



**Shire of Derby /  
West Kimberley**

# **UNCONFIRMED MINUTES**

**Annual General Meeting  
Thursday, 24 November 2022**

**Date: Thursday, 24 November 2022**

**Time: 4:30pm**

**Location: Fitzroy Crossing  
Karrayili Adult Education Centre**



**Order Of Business**

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6.1	Closure of Meeting.....	89

**MINUTES OF SHIRE OF DERBY / WEST KIMBERLEY  
ANNUAL GENERAL MEETING  
HELD AT THE FITZROY CROSSING, KARRYILY ADULT EDUCATION CENTRE  
ON THURSDAY, 24 NOVEMBER 2022 AT 4:30PM**

**PRESENT:** Cr Geoff Haerewa (Shire President), Cr Peter McCumstie (Deputy Shire President), Cr Pat Riley, Cr Andrew Twaddle, Cr Paul White and Cr Geoff Davis.

**IN ATTENDANCE:** Amanda Dexter (Chief Executive Officer), Wayne Neate (Director of Development and Technical Services), Christie Mildenhall (Director of Community Development Services), Abha Singh (Project Officer – Technical Services) and Sarah Smith (Executive Services Coordinator).

**VISITORS:** Nil

**GALLERY:** Nil

**APOLOGIES:** Cr Keith Bedford, Cr Linda Evans and Cr Rowena Mouda.

**ABSENT:** Nil

**1 DECLARATION OF OPENING, ANNOUNCEMENTS OF VISITORS**

The meeting was opened at 4:30pm by Geoff Haerewa (Shire President).

**2 ATTENDANCE VIA TELEPHONE/INSTANTANEOUS COMMUNICATIONS**

In accordance with regulation 14A of the Local Government (Administration) Regulations 1996 Council must approve (by Absolute Majority) the attendance of a person, not physically present at a meeting of Council, by audio contact. The person must be in a 'suitable place' as approved (by absolute majority) by Council. A 'suitable place' means a place that is located in a townsite or other residential area and 150km or further from the place at which the meeting is to be held.

- Nil.

**3 CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS**

**3.1 ANNUAL GENERAL MEETING OF ELECTORS HELD 15 APRIL 2021**

**COMMITTEE RESOLUTION AGMCC01/22**

**Moved:** Cr Paul White

**Seconded:** Cr Andrew Twaddle

**That the Minutes of the Annual General Meeting held at the Council Chambers, Clarendon Street, Derby, on 15 April 2021 be CONFIRMED.**

**In Favour:** Crs Geoff Davis, Geoff Haerewa, Pat Riley, Andrew Twaddle, Paul White and Peter McCumstie

**Against:** Nil

**CARRIED 6/0**

**4 EXECUTIVE SERVICES**

**4.1 PRESENTATION OF THE 2019/2020 ANNUAL REPORT**

**ATTACHMENTS**

1. [Shire of Derby/West Kimberley - Annual Report 2020-2021](#) 

**COMMITTEE RESOLUTION AGMCC02/22**

**Moved:** Cr Pat Riley

**Seconded:** Cr Geoff Davis

**That the Annual Report for the period 1 July 2020 to 30 June 2021 as presented, be received.**

**In Favour:** Crs Geoff Davis, Geoff Haerewa, Pat Riley, Andrew Twaddle, Paul White and Peter McCumstie

**Against:** Nil

**CARRIED 6/0**



**Shire of Derby /  
West Kimberley**



**Annual Report  
2020/21**

 [www.sdwk.wa.gov.au](http://www.sdwk.wa.gov.au)

# OUR ANNUAL REPORT

**The Shire of Derby/West Kimberley proudly presents this annual report which highlights our activities and achievements over the 2020/21 financial year.**

With an emphasis on best practice and continual improvement, the information in these pages sets out a snapshot of the Shire's progress over this period focusing on Leadership and Governance, Community, Economy and Environment.

It is organised to align with our new Strategic Community Plan 2021-2031 and associate documents. These plans highlight the strategic vision for the Derby/West Kimberley Shire based on our vision and values.

**Leadership and Governance**

**Community**

**Economy**

**Environment**

Our annual report focuses on the key projects delivered in 2020/21, under each theme, documenting our progress towards realising our community vision:

**'A place where people want to live, invest, visit and return to'**

We will work towards our vision whilst demonstrating these values:

We are **PROUD** of who we are and where we live

We will create a **POSITIVE LEGACY** for our children and children's children.

We will go about our business with **INTEGRITY, TRANSPARENCY** and **AUTHENTICITY**

We value and **RESPECT** what our community has to say and will strive to make things happen.

We are **PROUD** of and value the **KNOWLEDGE** of our diverse and strong people and cultures.

We value our **RELATIONSHIPS** and will work with others to achieve common goals and gain maximum impact.

We are **PROUD** of and **COMMITTED** to the responsible preservation of our unique natural environment and making sure our built environment reflects our current and future needs.

We are open for and encourage business, industry and all aspects of **COMMUNITY DEVELOPMENT**, particularly our thriving arts and cultural scene.

Copies of the Strategic Community Plan 2021-2031 can be downloaded from our website:

<https://www.sdwk.wa.gov.au/council/integrated-planning-reporting/strategies-plans-reports.aspx>

Our financial statements have been certified by an independent auditor.

## ACKNOWLEDGEMENT OF COUNTRY



**The Shire Derby / West Kimberley acknowledge Aboriginal people as the Traditional Custodians of this land and its waters. The Shire pays respect to all Elders past, present and upcoming of the Aboriginal Nations of Australia and extend that respect to all Aboriginal people who may read this Annual Report.**

# OUR COMMUNITY AND ABORIGINAL HERITAGE

**The area now known as the Shire of Derby/West Kimberley has a diverse Indigenous Australian heritage.**

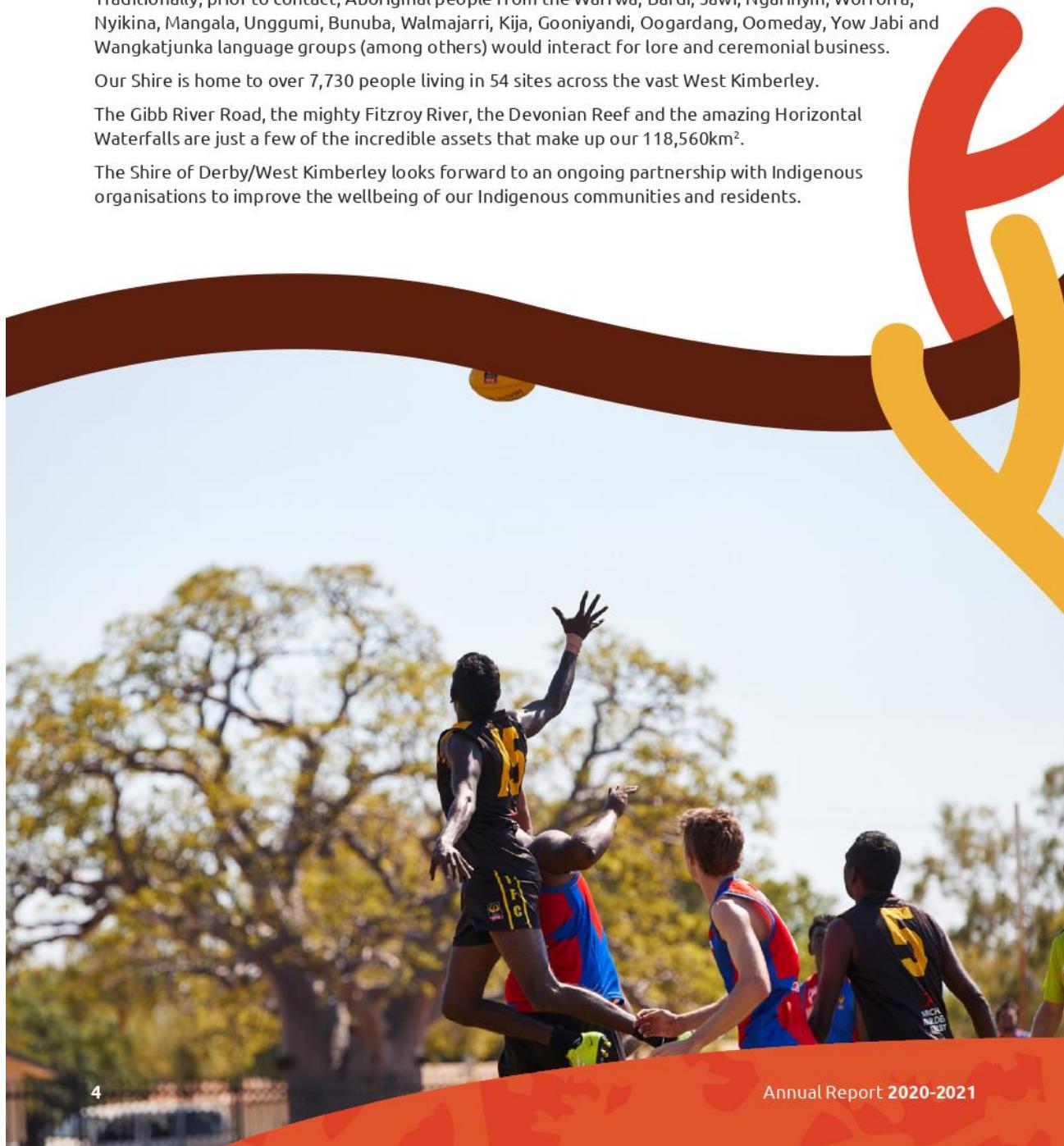
Across this area a large number of language and cultural groups have a long history that predates European contact.

Traditionally, prior to contact, Aboriginal people from the Warra, Bardi, Jawi, Ngarinyin, Worrora, Nyikina, Mangala, Unggumi, Bunuba, Walmajarri, Kija, Gooniyandi, Oogardang, Oomeday, Yow Jabi and Wangkatjunka language groups (among others) would interact for lore and ceremonial business.

Our Shire is home to over 7,730 people living in 54 sites across the vast West Kimberley.

The Gibb River Road, the mighty Fitzroy River, the Devonian Reef and the amazing Horizontal Waterfalls are just a few of the incredible assets that make up our 118,560km<sup>2</sup>.

The Shire of Derby/West Kimberley looks forward to an ongoing partnership with Indigenous organisations to improve the wellbeing of our Indigenous communities and residents.



## QUICK FACTS FOR 2020/21



# PRESIDENT AND CHIEF EXECUTIVE OFFICERS' REPORT



**With the COVID-19 pandemic hitting the world in March 2020, the 2020 / 21 financial year has been unlike any other, with economic, social and health challenges at the forefront of our planning and service delivery to our communities.**

Our biggest success this financial year has been the delivery of the Shire's Strategic Community Plan, the Shire had not renewed its plan for some time and it was well overdue. Councillors and staff expressed a genuine desire to use this opportunity to engage communities, and in doing so, strengthen relationships and partnerships. A focus of the process was to build the capacity of the Councillors and staff (as champions) to be the backbone of the planning process, and to undertake most of the community consultations.

We ran engagements from July to November 2020 including, but not limited to, pop-up stalls, community events, focus group yarns, feedback cards, online questionnaires, one-on-one sessions and workshops. The extensive feedback we received by over 1700 local respondents (3000 in total) was reviewed and analysed. We developed decision making criteria to provide transparency as to how feedback was taken into account.

The plan was formulated by our champions and was publicly exhibited from the 14 December until the end of February 2021. We are proud to say it was then formally adopted by Council in April 2021 and now guides Council in all that it does.

We are proud of the extensive engagement we undertook and we encourage you all to head to our website [www.sdwk.wa.gov.au](http://www.sdwk.wa.gov.au) to review the plan and our comprehensive report which outlines what respondents said and more detail of the planning scope, objectives, methods and lessons learnt.

It was a great honour and privilege to continue to work together with our neighbouring Councils through the work of the Kimberley Regional Group (KRG) to push community safety at every level. The group were instrumental in implementing the bio security measures which protected our very vulnerable communities and first nation's peoples, and whilst it had severe impacts on tourism, it ensured that our families, elders and loved ones were one of the world's least impacted by COVID-19.

We are proud to say that the Presidents of the KRG are united in lobbying for improved social and community outcomes for the residents of the Kimberley. The Takeaway Alcohol Management System implemented across the Kimberley has been the direct result of the Kimberley Shire's determination to try initiatives to support improved health and social outcomes for those living and working in the Kimberley.

Our commitment to economic growth and development across the Shire continues with particular emphasis on tourism and support to the Chamber of Commerce and Industry during the financial year. The Shire launched a Fitzroy Crossing tourism video and drone footage selling our magnificent golf course in Derby on the extensive social media opportunities across Australia. The Shire is keen to support increased tourism and the flow-on effects to the local economy and have applied for funding to expand the Derby Sculptures on the Marsh project and is working with local businesses to harness opportunities.

Council was excited to receive the Federal Government stimulus through the Local Roads and Infrastructure Fund; of this \$741,830 will be utilised to deliver on some of the communities' requests outlined in the Community Strategic Plan. The following long-time requests were considered by Council and approved for construction in 2021/22:

- Seating and shelter at the Fitzroy Crossing Cemetery
- Seating and shelter at the Derby Cemetery
- Installation of a disabled access ramp at Wharfinger House Museum
- Mural, installation of seating and upgrades to the Fitzroy Crossing Visitors Centre
- Derby lane way lighting and gating
- Sutherland Street footpath installation.

