to be highly popular.

2021-2022 was also a significant year for technology support. Firstly, supported by State funding, the library team engaged with a large number of community members to assist with installation and use of the Service WA app and in accessing and printing COVID vaccination certificates. Equally, the BE CONNECTED program continued helping older Australians to get online, developing digital literacy skills.

Our Home Delivery Services proved popular with requests increasing and support through a 'Select and Collect' and 'Click and Collect' allowing patrons continued borrowing when unable to attend the space due to illness or physical challenges.

The Art Gallery programming continued its recovery with several touring exhibitions from the previous year having to be re-scheduled. Of the six exhibitions presented, four supported and showcased local artists including: 'Quilts, Crafts & Pottery' by Carnarvon Arts & Craft Workshop Inc., 'Flow State: a solo exhibition' by Miranda Plum; 'Reminiscence: Shire Art Collection and 'Wild Garden' by Sadie James and Jess Hadden. Of the two calibre touring exhibitions: 'A Portrait of Australia: Stories through the lens of Australian Geographic', and through the Regional Exhibition Touring Boost (RETB), 'Peregrinations of a Citizen Botanist' by Susie Vickery; the latter offered incredible learning and engagement opportunities allowing the gallery to engage local creatives to deliver the programming. This included Walking On Country and Watercolour Workshops led by Raymond Edney; also funded were Crafternoon Embroidery Workshops led by the Carnarvon Arts & Craft Workshop Inc.

A major success of the year was the successful funding application through the Regional Exhibition Touring Boost (Department of Local Government, Sport and Cultural Industries) which funded upgrades to enclose the main gallery exhibition space with the aim of working towards enhancing the environmental controls for temperature and humidity. This opportunity allowed for continued development and enhancement of our already quality art gallery space.



Art Gallery upgrades with enclosed space, showcasing Wild Garden by Sadie James and Jess Hadden (Local Gascoyne Artists)



Adult Learners' Week 2021 – Gut Health Talk by Dr Lili Costello

LIBRARY AND GALLERY STATISTICS 2021-2022

LIBRARY CUSTOMER VISITS	16356
MEMBERSHIPS	
- JUNIOR	582
- YOUNG ADULT	202
- ADULT	1943
- SENIORS	225
CIRCULATION FIGURES	
- PHYSICAL ITEMS LOANED	15542
- E-RESOURCES LOANED	7968
INTER-LIBRARY LOANS	367
PUBLIC COMPUTER ACCESS	
- NUMBER OF DEVICES AVAILABLE FOR USE	17
- NUMBER OF HOURS USED	1242
- WI-FI SESSIONS	1745
LIBRARY PROGRAMS OFFERED (PER SESSION)	
- ADULTS	139
- CHILDREN	176
- YOUNG ADULTS	39
LIBRARY PROGRAMS – TOTAL ATTENDANCE	
- ADULTS	530
- CHILDREN	1697
- YOUNG ADULTS	228

GALLERY STATISTICS 2021-2022

GALLERY VISITS	8178
EXHIBITIONS	
- Quilts, Crafts & Pottery by Carnarvon Arts & Crafts Workshop Inc. (05/07/2021 to 05/08/2021)	2 Touring Exhibitions
- Flow State: A solo exhibition by Miranda Plum (16/08/2021 to 18/09/2021)	4 Exhibitions by Local Artists
- Reminiscence: Shire Art Collection (27/09/2021 to 22/10/2021)	
- A Portrait of Australia: Stories through the lens of Australian Geographic (01/11/2021 to 28/01/2022)	
- Peregrinations of a Citizen Botanist by Susie Vickery: Regional Exhibition Touring Boost Exhibition 11/02/2022 to 24/03/2022)	
- Closed for venue upgrades (April and May 2022)	
- Wild Garden by Sadie James & Jess Hadden (30/05/2022 to 30/07/2022)	
LEARNING AND ENGAGEMENT - EXHIBITIONS	
- SCHOOL VISITS	266
- OTHER GROUPS	185





SERVICE ACTIVITIES INFRASTRUCTURE

Connie Fletcher
PHOTOGRAPHY

INFRASTRUCTURE

Over the 21/2022 year, in addition to all the usual operational maintenance type activities, the Infrastructure Services team delivered multiple capital improvement projects for our community. An ability to deliver these projects is a direct result of Council's commitment of additional resources to create a small but dedicated team whose focus is to fix what we have and

A sample of delivered projects includes:

- Town beach kiosk upgrade in partnership with Lessee, Ningaloo Safaris. The kiosk offers local food and refreshments with paddle board, canoe hire and tours planned for the future.
- Creation of long vehicle parking area in Camel Lane. Includes a water point, bins and a shelter. Recently trees have been planted to improve the aesthetics of the area.
- Main street and Civic Centre power outlets to support street events and local markets.
- Solar power installed at the Waste Facility at Browns Range replacing costly and fossil fuel burning diesel generation.
- New tourist signage has been installed adding some welcome colour and vibrancy to the entrance and access points to Coral Bay.
- Pioneer Cemetery in South Carnarvon received a well-deserved facelift. Damaged fencing was removed making the area more inviting. A new parking area and entry statement is supported by upgraded walking paths. Irrigation and tree planting should see this area develop into a peaceful shaded space fitting for some of Carnarvon's founding men and women. A kind donation from Grace Milne and Rhonda McDonald toward this work recognises their generosity and dedication to see our heritage protected and enhanced.
- Baston oval pavilion received a major upgrade including floor resurfacing, toilet facility upgrades, electrical and plumbing upgrades, door replacements, security screening, ceiling panel replacements, kitchen roller shutter and stainless kitchen benches, corrosion removal vermin proofing and painting. This upgraded facility offers a significant improvement to the home of the Carnarvon Soccer club.
- Upgrades to recycled water mains pipelines commenced in 2018. In 2021, another 1,010 metres of pipeline was installed from the northern end of Brockman Park to Van Dongen Park on Robinson Street.
- Improvements of day use facilities at the Blowholes Reserve was completed including carpark reconstruction, a new picnic shelter, additional toilet facilities and refurbishments, erosion protection and beachfront viewing platform. Future works to be completed in 22/23 include a Blowhole viewing platform and interpretive signage. Funding from the Department of Primary Industries and Regional Development has supported delivery of this project.
- Harbour Road has been sealed to form part of the heavy Vehicle Route Network. Harbour Road is now the preferred route for heavy vehicles into Carnarvon's industrial areas.
- Final 18 kilometres of widening and edge repairs works on Blowholes Road were completed.
- Town roads and streets and a large section of Carnarvon Mullewa Road were resealed.

- Shire roads suffered flooding damage in early 2021. The Shire has approved DFES funding of an estimated \$12,238,868 for the repair of damage to pre-disaster condition. Works commenced in 2021 and will be completed in 2022/23.
- Amenities at Carnarvon airport received a facelift including the toilet facilities, gardens and baggage pickup area. Passenger seating benches and tables, a taxi waiting area and bins have been installed.
- Airside security and animal exclusion fencing at Carnarvon Airport was completed.
- Earthworks to correct Carnarvon Airport runway edges, aircraft runoff areas and drainage was completed.
- Carnarvon Airport runway lighting cabling was replaced and apron lighting was upgraded to an LED type.

To improve accessibility of the Coral Bay Airstrip, the runway received a lift, vertical alignment correction and a pavement re-sheet to improve drainage and airstrip surface consistency.

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

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

Your infrastructure team utilises a computerised maintenance system to:

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

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

Graphed below are all Shire of Carnarvon Work Orders handled by this system for the 2021/22 year.

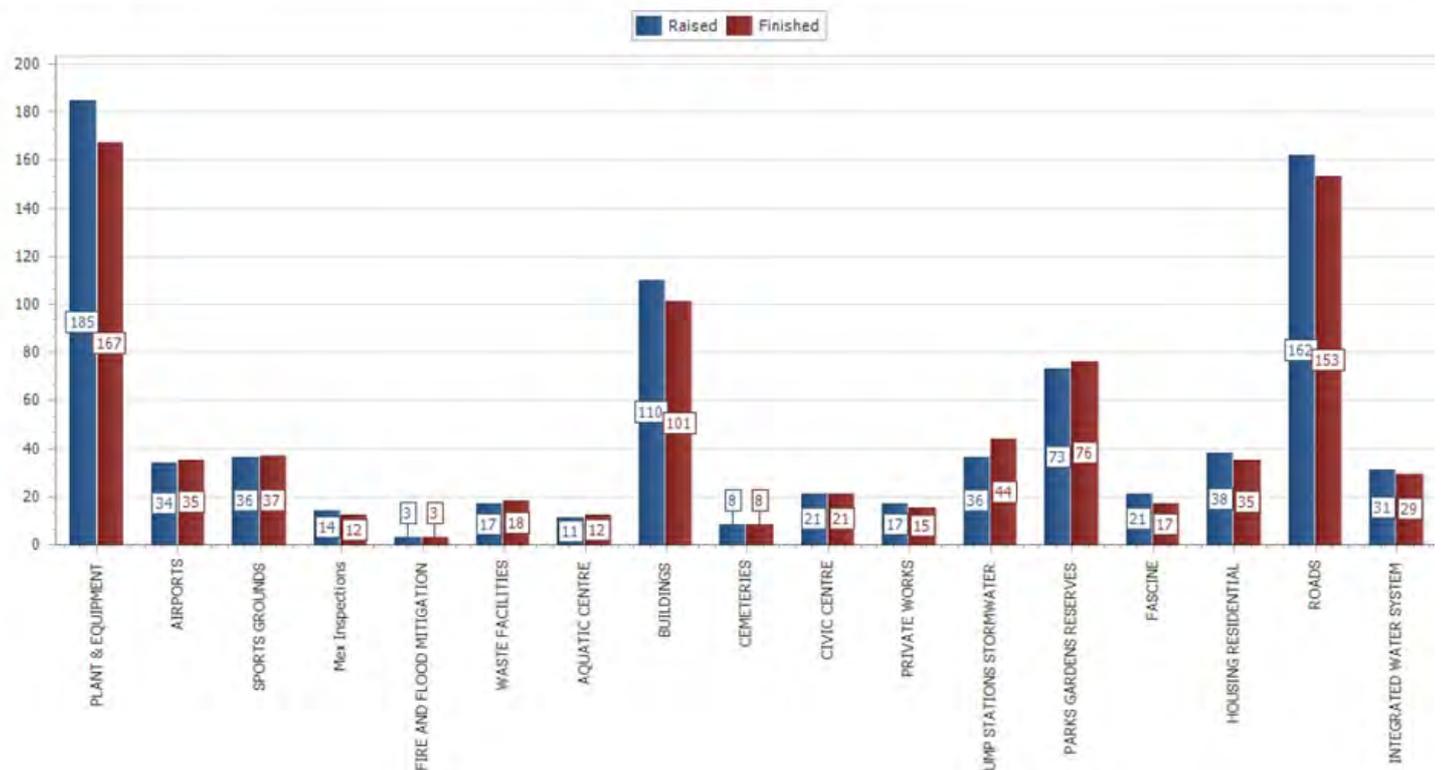
It is important to note that the system does not capture every single item of work completed. Many tasks are completed by the infrastructure team without the need for a formal Work Order. The system is not used for capturing activities like the rubbish collection service and the daily processing of that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



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

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

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





STATUTORY REPORTS

Connie Fletcher
PHOTOGRAPHY

DISABILITY ACCESS AND INCLUSION PLAN

The Disability Services Act 1993 (amended 2004) requires local governments to report on their Disability Access & Inclusion Plan (DAIP) achievements annually. The achievements for the year ended 30 June 2021 are listed below and grouped into the outcome areas addressed in the Shire of Carnarvon Disability Access and Inclusion Plan 2016-2021. Good access and inclusion creates social and economic benefits across our community, not just for people with disability, but also their families and carers, as well as people from diverse, people with low literacy levels, people with temporary mobility issues and people who use prams.