Our achievements and successes are only possible by building and working collaboratively with our partners. We would like to acknowledge our local partners – the Aboriginal PBC's, the Aboriginal corporations and local State and Federal Government agencies, our local State and Federal members, our many community, sporting and cultural, environmental and not-for-profit partners and agencies and our amazing volunteers.

Despite continuing to be challenged by the COVID-19 pandemic, we would like to acknowledge and thank our Councillors and staff for all they have achieved this year. There is so much to be positive about and the resilience shown by all has demonstrated what can be done when we are clear about our purpose and when we work with our residents, ratepayers, businesses, strategic partners and other key agencies to get the job done.

A huge thank you to our residents, ratepayers and businesses who make the Shire of Derby/West Kimberley what it is. We have listened this last year and we have heard you – you have given us a clear direction for the future and we want to ensure that we work hard to deliver *'A place where people want to live, invest, visit and return to'*.



**Geoff Haerewa**  
President



**Amanda Dexter**  
Chief Executive Officer



# COUNCILLORS

**Cr Geoff Haerewa**

President

*Term Expires 2021*

Committees, advisory groups, working groups and external bodies

- Audit and Risk committee
- CEO Recruitment and Performance Review committee
- Shire of Derby/West Kimberley Recovery committee
- Local Emergency Management committee
- Kimberley Zone representative
- Kimberley Development Commission board member (Dec 2020)
- Commercial committee
- Kimberley Regional Group representative
- Liquor Accord
- Mining and Exploration portfolio

**Cr Paul White**

Deputy President

*Term Expires 2023*

Committees, advisory groups, working groups and external bodies

- Audit and Risk committee
- Shire of Derby/West Kimberley Recovery committee
- CEO Recruitment and Performance Review committee
- Kimberley Zone representative
- Kimberley Regional Group representative
- Regional Roads Group
- Chamber of Commerce
- Mining and Exploration portfolio

**Cr Keith Bradford**

Councillor

*Term Expires 2023*

Committees, advisory groups, working groups and external bodies

- CEO Recruitment and Performance Review committee
- Commercial committee
- Audit and Risk committee
- Fitzroy Valley development
- Youth Affairs Fitzroy Crossing portfolio
- Mining and Exploration portfolio

**Cr Rowena Mouda**

Councillor

*Term Expires 2023*

Committees, advisory groups, working groups and external bodies

- Audit and Risk committee
- Shire of Derby/West Kimberley Recovery committee
- CEO Recruitment and Performance Review committee
- Commercial committee
- District Health Advisory Council for Derby
- Youth Affairs Derby portfolio
- Education Derby portfolio
- Sport and Recreation portfolio Derby

**Cr Pat Riley**

Councillor

*Term Expires 2023*

Committees, advisory groups, working groups and external bodies

- Audit and Risk committee
- CEO Recruitment and Performance Review committee
- Tourism portfolio
- Derby Aboriginal Health Service – local advisory committee

**Cr Steve Ross**

Councillor

*Term Expires 2023*

Committees, advisory groups, working groups and external bodies

- CEO Recruitment and Performance Review committee
- Aged and Seniors portfolio

# COUNCILLORS

**Cr Geoff Davis**

Councillor

*Term Expires 2021*

Committees, advisory groups, working groups and external bodies

- Commercial committee
- Fitzroy Valley development
- Local Emergency Management committee
- Shire of Derby/West Kimberley Recovery committee
- CEO Recruitment and Performance Review committee

**Cr Chris Kloss**

Councillor

*Term Expires 2021*

Committees, advisory groups, working groups and external bodies

- Audit and Risk committee
- CEO Recruitment and Performance Review committee
- Commercial committee
- Local government Development Assessment Panel (DAP)
- Tourism portfolio
- Road Wise committee
- Liquor Accord
- Education and Sport and Recreation – Fitzroy Crossing portfolio
- Waste Management portfolio
- Landcare portfolio

**Cr Andrew Twaddle**

Councillor

*Term Expires 2021*

Committees, advisory groups, working groups and external bodies

- Shire of Derby/West Kimberley Recovery committee
- Commercial committee
- CEO Recruitment and Performance Review committee
- Local government Development Assessment Panel (DAP)
- Pastoralists and Graziers Association (PGA)
- Fitzroy Valley development
- Kimberley Pilbara Cattlemen's Association (KPCA)
- Fitzroy Valley development
- Local Emergency Management committee



## Elected Members Attendance at Council Meetings

Elected Members attended the following Ordinary and Special Council Meetings Council meetings during the 2020/21 year:

Councillor	30	27	24	29	26	10	25	25	15	29	27	24
	Jul	Aug	Sep	Oct	Nov	Dec	Feb	Mar	Apr	Apr	May	Jun
	2020	2020	2020	2020	2020	2020	2021	2021	2021	2021	2021	2021
	OCM	OCM	OCM	OCM	OCM	OCM	OCM	OCM	AGM	OCM	OCM	OCM
<b>P White</b>	✓ 📞	✓	A	✓	✓	✓	✓	✓	✓	✓	✓ 📞	✓ 📞
<b>G Haerewa</b>	✓ 📞	✓	✓	✓	✓	✓	LOA	✓	✓	✓	✓	A
<b>C Kloss</b>	✓ 📞	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	A
<b>R Mouda</b>	✓ 📞	✓	✓	✓	A	✓	✓ 📞	✓	A	✓	✓	✓
<b>S Ross</b>	✓ 📞	✓	✓	✓	A	✓	✓	LOA	✓	✓	✓	LOA
<b>A Twaddle</b>	✓ 📞	✓	✓	✓	✓	✓	✓	✓	✓	LOA	✓	✓
<b>G Davis</b>	✓ 📞	✓	✓ 📞	✓ 📞	A	✓	✓ 📞	✓ 📞	A	✓ 📞	✓ 📞	✓
<b>P Riley</b>	✓ 📞	✓	A	✓	A	✓ 📞	✓	✓	A	✓ 📞	✓ 📞	✓
<b>K Bedford</b>	✓ 📞	✓	✓ 📞	A	✓	✓	✓	✓ 📞	✓ 📞	✓ 📞	✓ 📞	✓

\*Determination Finalised by State Administrative Tribunal (SAT) on 28 August 2019. SAT determined that Councillor Geoff Davis is not disqualified from holding office as a Councillor of the Shire of Derby/West Kimberley.

## SHIRE STAFF



# THE 2020/21 YEAR IN REVIEW

Set out under strategic plan framework



# COMMUNITY

## Derby and Fitzroy Crossing Expos

This year's annual community expo in Derby was held in March. Over 500 people attended the event. The expo successfully showcased 42 organisations, clubs and businesses contributing as stallholders for the event. The event featured entertainment from a number of local bands.

The Fitzroy Crossing edition hosted around 150 people from town and surrounding communities. The expo showcased 12 local and external organisations who had the opportunity to interact with the community members and network amongst themselves.

## School Holiday Programs

The Shire continued to support and deliver school holiday activities across our programs which were run during each school holiday period across the Communities of Derby and Fitzroy Crossing.

In 2020/21, the Derby Memorial Swimming Pool hosted 796 students (Kindergarten – Year 6) as part of its annual school holiday programs.

The Shire's Derby Youth Service, ran in conjunction with Winun Ngari's Remote School Attendance Strategy team, a range of activities for youth aged 10 to 18 years. 5,243 young people participated in the four programs which operated during the year.

The Shire supported School Holiday Programs in Fitzroy Crossing by working collaboratively with Marra Worra Worra and Garnduwa.

## Youth Services

The Shire continued to deliver a dedicated youth service in Derby in 2020/21. This service provides after school and evening activities for 10 to 18 year olds. Activities provided include a drop-in program, sporting activities, rewards trips and food services. During 2020/21 there were 34,829 visits to activities provided or supported by the youth services team. Funding support for the program is received from the Department of Communities, Juvenile Justice and the Department of Local Government, Sport and Cultural Industries.

The Shire continued to support Garnduwa in providing an after school youth hub in Fitzroy Crossing by offering accommodation and access to facilities at a nominal rate. The Shire also supports Garnduwa sporting programs and heavily subsidises the Central Kimberley Football Association.

The Shire is commencing a dedicated youth service in Fitzroy Crossing in July 2021 and will look to improve on the opportunities available for youth to engage outside of the services currently provided. The service will collaborate with the Derby service and utilise skill sets, equipment and opportunities where possible. The service has received funding from the Shire; Department of Health (Federal); Department of Local Government, Sport and Cultural Industries, and the Department of Justice.

The Shire also continued to facilitate the Derby Youth Network. This forum provides a voice to local youth service organisations as well as an opportunity to share ideas and work collaboratively.



## Library Services

The Shire libraries in both Fitzroy Crossing and Derby continued to be well patronised by local community members. During the 2020/21 financial year there was an overall increase of 15% in total library transactions from the previous year and a 10% increase in the take-up of eResources.

The family literacy sessions (Rhyme Time and Story Time) continue to be very popular at both libraries, with Fitzroy Crossing seeing a 50% increase in attendance from the previous year. Our afternoon activities for this year included LEGO, STEM and Craft which were all well attended.

## Heritage

The library continues to register local history articles and photographs with many generous donations received throughout the year.

We were successful in receiving grant funding through Lotterywest for a significance assessment to be carried out on the Wharfinger House collection and the Derby Local History Archive. These will determine the importance of our collections on a local, national and international level. They will also give Council, staff and volunteers guidance as to what we collect and how best to store it.

Work is being undertaken to digitalise this collection and make it more accessible to the community.

## Kimberley Art Prize & Kimberley Photographic Award (KAPP 50th)

The 50th Anniversary of the Kimberley Art Prize, which was scheduled to be run in conjunction

with the Kimberley Photographic Award, was unfortunately postponed due to the COVID-19 restrictions that were in place. However, thankfully all the ground work is well and truly underway for the belated KAPP 50th celebration to be held on 3 July 21 at the Derby Airport.

## Australia Day Awards

Nine new Australian citizens were confirmed at this year's event. Our newest citizens came from countries including New Zealand, Philippines, India, Mauritius and the United Kingdom.

Several local residents were recognised for their outstanding contribution to the local community at the Shire of Derby/West Kimberley Australia Day Awards event. Conrad Liveris was the Australian Day Ambassador who presented the awards.

This year's winners of the Premier's Australia Day Community Citizen of the Year Awards were:

- Community Citizen of the Year – Tony Gavinch
- Youth Citizen of the Year – Lachlan Walley

The Shire also took the opportunity to acknowledge and award the Royal Life Saving Gold Cross Bravery Award to Tristan Judd which is one of the highest level of award and is rarely bestowed.

## Community Grants and Sponsorship

In 2020/21 the Shire's community grants scheme continued to support the community with financial and in-kind donations. Two significant grants included funding for the Mowanjum Festival, provided to Mowanjum Aboriginal Art and Culture Centre and the 2021 Boab Festival Mardi Gras.



## Aquatics and Recreation

The Derby Memorial Swimming Pool is a popular resource within the Shire with 19,899 visits during the 2020/21 period. This is a 6% increase on the previous year. The pool has also seen 320 participants take part in the morning and evening aqua sessions.

We have two swimming pools within the Shire of Derby/ West Kimberley:

- the Derby Memorial Swimming Pool, which is owned and operated by the Shire, and
- the Fitzroy Crossing Swimming Pool is owned by the Shire and leased to Department of Communities.

The Shire runs regular aqua sessions at both pools, with 40 participants enjoying morning aqua and 280 evening aqua.

During the school holidays, 796 primary age students attended the pools.

## Disability Access and Inclusion

In 2020/21 the Shire of Derby/West Kimberley continued to implement a number of initiatives that were identified in the Disability Access and Inclusion Plan 2016-2021, including:

- A new Event Management Plan, which was adopted by the Shire and identifies key access issues and incorporates site and event access into all Shire run events
- The upgrade of the public library and Council Chambers including new toilets with universal access and ambulant facilities and a new sliding door into the library
- Re-marking of all ACROD bays on Shire property
- Launch of a new Shire website which meets WCAG 2.0 Level A standards and is easily navigated using assistive technologies.



# ENVIRONMENT

## Derby Airport

- Operations of Derby Airport continued however operations were still significantly down in 2020 due to COVID-19 with operations picking up slightly with the operation of Horizontal Fall flights in the dry of 2021.

## Fitzroy Crossing Airport

- Operations continued as normal. It is noted that there is a defect in the runway which is of concern to the Civil Aviation Safety Authority and the Shire with funding being sought for a resolution.

## Derby Wharf

- Operations continued as normal.