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



STRUCTURE & FUNCTIONS OF COUNCIL ESTABLISHMENT

The Shire of Carnarvon is established under the *Local Government Act 1995* and has the responsibility for the administration of this legislation across the district. Other significant legislation which falls to the authority of Council to act upon, includes, but is not limited to the following -p

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

Council

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

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

This includes:

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

In the making of these decisions, Ordinary Council Meetings are held on the fourth Tuesday of each month in the Council Chambers commencing at 1.00pm, other than the months of May and October each year where the Ordinary Council Meetings are conducted at Bill's Tavern Function Room in Coral Bay commencing at 10.30am.

Personal Involvement

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

- WALGA Gascoyne Country Zone (Regional)
- Gascoyne Regional Road Group
- Local Emergency Management Committee
- Gascoyne Joint Development Assessment Panel
- Aviation Community Consultation Group
- Gascoyne Development Commission Board

Local Government Election October 2021

Ordinary Elections for the Shire of Carnarvon were held in October 2021. The Council resolved to run the election as a postal vote and engaged the WA Electoral Commission to conduct the election on behalf of Council.

The following Councillors did not re-nominate and retired from Council in October 2021.

Cr Julie Nelson, Town Ward

Cr Kristen Pinner, Town Ward

Cr Kane Simpson, Coral Bay Ward

We acknowledge these Councillors for their service to the community.

Seven individuals nominated for positions on Council. The following Councillors were successful in their nominations and were sworn into office on 26 October 2021 to serve a four-year term.

Cr Luke Skender, Town Ward (formally represented the Plantation Ward)

Cr Tom Langley, Town Ward

Cr Marko Ferreirinha, Plantation Ward

Cr Adam Cottrell, Coral Bay Ward

The role of Councillors is often challenging as they are faced with important decisions about the future of the Shire and have to balance competing views and priorities to make decisions that are in the best interest of the whole community, now and into the future. We thank our Councillors for their tireless dedication and hard work on behalf of the community and wish them well in their tenure on Council.

STRUCTURE & FUNCTIONS OF COUNCIL ESTABLISHMENT

Standing Committees

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

- Audit & Risk Management Committee
- Management Review Committee
- Awards Committee
- Community Growth Fund Committee

Occasional Committees and Working Parties

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

Agendas

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

Delegated Authority

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



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

SERVICES TO THE COMMUNITY

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

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

OFFICIAL CONDUCT REPORT

The *Local Government Act 1995* requires the Shire to report on the number of official conduct complaints recorded under section 5.121 of the *Local Government Act 1995* during a financial year. The Shire of Carnarvon did not receive any complaints of this nature that resulted in action under section 5.110 (6)(b) or (c) during the 2021/2022 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 2021/2022

Access Type	Personal	Non-Personal	Total
Access in full	0	2	2
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	2	2

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 2020/2021 financial year.

STRUCTURAL REFORM

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

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

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

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

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

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

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

- Waste collection
- Nature Based Camp Areas

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



STATE RECORDS ACT



The State Records Act, 2000 requires the keeping of records by Local Government, specifically, Section 19 requires SoC to have a Recordkeeping Plan (RKP) approved by the State Records Commission (SRC). 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 Shire of Carnarvon's Recordkeeping Plan was reviewed & amended 7th April 2020, the State Records Commission approved the plan on 7th August 2020, the next review will become due in August 2025.

The Shire of Carnarvon's Recordkeeping conducts a regular training program for all staff and Elected Members, this includes Induction and refresher training. Induction is provided to all new staff within three months of commencement, at this time material is provided to staff to outline their Recordkeeping Responsibilities, face-to-face training is given on File Classification & procedures for the capture of records in the Records Management system (EDRMS). The Recordkeeping training program was reviewed in May 2021 and training material updated at this time The Senior Records Officer has completed Training & Assessment CERT VI to assist with the delivery of training and the assessment of work undertaken within the Record keeping systems.

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

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

The Shire is required to comply with Section 17 of the Records Act. This includes participation from:

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



FINANCIAL REPORTS

SHIRE OF CARNARVON
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

Certification of Financial Report	2
Statement of Comprehensive Income by Nature or Type	3
Statement of Financial Position	4
Statement of Changes in Equity	5
Statement of Cash Flows	6
Rate Setting Statement	7
Index of Notes to the Financial Report	8
Independent Auditor's Report	53

The Shire of Carnarvon conducts the operations of a local government with the following community vision:

Unity, Humanity, Nature

A connected community across leaders, cultures and generations

A future for every young person

A job-rich economy, built on local strengths

A still-natural environment, looked after and used

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

Principal place of business:

3 Francis Street

Carnarvon WA 6701

**SHIRE OF CARNARVON
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

The attached financial report of the Shire of Carnarvon for the financial year ended 30 June 2022 is based on proper accounts and records to present fairly the financial position of the Shire of Carnarvon at 30 June 2022 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 28th day of February 2023



Chief Executive Officer
Andrea Selvey



William Buck Audit (WA) Pty Ltd

SHIRE OF CARNARVON
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30 JUNE 2022

	NOTE	2022 Actual	2022 Budget	2021 Actual
		\$	\$	\$
Revenue				
Rates	25(a),2(a)	6,107,514	6,025,309	5,509,932
Operating grants, subsidies and contributions	2(a)	8,910,800	3,535,225	6,194,451
Fees and charges	2(a) ,24(c)	3,153,632	3,180,701	2,905,104
Interest earnings	2(a)	89,463	83,500	104,374
Other revenue	2(a)	527,795	259,268	300,686
		18,789,204	13,084,003	15,014,547
Expenses				
Employee costs		(7,056,342)	(6,898,727)	(6,611,782)
Materials and contracts		(5,796,678)	(5,560,361)	(4,462,988)
Utility charges		(829,809)	(813,400)	(754,488)
Depreciation	9(a)	(8,404,280)	(8,212,681)	(8,357,292)
Finance costs	2(b)	(25,565)	(44,634)	(38,105)
Insurance		(568,070)	(540,661)	(492,308)
Other expenditure	2(b)	(369,049)	(455,000)	(472,568)
	24(b)	(23,049,793)	(22,525,464)	(21,189,531)
		(4,260,589)	(9,441,461)	(6,174,984)
Capital grants, subsidies and contributions	2(a)	4,525,809	7,356,828	2,244,505
Loss on asset disposals	9(b)	-	(25,400)	(70,655)
Fair value adjustments to financial assets at fair value through profit or loss		6,994	-	4,525
		4,532,803	7,331,428	2,178,375
Net result for the period	24(b)	272,214	(2,110,033)	(3,996,609)
Other comprehensive income for the period				
		-	-	-
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	15	-	-	-
Total other comprehensive income for the period	15	-	-	-
Total comprehensive income for the period		272,214	(2,110,033)	(3,996,609)

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



William Buck Audit (WA) Pty Ltd

SHIRE OF CARNARVON
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

	NOTE	2022	2021
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	3	14,542,670	9,119,374
Trade and other receivables	5	1,532,176	1,766,853
Inventories	6	27,397	63,092
TOTAL CURRENT ASSETS		16,102,243	10,949,319
NON-CURRENT ASSETS			
Trade and other receivables	5	78,044	111,640
Other financial assets at fair value	4(b)	136,156	129,162
Property, plant and equipment	7(a)	32,039,246	32,840,535
Infrastructure	8(a)	307,567,265	309,188,733
Right-of-use assets	10(a)	558,889	701,971
TOTAL NON-CURRENT ASSETS		340,379,600	342,972,041
TOTAL ASSETS	24(d)	356,481,843	353,921,360
CURRENT LIABILITIES			
Trade and other payables	11	3,003,834	1,827,468
Other liabilities	12	3,622,745	2,385,996
Lease liabilities	10(b)	303,867	290,325
Borrowings	13	46,208	52,550
Employee related provisions	14	778,494	587,386
TOTAL CURRENT LIABILITIES		7,755,148	5,143,725
NON-CURRENT LIABILITIES			
Lease liabilities	10(b)	293,755	443,728
Borrowings	13	173,201	211,689
Employee related provisions	14	92,390	227,083
TOTAL NON-CURRENT LIABILITIES		559,346	882,500
TOTAL LIABILITIES		8,314,494	6,026,225
NET ASSETS		348,167,349	347,895,135
EQUITY			
Retained surplus		60,893,021	60,822,268
Reserve accounts	28	2,884,570	2,683,109
Revaluation surplus	15	284,389,758	284,389,758
TOTAL EQUITY		348,167,349	347,895,135

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



William Buck Audit (WA) Pty Ltd

SHIRE OF CARNARVON
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022

	NOTE	RETAINED SURPLUS	RESERVE ACCOUNTS	REVALUATION SURPLUS	TOTAL EQUITY
		\$	\$	\$	\$
Balance as at 1 July 2020		63,538,345	3,963,641	284,389,758	351,891,744
Comprehensive income for the period					
Net result for the period		(3,996,609)	-	-	(3,996,609)
Total comprehensive income for the period		(3,996,609)	-	-	(3,996,609)
Transfers from reserves	28	1,633,195	(1,633,195)	-	-
Transfers to reserves	28	(352,663)	352,663	-	-
Balance as at 30 June 2021		60,822,268	2,683,109	284,389,758	347,895,135
Comprehensive income for the period					
Net result for the period		272,214	-	-	272,214
Total comprehensive income for the period		272,214	-	-	272,214
Transfers to reserves	28	(201,461)	201,461	-	-
Balance as at 30 June 2022		60,893,021	2,884,570	284,389,758	348,167,349