## Transport and Safe Infrastructure

- Completed reconstruction of a section of Russ Road in Fitzroy Crossing across Brooking Channel at a cost of \$624,535
- Completed the reconstruction and sealing of Bell Road in Fitzroy Crossing at a cost of \$183,000
- Completed reconstruction of just over 5 kms of the Geikie Gorge Road in Fitzroy Crossing at a value of \$932,000
- Completed reconstruction of the Sandford and Skuthorpe roads intersection at a value of \$574,000
- Completed the Black Spot project which was the reconstruction of the Villiers, Swain and Panton streets intersection to the value of \$376,500
- Completed the reconstruction of Ashley Street from Loch St to just past McGovern Way including installation of more drainage around the intersections of Wodehouse and Alfonsas streets at a value of \$919,215
- Completed re-sheeting, heavy formation grading, repairing of bull dust blowouts and stabilising of some flood-ways on Calwynyardah-Noonkanbah, Bulka, Christmas Creek, Mt Anderson, Camballin, Fossil Downs and the Camballin Myroodah roads, at a value of \$1,221,170
- Officers were still resolving the flood damage reinstatement works from event AGRN 907 from early 2020, which did get final approval in August 2021

- Officers were also called to work up another claim for an event in early 2021, AGRN 951, which has not received final approval.

## Town Planning

In December 2020, the Shire employed an experienced and qualified town planner in the overall role of Manager Development Services. This removed the need for the Shire to continue referring applications to an external consultant.

## Planning and COVID-19

The Minister for Planning's Notice of Exemption in response to COVID-19 issued on 8 April 2020 remained during the reporting period. This included a range of temporary exemptions from certain approvals and requirements within the local planning framework. The changes removed the need to obtain planning approval in order to support businesses, enable flexible responses in a changing environment and guarantee the provision of essential community services and include:

- medical or health-related facilities required in response to the COVID-19 pandemic
- truck and logistic companies needing to deliver goods but currently with restricted loading and unloading times
- businesses seeking to adapt by changing their current approved use
- restaurants and cafes required to sell takeaway in contravention of current planning conditions
- people operating their businesses from residential zones
- the parking of commercial vehicles on residential properties
- businesses needing to change signage
- provision of temporary workers' accommodation, and
- a blanket two-year extension for all current development approvals.

### **Planning Controls**

Plans or strategies are prepared for specific precincts to account for local history and character and/or specific land use and planning issues. Such studies relevant to the Shire include:

- Coastal Vulnerability Study as it applies to the Derby town site
- Fitzroy Futures Town Plan as the basis for the planning of Fitzroy Crossing, and
- Local Planning Strategy as the framework for local planning and the strategic basis for the planning of the Shire.

Local Planning Schemes (LPS) No. 5 and No. 7 remain in force (without modification) and in November 2021, the Minister for Planning approved Interim Development Order No. 9 (IDO No. 9) and which covers the majority of the Shire.

### **Planning Scheme Review**

The Planning and Development Act 2005 requires that local planning schemes be reviewed periodically. A new Local Planning Scheme will be the statutory document that controls the use and development of land within the whole of the Shire of Derby/West Kimberley.

The Council had previously resolved to prepare a new local planning scheme (LPS No. 8) to supersede both LPS No.5, No.7 and IDO No. 9 and which will continue to be progressed.

## **Environmental Health**

For almost half of the reporting period, the Shire did not have a permanent Environmental Health Officer (EHO) with responsibilities undertaken through a temporary contract role. Employment of a permanent EHO was, and still remains, a significant issue that many rural and regional local governments face.

Through the EHO role, the Shire continued its role in public health education, enforcement and compliance across various areas of the health discipline and fulfilled statutory obligations pursuant to various legislation. The Shire also continued to increase the use of social media to communicate environmental health related messages with some positive results.

Regular duties continued throughout the year, including routine water sampling, mosquito and arbovirus surveillance (which includes the sentinel chicken program), inspections at food premises, caravan parks and camping grounds, public buildings and lodging houses with an increasing focus on traders, stallholders and public events.

The following addresses town Environmental Health 'core functions':

### **Food Premises Inspections**

During the reporting period, most scheduled inspections of food businesses were undertaken although due to logistical reasons, island locations were difficult to service.

Inspections of remote Aboriginal community stores were undertaken.

### **Compliance**

Although no infringements were issued during the 2020/21 period, several Improvement Notices were served.

### **Wastewater Installations**

Five septic applications were received and processed during the period of 2020/21.

### **Mosquito Management**

Minimal mosquito management in the form of product dispersal or ordering was recorded in the 2022/21 wet season. A total of \$1,174.09 was spent on mosquito control, with the majority being spent on a new fogger.

### **Water Quality**

Water sampling continued during the 2020/21 period to ensure the provision of safe drinking and swimming pool water within the Shire.

## Aboriginal Environmental Health (AEHU)

The replacement of the Aboriginal Environmental Health Unit (AEHU) Coordinator proved to be challenging in the COVID-19 environment. The role was temporarily filled by a suitably qualified consultant experienced in working with Aboriginal communities. Towards the end of the reporting period, the Shire did select a replacement who is expected to commence in the new financial year.

### COVID-19 Awareness & Vaccine Support

Throughout this period, the AEHU continued to observe COVID-19 protocols, whilst implementing a number of initiatives during the WA-based lockdowns such as the dog de-sexing program.

The team also continued to look for initiatives to reduce vaccine hesitancy in the community.

AEHU staff members showed leadership and provided education on the safety of the vaccine by volunteering to receive their first vaccination in Mowanum community and creating conversations with those that were hesitant to get vaccinated.

### Health Promotion Days and Events

The AEHU attended many health promotion days and events with a focus on hand and facial hygiene and preventative measures to stop the spread of COVID-19, including attendance at the:

- Derby District High School NAIDOC event
- Holy Rosary Primary School NAIDOC event

- Lil Tiddas Day
- Early Years' Day and
- The Shire's Youth Holiday programs in Derby and Fitzroy Crossing.

The grouping of AEHU 'kiddy' hand wash sinks and bouncy castle again proved popular as an engagement and health awareness activity.

### Healthy Skin Days

The AEHU conducted two healthy skin days at Mowanum, in conjunction with the Boab Network and Western Australia Country Health Service. Approximately 40 children attended and all received skin health checks from the community health nurse and participated in a hand hygiene and healthy skin education session delivered by our team in which we also utilised our bouncy castle to make it an educational and fun exercise.

The bouncy castle and a soap making activity proved popular with the kids as the nurses were able to complete the required skin health checks.

### Trachoma Screening

The AEHU assisted public health nurses from the Kimberley Population Health Unit in delivering trachoma screening sessions in an identified at-risk community within the Shire. Our team received positive feedback from the screening medical staff on the day who were impressed with the team's logistical skills and hand/face hygiene activities with the community.



### ***Mosquito Management***

After first undertaking mosquito management training, the AEHU team were then well-equipped to present the 'How much do you know about mosquitos?' campaign at the Derby and Fitzroy Shire Expos. The campaign is aimed at educating the community on mosquitos species typical to the area, what to look for in identification of mosquitos types and included easy measures to take around the home to prevent breeding.

The team also assisted in treating and testing mosquito breeding hotspots around the Derby town-ship as part of the Environmental Health program. They also identified vulnerable groups in Mowanjum and barrier sprayed the pensioner quarters and early years' centre. The training was invaluable to identify and treat new mosquito breeding hotspots.

### ***Mowanjum Service Delivery***

At the request of the Department of Health WA, in April 2021 the Shire strengthened its relationship with the Mowanjum community by accepting a contract to service Mowanjum under the Shire's Aboriginal Environmental Health program.

The AEHU formalised its attendance at Mowanjum by establishing a 'Mowanjum Monday' program, where the community is encouraged to self-refer and seek assistance or information from the team on any given Monday. This relationship between the Shire and the Mowanjum community is built by carrying out a number of community events and team members consistently providing services on a house-to-house level, creating conversation and gathering information for further services, including car-body register, dog de-sexing register and the roll out of a six-session healthy homes program.

### ***UN Youth Ambassadors Visits the Shire of Derby/West Kimberley***

The AEHU and Derby Youth Service teams seized the opportunity to host the Australian youth representative to the United Nations, Lucy Stronach, and her Logistics Support Officer, Dylan Storer – a Fitzroy local. The Shire of Derby/West Kimberley facilitated listening opportunities where Lucy could engage and hear first-hand the issues, hopes and fears of the Shire's Youth. The AEHU and Youth Services teams facilitated visits to Derby and Fitzroy Crossing where they consulted directly with the youth on issues within their communities and what the needs of the youth are in the Kimberley.

### ***Dog Health Program***

The AEHU was successful in receiving and distributing donations from Animal Management in Remote and Rural Indigenous Communities, in support of our dog health program. However, COVID-19 interrupted the AEHU's normal programming of dog de-sexing.

### ***Derby District High School Work Experience***

The AEHU was fortunate to have a Year 10 student from the Derby District High School assist and gain work experience with the AEHU at two of our local health promotion days. We continue to look forward to building this relationship for the continued benefit of the students and also to promote future employment in the AEHU.



## Building Services

The Shire continued its relatively steady growth again this year with development and building applications remaining steady. However, when compared to many other metropolitan and regional local governments, the Shire's building application numbers are still relatively low in numbers.

The processing of building permit applications continued with a contract arrangement with external building practitioners, to ensure statutory timeframes for processing were met. Training continues to be invested to ensure several staff are trained to perform the administrative functions of the building surveyor along with several process improvements to ensure compliance with legislation.

## Waste Management

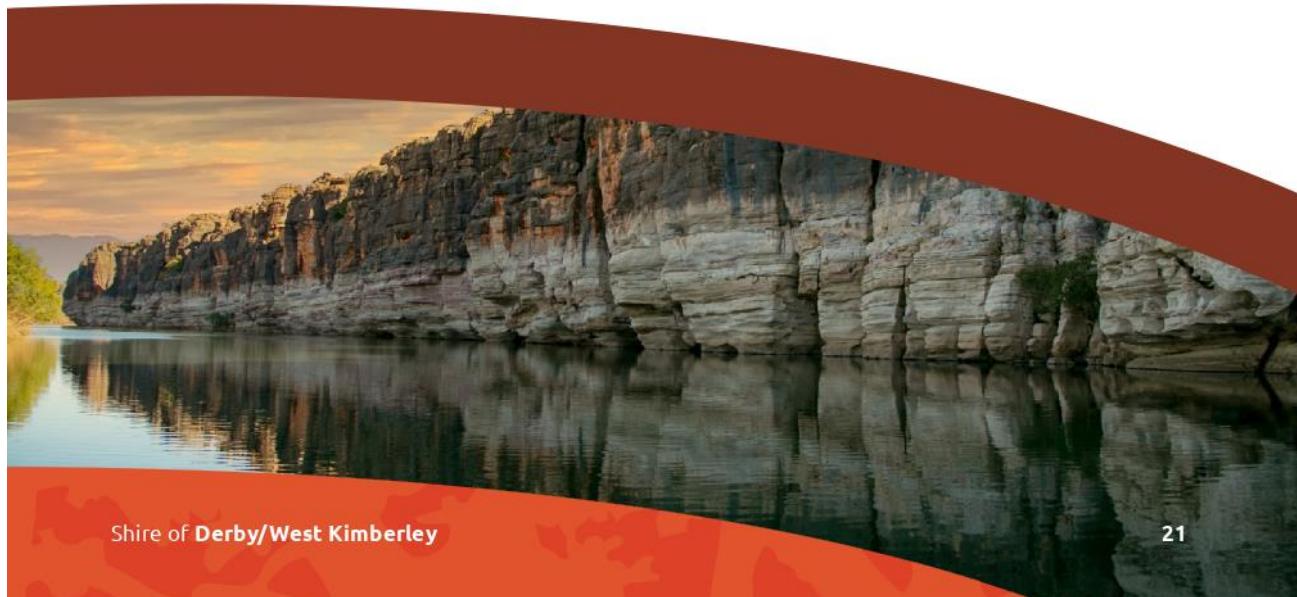
Waste management services continued to be provided with the contractual arrangement with Cleanaway in both the Derby and Fitzroy Crossing town sites, while Camballin's waste management service is provided by Looma Community Inc. Total waste volumes have remained stable from the previous year and recycling volumes slightly increased. All legislated functions were met including the annual waste census and national pollution inventory reporting.

## Ranger Services

Ranger Services continued its education and information program to the public on requirements across a range of topics including animal management, fire hazard mitigation, cyclone preparedness, litter management and nuisance control.

The goal continues to be to deliver positive outcomes within the community through education and enforcement. There has been a solid focus in process improvement and consistency of service delivery to the members of the community, in particular in relation to responsible dog ownership. The Shire continues its zero tolerance for dogs that attack people and will have no hesitation in imposing penalties on their owners which may potentially lead to prosecution in the courts.

For example, in March 2021, the Shire prosecuted a local dog owner whose dogs attacked a holiday maker in February 2020. At the time, the attack left the woman in hospital overnight, unable to work for several weeks, with long term scarring and a fear of dogs. The Court imposed a fine and court costs of over \$5000. The dog involved in the attack was euthanized soon after the attack as it was already a declared dangerous dog.



# ECONOMY

## Tourism

### ***Derby Visitor Centre***

The Shire continues to support the Derby Visitor Centre with an annual grant of \$40,000 to support the centre to encourage tourism and economic development across the Shire. It continued to be a troubling year for tourism with many services impacted by COVID-19 restrictions across the country.

The Shire is a proud partner of the Derby Visitor Centre.

### ***Fitzroy Crossing Visitor Centre***

The Fitzroy Crossing Visitor Centre is the main location for all Shire of Derby/West Kimberley services in the town including dog and cat registrations, rate and debtor payments, facility hire and development application lodgement. The Visitor Centre is also home to the Fitzroy Crossing library, with a multitude of items and resources available for borrowing or use. Department of Transport services are also offered to the township and wider community with the service hours being increased to five days a week.

2020/2021 saw an interesting time in the tourism industry (due to the COVID-19 pandemic), with the majority of travellers visiting Fitzroy Crossing being from intrastate. International and interstate tourism usually being one of the largest sources of income for the Visitor Centre, meant a slightly quieter season. The number of people travelling within their own state was a welcome sight and the team at the Visitor Centre were so happy to welcome people to the community. The Visitor Centre proudly stocks a majority of gifts and wares sourced from local community and Australian suppliers. It is a great place to find the perfect souvenir or gift for your family back home. The Fitzroy Crossing Visitor Centre looks forward to welcoming all future visitors to the Kimberley.

## Annual Budget

The Annual Budget is required to be prepared each year and adopted by Council by 31 August.

The 2020/21 draft budget delivers on the strategies adopted by the Council and maintains a high level of service across all programs while ensuring continued focus on roads. The budget is still limited in providing adequate capital renewal and identifying a strategy to improve this situation has remained the focus of the administration.

Challenges the Shire has had to consider in framing the budget included:

- The economic outlook remains uncertain
- COVID-19 local government rules
- Obtaining grant funding remains challenging
- Cost shifting to local government continues to be a concern
- Pensioner rebates capping to remain at \$750
- Community expectations on the Shire's capacity to continuously provide or contribute significantly to community and sporting infrastructure
- The ratepayer and residents' lack of propensity to want to pay for the use of facilities or to attend events.

The budget is a fiscally responsible budget which provides for the maintenance of service levels, ongoing focus on road infrastructure and the financing of port and airport capital works.

The main features of the budget included:

- The budget was prepared with an overall decrease in the rates in the dollar, GRV rates in the dollar has decreased by 6% with UV rural and UV mining rates in the dollar also have had decreases; 11.6% and 57.5% respectively. This was due to an increase in valuations of various UV properties which provided the opportunity for the Shire to review its previous rating structure and revise its strategy to allow for the rating burden to be shared equally over the rateable properties.

- Due to COVID-19 and the impacts of the COVID-19 order 2020, local governments were encouraged not to increase their rates in the dollar with this intention being that they also did not increase rate yields. The Shire provided decreases to the rates in the dollar over all of the rating categories but wanted to ensure an overall rate yield increase. This yield increase was necessary for the Shire to be able to ensure we are able to maintain our current service levels and operations.
- The Shire is currently undergoing external financial review as directed by the Strategic Community Plan and corresponding Long Term Financial Plan to review service levels to inform the Shire's ongoing rating strategy to ensure transparency and ongoing sustainability.
- Fees and charges remained the same for the 2020/2021 year due to COVID-19 and only includes any statutory increase applied by the State Government and new fees and charges.

- Household and commercial waste charges have remained the same in 2020/2021 due to COVID-19 and are itemised separately in the draft budget.
- Expenditure on road infrastructure is a major component of Council's capital works strategy to increase the investment in roads across the Shire.

### ***Human Resources***

A concerted effort has been made in this budget to contain staff costs, however additional staff are required to maintain and develop Council's facilities and services to the community.

Allowances for a Director of Corporate Services and Administration and Governance team leaders have been included.

Road transport infrastructure remained a feature of the budget with \$5.84 million allocated for various road construction, drainage and other infrastructure.

## **FINANCIAL SUMMARY SNAPSHOT AT A GLANCE**

**Total Operating Expenditure for 2020/21 was \$24.620M**

**Employee wage costs for 95 permanent and casual employees was \$6.868M**

**71 employees at 30 June 2021**

**Rates and charges comprised \$11.070M of the total income received**

**Council's total grant funding for 2020/21 was \$10.627M**

**A \$3.589M capital works program was delivered**

**Council borrowings are \$3.4M at the end of the year**

# LEADERSHIP AND GOVERNANCE

## Records Management

The Shire of Derby/West Kimberley remains committed to accurate record keeping practices in accordance with best practice and in compliance with the State Records Act 2000. Ongoing record keeping practices continued with a dedicated Records Officer maintaining the Shire's incoming and historical records. The Shire's adopted record keeping plan has been refreshed to remain in compliance with State Records Office expectations. Staff training and refreshers will be ongoing, with future processes to be implemented in the coming year.

## Governance and Compliance

The annual Department of Local Government Compliance Audit Return (CAR) is required to be completed annually by every local government in Western Australia. The CAR process is a time-consuming, but valuable internal auditing tool to ensure compliance occurs, and the significance of compliance is reinforced throughout the organisation. Notwithstanding the extensive nature of the audit, there were only two separate areas of non-compliance located by officers (covering three separate questions out of 102 questions in total). This is a compliance rate of 98% compared with the 2018 and 2019 CARs of 96% and 93% respectively. Officers will continue to work towards meeting requirements and with the benefits of ongoing systems/procedures development, which will assist with the management and reporting of information, it is hoped that further improvements to compliance can be achieved over future years.

## Council Meetings

To improve community access to council meetings and provide a more efficient meeting process for Councillors that attend meetings remotely, a new audio/visual system was installed into the Derby Council Chamber and also into a room in the Fitzroy Crossing Administration Centre. The system provides for improved audio for those attending and TV screens enable them to see any other Councillors attending remotely, as well as the minutes being prepared as the meeting progresses. The goal is to enable Fitzroy Crossing community members to 'digitally attend' council meetings through similar technology installed at the Fitzroy Crossing Administration Centre.

## Procurement Compliance

In order to meet legislative requirements and to also periodically 'test the market', requests for quotations were sought for the supply of Managed ICT Services Providers; and also for the supply of Telecommunications. Both processes resulted in improvements to service delivery and/or costs.

## State and Federal Government Legislation

The administration and the Council accommodated the State Government updates to the Local Government Act (e.g. Code of Conduct, Gift Register, Public Notices, CEO Appointments and Reviews, etc.). There were also changes introduced by the Federal Government that required local governments to report any Foreign Arrangements of a commercial nature that were in place.

## Corporate Compliance Calendar Initiative

A Corporate Compliance Calendar was introduced to assist officers with their statutory tasks. The calendar uses a reminders system linked to a calendar, to advise employees when each statutory task they are responsible for is to be completed. With high staff turnover levels being something we need to live with in the Kimberley, it will mean that new staff will have existing systems and procedures in place upon their arrival which will lower the risk of legislative tasks not being completed.

## Delegations and Policies

A full review of the Shire's Register of Delegations was undertaken, bringing that document more into line with the majority of other WA local governments. The Shire's Policy Manual was also reviewed to ensure it was current with today's expectations of Council and the community.

## Cyber Security

To better protect the Shire's Information Communications and Technology systems against cyber-attacks, a Multi-Factor Authentication system was introduced.



## Community and Commercial Land Arrangements

A range of new and renewed leases were progressing throughout the 2020/21 year, including Horizon Power's community battery lease; Red Shed (Old Fire Station) community lease; Mary Island Fishing Club renewal, a new lease for the Speedway, Pistol and the Sporting Shooters Clubs; a new Turf Club lease; and several new or extended commercial leases were dealt with for sites at both the Derby and the Fitzroy Crossing Airports. A new lease was issued to Derby Marine Rescue at the Derby Port, and renegotiations are progressing with Kimberley Mineral Sands for the continuation of the Sheffield lease. Despite considerable advertising, the Shire could not attract a lessee for the old Jetty Restaurant, so the site is being 're-purposed' into a casual BYO eating area and somewhere that food vendors can service their customers.

## Continuous Improvement

Work continues so we can progressively and continuously improve such elements as internal workflow procedures, and the conversion of records from the common drive, to the better-protected Synergy records system.

## Financial Sustainability

### Responsible Revenue Sources

A review of the Shire's financials was undertaken to best position the Shire into the future. With considerable levels of responsibility, like roads, recreation facilities, and community services to provide, a consistent and sustainable level of revenue must also be maintained. The Shire had even suffered a reduction in income in some past years, and so a fresh look at the financial sustainability of the Shire was warranted.

After several workshops and considerable discussion, a staged process of financial repair was considered the most appropriate way forward, but whilst still maintaining our services, including some of our most expensive operations like the Derby, Curtin, and Fitzroy Crossing Airports, the Derby Jetty, and our transport and other assets.

### **Valuation Reviews**

Searches were undertaken to locate any areas of the district that were not correctly rated. Several small parcels of land were located that were either not paying any rates at all, or not correctly valued and therefore were being under-rated. A review of those locations continues to be progressed, with the outcome generally resulting in a positive change to rates revenue being achieved. This will assist to ensure that every ratepayer pays a fair and reasonable contribution to the rates requirements of the district.

### **Fees and Charges**

A review of the several areas of the Shire's fees and charges was undertaken. Airports were one area considered as these facilities consume a very large proportion of the rates collected. They are a vital service but also need to operate as efficiently as possible. Airport fees and charges had not been lifted for several years and were increased. Another considerable cost, is waste collection services. Waste collection charges income was well below the cost of the service provided. These charges are to be increased in a staged several year program to achieve a 'cost recovery' outcome for the Shire.

### **Technology Opportunities**

Solar panels were put in place across the Shire which has provided a considerable cost reduction for electricity.

### **Continuous Improvement**

The drive to continuously fine-tune the organisation will continue, to ensure that the Shire can play a meaningful and appreciated role in the delivery of good governance and good and efficient services to the community of our district.

## **People and Culture**

### **Training**

With a push towards staff development and supporting retention of a local workforce, there has been a shift towards developing staff from within ranks. Whilst each position offers role specific training, there were also many group training opportunities offered to staff throughout 2020/21. Some of these included cultural awareness, introduction to local government, Synergy records and financial training along with report writing/agendas and minutes. There were also number of webinar sessions with information on financial security, mental wellbeing and leadership development extensively promoted to staff and an interactive webinar/training opportunity centred on managing workplace pressure.

### **Recruitment**

2020/21 provided promotional opportunities for three of our staff internally supporting retention and succession planning.

Twenty seven permanent positions were advertised from which three advertisements attracted multiple suitable applicants resulting in thirty three appointments, with one position based in Fitzroy Crossing and five based in Derby needing to be re-advertised.

In addition, the Shire employed six casuals to provide cover at Derby Memorial Swimming Pool and Derby Youth Centre, and to assist with the Shire's school holiday program and project management. The Shire supported the commencement of three trainees and placed two local students across departments providing work place experience in partnership with the local high school.

### **Payments to Employees**

A requirement under section 19B of the Local Government (Administration) Regulations is that the annual report is to contain 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 band over \$100,000.

Salary Range	With Allowances	Base Salary Only	All
	2020-2021	2020-2021	2020-2021
100,000 to 109,999	3		3
110,000 to 119,999			
120,000 to 129,999		1	1
130,000 to 139,999		1	
140,000 to 149,999	1	1	1
150,000 to 159,999	1		1
160,000 to 169,999			
170,000 to 179,999			
180,000 to 189,999	1		1
190,000 to 199,999			
200,000 to 209,999			
210,000 to 219,999			
220,000 to 229,999			
230,000 to 239,999			
240,000 to 249,999			
250,000 to 259,999	1		1

## National Competition Policy – Compliance

In 1995 the Council of Australian Governments entered into a number of agreements, collectively known as the National Competition Policy. Local government is affected mainly where it operates significant business activities which compete, or could compete, with private sector businesses. Local government is also affected where Local Laws unnecessarily affect competition. The Shire is required to comply with certain policies contained within the National Competition Policy Statement

and report on progress in connection with the National Competitive Neutrality Principles and review of Local Laws. Each local government must report its progress in achieving National Competition Policy reforms in its annual report broadly under the following categories:

- Competitive Neutrality
- Legislation Review
- Structural Reform

### Competitive Neutrality

This principle deals with ensuring that government business operations have no advantage or disadvantage in comparison with the private sector. The policy dictates that competitive neutrality should apply to all business activities which generate a user pays income of over \$200,000 unless it can be shown that it is not in the public interest. In this regard, no significant new business activities for the purposes of competitive neutrality were initiated or considered during the year and no non-compliance allegations were made.

### Legislation Review

The Shire of Derby/West Kimberley did not promulgate any new legislation and as legislation is reviewed, it will be done with the National Competition Policy in mind. The Local Government Act 1995 requires all existing Local Laws to be reviewed every eight years. As part of this process the intention to review Local Laws is advertised in the media giving residents and ratepayers the opportunity to comment on any proposed changes, additions or deletions to the Shire's Local Laws.

### Structural Reform

The Shire of Derby/West Kimberley did not undertake any structural reform during the 2020/21 financial year.

## Register of Complaints

Section 5.121 of the Local Government Act 1995 requires the complaints officer of the local government to maintain a register of complaints which records all complaints that result in an action under section 5.110 (6)(b) or (c). For the purposes of section 5.53(2) (hb) of the Local Government Act 1995 it is advised that the Shire of Derby/West Kimberley received zero complaints during this period.