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



William Buck Audit (WA) Pty Ltd

SHIRE OF CARNARVON
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022

NOTE	2022 Actual \$	2022 Budget \$	2021 Actual \$	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates	6,153,943	6,825,309	6,000,642	
Operating grants, subsidies and contributions	10,349,837	3,965,914	6,665,244	
Fees and charges	3,208,331	3,180,701	3,006,344	
Interest received	89,463	83,500	104,374	
Goods and services tax received	631,765	250,000	721,307	
Other revenue	527,795	259,268	300,686	
	20,961,134	14,564,692	16,798,597	
Payments				
Employee costs	(6,794,443)	(6,898,727)	(6,929,121)	
Materials and contracts	(4,864,308)	(4,860,361)	(3,790,230)	
Utility charges	(829,809)	(813,400)	(754,488)	
Finance costs	(25,565)	(44,634)	(38,105)	
Insurance paid	(568,070)	(540,661)	(492,308)	
Goods and services tax paid	(630,081)	(250,000)	(1,009,072)	
Other expenditure	(331,670)	(455,000)	(472,568)	
	(14,043,946)	(13,862,783)	(13,485,892)	
Net cash provided by (used in) operating activities	16(b)	6,917,188	701,909	3,312,705
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	7(a)	(504,173)	(1,893,266)	(668,542)
Payments for construction of infrastructure	8(a)	(5,150,393)	(9,423,040)	(3,315,922)
Non-operating grants, subsidies and contributions		4,525,809	5,111,677	2,244,505
Proceeds from sale of property, plant & equipment	9(b)	-	30,000	7,716
Net cash provided by (used in) investing activities		(1,128,757)	(6,174,629)	(1,732,243)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	27(a)	(44,830)	(44,832)	(53,245)
Payments for principal portion of lease liabilities	27(c)	(320,305)	(298,028)	(342,839)
Proceeds from new borrowings	27(a)	-	947,000	-
Net cash provided by (used in) financing activities		(365,135)	604,141	(396,084)
Net increase (decrease) in cash held		5,423,296	(4,868,579)	1,184,378
Cash at beginning of year		9,119,374	7,761,361	7,934,996
Cash and cash equivalents at the end of the year	16(a)	14,542,670	2,892,782	9,119,374

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



William Buck Audit (WA) Pty Ltd

SHIRE OF CARNARVON
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2022

	NOTE	2022 Actual \$	2022 Budget \$	2021 Actual \$
NET CURRENT ASSETS - At start of financial year - surplus/(deficit)	26(a)	6,331,806	6,215,963	4,611,014
OPERATING ACTIVITIES				
Revenue from operating activities (excluding general rate)				
Rates (excluding general rate)	25(a)	262,688	258,261	244,450
Operating grants, subsidies and contributions		8,910,800	3,535,225	6,194,451
Fees and charges		3,153,632	3,180,701	2,905,104
Interest earnings		89,463	83,500	104,374
Other revenue		527,795	259,268	300,686
Fair value adjustments to financial assets at fair value through profit or loss		6,994	-	4,525
		12,951,372	7,316,955	9,753,590
Expenditure from operating activities				
Employee costs		(7,056,342)	(6,898,727)	(6,611,782)
Materials and contracts		(5,796,678)	(5,560,361)	(4,462,988)
Utility charges		(829,809)	(813,400)	(754,488)
Depreciation	9(a)	(8,404,280)	(8,212,681)	(8,357,292)
Finance costs		(25,565)	(44,634)	(38,105)
Insurance		(568,070)	(540,661)	(492,308)
Other expenditure		(369,049)	(455,000)	(472,568)
Loss on asset disposals	9(b)	-	(25,400)	(70,655)
		(23,049,793)	(22,550,864)	(21,260,186)
Non-cash amounts excluded from operating activities	26(a)	6,208,236	5,992,930	8,809,700
Amount attributable to operating activities		(3,890,185)	(9,240,979)	(2,696,896)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions		4,525,809	7,356,828	2,244,505
Proceeds from disposal of assets	9(b)	-	30,000	7,716
Purchase of property, plant and equipment	7(a)	(504,173)	(1,893,266)	(668,542)
Purchase and construction of infrastructure	8(a)	(5,150,393)	(9,423,040)	(3,315,922)
		(1,128,757)	(3,929,478)	(1,732,243)
Amount attributable to investing activities		(1,128,757)	(3,929,478)	(1,732,243)
FINANCING ACTIVITIES				
Repayment of borrowings	27(a)	(44,830)	(44,832)	(53,245)
Proceeds from borrowings	27(a)	-	947,000	-
Payments for principal portion of lease liabilities	27(c)	(320,305)	(298,028)	(342,839)
Transfers to reserves (restricted assets)	28	(201,461)	(200,800)	(352,663)
Transfers from reserves (restricted assets)	28	-	784,105	1,633,195
Amount attributable to financing activities		(566,596)	1,187,446	884,449
Surplus/(deficit) before imposition of general rates		746,268	(5,767,048)	1,066,324
Total amount raised from general rates	25(a)	5,844,826	5,767,048	5,265,482
Surplus/(deficit) after imposition of general rates	26(a)	6,591,094	-	6,331,806

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



William Buck Audit (WA) Pty Ltd

SHIRE OF CARNARVON
FOR THE YEAR ENDED 30 JUNE 2022
INDEX OF NOTES TO THE FINANCIAL REPORT

Note 1	Basis of Preparation	9
Note 2	Revenue and Expenses	10
Note 3	Cash and Cash Equivalents	13
Note 4	Other Financial Assets	13
Note 5	Trade and Other Receivables	14
Note 6	Inventories	15
Note 7	Property, Plant and Equipment	16
Note 8	Infrastructure	18
Note 9	Fixed Assets	20
Note 10	Leases	23
Note 11	Trade and Other Payables	24
Note 12	Other Liabilities	25
Note 13	Borrowings	26
Note 14	Employee Related Provisions	27
Note 15	Revaluation Surplus	28
Note 16	Notes to the Statement of Cash Flows	29
Note 17	Contingent Liabilities	30
Note 18	Capital Commitments	30
Note 19	Related Party Transactions	31
Note 20	Joint Arrangements	34
Note 21	Financial Risk Management	35
Note 22	Events Occuring After the End of the Reporting Period	39
Note 23	Other Significant Accounting Policies	40
Note 24	Function and Activity	41
Information required by legislation		
Note 25	Rating Information	44
Note 26	Rate Setting Statement Information	47
Note 27	Borrowing and Lease Liabilities	48
Note 28	Reserve accounts	50
Note 29	Trust Funds	52

SHIRE OF CARNARVON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

1. BASIS OF PREPARATION

The financial report comprises general purpose financial statements which have been prepared in accordance with the Local Government Act 1995 and accompanying regulations.

Local Government Act 1995 requirements

Section 6.4(2) of the Local Government Act 1995 read with the Local Government (Financial Management) Regulations 1996 prescribe that the financial report be prepared in accordance with the Local Government Act 1995 and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards. The Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and Interpretations of the Australian Accounting Standards Board were applied where no inconsistencies exist.

The Local Government (Financial Management) Regulations 1996 specify that vested land is a right-of-use asset to be measured at cost, and is considered a zero cost concessionary lease. All right-of-use assets under zero cost concessionary leases are measured at zero cost rather than at fair value, except for 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 City to measure any vested improvements at zero cost. Accounting policies which have been adopted in the preparation of this financial report have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the financial report has been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

The local government reporting entity

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

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

Judgements and estimates

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

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

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

- estimated fair value of certain financial assets
- impairment of financial assets
- estimation of fair values of land and buildings, and infrastructure.
- estimation uncertainties made in relation to lease accounting

SHIRE OF CARNARVON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

2. REVENUE AND EXPENSES

(a) Revenue

Contracts with customers

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	Timing of revenue recognition
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	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	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	When assets are controlled
Fees and Charges -Property hire and entry	Use of halls and facilities	Single point in time	In full in advance	Refund if event cancelled Refunds limited to exceptional circumstances - not usually provided	On payment
Fees and Charges - Memberships	Gym and pool membership	Over time	Payment in full in advance	Refund for faulty goods	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	Output method based on provision of service or completion of works
Fees and Charges -Sale of stock	Aviation fuel, Diesel fuel and visitor centre	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	Output method based on goods
Other Revenue - Reimbursements	On- charge of expenses & Insurance claims	Single point in time	Payment in arrears for claimable event	None	When claim is agreed

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

SHIRE OF CARNARVON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

2. REVENUE AND EXPENSES (Continued)

Revenue Recognition

Revenue recognised during the year under each basis of recognition by nature or types of goods or services is provided in the table below:

For the year ended 30 June 2022

Nature or type	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	-	-	6,107,514	-	6,107,514
Operating grants, subsidies and contributions	8,910,800	-	-	-	8,910,800
Fees and charges	3,153,632	-	-	-	3,153,632
Interest earnings	-	-	-	89,463	89,463
Other revenue	527,795	-	-	-	527,795
Non-operating grants, subsidies and contributions	-	4,525,809	-	-	4,525,809
Total	12,592,227	4,525,809	6,107,514	89,463	23,315,013

For the year ended 30 June 2021

Nature or type	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	-	-	5,509,932	-	5,509,932
Operating grants, subsidies and contributions	6,194,451	-	-	-	6,194,451
Fees and charges	2,905,104	-	-	-	2,905,104
Interest earnings	-	-	-	104,374	104,374
Other revenue	300,686	-	-	-	300,686
Non-operating grants, subsidies and contributions	-	2,244,505	-	-	2,244,505
Total	9,400,241	2,244,505	5,509,932	104,374	17,259,052

SHIRE OF CARNARVON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

2. REVENUE AND EXPENSES (Continued)

	Note	2022 Actual	2022 Budget	2021 Actual
Interest earnings				
Rates instalment and penalty interest (refer Note 25(d))		87,841	82,000	102,865
Other interest earnings		1,622	1,500	1,509
		89,463	83,500	104,374
(b) Expenses				
Auditors remuneration				
- Audit of the Annual Financial Report		54,100	80,000	86,480
- Certifications		6,000	-	5,300
		60,100	80,000	91,780
Finance costs				
Borrowings	27(a)	7,572	18,823	12,303
Lease liabilities	27(c)	17,992	25,811	25,802
		25,564	44,634	38,105
Other expenditure				
Impairment losses on rates receivables		50,673	70,000	(5,184)
Impairment losses on receivables from contracts with customers		1,684	-	-
Sundry expenses		316,692	385,000	477,752
		369,049	455,000	472,568

SHIRE OF CARNARVON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

3. CASH AND CASH EQUIVALENTS

Note	2022	2021
	\$	\$
Cash at bank and on hand	14,542,670	9,119,374
Total cash and cash equivalents	14,542,670	9,119,374
Held as		
- Unrestricted cash and cash equivalents	8,097,834	4,157,205
- Restricted cash and cash equivalents	16(a) 2,884,570	2,683,109
- Restricted Contract Liabilities	12,16(a) 3,560,266	2,279,060
	14,542,670	9,119,374

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.

Restricted financial assets

Restricted financial asset balances are not available for general use by the local government due to externally imposed restrictions. 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.

Details of restrictions on financial assets can be found at Note 16.(a)

4. OTHER FINANCIAL ASSETS

Financial assets at amortised cost

(b) Non-current assets

Financial assets at fair values through other comprehensive income - Units in Local Government House Trust

2022	2021
\$	\$
136,156	129,162

SIGNIFICANT ACCOUNTING POLICIES

Financial assets at fair value through profit and loss

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

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

Impairment and risk

Information regarding impairment and exposure to risk can be found at Note 21.

**SHIRE OF CARNARVON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

5. TRADE AND OTHER RECEIVABLES

Note	2022 \$	2021 \$
Current		
Rates receivable	890,343	909,121
Sundry and other receivables	367,072	451,708
GST receivable	243,635	329,892
Allowance for impairment of receivables	21(b) (6,868)	(5,184)
ESL receivable	26,617	80,689
Bond Staff Housing	-	627
Receivables Employee Related Provisions	11,377	-
	1,532,176	1,766,853
Non-current		
Pensioner's rates and ESL deferred	78,044	111,640
	78,044	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 grants, contributions, reimbursements, and goods sold and services performed in the ordinary course of business.

Trade and other receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognised at fair value.

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 21.

Classification and subsequent measurement

Receivables which are generally due for settlement within 30 days except rates receivables which are expected to be collected within 12 months are classified as current assets. All other receivables such as, deferred pensioner rates receivable after the end of the reporting period are classified as non-current assets.

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

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

SHIRE OF CARNARVON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

6. INVENTORIES

Note	2022	2021
	\$	\$
Current		
Fuel and materials	-	63,092
Visitor centre stock	27,397	-
	27,397	63,092

The following movements in inventories occurred during the year:

Balance at beginning of year	63,092	63,092
Inventories expensed during the year	(35,695)	-
Balance at end of year	27,397	63,092

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.

SHIRE OF CARNARVON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

7. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Balances

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

	Note	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 2020		5,387,500	17,653,364	8,260,605	25,913,969	31,149,469	301,447	1,980,218	33,431,134
Additions		-	515,804	-	515,804	515,804	13,440	94,839	624,083
Disposals		(44,000)	-	-	-	(44,000)	-	(34,371)	(78,371)
Impairment (losses) / reversals		-	-	-	-	152,000	-	-	152,000
Depreciation	9(a)	-	(592,189)	(363,696)	(955,885)	(955,885)	(56,333)	(276,093)	(1,288,311)
Balance at 30 June 2021		5,343,500	17,576,979	7,896,909	25,473,888	30,817,388	258,554	1,764,593	32,840,535
Comprises:									
Gross balance amount at 30 June 2021		5,343,500	18,169,168	8,260,605	26,429,773	31,773,273	362,136	2,279,709	34,415,118
Accumulated depreciation at 30 June 2021		-	(592,189)	(363,696)	(955,885)	(955,885)	(103,582)	(515,116)	(1,574,583)
Balance at 30 June 2021		5,343,500	17,576,979	7,896,909	25,473,888	30,817,388	258,554	1,764,593	32,840,535
Additions		-	-	60,506	60,506	60,506	71,250	372,417	504,173
Depreciation	9(a)	-	(29,522)	(939,479)	(969,001)	(969,001)	(56,418)	(280,043)	(1,305,462)
Transfers		-	(16,095,266)	16,095,266	-	-	-	-	-
Balance at 30 June 2022		5,343,500	1,452,191	23,113,202	24,565,393	29,908,893	273,386	1,856,967	32,039,246
Comprises:									
Gross balance amount at 30 June 2022		5,343,500	1,511,235	24,979,044	26,490,279	31,833,779	433,387	2,652,126	34,919,292
Accumulated depreciation at 30 June 2022		-	(59,044)	(1,865,842)	(1,924,886)	(1,924,886)	(160,001)	(795,159)	(2,880,046)
Balance at 30 June 2022		5,343,500	1,452,191	23,113,202	24,565,393	29,908,893	273,386	1,856,967	32,039,246

**SHIRE OF CARNARVON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Value Measurements

	Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i)	Fair Value					
	Land and buildings					
	Land - Freehold Land	2	Market approach using recent observable or estimated market data for similar properties	Independent Valuer	June 2020	Price per hectare / market borrowing rate
	Buildings - non-specialised	2 or 3	Market approach using recent observable or estimated market data for similar properties / cost approach using depreciated replacement cost	Independent Valuer	June 2020	Construction costs and current condition, residual values and remaining useful life assessments inputs
	Buildings - specialised	3	Cost approach using depreciated replacement cost	Independent Valuer	June 2020	Construction costs and current condition, residual values and remaining useful life assessments inputs
	Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement.					
	During the period there were no changes in the valuation techniques used by the local government to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs.					
(ii)	Cost					
	Furniture and equipment		Cost	N/A	Not applicable	N/A
	Plant and equipment		Cost	N/A	Not applicable	N/A

SHIRE OF CARNARVON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

8. INFRASTRUCTURE

(a) Movements in Balances

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

Note	Infrastructure - roads	Other infrastructure - foopaths	Other infrastructure - Levee System	Other infrastructure - drainage	Other infrastructure - bridges	Other infrastructure - parks and ovals	Other infrastructure - airports	Other infrastructure - carpark	Other infrastructure - other	Total Infrastructure
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2020	229,249,896	9,758,478	8,286,300	22,667,498	7,313,676	13,324,003	11,171,281	415,224	10,465,373	312,651,729
Additions	1,703,236	20,746	-	4,285	-	739,020	28,751	-	767,286	3,263,324
Depreciation	9(a) (4,861,720)	(203,174)	(41,850)	(307,631)	(152,000)	(284,090)	(620,841)	(20,227)	(234,787)	(6,726,320)
Balance at 30 June 2021	226,091,412	9,576,050	8,244,450	22,364,152	7,161,676	13,778,933	10,579,191	394,997	10,997,872	309,188,733
Comprises:										
Gross balance at 30 June 2021	241,053,213	10,181,397	8,370,000	23,277,323	7,617,676	14,623,900	12,421,758	455,678	11,681,188	329,682,133
Accumulated depreciation at 30 June 2021	(14,961,801)	(605,347)	(125,550)	(913,171)	(456,000)	(844,967)	(1,842,567)	(60,681)	(683,316)	(20,493,400)
Balance at 30 June 2021	226,091,412	9,576,050	8,244,450	22,364,152	7,161,676	13,778,933	10,579,191	394,997	10,997,872	309,188,733
Additions	3,607,155	38,090	-	52,143	-	36,597	787,817	252,044	376,547	5,150,393
Depreciation	9(a) (4,876,975)	(203,555)	(41,850)	(308,060)	(152,000)	(297,004)	(622,396)	(20,227)	(249,791)	(6,771,861)
Balance at 30 June 2022	224,821,592	9,410,585	8,202,600	22,108,235	7,009,676	13,518,526	10,744,609	626,814	11,124,628	307,567,265
Comprises:										
Gross balance at 30 June 2022	244,660,368	10,219,487	8,370,000	23,329,466	7,617,676	14,660,497	13,209,575	707,722	12,057,735	334,832,526
Accumulated depreciation at 30 June 2022	(19,838,776)	(808,902)	(167,400)	(1,221,231)	(608,000)	(1,141,971)	(2,464,966)	(80,908)	(933,107)	(27,265,261)
Balance at 30 June 2022	224,821,592	9,410,585	8,202,600	22,108,235	7,009,676	13,518,526	10,744,609	626,814	11,124,628	307,567,265

SHIRE OF CARNARVON
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30 JUNE 2022

8. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

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

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.

SHIRE OF CARNARVON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

9. FIXED ASSETS

(a) Depreciation

	Note	2022 Actual	2022 Budget	2021 Actual
		\$	\$	\$
Buildings - non specialised	7(a)	29,522	940,703	592,189
Buildings - specialised	7(a)	939,479	-	363,696
Furniture and equipment	7(a)	56,418	55,438	56,333
Plant And Equipment	7(a)	280,043	271,708	276,093
Infrastructure - roads	8(a)	4,876,975	4,784,503	4,861,720
Other infrastructure - drainage	8(a)	308,060	302,745	307,631
Other infrastructure - bridges	8(a)	152,000	149,586	152,000
Other infrastructure - foopaths	8(a)	203,555	199,914	203,174
Other infrastructure - Levee System	8(a)	41,850	41,185	41,850
Other infrastructure - parks and ovals	8(a)	297,004	279,578	284,090
Other infrastructure - airports	8(a)	622,399	610,979	620,841
Other infrastructure - carparks	8(a)	20,227	19,906	20,227
Other infrastructure - other	8(a)	249,791	230,676	234,787
Right-of-use assets - Furniture and Equipment	10(a)	4,769	5,306	9,243
Right-of-use assets - plant and equipment	10(a)	322,188	320,454	333,418
		8,404,280	8,212,681	8,357,292

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
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	Various
Infrastructure - Bridges	50 years
Infrastructure - Levee System	200 years
Infrastructure - Airport	25 to 75 years
Right of use assets - plant and equipment	1 to 13 years
Right of use assets - furniture and equipment	2 years

SHIRE OF CARNARVON
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30 JUNE 2022

9. FIXED ASSETS (Continued)

(b) Disposals of assets

	2022 Actual Net Book Value	2022 Actual Sale Proceeds	2022 Actual Profit	2022 Actual Loss	2022 Budget Net Book Value	2022 Budget Sale Proceeds	2022 Budget Profit	2022 Budget Loss	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Land	-	-	-	-	-	-	-	-	44,000	1	-	(43,999)
Plant And Equipment	-	-	-	-	55,400	30,000	-	(25,400)	34,371	7,715	-	(26,656)
	-	-	-	-	55,400	30,000	-	(25,400)	78,371	7,716	-	(70,655)

SHIRE OF CARNARVON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

9. FIXED ASSETS (Continued)

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

Each class of fixed assets within either property, 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 for assets held at cost

Plant and equipment including furniture and equipment is recognised at cost on acquisition in accordance with *Financial Management Regulation 17A*. Where acquired at no cost the asset is initially recognised at fair value. Assets held at cost are depreciated and assessed for indicators of impairment annually.

Initial recognition and measurement between mandatory revaluation dates for assets held at fair 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)*. 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 scheduled revaluation dates 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 revaluation date in accordance with the mandatory measurement framework.