## Freedom of Information

In accordance with section 96 and 97 of the Freedom of Information Act 1992, the Shire is required to publish an information statement that details the process for applying for information under the Act, as well as information that the Shire provides outside the Act. This document is reviewed annually and available from the Shire's administration office or website. During 2020/21 the Shire received two Freedom of Information applications, which were both provided access. The Act requires that all applications are responded to within 45 days with which the Shire is compliant.

## Public Interest Disclosure

In accordance with the requirements of the Public Interest Disclosure Act 2003, the Shire of Derby/West Kimberley has established procedures to facilitate the making of disclosures under the Act. These procedures set out the processes in respect to protected disclosures, generally to protect people from reprisal for making protected disclosures, and to provide guidance on investigations. The Shire reviewed its document on rights and obligations under the Public Interest Disclosures Act 2003 and the updated document is now available on the Shire's website. In the 2020/21 financial year, no disclosures relating to improper conduct were made to the Shire and therefore no disclosures were referred to the Ombudsman.

## Register of Gifts

Changes in the Local Government Act 1995 in March 2016 now require Elected Members and employees of the Shire to disclose any gift or contribution to travel received over \$200.00 in writing to the Chief Executive Officer within 10 days of receipt.

The Chief Executive Officer keeps a register of gifts which is made available on the Shire's website during the year. The register is also available for public inspection at the Shire's Administration office.

## Customer Service

The Shire of Derby/West Kimberley Administration office is the go-to location for all Shire services in Derby and surrounds. The Customer Service team provide assistance for any Shire-related enquiries, and 2020/21 saw some new faces join our friendly team. The Customer Service Charter is a key guiding document for all customer service functions and the Shire always aims to provide outstanding customer service to all of our customers. In 2020/21 the team continued to provide this high quality service and we welcome you to the Administration Office to provide feedback or assist you in any way we can.



## 2021/22 – THE YEAR AHEAD

### Plan for the Future

**Council has undertaken a significant review of its Strategic Community Plan (SCP) and associated documents such as the Corporate Business Plan, Asset Management Plan and Workforce Management Plan throughout 2021/22.**

Strategic community plans must be reviewed every ten years and as part of the process, the Shire committed to reaching as many of its 7,730 residents as possible with the opportunity to provide feedback.

Since the start of the review process in July 2020, the Shire subsequently received feedback from over 1,700 respondents and engaged with over 3,000 people including representatives from agencies, organisations and groups.

After a final round of consultation, from mid-December 2020 until late March 2021, the final version of the Strategic Community Plan 2021-31 was adopted by Council on 29 April 2021.

The Shire is proud of its new vision and values and looks forward to delivering on an exciting first year of the new SCP; a solid foundation for the decade ahead:

**'A place where people want to live, invest, visit and return to'**

- Leadership and Governance
- Community
- Economy
- Environment

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## Community Vision

*'A place where people want to live, invest, visit and return to'.*

# STATEMENT BY THE CHIEF EXECUTIVE OFFICER

## SHIRE OF DERBY / WEST KIMBERLEY FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

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

### STATEMENT BY CHIEF EXECUTIVE OFFICER

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

Signed on the 30th day of September 2022



Chief Executive Officer

Amanda Dexter  
Name of Chief Executive Officer

# STATEMENT OF COMPREHENSIVE INCOME BY NATURE OR TYPE

FOR THE YEAR ENDED 30 JUNE 2021

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
<b>Revenue</b>				
Rates	21(a)	7,365,244	8,795,965	7,342,404
Operating grants, subsidies and contributions	2(a)	9,572,828	7,205,732	6,890,842
Fees and charges	2(a)	3,705,444	3,356,473	4,028,832
Interest earnings	2(a)	261,755	253,005	543,956
Other revenue	2(a)	669,882	18,425	148,375
		21,575,153	19,629,600	18,954,409
<b>Expenses</b>				
Employee costs		(6,868,307)	(7,325,883)	(6,233,109)
Materials and contracts		(7,583,028)	(10,051,182)	(7,758,407)
Utility charges		(909,609)	(1,015,601)	(1,011,575)
Depreciation on non-current assets	9(b)	(7,414,109)	(7,454,631)	(7,721,744)
Interest expenses	2(b)	(117,250)	(191,085)	(183,670)
Insurance expenses		(979,070)	(1,094,727)	(1,023,930)
Other expenditure		(749,530)	(337,755)	(734,267)
		(24,620,903)	(27,470,864)	(24,666,702)
		(3,045,750)	(7,841,264)	(5,712,293)
Non-operating grants, subsidies and contributions	2(a)	1,054,897	16,233,630	6,635,262
Profit on asset disposals	9(a)	28,788	41,258	0
(Loss) on asset disposals	9(a)	(199,314)	(203,559)	0
(Loss) on revaluation of other infrastructure - footpaths	8(a)	(1,394,281)	0	0
		(509,910)	16,071,329	6,635,262
<b>Net result for the period</b>		<b>(3,555,660)</b>	<b>8,230,065</b>	<b>922,969</b>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	10	146,817,498	0	(11,417,516)
<b>Total other comprehensive income for the period</b>		<b>146,817,498</b>	<b>0</b>	<b>(11,417,516)</b>
<b>Total comprehensive income for the period</b>		<b>143,261,838</b>	<b>8,230,065</b>	<b>(10,494,547)</b>

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



# STATEMENT OF COMPREHENSIVE INCOME BY PROGRAM

FOR THE YEAR ENDED 30 JUNE 2021

NOTE	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
<b>Revenue</b>			
Governance	2(a) 1,158	21,050	55,668
General purpose funding	13,784,449	12,095,437	13,058,156
Law, order, public safety	58,840	43,300	74,971
Health	621,024	737,679	559,825
Education and welfare	132,061	512,114	311,998
Housing	97,375	70,560	108,866
Community amenities	1,784,707	1,949,138	1,986,887
Recreation and culture	345,504	349,960	499,508
Transport	4,563,395	3,724,762	1,970,022
Economic services	83,835	87,600	87,996
Other property and services	102,805	38,000	240,512
	21,575,153	19,629,600	18,954,409
<b>Expenses</b>			
Governance	2(b) (1,214,318)	(1,689,431)	(1,539,111)
General purpose funding	(609,156)	(400,346)	(798,415)
Law, order, public safety	(645,066)	(413,635)	(463,736)
Health	(961,513)	(889,031)	(987,427)
Education and welfare	(722,644)	(1,041,379)	(420,768)
Housing	(510,835)	(93,376)	(7,610)
Community amenities	(4,121,524)	(3,752,805)	(3,624,864)
Recreation and culture	(5,527,606)	(5,424,667)	(4,606,458)
Transport	(8,940,302)	(12,515,161)	(10,619,081)
Economic services	(1,141,122)	(1,015,771)	(1,062,165)
Other property and services	(109,567)	(44,177)	(353,397)
	(24,503,653)	(27,279,779)	(24,483,032)
<b>Finance Costs</b>			
General purpose funding	2(b) 0	(40,000)	0
Housing	(45,640)	(56,261)	(60,321)
Recreation and culture	(5)	(447)	(1,338)
Transport	(56,186)	(78,872)	(105,528)
Economic services	(15,419)	(15,505)	(16,483)
	(117,250)	(191,085)	(183,670)
	(3,045,750)	(7,841,264)	(5,712,293)
Non-operating grants, subsidies and contributions	2(a) 1,054,897	16,233,630	6,635,262
Profit on disposal of assets	9(a) 28,788	41,258	0
(Loss) on disposal of assets	9(a) (199,314)	(203,559)	0
(Loss) on revaluation of other infrastructure - footpaths	8(a) (1,394,281)	0	0
	(509,910)	16,071,329	6,635,262
<b>Net result for the period</b>			
	(3,555,660)	8,230,065	922,969
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Changes in asset revaluation surplus	10 146,817,498	0	(11,417,516)
<b>Total other comprehensive income for the period</b>			
	146,817,498	0	(11,417,516)
<b>Total comprehensive income for the period</b>			
	143,261,838	8,230,065	(10,494,547)

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

# STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2021

	NOTE	2021 \$	2020 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	8,934,223	6,235,956
Trade and other receivables	5	2,721,478	3,824,167
Inventories	6	32,395	54,679
<b>TOTAL CURRENT ASSETS</b>		<b>11,688,096</b>	<b>10,114,802</b>
<b>NON-CURRENT ASSETS</b>			
Trade and other receivables	5	108,614	123,754
Property, plant and equipment	7	47,444,801	45,666,420
Infrastructure	8	291,233,418	149,684,526
<b>TOTAL NON-CURRENT ASSETS</b>		<b>338,786,833</b>	<b>195,474,700</b>
<b>TOTAL ASSETS</b>		<b>350,474,929</b>	<b>205,589,502</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	11	3,745,714	3,681,924
Other liabilities	12	1,001,277	529,572
Borrowings	13(a)	368,840	373,274
Employee related provisions	14	578,267	558,741
<b>TOTAL CURRENT LIABILITIES</b>		<b>5,694,098</b>	<b>5,143,511</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	13(a)	3,066,521	3,435,361
Employee related provisions	14	159,406	81,031
Other provisions	15	11,332,588	9,969,121
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>14,558,515</b>	<b>13,485,513</b>
<b>TOTAL LIABILITIES</b>		<b>20,252,613</b>	<b>18,629,024</b>
<b>NET ASSETS</b>		<b>330,222,316</b>	<b>186,960,478</b>
<b>EQUITY</b>			
Retained surplus	4	63,069,114	66,097,921
Reserves - cash backed	10	975,801	1,502,654
Revaluation surplus		266,177,401	119,359,903
<b>TOTAL EQUITY</b>		<b>330,222,316</b>	<b>186,960,478</b>

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



# STATEMENT OF CHANGES IN EQUITY

## FOR THE YEAR ENDED 30 JUNE 2021

	NOTE	RETAINED SURPLUS	RESERVES CASH BACKED	REVALUATION SURPLUS	TOTAL EQUITY
		\$	\$	\$	\$
<b>Balance as at 1 July 2019</b>		<b>65,124,952</b>	<b>1,552,654</b>	<b>130,777,419</b>	<b>197,455,025</b>
Comprehensive income					
Net result for the period		922,969	0	0	922,969
Other comprehensive income	10	0	0	(11,417,516)	(11,417,516)
Total comprehensive income		922,969	0	(11,417,516)	(10,494,547)
Transfers from reserves	4	50,000	(50,000)	0	0
<b>Balance as at 30 June 2020</b>		<b>66,097,921</b>	<b>1,502,654</b>	<b>119,359,903</b>	<b>186,960,478</b>
Comprehensive income					
Net result for the period		(3,555,660)	0	0	(3,555,660)
Other comprehensive income	10	0	0	146,817,498	146,817,498
Total comprehensive income		(3,555,660)	0	146,817,498	143,261,838
Transfers from reserves	4	526,853	(526,853)	0	0
<b>Balance as at 30 June 2021</b>		<b>63,069,114</b>	<b>975,801</b>	<b>266,177,401</b>	<b>330,222,316</b>

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



# STATEMENT OF CASH FLOWS

## FOR THE YEAR ENDED 30 JUNE 2021

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Rates		9,014,722	10,295,965	7,009,162
Operating grants, subsidies and contributions		9,545,810	6,339,219	7,123,344
Fees and charges		3,640,102	3,356,473	4,028,832
Interest received		261,755	253,005	543,956
Goods and services tax received		939,663	0	1,239,154
Other revenue		669,882	18,425	148,375
		24,071,934	20,263,087	20,092,823
<b>Payments</b>				
Employee costs		(6,740,546)	(7,325,883)	(6,351,686)
Materials and contracts		(8,230,785)	(9,051,182)	(8,349,534)
Utility charges		(909,609)	(1,015,601)	(1,011,575)
Interest expenses		(117,250)	(191,085)	(183,670)
Insurance paid		(979,070)	(1,094,727)	(1,023,930)
Goods and services tax paid		(846,763)	0	(1,130,368)
Other expenditure		(749,530)	(337,755)	(734,267)
		(18,573,553)	(19,016,233)	(18,785,030)
<b>Net cash provided by (used in) operating activities</b>	16	5,498,381	1,246,854	1,307,793
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for purchase of property, plant & equipment	7(a)	(774,846)	(1,736,330)	0
Payments for construction of infrastructure	8(a)	(3,589,428)	(20,123,938)	(4,090,009)
Non-operating grants, subsidies and contributions		1,828,621	16,233,630	6,635,262
Proceeds from sale of property, plant & equipment	9(a)	108,813	167,000	0
<b>Net cash provided by (used in) investment activities</b>		(2,426,840)	(5,459,638)	2,545,253
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of borrowings	13(b)	(373,274)	(389,274)	(5,648,350)
Proceeds from new borrowings	13(b)	0	500,000	2,000,000
<b>Net cash provided by (used in) financing activities</b>		(373,274)	110,726	(3,648,350)
<b>Net increase (decrease) in cash held</b>				
Cash at beginning of year		2,698,267	(4,102,058)	204,696
<b>Cash and cash equivalents at the end of the year</b>	16	6,235,956	6,236,281	6,031,260
		8,934,223	2,134,223	6,235,956