Revaluation

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

Revaluation (continued)

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

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

Depreciation

The depreciable amount of all property, plant and equipment and infrastructure, 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 on revaluation

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

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

SHIRE OF CARNARVON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

10. LEASES

(a) Right-of-Use Assets

The Shire has reportable lease or right of use assets

Movement in the balance of each class of right-of-use asset between the beginning and the end of the current financial year.	Note	Right-of-use assets - furniture and equipment \$	Right-of-use assets - plant and equipment \$	Right-of-use assets Total \$
Balance at 1 July 2020		11,554	1,033,078	1,044,632
Depreciation		(9,243)	(333,418)	(342,661)
Balance at 30 June 2021		2,311	699,660	701,971
Additions		16,855	167,020	183,875
Depreciation	9(a)	(4,769)	(322,188)	(326,957)
Balance at 30 June 2022		14,397	544,492	558,889

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

		2022 Actual \$	2021 Actual \$
Depreciation on right-of-use assets	9(a)	(326,957)	(342,661)
Interest expense on lease liabilities	27(c)	(17,992)	(25,802)
Total amount recognised in the statement of comprehensive income		(344,949)	(368,463)
Total cash outflow from leases		(338,297)	(368,641)
(b) Lease Liabilities			
Current		303,867	290,325
Non-current		293,755	443,728
	27(c)	597,622	734,053

SHIRE OF CARNARVON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

11. TRADE AND OTHER PAYABLES

Current

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

	2022	2021
	\$	\$
	2,354,038	1,389,931
	68,890	74,835
	354,684	87,319
	125,775	187,656
	100,447	87,727
	3,003,834	1,827,468

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

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

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

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.

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 usually paid within 30 days of recognition. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

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.

SHIRE OF CARNARVON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

12. OTHER LIABILITIES

Current

Contract liabilities
 Deposits held for Visitor Centre Bookings

Reconciliation of changes in contract liabilities

Opening balance
 Additions
 Revenue from contracts with customers included as a contract liability at the start of the period

	2022	2021
	\$	\$
	3,560,266	2,279,060
	62,479	106,936
	<u>3,622,745</u>	<u>2,385,996</u>
	2,279,060	-
	3,560,266	2,279,060
	<u>(2,279,060)</u>	<u>-</u>
	<u>3,560,266</u>	<u>2,279,060</u>
	3,560,266	2,279,060

The Shire expects to satisfy the performance obligations from contracts with customers unsatisfied at the end of the reporting period to be satisfied within the next 12 months.

Reconciliation of changes in capital grant/contribution liabilities

Expected satisfaction of capital grant/contribution liabilities

Less than 1 year

Performance obligations in relation to capital grant/contribution liabilities are satisfied as project milestones are met or completion of construction or acquisition of the asset.

SIGNIFICANT ACCOUNTING POLICIES

Contract liabilities

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

Contract liabilities represent obligations which are not yet satisfied. Contract liabilities are recognised as revenue when the performance obligations in the contract are satisfied.

Capital grant/contribution liabilities

Capital grant/contribution liabilities represent the Shire's obligations to construct recognisable non-financial assets to identified specifications to be controlled the Shire which are yet to be satisfied. Capital grant/contribution liabilities are recognised as revenue when the obligations in the contract are satisfied.

Non-current capital grant/contribution liabilities fair values are based on discounted cash flows of expected cashflows to satisfy the obligations using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 23(i)) due to the unobservable inputs, including own credit risk.

**SHIRE OF CARNARVON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

13. BORROWINGS

	Note	2022			2021		
		Current	Non-current	Total	Current	Non-current	Total
Secured		\$	\$	\$	\$	\$	\$
WATC Loans		46,208	173,201	219,409	52,550	211,689	264,239
Total secured borrowings	27(a)	46,208	173,201	219,409	52,550	211,689	264,239

The Shire of Carnarvon has complied with the financial covenants of its borrowing facilities during the 2022 and 2021 years.

SIGNIFICANT ACCOUNTING POLICIES

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 21.

Details of individual borrowings required by regulations are provided at Note 27(a).

SHIRE OF CARNARVON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

14. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions

Current provisions

Employee benefit provisions

Annual Leave

Long Service Leave

Non-current provisions

Long Service Leave

	2022	2021
	\$	\$
	381,164	427,197
	397,330	160,189
	778,494	587,386
	92,390	227,083
	92,390	227,083
	870,884	814,469

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave and associated on costs for services rendered up to the reporting date and recorded as an expense during the period the services are delivered.

Annual leave liabilities are classified as current, as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

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

	2022	2021
	\$	\$
	473,554	160,189
	385,953	651,354
	11,377	2,926
	870,884	814,469

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

The Shire's obligations for employees' annual leave, long service leave and other employee leave entitlements are recognised as employee related provisions in the Statement of Financial Position.

Short-term employee benefits

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

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

Other long-term employee benefits

Long-term employee benefits provisions 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 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.

SHIRE OF CARNARVON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

15. REVALUATION SURPLUS

	2022 Opening Balance	2022 Closing Balance	2021 Opening Balance	2021 Closing Balance
	\$	\$	\$	\$
Revaluation surplus - Land - freehold land	13,702,208	13,702,208	13,702,208	13,702,208
Revaluation surplus - Buildings - specialised	3,119,069	3,119,069	3,119,069	3,119,069
Revaluation surplus - Furniture and equipment	246,839	246,839	246,839	246,839
Revaluation surplus - Plant And Equipment	1,436,222	1,436,222	1,436,222	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
	284,389,758	284,389,758	284,389,758	284,389,758

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.

SHIRE OF CARNARVON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

16. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

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

	Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
Cash and cash equivalents	3	14,542,670	2,892,782	9,119,374

Restrictions

The following classes of financial 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	3	6,444,836	2,883,477	4,962,169
		6,444,836	2,883,477	4,962,169

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

Restricted reserve accounts	28	2,884,570	2,883,477	2,683,109
Restricted contract liabilities from contracts with customers	12	3,560,266	-	2,279,060
Total restricted financial assets		6,444,836	2,883,477	4,962,169

(b) Reconciliation of Net Result to Net Cash Provided By Operating Activities

Net result		272,214	(2,110,033)	(3,996,609)
Non-cash items:				
Adjustments to fair value of financial assets at fair value through profit and loss		(6,994)	-	(4,525)
Depreciation/amortisation		8,404,280	8,212,681	8,357,292
(Profit)/loss on sale of asset		-	25,400	70,655
Changes in assets and liabilities:				
(Increase)/decrease in trade and other receivables		268,272	1,230,689	(64,681)
(Increase)/decrease in inventories		35,695	50,000	9,368
Increase/(decrease) in trade and other payables		1,176,366	650,000	692,162
Increase/(decrease) in employee related provisions		56,415	-	(317,339)
Increase/(decrease) in contract liabilities		1,236,749	(2,245,151)	810,887
Non-operating grants, subsidies and contributions		(4,525,809)	(5,111,677)	(2,244,505)
Net cash provided by/(used in) operating activities		6,917,188	701,909	3,312,705

(c) Undrawn Borrowing Facilities
Credit Standby Arrangements

Bank overdraft limit		200,000		200,000
Bank overdraft at balance date		-		-
Credit card limit		13,000		13,000
Credit card balance at balance date		(3,822)		(2,501)
Total amount of credit unused		209,178		210,499

Loan facilities

Loan facilities - current		46,208		52,550
Loan facilities - non-current		173,201		211,689
Total facilities in use at balance date		219,409		264,239

Unused loan facilities at balance date

-

SHIRE OF CARNARVON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

17. CONTINGENT LIABILITIES

In compliance with the Contaminated Sites Act 2003 Section 11, the Shire of Carnarvon has one registered contamination site and two other sites with possible sources of contamination.

The Shire of Carnarvon Airport is a registered contamination site, with the classification "contaminated - restricted use". The current use of the site as an airport fits within this classification and is deemed a suitable use. Remediation works were conducted in 2012 removed the primary sources of contamination, and remaining hydrocarbon concentration levels are decreasing over time through biodegradation and are expected to continue to reduce naturally.

Possible sites of contamination are:

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

The Shire has a licence to operate the Coral Bay Landfill site that expires in 2036, it will however be at capacity in 2024 when the Shire will assess potential remediation strategies and costs.

The Shire has a licence to operate the Brown Range Landfill site that expires in 2034 however the Shire projects the capacity of the facility will not be reached for approximately 50 years. The Shire will apply to extend the licence at the appropriate time.

While the licences do not have a specific requirement to rehabilitate the sites at the end of their useful lives the Shire has been progressively capping active cells at both sites therefore remediation on decommissioning of either site is unlikely to be extensive. It is likely that the sites will become registered contaminated sites on decommissioning with use restrictions applicable.

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

18. CAPITAL COMMITMENTS

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

	2022	2021
	\$	\$
Contracted for:		
- capital expenditure projects	1,585,310	575,414
- plant & equipment purchases	686,415	-
	2,271,725	575,414
Payable:		
- not later than one year	2,271,725	575,414
The capital expenditure projects relate to:		
DFES Building	-	18,301
Blowholes Development	131,028	146,539
Coral Bay Airstrip	77,030	410,574
Fascine Projects	47,300	-
Bicycle Network	17,810	-
Various Roadworks	1,312,142	-
	1,585,310	575,414

SHIRE OF CARNARVON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

19. RELATED PARTY TRANSACTIONS

(a) Elected Member Remuneration

	2022 Actual	2022 Budget	2021 Actual
	\$	\$	\$
Councillor, President - Mr Eddie Smith			
President's annual allowance	46,896	46,000	46,896
Meeting attendance fees	17,484	17,625	17,484
	64,380	63,625	64,380
Councillor, Deputy President - Mr Burke Maslen			
President's annual allowance	-	-	-
Deputy President's annual allowance	13,181	11,500	11,724
Meeting attendance fees	17,484	17,625	17,484
	30,665	29,125	29,208
Councillor - Mr Luke Vandeleur			
Meeting attendance fees	17,484	17,625	17,484
	17,484	17,625	17,484
Councillor - Mr Kristan Pinner			
Meeting attendance fees	4,371	17,625	17,484
	4,371	17,625	17,484
Councillor - Ms Julee Nelson			
Meeting attendance fees	4,371	17,625	17,484
	4,371	17,625	17,484
Councillor - Dr Alexander Fullarton			
Meeting attendance fees	17,484	17,625	17,484
	17,484	17,625	17,484
Councillor - Mr Luke Skender			
Meeting attendance fees	17,484	17,625	17,484
	17,484	17,625	17,484
Councillor - Mr Kane Simpson			
Meeting attendance fees	4,371	17,625	17,484
Travel and accommodation expenses	-	-	560
	4,371	17,625	18,044
Councillor - A Cotrell			
Meeting attendance fees	13,113	-	-
Travel and accommodation expenses	336	-	-
	13,449	-	-
Councillor - MP Ferreinha			
Meeting attendance fees	13,113	-	-
	13,113	-	-
Councillor - T Langley			
Meeting attendance fees	13,113	-	-
	13,113	-	-
General Councillor Expenses			
* Training Expenses	-	40,000	-
* Travel and accommodation expenses	-	23,000	-
	-	63,000	-
TOTAL	200,285	261,500	199,052
* Actual expenditure included by Councillor			

SHIRE OF CARNARVON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

19. RELATED PARTY TRANSACTIONS

(a) Elected Member Remuneration (Continued)

President's annual allowance	46,896	46,000	46,896
Deputy President's annual allowance	13,181	11,500	11,724
Meeting attendance fees	139,872	141,000	139,872
Training expenses	-	40,000	-
Travel and accommodation expenses	336	23,000	560
	200,285	261,500	199,052

(b) Key Management Personnel (KMP) Compensation

	2022	2021
	Actual	Actual
	\$	\$
The total of compensation paid to KMP of the Shire during the year are as follows:		
Short-term employee benefits	1,266,905	923,711
Post-employment benefits	113,291	114,854
Employee - other long-term benefits	66,260	25,366
Employee - termination benefits	-	234,129
	1,446,456	1,298,060

Short-term employee benefits

These amounts include all salary and fringe benefits awarded to KMP except for details in respect to fees and benefits paid to council members which may be separately found in the table above.