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



# RATE SETTING STATEMENT

## FOR THE YEAR ENDED 30 JUNE 2021

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
<b>OPERATING ACTIVITIES</b>				
Net current assets at start of financial year - surplus/(deficit)	22 (b)	3,841,911	5,293,692	3,266,678
<b>Revenue from operating activities (excluding rates)</b>				
Governance		1,158	21,050	55,668
General purpose funding		6,419,205	3,299,472	5,715,752
Law, order, public safety		58,840	51,971	74,971
Health		621,024	737,679	559,825
Education and welfare		132,061	512,114	311,998
Housing		97,375	70,560	108,866
Community amenities		1,784,707	1,949,138	1,986,887
Recreation and culture		345,504	357,628	499,508
Transport		4,563,395	3,724,762	1,970,022
Economic services		83,835	87,600	87,996
Other property and services		131,593	62,919	240,512
		14,238,697	10,874,893	11,612,005
<b>Expenditure from operating activities</b>				
Governance		(1,214,318)	(1,689,431)	(1,539,111)
General purpose funding		(609,156)	(440,346)	(798,415)
Law, order, public safety		(645,066)	(413,635)	(463,736)
Health		(961,513)	(889,031)	(987,427)
Education and welfare		(722,644)	(1,041,379)	(420,768)
Housing		(755,789)	(349,637)	(67,931)
Community amenities		(4,121,524)	(3,752,805)	(3,624,864)
Recreation and culture		(5,527,611)	(5,425,114)	(4,607,796)
Transport		(8,996,488)	(12,594,033)	(10,724,609)
Economic services		(1,156,541)	(1,031,276)	(1,078,648)
Other property and services		(1,503,848)	(47,736)	(353,397)
		(26,214,498)	(27,674,423)	(24,666,702)
Non-cash amounts excluded from operating activities	22(a)	9,605,109	7,616,932	7,340,623
<b>Amount attributable to operating activities</b>		1,471,219	(3,888,906)	(2,447,396)
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions	2(a)	1,054,897	16,233,630	6,635,262
Proceeds from disposal of assets	9(a)	108,813	167,000	0
Purchase of property, plant and equipment	7(a)	(774,846)	(1,736,330)	0
Purchase and construction of infrastructure	8(a)	(3,589,428)	(20,123,938)	(4,090,009)
<b>Amount attributable to investing activities</b>		(3,200,564)	(5,459,638)	2,545,253
<b>FINANCING ACTIVITIES</b>				
Repayment of borrowings	13(b)	(373,274)	(389,274)	(5,648,350)
Proceeds from borrowings	13(c)	0	500,000	2,000,000
Transfers to reserves (restricted assets)	4	0	(85,000)	0
Transfers from reserves (restricted assets)	4	526,853	526,853	50,000
<b>Amount attributable to financing activities</b>		153,579	552,579	(3,598,350)
<b>Surplus/(deficit) before imposition of general rates</b>		(1,575,766)	(8,795,965)	(3,500,493)
<b>Total amount raised from general rates</b>	21(a)	7,365,244	8,795,965	7,342,404
<b>Surplus/(deficit) after imposition of general rates</b>	22(b)	5,789,478	0	3,841,911

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

# NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

## FOR THE YEAR ENDED 30 JUNE 2021

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# NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

## FOR THE YEAR ENDED 30 JUNE 2021

### 1. BASIS OF PREPARATION

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

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

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

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

#### THE LOCAL GOVERNMENT REPORTING ENTITY

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

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 25 to these financial statements.

#### INITIAL APPLICATION OF ACCOUNTING STANDARDS

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

These were:

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

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

#### NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE YEARS

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

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

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

#### CRITICAL ACCOUNTING ESTIMATES

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

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

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

- Other revenue
- Other expenditures
- Trade and other receivables
- Property, Plant and Equipment
- Infrastructure
- Depreciation expense
- Other liabilities
- Borrowing
- Employee expenses
- Provisions

# NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

## FOR THE YEAR ENDED 30 JUNE 2021

### 2. REVENUE AND EXPENSES

#### REVENUE RECOGNITION POLICY

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/ Warranties	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Timing of revenue recognition
Rates	General Rates	Over time	Payment dates adopted by Council during the year	None	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Grant contracts with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants, subsidies or contributions for the construction of non-financial assets	Construction or acquisition of recognisable non-financial assets to be controlled by the local government	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants with no contract commitments	General appropriations and contributions with no reciprocal commitment	No obligations	Not applicable	Not applicable	Cash received	On receipt of funds	Not applicable	When assets are controlled
Licences/ Registrations/ Approvals	Building, planning and animal management, having the same nature as a licence regardless of naming.	Single point in time	Full payment prior to issue	None	Set by State legislation or limited by legislation to the cost of provision	Based on timing of issue of the associated rights	No refunds	On payment and issue of the licence, registration or approval
Other inspections	Regulatory Food, Health and Safety	Single point in time	Full payment prior to inspection	None	Set by State legislation or limited by legislation to the cost of provision	Applied fully on timing of inspection	Not applicable	Revenue recognised after inspection event occurs
Waste management collections	Kerb side collection service	Over time	Payment on an annual basis in advance	None	Adopted by council annually	Apportioned equally across the collection period	Not applicable	Output method based on regular weekly and fortnightly period as proportionate to collection service
Property hire and entry	Use of halls and facilities	Single point in time	In full in advance	Refund if event cancelled within 7 days	Adopted by council annually	Based on timing of entry to facility	Returns limited to repayment of transaction price	On entry or at conclusion of hire
Fees and charges for other goods and services	Goods and services, reinstatements and private works	Single point in time	Payment in full in advance	None	Adopted by council annually	Applied fully based on timing of provision	Not applicable	Output method based on provision of service or completion of works

# NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

## FOR THE YEAR ENDED 30 JUNE 2021

### 2. REVENUE AND EXPENSES

#### (a) Grant revenue

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

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
<b>Operating grants, subsidies and contributions</b>			
Governance	0	16,600	54,858
General purpose funding	6,137,770	3,028,317	5,152,557
Law, order, public safety	115	19,000	7,884
Health	571,058	703,879	502,169
Education and welfare	132,081	512,114	311,966
Housing	6,264	0	6,171
Community amenities	0	1,000	3,323
Recreation and culture	208,254	252,160	378,985
Transport	2,487,842	2,604,762	296,618
Economic services	5,688	30,100	2,892
Other property and services	23,778	38,000	173,419
	9,572,828	7,205,732	6,890,842
<b>Non-operating grants, subsidies and contributions</b>			
General purpose funding	0	3,866,830	300,000
Law, order, public safety	204,720	231,000	140,000
Community amenities	273	0	0
Recreation and culture	138	0	0
Transport	849,788	12,135,800	6,190,262
Economic services	0	0	5,000
	1,054,897	16,233,630	6,635,262
<b>Total grants, subsidies and contributions</b>			
	10,627,725	23,439,362	13,526,104
<b>Fees and charges</b>			
Governance	836	2,250	0
General purpose funding	19,662	18,125	19,240
Law, order, public safety	27,393	20,100	24,009
Health	49,960	34,000	47,656
Housing	88,228	70,580	97,263
Community amenities	1,784,707	1,948,138	1,983,292
Recreation and culture	93,318	95,800	101,812
Transport	1,617,428	1,120,000	1,715,719
Economic services	14,648	47,500	16,665
Other property and services	9,264	0	23,176
	3,705,444	3,356,473	4,028,832

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

#### SIGNIFICANT ACCOUNTING POLICIES

##### Grants, subsidies and contributions

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

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

##### Fees and Charges

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



# NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

## FOR THE YEAR ENDED 30 JUNE 2021

### 2. REVENUE AND EXPENSES (Continued)

	2021 Actual \$	2021 Budget \$	2020 Actual \$
<b>(a) Revenue (Continued)</b>			
<i>Contracts with customers and transfers for recognisable non-financial assets</i>			
Revenue from contracts with customers and transfers to enable the acquisition or construction of recognisable non-financial assets to be controlled by the Shire was recognised during the year for the following nature or types of goods or services:			
Operating grants, subsidies and contributions	0	0	614,557
Fees and charges	3,600,052	3,282,223	4,028,379
Other revenue	621,311	0	146,852
Non-operating grants, subsidies and contributions	1,054,897	16,233,630	6,635,262
	<b>5,276,260</b>	<b>19,515,853</b>	<b>11,424,050</b>
Revenue from contracts with customers and transfers to enable the acquisition or construction of recognisable non-financial assets to be controlled by the Shire is comprised of:			
Revenue from contracts with customers included as a contract liability at the start of the period	529,572	0	753,058
Revenue from contracts with customers recognised during the year	3,691,791	3,282,223	4,788,788
Revenue from transfers intended for acquiring or constructing recognisable non financial assets during the year	1,054,897	16,233,630	5,882,204
	<b>5,276,260</b>	<b>19,515,853</b>	<b>11,424,050</b>
Information about receivables, contract assets and contract liabilities from contracts with customers along with financial assets and associated liabilities arising from transfers to enable the acquisition or construction of recognisable non financial assets is:			
Trade and other receivables from contracts with customers	1,077,423	0	1,352,424
Contract liabilities from contracts with customers	(227,553)	(424,597)	(187,667)
Financial assets held from transfers for recognisable financial assets	773,724	0	341,905
Grant liabilities from transfers for recognisable non financial assets	(773,724)	0	(341,905)

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

# NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

## FOR THE YEAR ENDED 30 JUNE 2021

### 2. REVENUE AND EXPENSES (Continued)

	2021 Actual \$	2021 Budget \$	2020 Actual \$
<b>(a) Revenue (Continued)</b>			
<b>Revenue from statutory requirements</b>			
Revenue from statutory requirements was recognised during the year for the following nature or types of goods or services:			
General rates	7,365,244	8,795,965	7,342,404
Statutory permits and licences	105,020	66,750	80,403
Fines	372	7,500	453
	7,470,636	8,870,215	7,423,260
<b>Other revenue</b>			
Reimbursements and recoveries	48,571	18,425	2,523
Other	621,311	0	145,852
	669,882	18,425	148,375
<b>Interest earnings</b>			
Interest on reserve funds	17,511	35,005	41,654
Rates instalment and penalty interest (refer Note 21(b))	238,542	218,000	483,839
Other interest earnings	5,702	0	18,463
	261,755	253,005	543,956

#### SIGNIFICANT ACCOUNTING POLICIES

##### Interest earnings

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

##### Interest earnings (continued)

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

	Note	Actual \$	Budget \$	Actual \$
<b>(b) Expenses</b>				
<b>Auditors remuneration</b>				
Audit of the Annual Financial Report		65,000	80,000	65,000
Other Services Financial Management Review		0	0	14,698
Audit fees associated with grant aquittals		3,900	0	5,750
		68,900	80,000	85,448
<b>Interest expenses (finance costs)</b>				
Borrowings	13(b)	117,250	151,085	183,870
Other		0	40,000	0
		117,250	191,085	183,870
<b>Other expenditure</b>				
Impairment loss on trade and other receivables from contracts with customers		370,545	0	901,727
Sundry expenses		378,985	337,755	(167,460)
		749,530	337,755	734,267

# NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

## FOR THE YEAR ENDED 30 JUNE 2021

### 3. CASH AND CASH EQUIVALENTS

NOTE	2021 \$	2020 \$
Cash at bank and on hand	7,661,934	5,235,956
Term deposits	1,272,289	1,000,000
<b>Total cash and cash equivalents</b>	<b>8,934,223</b>	<b>6,235,956</b>
<b>Restrictions</b>		
The following classes of assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:		
- Cash and cash equivalents	1,977,078	2,032,226
	1,977,078	2,032,226
The restricted assets are a result of the following specific purposes to which the assets may be used:		
Reserves - cash backed	4	975,801
Contract liabilities from contracts with customers	12	227,553
Grants for transfers for recognisable non financial assets	12	773,724
<b>Total restricted assets</b>		<b>1,977,078</b>
<b>SIGNIFICANT ACCOUNTING POLICIES</b>		
Cash and cash equivalents		
Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks and other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are reported as short term borrowings in current liabilities in the statement of financial position.		
Restricted assets		
Restricted asset balances are not available for general use by the local government due to externally imposed restrictions. Externally imposed restrictions are specified in an agreement, contract or legislation. This applies to reserves, unspent grants, subsidies and contributions and unspent loans that have not been fully expended in the manner specified by the contributor, legislation or loan agreement.		

# NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2021

## 4. RESERVES - CASH BACKED

	2021 Actual Opening Balance	2021 Actual Transfer to	2021 Actual Transfer (from)	2021 Actual Closing Balance	2021 Budget Opening Balance	2021 Budget Transfer to	2021 Budget Transfer (from)	2021 Budget Closing Balance	2020 Actual Opening Balance	2020 Actual Transfer to	2020 Actual Transfer (from)	2020 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Leave Reserve	402,441	0	0	402,441	452,441	0	0	452,441	452,441	0	(50,000)	402,441
(b) Office Building Reserve	814,511	0	(500,000)	314,511	814,511	0	(500,000)	314,511	814,511	0	0	814,511
(c) Airport Reserve	28,456	0	0	28,456	28,456	0	0	28,456	28,456	0	0	28,456
(d) Derby Wharf Maintenance Reserve	3,721	0	0	3,721	3,721	0	0	3,721	3,721	0	0	3,721
(e) Economic Development Reserve	19,936	0	0	19,936	19,936	0	0	19,936	19,936	0	0	19,936
(f) Fitzroy Crossing Recreation Hall Reserve	46,771	0	0	46,771	46,771	0	0	46,771	46,771	0	0	46,771
(g) Staff Housing Reserve	159,965	0	0	159,965	159,965	85,000	0	244,965	159,965	0	0	159,965
(h) Energy Developments Ltd West Kimberley Cement Donations Reserve	26,853	0	(26,853)	0	26,853	0	(26,853)	0	26,853	0	0	26,853
	1,502,654	0	(526,853)	975,801	1,552,654	85,000	(526,853)	1,110,801	1,552,654	0	(50,000)	1,502,654

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

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

Name of Reserve	Anticipated date of use	Purpose of the reserve
(a) Leave Reserve	Ongoing	To be used to fund annual and long service leave requirements
(b) Office Building Reserve	Ongoing	To be used to fund the new Derby administration building
(c) Airport Reserve	Ongoing	To be used to fund airport capital works, primarily bitumen resealing
(d) Derby Wharf Maintenance Reserve	Ongoing	To be used to carry out major wharf maintenance
(e) Economic Development Reserve	Ongoing	To promote economic development within the Shire
(f) Fitzroy Crossing Recreation Hall Reserve	Ongoing	To be used to quarantine funds received from the lease of the FX Recreation Hall to be utilised for any upgrade works
(g) Staff Housing Reserve	Ongoing	To be used for the construction of staff housing
(h) Energy Developments Ltd West Kimberley Cement Donations Reserve	Ongoing	To administer the funds provided by Energy Developments Limited to create lasting value throughout the West Kimberley by contributing to not-for-profit projects or activities that benefit the Shire of Derby / West Kimberley

Shire of Derby/West Kimberley

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# NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

## FOR THE YEAR ENDED 30 JUNE 2021

### 5. TRADE AND OTHER RECEIVABLES

Current	
Rates receivable	2,274,863
Trade and other receivables	1,077,423
GST receivable	205,577
Allowance for impairment of receivables	(836,385)
	2,721,478
Non-current	
Pensioner's rates and ESL deferred	108,614
	108,614

2021	2020
\$	\$
2,274,863	3,074,993
1,077,423	1,352,424
205,577	298,477
(836,385)	(901,727)
	3,824,167
108,614	123,754
108,614	123,754

#### SIGNIFICANT ACCOUNTING POLICIES

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

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

**Impairment and risk exposure**  
Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 23.

#### SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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# NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

## FOR THE YEAR ENDED 30 JUNE 2021

### 6. INVENTORIES

#### Current

	2021 \$	2020 \$
Fuel and materials	32,395	54,679
	32,395	54,679
The following movements in inventories occurred during the year:		
<b>Balance at beginning of year</b>	54,679	93,038
Inventories expensed during the year	(90,554)	(54,679)
Additions to inventory	68,270	16,320
<b>Balance at end of year</b>	32,395	54,679

#### SIGNIFICANT ACCOUNTING POLICIES

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

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

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# NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

## FOR THE YEAR ENDED 30 JUNE 2021

### 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.

	Land	Buildings	Total land and buildings	Furniture and equipment	Plant and equipment	Computer equipment	Reclamation asset	Total property, plant and equipment
<b>Balance at 1 July 2019</b>	3,450,000	35,608,875	39,058,875	19,913	1,575,251	92,677	6,284,313	47,031,029
Revaluation increments transferred to revaluation surplus	0	0	0	0	210,813	18,880	0	229,693
Depreciation (expense)	0	(955,681)	(955,681)	(3,673)	(317,819)	(34,220)	(282,909)	(1,594,302)
<b>Balance at 30 June 2020</b>	3,450,000	34,653,194	38,103,194	16,240	1,468,245	77,337	6,001,404	45,666,420
<b>Comprises:</b>								
Gross balance amount at 30 June 2020	3,450,000	37,286,506	40,736,506	30,705	2,173,966	192,585	7,571,317	50,705,079
Accumulated depreciation at 30 June 2020	0	(2,633,312)	(2,633,312)	(14,465)	(705,721)	(115,248)	(1,569,913)	(5,038,659)
<b>Balance at 30 June 2020</b>	3,450,000	34,653,194	38,103,194	16,240	1,468,245	77,337	6,001,404	45,666,420
Additions	0	665,726	665,726	31,169	77,951	0	0	774,846
(Disposals)	0	(276,226)	(276,226)	0	(3,113)	0	0	(279,339)
Revaluation increments transferred to revaluation surplus	763,000	8,731,138	9,494,138	0	0	0	2,648,131	12,142,269
Depreciation (expense)	0	(950,099)	(950,099)	(3,863)	(265,758)	(29,084)	(282,909)	(1,531,713)
Transfers	0	(992,225)	(992,225)	48,253	31,169	(48,253)	(8,366,626)	(9,327,682)
<b>Balance at 30 June 2021</b>	4,213,000	41,831,508	46,044,508	91,799	1,308,494	0	0	47,444,801
<b>Comprises:</b>								
Gross balance amount at 30 June 2021	4,213,000	41,831,508	46,044,508	254,459	2,260,586	0	0	48,559,553
Accumulated depreciation at 30 June 2021	0	0	0	(162,660)	(952,092)	0	0	(1,114,752)
<b>Balance at 30 June 2021</b>	4,213,000	41,831,508	46,044,508	91,799	1,308,494	0	0	47,444,801

The Shire as part of its asset revaluation at 30 June 2021 reclassified a number of assets between asset classes.

This resulted in transfers between asset classes and between Infrastructure and Property, Plant and Equipment at June 2021.

# NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2021

## 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
<b>(i) Fair Value</b>					
<i>Land and buildings</i>					
Land	Level 2	Market approach using recent observable market data for similar properties / income approach using discounted cash flow methodology	Independent registered valuer	June 2021	Price per hectare / market borrowing rate
Buildings	Level 2	Improvements to land valued using cost approach using depreciated replacement cost	Independent registered valuer	June 2021	Perth based construction rates with appropriate district allowance applied to each location
Reclamation asset	Level 3	Cost approach using discounted cash flow methodology.	Independent and management valuation	June 2021	Discounted future construction cost estimate
<b>(ii) Cost</b>					
<i>Furniture and equipment</i>		Not Applicable	At cost	July 2019	Not Applicable
<i>Plant and equipment</i>		Not Applicable	At cost	July 2019	Not Applicable

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

# NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

## FOR THE YEAR ENDED 30 JUNE 2021

### 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.

	Infrastructure - roads	Other infrastructure - drainage	Other infrastructure - footpaths	Other infrastructure - land & parks	Other infrastructure - wharf	Other infrastructure - airports	Other infrastructure - other structures	Landfill	Total Infrastructure
<b>Balance at 1 July 2019</b>	125,525,446	5,038,935	2,500,609	1,507,292	3,732,682	15,995,828	9,068,376	0	163,369,168
Additions	3,363,722	0	0	0	8364	367,845	362,078	0	4,090,009
Impairment losses	(11,647,209)	0	0	0	0	0	0	0	(11,647,209)
Depreciation (expense)	(3,498,537)	(670,464)	(69,615)	(122,108)	(186,581)	(1,007,363)	(572,774)	0	(8,127,442)
<b>Balance at 30 June 2020</b>	113,733,422	4,368,471	2,430,994	1,385,184	3,552,465	15,356,310	8,857,680	0	149,684,526
<b>Comprises:</b>									
Gross balance at 30 June 2020	131,928,754	5,708,980	2,564,855	1,629,400	3,925,602	17,422,581	9,094,822	0	173,164,974
Accumulated depreciation at 30 June 2020	(8,548,123)	(1,340,489)	(133,861)	(244,216)	(373,137)	(2,066,271)	(1,127,142)	0	(11,833,239)
Accumulated impairment loss at 30 June 2020	(11,647,209)	0	0	0	0	0	0	0	(11,647,209)
<b>Balance at 30 June 2020</b>	113,733,422	4,368,471	2,430,994	1,385,184	3,552,465	15,356,310	8,857,680	0	149,684,526
Additions	3,396,131	0	273	7,040	73,693	0	112,291	0	3,589,428
Revaluation increments / (decrements) transferred to revaluation surplus	105,220,598	(2,298,097)	(192,005)	2,123,530	17,705,999	13,467,942	(128,506)	0	135,908,459
Revaluation loss transferred to profit or loss	0	0	(1,394,281)	0	0	0	0	0	(1,394,281)
Depreciation (expense)	(3,338,465)	(666,807)	(69,614)	(109,362)	(187,146)	(912,029)	(598,973)	0	(5,882,396)
Transfers	(12,774)	0	(191,231)	0	37,445	988,890	120,688	8,384,666	9,327,682
<b>Balance at 30 June 2021</b>	219,007,910	1,403,567	584,136	3,406,392	21,182,456	28,901,113	8,363,178	8,384,666	291,233,418
<b>Comprises:</b>									
Gross balance at 30 June 2021	219,007,910	1,403,567	584,136	3,406,392	21,182,456	28,901,113	8,363,178	8,384,666	291,233,418
<b>Balance at 30 June 2021</b>	219,007,910	1,403,567	584,136	3,406,392	21,182,456	28,901,113	8,363,178	8,384,666	291,233,418

During the year, the Shire engaged an independent valuer to revalue the entire class of infrastructure which resulted in a net revaluation increment of \$134.5 million.

The previous independent valuation was undertaken in 2015 and further updated by management in-house in 2018. The increment was mainly attributed to increased cost of construction and locality factor.

The Shire as part of its asset revaluation at 30 June 2021 reclassified a number of assets between asset classes.

This resulted in transfers between asset classes and between Infrastructure and Property, Plant and Equipment at June 2021.

# NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2021

## 8. INFRASTRUCTURE (Continued)

### (b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
<b>(i) Fair Value</b>					
Infrastructure - roads	Level 3	Cost approach using depreciated replacement cost	Independent valuation	June 2021	Construction costs and current condition, residual values and remaining useful life assessments
Other infrastructure - drainage	Level 3	Cost approach using depreciated replacement cost	Independent valuation	June 2021	Construction costs and current condition, residual values and remaining useful life assessments
Other infrastructure - footpaths	Level 3	Cost approach using depreciated replacement cost	Independent valuation	June 2021	Construction costs and current condition, residual values and remaining useful life assessments
Other infrastructure - land & parks	Level 3	Cost approach using depreciated replacement cost	Independent valuation	June 2021	Construction costs and current condition, residual values and remaining useful life assessments
Other infrastructure - wharf	Level 3	Cost approach using depreciated replacement cost	Independent valuation	June 2021	Construction costs and current condition, residual values and remaining useful life assessments
Other infrastructure - airports	Level 3	Cost approach using depreciated replacement cost	Independent valuation	June 2021	Construction costs and current condition, residual values and remaining useful life assessments
Other infrastructure - other structures	Level 3	Cost approach using depreciated replacement cost	Independent valuation	June 2021	Perth based construction rates with appropriate district allowance applied to each location

# NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

## FOR THE YEAR ENDED 30 JUNE 2021

### 9. FIXED ASSETS

#### SIGNIFICANT ACCOUNTING POLICIES

##### Fixed assets

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

**Initial recognition and measurement 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 recognise at fair value. Assets held at cost are depreciated and assessed for 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, infrastructure and investment properties acquired between initial recognition and the next revaluation of the asset class in accordance with the mandatory measurement framework, are recognised at cost and disclosed as being at fair value as management believes cost approximates fair value. They are subject to subsequent revaluation at the next anniversary date in accordance with the mandatory measurement framework.

##### Revaluation

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

##### Revaluation (Continued)

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

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

##### AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY

###### Land under roads from 1 July 2019

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

##### Vested improvements from 1 July 2019

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

# NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2021

## 9. FIXED ASSETS

### (a) Disposals of Assets

	2021				2021				2020			
	Actual Net Book Value	Actual Sale Proceeds	Actual Profit	Actual Loss	Budget Net Book Value	Budget Sale Proceeds	Budget Profit	Budget Loss	Actual Net Book Value	Actual Sale Proceeds	Actual Profit	Actual Loss
Buildings	\$ 276,226	\$ 76,912	\$ 0	\$ (199,314)	\$ 285,000	\$ 85,000	\$ 0	\$ (200,000)	\$ 0	\$ 0	\$ 0	\$ 0
Plant and equipment	3,113	31,901	28,788	0	44,301	82,000	41,258	(3,559)	0	0	0	0
	<b>\$ 279,339</b>	<b>108,813</b>	<b>28,788</b>	<b>(199,314)</b>	<b>329,301</b>	<b>167,000</b>	<b>41,258</b>	<b>(203,559)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

The following assets were disposed of during the year.