Post-employment benefits

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

Other long-term benefits

These amounts represent annual leave and long service leave entitlements accruing during the year.

Termination benefits

These amounts represent termination benefits paid to KMP.

Council member costs

These amounts represent payments of member fees, expenses, allowances and reimbursements during the year.

(c) 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

In addition to KMP compensation above the following transactions occurred with related parties:

	2022	2021
	Actual	Actual
	\$	\$
Sale of goods and services	782	-
Materials and contracts (road works)	2,190,619	1,010,339
Short term employee benefits - other related parties	102,094	-

**SHIRE OF CARNARVON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

19. RELATED PARTY TRANSACTIONS

(d) 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 council member, are considered key management personnel.

ii. Other Related Parties

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

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

**SHIRE OF CARNARVON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

20. JOINT ARRANGEMENTS

The Shire did not take part in any associate or joint arrangements during the financial year ended 30 June 2022.

SHIRE OF CARNARVON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

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

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

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

(a) Interest rate risk

Cash and cash equivalents

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

Excess cash and cash equivalents are invested in fixed interest rate term deposits which do not expose the Shire to cash flow interest rate risk. Cash and cash equivalents required for working capital are held in variable interest rate accounts and non-interest bearing accounts. Carrying amounts of cash and cash equivalents at the 30 June and the weighted average interest rate across all cash and cash equivalents, term deposits, and Treasury bonds 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
	%	\$	\$	\$	\$
2022					
Cash and cash equivalents	0.00%	14,542,670	-	4,408,993	10,133,677
2021					
Cash and cash equivalents	0.02%	9,119,374	-	3,943,828	5,175,546

Sensitivity

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

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

* Holding all other variables constant

	2022	2021
	\$	\$
	44,090	39,438

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 27(a).

SHIRE OF CARNARVON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

21. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Trade and Other Receivables

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

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

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

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

The expected loss rates are based on the payment profiles of rates and fees and charges over a period of 36 months before 1 July 2021 or 1 July 2022 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as the ability of ratepayers and residents to settle the receivables. Housing prices and unemployment rates have been identified as the most relevant factor in repayment rates, and accordingly adjustments are made to the expected credit loss rate based on these factors.

The loss allowance as at 30 June 2022 and 30 June 2021 for rates receivable was determined as follows:

	Less than 1 year past due	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total	Note
30 June 2022						
Rates receivable						
Expected credit loss	0.00%	0.00%	0.00%	0.00%		
Gross carrying amount	408,998	199,635	73,779	207,931	890,343	
Loss allowance	-	-	-	-	-	5
30 June 2021						
Rates receivable						
Expected credit loss	0.00%	0.00%	0.00%	0.00%		
Gross carrying amount	524,240	205,812	95,572	83,497	909,121	
Loss allowance	-	-	-	-	-	5

The loss allowance as at 30 June 2022 and 30 June 2021 was determined as follows for trade receivables.

	Less than 30 year past due	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total	
30 June 2022						
Trade and other receivables						
Expected credit loss	0.00%	0.00%	0.04%	0.19%		
Gross carrying amount	349,155	1,480	7,728	35,326	393,689	
Loss allowance	-	-	313	6,555	6,868	5
30 June 2021						
Trade and other receivables						
Expected credit loss	0.00%	0.00%	0.10%	0.05%		
Gross carrying amount	379,231	55,124	2,495	96,174	533,024	
Loss allowance	1	16	255	4,912	5,184	5

SHIRE OF CARNARVON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

21. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

The loss allowances for trade receivables and contract assets as at 30 June reconcile to the opening loss allowances as follows:

	Rates receivable		Trade and other receivables		Contract Assets	
	2022 Actual	2021 Actual	2022 Actual	2021 Actual	2022 Actual	2021 Actual
	\$	\$	\$	\$	\$	\$
Opening loss allowance as at 1 July	-	-	5,184	5,184	-	-
Increase in loss allowance recognised in profit or loss during the year	-	-	1,684	-	-	-
Receivables written off during the year as uncollectible	50,673	76,858	-	-	-	-
Unused amount reversed	(50,673)	(76,858)	-	-	-	-
Closing loss allowance at 30 June	-	-	6,868	5,184	-	-

Trade receivables and contract assets are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Shire, and a failure to make contractual payments for a period of greater than 120 days past due.

Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

SHIRE OF CARNARVON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

21. 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
	\$	\$	\$	\$	\$
<u>2022</u>					
Trade and other payables	3,066,313	-	-	3,066,313	3,066,313
Borrowings	52,550	183,927	-	236,477	219,409
Lease liabilities	316,440	298,764	-	615,204	597,622
Deposits held	62,479	-	-	-	62,479
	3,497,782	482,691	-	3,917,994	3,945,823
<u>2021</u>					
Trade and other payables	1,934,404	-	-	1,934,404	1,934,404
Borrowings	52,550	229,565	-	282,115	264,239
Lease liabilities	290,325	443,728	-	734,053	734,053
Deposits held	106,936	-	-	-	106,936
	2,384,215	673,293	-	2,668,457	3,039,632

**SHIRE OF CARNARVON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

22. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

There have been no material events after the reporting period which would affect the financial report of the Shire for the year ended 30th June 2022 or which would require a separate disclosure.

23. 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) Interest earnings

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset measured at amortised cost 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).

i) Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

j) Impairment of assets

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

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

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

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

k) Initial application of accounting standards

During the current year, no new or revised Australian Accounting Standards and Interpretations were compiled, became mandatory and were applicable to its operations.

New accounting standards for application in future years

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

- AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current
- AASB 2020-3 Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments
- AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies or Definition of Accounting Estimates
- AASB 2021-7 Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections

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

**SHIRE OF CARNARVON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

24. FUNCTION AND ACTIVITY

(a) Service objectives and descriptions

Shire operations as disclosed in this financial report encompass the following service orientated functions and activities.

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.

SHIRE OF CARNARVON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

24. FUNCTION AND ACTIVITY (Continued)

(b) Income and expenses

	2022	2022	2021
	Actual	Budget	Actual
	\$	\$	\$
Income excluding grants, subsidies and contributions			
Governance	90,266	35,884	33,277
General purpose funding	6,002,587	5,900,348	5,404,596
Law, order, public safety	36,780	29,100	24,330
Health	39,879	37,600	26,791
Education and welfare	50,465	66,000	12,295
Housing	535	-	6,254
Community amenities	2,165,685	2,086,561	2,155,192
Recreation and culture	277,975	81,333	85,935
Transport	856,718	727,389	703,789
Economic services	332,820	341,775	269,115
Other property and services	31,688	242,788	103,048
	9,885,398	9,548,778	8,824,622
Grants, subsidies and contributions			
Governance	72,000	30,000	-
General purpose funding	6,384,000	2,438,527	5,009,000
Law, order, public safety	540,123	507,012	576,053
Health	4,617	8,000	5,312
Education and welfare	398,546	244,190	204,190
Community amenities	110,000	206,000	209,118
Recreation and culture	681,098	1,928,261	1,218,050
Transport	5,120,829	5,325,851	1,165,748
Economic services	125,396	204,212	51,485
	13,436,609	10,892,053	8,438,956
Total Income	23,322,007	20,440,831	17,263,578
Expenses			
Governance	(1,395,711)	(1,475,456)	(1,581,389)
General purpose funding	(347,676)	(270,954)	(269,038)
Law, order, public safety	(1,215,081)	(1,122,955)	(1,136,696)
Health	(643,126)	(781,702)	(613,102)
Education and welfare	(774,826)	(840,462)	(919,190)
Housing	(14,599)	(184,842)	(2,203)
Community amenities	(2,150,858)	(1,960,934)	(2,029,547)
Recreation and culture	(4,153,095)	(4,220,064)	(3,938,764)
Transport	(10,203,013)	(9,341,491)	(9,378,227)
Economic services	(1,075,124)	(1,346,130)	(1,055,084)
Other property and services	(1,076,684)	(1,005,874)	(336,947)
Total expenses	(23,049,793)	(22,550,864)	(21,260,187)
Net result for the period	272,214	(2,110,033)	(3,996,609)

SHIRE OF CARNARVON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

24. FUNCTION AND ACTIVITY (Continued)

	2022	2022	2021
	Actual	Budget	Actual
(c) Fees and Charges (including Service Charges)	\$	\$	\$
Governance	4,470	8,834	4,675
General purpose funding	50,652	36,600	16,842
Law, order, public safety	15,580	15,500	15,489
Health	38,933	37,000	25,639
Housing	500	-	-
Community amenities	1,909,354	1,829,500	1,906,946
Recreation and culture	75,517	80,433	76,982
Transport	836,276	721,389	697,848
Economic services	198,946	251,445	116,285
Other property and services	23,404	200,000	44,398
	3,153,632	3,180,701	2,905,104
	2022	2021	
(d) Total Assets	\$	\$	
Governance	261,943	4,046,653	
General purpose funding	16,916,651	8,590,170	
Law, order, public safety	1,456,304	1,075,727	
Health	410,758	149,858	
Education and welfare	1,883,472	1,950,172	
Housing	579,579	1,292,117	
Community amenities	11,572,034	11,004,800	
Recreation and culture	39,859,441	40,827,754	
Transport	276,211,349	277,942,173	
Economic services	450,543	552,306	
Other property and services	2,818,550	2,428,409	
Unallocated	4,061,219	4,061,219	
	356,481,843	353,921,360	

SHIRE OF CARNARVON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

25. RATING INFORMATION

(a) General Rates

RATE TYPE		Rate in	Number of	2021/22	2021/22	2021/22	2021/22	2021/22	2021/22	2021/22	2021/22	2020/21	
Rate Description	Basis of valuation	\$	Properties	Actual Rateable Value *	Actual Rate Revenue	Actual Interim Rates	Actual Back Rates	Actual Total Revenue	Budget Rate Revenue	Budget Interim Rate	Budget Back Rate	Budget Total Revenue	Actual Total Revenue
		\$		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Residential	Gross rental valuation	11.1200	1,284	22,092,949	2,456,736	12,341	(21)	2,469,056	2,458,459	(5,000)	4,000	2,457,459	2,332,204
Commercial/Industrial	Gross rental valuation	10.3000	263	15,577,560	1,604,489	98	-	1,604,587	1,601,810	-	-	1,601,810	1,460,762
Special Use/Rural	Gross rental valuation	11.1200	55	1,763,232	195,485	-	-	195,485	195,459	-	-	195,459	174,128
Mining	Unimproved valuation	24.512	47	501,801	123,001	50,194	-	173,195	123,001	-	4,000	127,001	65,147
Pastoral	Unimproved valuation	11.1100	31	3,143,392	349,231	-	(82,337)	266,894	349,230	-	(88,000)	261,230	207,064
Intensive Horticultural	Unimproved valuation	2.2730	168	23,409,501	532,098	1,501	2,018	535,617	532,097	-	(8,000)	524,097	467,187
Sub-Total			1,848	66,488,435	5,261,040	64,134	(80,340)	5,244,834	5,260,056	(5,000)	(88,000)	5,167,056	4,706,492
Minimum payment		\$											
Residential	Gross rental valuation	1,158.58	395	3,238,399	457,639	-	-	457,639	457,639	-	-	457,639	428,456
Commercial/Industrial	Gross rental valuation	1,158.58	59	453,207	68,356	-	-	68,356	68,356	-	-	68,356	68,859
Special Use/Rural	Gross rental valuation	1,158.58	47	373,933	54,453	-	-	54,453	54,453	-	-	54,453	51,371
Mining	Unimproved valuation	400.00	17	12,999	6,800	-	-	6,800	6,800	-	-	6,800	4,351
Pastoral	Unimproved valuation	1,158.58	9	30,700	10,427	-	-	10,427	10,427	-	-	10,427	4,149
Intensive Horticultural	Unimproved valuation	1,158.58	2	49,999	2,317	-	-	2,317	2,317	-	-	2,317	1,804
Sub-Total			529	4,159,237	599,992	-	-	599,992	599,992	-	-	599,992	558,990
			2,377	70,647,672	5,861,032	64,134	(80,340)	5,844,826	5,860,048	(5,000)	(88,000)	5,767,048	5,265,482
Total amount raised from general rates								5,844,826				5,767,048	5,265,482
Rates (excluding general rates)		Rate in											
Specified Area Rates		\$											
Coral Bay	Gross rental valuation	0.06833		3,644,983	-	-	-	249,058	249,061	-	-	249,061	235,077
Ex-gratia Rates								13,630	9,200	-	-	9,200	9,373
Sub-Total				3,644,983	-	-	-	262,688	258,261	-	-	258,261	244,450
Total amount raised from rates (excluding general rates)								262,688				258,261	244,450
Total Rates								6,107,514				6,025,309	5,509,932

The entire balance of rates revenue has been recognised at a point in time in accordance with AASB 1058 *Income for not-for-profit entities*.

SHIRE OF CARNARVON
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30 JUNE 2022

25. RATING INFORMATION (Continued)

(b) Specified Area Rate

The Shire did not levy a specified are rate during the current reporting period

Specified Area Rate	Purpose of the rate	Area/properties Rate Imposed	2021/22 Actual Rate Applied to Costs \$	2021/22 Actual Rate Set Aside to Reserve \$	2021/22 Actual Reserve Applied to Costs \$	2021/22 Budget Rate Applied to Costs \$	2021/22 Budget Rate Set Aside to Reserve \$	2021/22 Budget Reserve Applied to Costs \$
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	249,058	50,016	-	249,061	50,000	-
			249,058	50,016	-	249,061	50,000	-

(c) Service Charges

The Shire did not levy a service charge during the current reporting period.

SHIRE OF CARNARVON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

25. 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	22/10/2021	0.0%	0.0%	0.0%
Option Two				
First instalment	22/10/2021			
Second instalment	18/02/2022	\$6.60	6.00%	7.00%
Option Two				
First instalment	22/10/2021			
Second instalment	24/12/2021	\$6.60	6.0%	7.0%
Third instalment	25/02/2022	\$6.60	6.0%	7.0%
Fourth instalment	29/04/2022	\$6.60	6.0%	7.0%
		2022 Actual	2022 Budget	2021 Actual
		\$	\$	\$
Charges on instalment plan		6,864	6,000	4,916
Interest on installment plan		18,605	22,000	20,402
Interest on unpaid rates		69,236	60,000	82,462
Rates Arrangement Fee		825	1,600	1,535
		95,530	89,600	109,315

SHIRE OF CARNARVON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

26. RATE SETTING STATEMENT INFORMATION

		2021/22 Budget	2020/21
	2021/22 (30 June 2022 Carried Forward)	(30 June 2022 Carried Forward)	(30 June 2021 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: Fair value adjustments to financial assets at fair value through profit and loss			
	(6,994)	-	(4,525)
Movement in pensioner deferred rates (non-current)			
	33,596	-	-
Movement in employee benefit provisions			
	56,414	-	71,765
Movement in lease accruals, trust funds and bonds			
	-	-	314,513
Add: Loss on disposal of assets			
9(b)	-	25,400	70,655
Add: Depreciation			
9(a)	8,404,280	8,212,681	8,357,292
Non-cash movements in non-current assets and liabilities:			
Contract Liabilities previously held in reserve			
	(2,279,060)	(2,245,151)	-
Non-cash amounts excluded from operating activities			
	6,208,236	5,992,930	8,809,700
Less: Reserve accounts			
28	(2,884,570)	(2,883,477)	(2,683,109)
- Current portion of borrowings			
13	46,208	7,719	52,550
- Current portion of contract liability held in reserve			
	-	-	2,279,060
- Current portion of lease liabilities			
10(b)	303,867	21,827	290,325
- Employee benefit provisions			
14	778,494	1,003,582	587,386
Total adjustments to net current assets			
	(1,756,001)	(1,850,349)	526,212
Net current assets used in the Rate Setting Statement			
Total current assets			
	16,102,243	3,223,403	10,949,319
Less: Total current liabilities			
	(7,755,148)	(1,373,054)	(5,143,725)
Less: Total adjustments to net current assets			
	(1,756,001)	(1,850,349)	526,212
Net current assets used in the Rate Setting Statement			
	6,591,094	-	6,331,806

SHIRE OF CARNARVON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

27. BORROWING AND LEASE LIABILITIES

Purpose	Note	Actual								Budget			
		Principal		Repayments	Principal at 30 June 2021	Principal		Principal at 30 June 2022	Principal at 1 July 2021	New Loans	Repayments	Principal at 30 June 2022	
		Principal at 1 July 2020	New Loans During 2020-21			New Loans During 2021-22	Repayments During 2021-22						
Staff Housing		\$ 9,751	\$ -	\$ (9,751)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Airport Corrective Works		307,733	-	(43,494)	264,239	-	(44,830)	219,409	264,239	-	(44,831)	219,408	219,408
Water Truck		-	-	-	-	-	-	-	-	256,720	-	256,720	256,720
Rubbish Truck		-	-	-	-	-	-	-	-	353,000	-	353,000	353,000
Utility Vehicles (5)		-	-	-	-	-	-	-	-	227,280	-	227,280	227,280
LWB Utility Truck		-	-	-	-	-	-	-	-	110,000	-	110,000	110,000
Total		317,484	-	(53,245)	264,239	-	(44,830)	219,409	264,239	947,000	(44,831)	1,166,408	1,166,408
Total Borrowings	13	317,484	-	(53,245)	264,239	-	(44,830)	219,409	264,239	947,000	(44,831)	1,166,408	1,166,408

* WA Treasury Corporation

Self supporting loans are financed by payments from third parties. These are shown in Note 4 as other financial assets at amortised cost. All other loan repayments were financed by general purpose revenue.

Borrowing Interest Repayments

Purpose	Note	Function and activity	Loan Number	Institution	Interest Rate	Actual for year ending	Budget for year ending	Actual for year ending
						30 June 2022	30 June 2022	30 June 2021
Staff Housing		Housing	213	WATC	6.04%	\$ -	\$ -	\$ (334)
Airport Corrective Works		Transport	216	WATC	3.05%	(7,572)	(7,720)	(11,969)
Water Truck		Transport	TBC	WATC	1.50%	-	(11,103)	-
Rubbish Truck		Community amenities	TBC	WATC	1.50%	-	-	-
Utility Vehicles (5)		Other property and services	TBC	WATC	1.50%	-	-	-
LWB Utility Truck		Other property and services	TBC	WATC	1.50%	-	-	-
Total						(7,572)	(18,823)	(12,303)
Total Interest Repayments	2(b)					(7,572)	(18,823)	(12,303)

SHIRE OF CARNARVON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

27. BORROWING AND LEASE LIABILITIES (Continued)

(b) New Borrowings - 2021/22

There were no new borrowings during the 2022 financial year.

(c) Lease Liabilities

Purpose	Note	Actual				Budget						
		Principal at 1 July 2020	New Leases During 2020-21	Repayments During 2020-21	Principal at 30 June 2021	New Leases During 2021-22	Repayments During 2021-22	Principal at 30 June 2022	Principal at 1 July 2021	New Leases During 2021-22	Repayments During 2021-22	Principal at 30 June 2022
Other property and services		\$ 1,055,065	\$ 21,826	\$ (342,839)	\$ 734,052	\$ 183,875	\$ (320,305)	\$ 597,622	\$ 738,651	\$ -	\$ (298,028)	\$ 440,623
Total Lease Liabilities	10(b)	1,055,065	21,826	(342,839)	734,052	183,875	(320,305)	597,622	738,651	-	(298,028)	440,623

Lease Interest Repayments

Purpose	Note	Function and activity	Lease Number	Institution	Interest Rate	Actual for year ending	Budget for year ending	Actual for year ending	Lease Term
						30 June 2022	30 June 2022	2021	
Photocopier		Other property and services		Richo	2.6%	-	(446)	(200)	
Toyota Hilux C28266		Other property and services	P330	Easifleet	2.5%	-	-	(41)	
Toyota Hilux C28266		Other property and services	P330B	Easifleet	2.5%	(64)	(74)	(74)	
Toyota Hilux		Other property and services	P331	Easifleet	2.5%	-	-	(12)	
Toyota Hilux		Other property and services	P331B	Easifleet	2.5%	(96)	(72)	(70)	
Toyota Hilux C279		Other property and services	PUTE35	Easifleet	2.5%	-	-	(31)	
Toyota Hilux C279		Other property and services	PUTE35B	Easifleet	1.9%	(39)	(10)	(87)	
Toyota Hilux C279		Other property and services	PUTE36	Easifleet	1.9%	-	-	(20)	
Toyota Hilux C279		Other property and services	PUTE36B	Easifleet	1.9%	(42)	(11)	(20)	
Toyota Hilux		Other property and services	PUTE37	Easifleet	1.9%	-	-	(114)	
Toyota Hilux		Other property and services	PUTE37B	Easifleet	1.9%	(32)	(12)	(31)	
Isuzu D-Max		Other property and services	P339	Easifleet	2.5%	(32)	-	(111)	
Toyota Hilux		Other property and services	P343	Easifleet	2.7%	(333)	(375)	(543)	
Komatsu Excavator		Other property and services	P299	SG Fleet	3.3%	(2,455)	(2,540)	(3,553)	
Komatsu Wheel Loader		Other property and services	P303	SG Fleet	3.3%	(2,608)	(2,703)	(3,821)	
Toyota Hilux		Other property and services	P342	SG Fleet	2.5%	(657)	(104)	(734)	
Isuzu D-Max		Other property and services	P344	SG Fleet	2.5%	(395)	(124)	(594)	
Isuzu D-Max		Other property and services	P345	SG Fleet	2.5%	(372)	(158)	(646)	
Nissan Navara		Other property and services	P346	SG Fleet	2.7%	(432)	(449)	(643)	
Nissan Navara		Other property and services	P312	SG Fleet	2.5%	-	-	(2)	
Isuzu F-Series		Other property and services	P347	SG Fleet	2.7%	(4,766)	(4,907)	(6,577)	
Cat Skid Steer Loader		Other property and services	P348	SG Fleet	2.7%	(1,801)	(1,853)	(2,464)	
Toyota Landcruiser		Other property and services	P349	SG Fleet	2.7%	(761)	(783)	(1,041)	
Toyota Hilux		Other property and services	P350	SG Fleet	2.7%	(567)	(584)	(776)	
Isuzu D-Max		Other property and services	P351	SG Fleet	2.7%	(468)	(533)	(709)	
Isuzu D-Max		Other property and services	P356	SG Fleet	2.5%	(218)	(238)	(481)	
Isuzu D-Max		Other property and services	P354	SG Fleet	2.5%	(295)	(323)	(652)	
Isuzu D-Max		Other property and services	P353	SG Fleet	2.5%	(240)	(263)	(532)	
Toyota Hilux		Other property and services	P352	SG Fleet	2.7%	(578)	(594)	(773)	
Toyota Hilux		Other property and services	P355	SG Fleet	2.5%	(224)	(241)	(450)	
Toyota Hilux		Other property and services	P369	SG Fleet	2.5%	(240)	-	-	
Other		Other property and services				(276)	(8,414)	-	
Total Interest Repayments	2(b)					(17,992)	(25,811)	(25,802)	

SHIRE OF CARNARVON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

28. RESERVE ACCOUNTS	2022	2022	2022	2022	2022	2022	2022	2021	2021	2021	2021	
	Actual Opening Balance	Actual Transfer to	Actual Transfer (from)	Actual Closing Balance	Budget Opening Balance	Budget Transfer to	Budget Transfer (from)	Budget Closing Balance	Actual Opening Balance	Actual Transfer to	Actual Transfer (from)	Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted by legislation/agreement												
(a) Coral Bay Tip Reserve	21,860	50,016	-	71,876	21,860	50,000	-	71,860	21,850	10	-	21,860
	21,860	50,016	-	71,876	21,860	50,000	-	71,860	21,850	10	-	21,860
Restricted by council												
(b) Leave Reserve	230,125	100,076	-	330,201	229,808	100,000	-	329,808	172,529	57,596	-	230,125
(c) Plant Reserve	192,457	44	-	192,501	192,457	-	-	192,457	154,881	37,576	-	192,457
(d) Waste Disposal Reserve	103,324	50,035	-	153,359	103,324	50,000	-	153,324	78,279	25,045	-	103,324
(e) Property Infrastructure Reserve	1,764	-	-	1,764	1,764	-	-	1,764	1,764	0	-	1,764
(f) Staff Housing Reserve	700,540	161	-	700,701	700,540	-	-	700,540	700,219	321	-	700,540
(g) Civic Centre Reserve	60,515	14	-	60,529	60,515	-	-	60,515	60,487	28	-	60,515
(h) IT Replacement Reserve	107,065	25	-	107,090	107,065	-	-	107,065	94,522	12,543	-	107,065
(i) Airport Reserve	59,302	14	-	59,316	59,302	-	-	59,302	59,275	27	-	59,302
(j) Surge/Fascine Wall Reserve	414,442	95	-	414,537	414,442	-	-	414,442	414,382	58,060	(58,000)	414,442
(k) Town Planning Reserve	1,451	-	-	1,451	1,451	-	-	1,451	1,451	0	-	1,451
(l) Fascine Dredging Reserve	84,693	19	-	84,712	84,693	-	-	84,693	84,654	39	-	84,693
(m) Flood Mitigation Reserve	11,886	3	-	11,889	11,886	-	-	11,886	11,880	6	-	11,886
(n) OTC/NASA Reserve	21,368	5	-	21,373	21,368	-	-	21,368	8,850	12,518	-	21,368
(o) Blowholes Reserve	2,750	1	-	2,751	2,750	-	-	2,750	2,748	2	-	2,750
(p) Unspent Grants and Contributions F	-	-	-	-	784,105	-	(784,105)	-	1,575,111	84	(1,575,195)	-
(q) Land and Infrastructure Developme	224,864	52	-	224,916	224,864	-	-	224,864	167,248	57,616	-	224,864
(r) Asset Management Reserve	38,896	9	-	38,905	38,896	-	-	38,896	36,880	2,017	-	38,896
(s) Emergency Response Reserve	265,402	61	-	265,463	265,402	-	-	265,402	252,787	12,615	-	265,402
(t) Mosquito Management Reserve	5,373	801	-	6,174	5,373	800	-	6,173	3,845	1,528	-	5,373
(u) County Roads Grading Reserve	135,032	30	-	135,062	135,032	-	-	135,032	60,000	75,032	-	135,032
	2,661,249	151,445	-	2,812,694	3,445,037	150,800	(784,105)	2,811,732	3,941,791	352,653	(1,633,195)	2,661,249
	2,683,109	201,461	-	2,884,570	3,466,897	200,800	(784,105)	2,883,592	3,963,641	352,663	(1,633,195)	2,683,109

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

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

SHIRE OF CARNARVON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

28. RESERVE ACCOUNTS (Continued)

Name of Reserve	Anticipated date of use	Purpose of the reserve
(a) Coral Bay Tip Reserve	Ongoing	To be used for maintenance and capital costs associated with Coral Bay refuse site.
(b) Leave Reserve	Ongoing	To be used to fund annual and long service leave requirements.
(c) Plant Reserve	Ongoing	To be used to implement the Shire's Plant Replacement Program.
(d) Waste Disposal Reserve	Ongoing	To be used for maintenance or capital expenditure at Browns Range Refuse Site.
(e) Property Infrastructure Reserve	*	To be used to contribute to replacement of major upgrades on Shire of Carnarvon
(f) Staff Housing Reserve	*	To be used for major maintenance and capital purchases with respect to staff housing.
(g) Civic Centre Reserve	*	To be used for major building and equipment upgrades to Carnarvon Civic Centre.
(h) IT Replacement Reserve	*	To be used to fund the Shire of Carnarvon Information Technology Strategy.
(i) Airport Reserve	*	To be used to contribute to capital costs in relation to the Carnarvon Airport.
(j) Surge/Fascine Wall Reserve	*	To be used for capital upgrade costs associated with the Fascine Wall.
(k) Town Planning Reserve	*	To be used to contribute to funding town planning scheme reviews, new scheme & relevant town planning purposes.
(l) Fascine Dredging Reserve	*	To be used for capital upgrade costs associated with the Fascine Wall.
(m) Flood Mitigation Reserve	*	To be used to finance Council's obligations with respect to the Flood Mitigation Strategy.
(n) OTC/NASA Reserve	*	To be used for the development & conservation of the OTC site.
(o) Blowholes Reserve	*	To be used to assist with the removal of shack debris and post demolition rehabilitation of shack area.
(p) Unspent Grants and Contributions F	Closed	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 Developme	*	To be used for the purchase of land and development of infrastructure within the Shire of Carnarvon.
(r) Asset Management Reserve	*	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	*	To be used in the preparation for and providing immediate assistance, relief and recovery to the community in response to an Emergency within the Shire of Carnarvon.
(t) Mosquito Management Reserve	Ongoing	To be used for the purpose of delivering services to assist in mosquito management within the Shire of Carnarvon, which includes funding from the Department of Health.
(u) County Roads Grading Reserve	*	To be used for the country roads grading program in seasons when the climatic conditions are suitable.

* Closed and restructured as part of the 2022-23 Budget to assist meet the future funding needs of the Shire.

SHIRE OF CARNARVON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

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 2021	Amounts Received	Amounts Paid	30 June 2022
	\$	\$	\$	\$
Public Open Space Deposits	140,374	-	-	140,374
Private Works	240,135	-	(102,025)	138,110
Building in Training Fund	1,684	38,057	(39,741)	-
	382,193	38,057	(141,766)	278,484



Auditor General

INDEPENDENT AUDITOR'S REPORT 2022 Shire of Carnarvon

To the Councillors of the Shire of Carnarvon

Opinion

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

- the Statement of Financial Position at 30 June 2022, the Statement of Comprehensive Income by Nature or Type, Statement of Changes in Equity, Statement of Cash Flows and Rate Setting Statement for the year then ended
- Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial report is:

- based on proper accounts and records
- presents fairly, in all material respects, the results of the operations of the Shire for the year ended 30 June 2022 and its financial position at the end of that period
- in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

Basis for opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial report section below.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other information

The Chief Executive Officer (CEO) is responsible for the preparation and the Council for overseeing the other information. The other information is the information in the entity's annual report for the year ended 30 June 2022, but not the financial report and my auditor's report.

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

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I did not receive the other information prior to the date of this auditor's report. When I do receive it, I will read it and if I conclude that there is a material misstatement in this information, I am required to communicate the matter to the CEO and Council and request them to correct the misstated information. If the misstated information is not corrected, I may need to retract this auditor's report and re-issue an amended report.

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

The Chief Executive Officer of the Shire is responsible for:

- preparation and fair presentation of the financial report in accordance with the requirements of the Act, the Regulations and Australian Accounting Standards
- managing internal control as required by the CEO to ensure the financial report is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the CEO is responsible for:

- assessing the Shire's ability to continue as a going concern
- disclosing, as applicable, matters related to going concern
- 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 responsibilities for the audit of the financial report

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

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

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

My independence and quality control relating to the report on the financial report

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements*, the Office of the Auditor General maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Matters relating to the electronic publication of the audited financial report

This auditor's report relates to the financial report of the Shire of Carnarvon for the year ended 30 June 2022 included in the annual report 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. It does not provide an opinion on any other information which may have been hyperlinked to/from the annual report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to contact the Shire to confirm the information contained in the website version.

Grant Robinson
Assistant Auditor General Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
1 March 2023