	2021				2020			
	Actual Net Book Value	Actual Sale Proceeds	Actual Profit	Actual Loss	Budget Net Book Value	Budget Sale Proceeds	Budget Profit	Budget Loss
<b>Plant and Equipment</b>								
Other property and services								
11KW Toyota Landcruiser	3,113	31,901	28,788	0				
	<b>3,113</b>	<b>31,901</b>	<b>28,788</b>	<b>0</b>				
<b>Other Asset class</b>								
Housing								
Residence unit (Lot 8/5 Rowan Street)	276,226	76,912	0	(199,314)				
	<b>276,226</b>	<b>76,912</b>	<b>0</b>	<b>(199,314)</b>				
	<b>279,339</b>	<b>108,813</b>	<b>28,788</b>	<b>(199,314)</b>				

# NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

## FOR THE YEAR ENDED 30 JUNE 2021

### 9. FIXED ASSETS

#### (b) Depreciation

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Buildings	950,099	1,291,267	955,681
Furniture and equipment	32,947	0	3,673
Plant and equipment	265,758	1,451,871	317,819
Computer equipment	0	0	34,220
Infrastructure - roads	3,338,465	510,082	3,498,537
Other infrastructure - drainage	666,807	1,181,382	670,464
Other infrastructure - footpaths	69,614	510,082	69,615
Other infrastructure - land & parks	109,362	1,086,655	122,108
Other infrastructure - wharf	187,146	0	186,581
Other infrastructure - airports	912,029	278,455	1,007,363
Other infrastructure - other structures	598,973	1,144,837	572,774
Landfill	282,909	0	282,909
	7,414,109	7,454,631	7,721,744

#### SIGNIFICANT ACCOUNTING POLICIES

##### Depreciation

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

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

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

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

##### Depreciation rates

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

Asset Class	Useful life
Buildings	25 to 40 years
Furniture and equipment	3 to 10 years
Plant and equipment	4 to 15 years
Sealed roads and streets	
formation	not depreciated
pavement	60 years
seal	13 years
Gravel roads	
formation	not depreciated
pavement	13 years
Drainage	8 years
Footpaths - slab	15 years
Car parks	
sub base	60 years
seal	20 years
Land and parks	20 years
Wharfs	20 to 65 years
Airport electrical facilities	15 to 25 years
Airport runways, aprons and taxiways	20 to 65 years
Other infrastructure assets	10 to 50 years
Landfill	20 to 50 years

##### Depreciation on revaluation

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

# NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2021

## 10. REVALUATION SURPLUS

	2021 Opening Balance	2021 Revaluation Increment	2021 Revaluation (Decrement)	Total Movement on Revaluation	2021 Closing Balance	2020 Opening Balance	2020 Change in Accounting Policy	2020 Revaluation Increment	2020 Impairment (Decrement)	Total Movement on Revaluation	2020 Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land - freehold land	12,125,340	763,000	0	763,000	12,888,340	12,218,340	(93,000)	0	0	0	12,125,340
Revaluation surplus - Buildings	0	8,731,138	0	8,731,138	8,731,138	0	0	0	0	0	0
Revaluation surplus - Plant and equipment	748,903	0	0	0	748,903	538,090	0	210,813	0	210,813	748,903
Revaluation surplus - Computer equipment	18,880	0	0	0	18,880	0	0	18,880	0	18,880	18,880
Revaluation surplus - Reclamation asset	0	2,648,131	(1,233,230)	1,414,901	1,414,901	0	0	0	0	0	0
Revaluation surplus - Infrastructure - roads	81,357,121	105,229,595	0	105,229,595	186,586,716	93,004,330	0	0	(11,647,209)	(11,647,209)	81,357,121
Revaluation surplus - Other infrastructure - drainage	5,076,353	0	(2,298,098)	(2,298,098)	2,778,257	5,076,353	0	0	0	0	5,076,353
Revaluation surplus - Other infrastructure - footpaths	192,005	0	(192,005)	(192,005)	0	192,005	0	0	0	0	192,005
Revaluation surplus - Other infrastructure - land & parks	2,327,966	2,123,530	0	2,123,530	4,451,496	2,327,966	0	0	0	0	2,327,966
Revaluation surplus - Other infrastructure - wharf	0	17,705,999	0	17,705,999	17,705,999	0	0	0	0	0	0
Revaluation surplus - Other infrastructure - airports	14,845,708	13,467,042	0	13,467,042	28,313,650	14,845,708	0	0	0	0	14,845,708
Revaluation surplus - Other infrastructure - other structures	2,667,627	0	(128,506)	(128,506)	2,539,121	2,667,627	0	0	0	0	2,667,627
	119,359,903	150,669,335	(3,851,837)	146,817,498	266,177,401	130,870,419	(93,000)	229,693	(11,647,209)	(11,417,516)	119,359,903

The revaluation decrement in 2021 comprised of the movements detailed below:

Reclamation asset arising from an increase in the reinstatement provision. Refer note 15.

Revaluation surplus - Other infrastructure - drainage and footpaths arising from a decrease in the value of the asset class. Refer note 8

# NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

## FOR THE YEAR ENDED 30 JUNE 2021

### 11. TRADE AND OTHER PAYABLES

#### Current

Sundry creditors  
Prepaid rates  
Accrued salaries and wages  
ATO liabilities  
Other payables  
Accrued expenses

	2021	2020
	\$	\$
Sundry creditors	1,473,262	2,447,205
Prepaid rates	902,464	68,256
Accrued salaries and wages	115,699	102,311
ATO liabilities	95,948	79,476
Other payables	564,083	619,086
Accrued expenses	594,258	365,590
	<b>3,745,714</b>	<b>3,681,924</b>

#### SIGNIFICANT ACCOUNTING POLICIES

##### Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Shire prior to the end of the financial year that are unpaid and arise when the Shire becomes obliged to make future payments in respect of the purchase of these goods and services.

The amounts are unsecured, are recognised as a current liability and are normally paid within 30 days of recognition

##### Prepaid rates

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

# NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

## FOR THE YEAR ENDED 30 JUNE 2021

### 12. OTHER LIABILITIES

#### Current

Contract liabilities

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

	2021	2020
	\$	\$
Contract liabilities	227,553	529,572
Liabilities under transfers to acquire or construct non-financial assets to be controlled by the entity	773,724	0
	<hr/>	<hr/>
	1,001,277	529,572

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

Less than 1 year

Contract liabilities	Liabilities under transfers to acquire or construct non-financial assets to be controlled by the entity
\$	\$
227,553	773,724
<hr/>	<hr/>
227,553	773,724

#### SIGNIFICANT ACCOUNTING POLICIES

Contract liabilities

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

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

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

Liabilities under transfers to acquire or construct non-financial assets to be controlled by the entity  
Grant liabilities represent the Shire's performance obligations to construct recognisable non-financial assets to identified specifications which are yet to be satisfied.

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

# NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2021

## 13. INFORMATION ON BORROWINGS

### (a) Borrowings

	2021	2020
Current	368,840	373,274
Non-current	3,016,521	3,435,381
	<b>3,485,361</b>	<b>3,808,635</b>

### (b) Repayments - Borrowings

Particulars	Loan Number	Institution	Interest Rate	30 June 2021				30 June 2021				30 June 2021				30 June 2021				30 June 2020				30 June 2020						
				Actual Principal repayments		Actual interest repayments		Actual Principal outstanding		Budget Principal		Budget New Loans		Budget Principal repayments		Budget interest repayments		Budget Principal outstanding		Actual Principal		Actual New Loans		Actual Principal repayments		Actual interest repayments		Actual Principal outstanding		
				1 July 2020	\$	\$	\$	\$	1 July 2020	\$	\$	1 July 2019	\$	\$	1 July 2019	\$	\$	1 July 2019	\$	\$	1 July 2019	\$	\$	1 July 2019	\$	\$	1 July 2019	\$		
Housing																														
Self housing	136	WATC	8.46%	97,299	(22,023)	(5,867)	75,276	97,298	0	(22,023)	(5,935)	75,275	117,946	0	(20,647)	(8,656)	97,299													
Staff housing	146	WATC	8.33%	610,251	(45,371)	(27,950)	564,880	610,251	0	(45,371)	(37,922)	564,880	652,880	0	(42,629)	(39,967)	610,251													
Staff housing	148	WATC	4.49%	280,734	(18,112)	(11,823)	262,822	280,734	0	(18,112)	(12,404)	262,822	306,438	0	(25,704)	(13,698)	280,734													
Recreation and culture																														
Civic Centre renovations	135	WATC	5.32%	16,791	(16,791)	(5)	0	16,791	0	(16,791)	(447)	0	49,055	0	(32,264)	(1,338)	16,791													
Transport																														
Wharf fenders, boat ramp	145	WATC	8.87%	218,673	(25,278)	(14,555)	193,395	218,673	0	(25,277)	(14,598)	193,396	253,527	0	(34,854)	(16,243)	218,673													
Derby airport infrastructure	150	WATC	0.00%	0	0	0	0	0	0	0	0	0	5,315,200	0	(5,315,200)	(61,348)	0													
Derby wharf infrastructure	151	WATC	3.02%	326,000	(36,605)	(9,517)	289,395	1,907,970	0	(36,605)	(9,571)	1,871,365	378,892	0	(52,892)	(10,637)	326,000													
Refinance Derby Airport																														
Infrastructure & wharf	152	WATC	1.73%	1,907,970	(186,455)	(32,114)	1,721,515	326,001	0	(186,455)	(32,205)	139,546	0	2,000,000	(92,030)	(17,300)	1,907,970													
Loan	153	WATC	0.00%	0	0	0	0	0	0	500,000	(16,000)	(22,500)	484,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Economic services																														
Derby Visitors Centre	149	WATC	4.49%	350,917	(22,639)	(15,419)	328,278	350,918	0	(22,640)	(15,505)	328,278	383,047	0	(32,130)	(16,483)	350,917													
				3,808,635	(373,274)	(117,250)	3,435,381	3,808,636	500,000	(389,274)	(151,085)	3,919,362	7,456,985	2,000,000	(5,648,350)	(183,670)	3,808,635													

\* WA Treasury Corporation

# NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2021

## 13. INFORMATION ON BORROWINGS (Continued)

### (c) New Borrowings - 2020/21

Particulars/Purpose	Institution	Loan Type	Term Years	Interest Rate %	Amount Borrowed		Amount (Used)		Total Interest & Charges \$	Actual Balance Unspent \$
					2021 Actual	2021 Budget	2021 Actual	2021 Budget		
Loan 153 - Capital Works Projects	WATC	Debenture	10	2.50%	0	500,000	0	(500,000)	0	0
* WA Treasury Corporation					0	500,000	0	(500,000)	0	0

### (d) Undrawn Borrowing Facilities Credit Standby Arrangements

	2021	2020
	\$	\$
Bank overdraft limit	0	0
Bank overdraft at balance date	0	0
Credit card limit	50,000	50,000
Credit card balance at balance date	(49,532)	(12,580)
<b>Total amount of credit unused</b>	<b>468</b>	<b>37,420</b>

### Loan facilities

Loan facilities - current	368,840	373,274
Loan facilities - non-current	3,066,521	3,435,361
<b>Total facilities in use at balance date</b>	<b>3,435,361</b>	<b>3,808,635</b>

### Unused loan facilities at balance date

NIL

### SIGNIFICANT ACCOUNTING POLICIES

#### Financial liabilities

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

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

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

#### Borrowing costs

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

#### Risk

Information regarding exposure to risk can be found at Note 23.

# NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

## FOR THE YEAR ENDED 30 JUNE 2021

### 14. EMPLOYEE RELATED PROVISIONS

#### (a) Employee Related Provisions

	Provision for Annual Leave	Provision for Long Service Leave	Total
	\$	\$	\$
<b>Opening balance at 1 July 2020</b>			
Current provisions	271,713	287,028	558,741
Non-current provisions	0	81,031	81,031
	271,713	368,059	639,772
Additional provision			
Amounts used	426,916	136,573	563,489
<b>Balance at 30 June 2021</b>	<b>(392,070)</b>	<b>(73,518)</b>	<b>(465,588)</b>
	306,559	431,114	737,673
<b>Comprises</b>			
Current	306,559	271,708	578,267
Non-current	0	159,406	159,406
	306,559	431,114	737,673
<b>Amounts are expected to be settled on the following basis:</b>			
Less than 12 months after the reporting date	578,267	558,738	
More than 12 months from reporting date	159,406	48,043	
Expected reimbursements from other WA local governments	0	32,991	
	737,673	639,772	

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

#### SIGNIFICANT ACCOUNTING POLICIES

##### Employee benefits

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

##### Short-term employee benefits

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

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

##### Other long-term employee benefits

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

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

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

##### Provisions

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

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

# NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2021

## 15. OTHER PROVISIONS

	Provision for remediation costs	Deferred creditor - (RAAF Curtain)	Total
	\$	\$	\$
<b>Opening balance at 1 July 2020</b>			
Non-current provisions	9,969,121	0	9,969,121
	9,969,121	0	9,969,121
Additional provision			
	1,233,230	130,237	1,363,467
<b>Balance at 30 June 2021</b>			
	11,202,351	130,237	11,332,588
<b>Comprises</b>			
Non-current	11,202,351	130,237	11,332,588
	11,202,351	130,237	11,332,588

Provision for remediation costs increased by \$1,233,230 as at 30 June 2021, due to a change in the valuation of the associated landfill asset, and movements in the net present value of the liability. The increase in the liability has been fully recognised as a decrease in the revaluation surplus associated with landfill assets. Refer note 10.

### SIGNIFICANT ACCOUNTING POLICIES

#### Make good provisions

The Shire has a legal obligation to restore the waste landfill site.

A make good provision is recognised when:

- there is a present obligation as a result of waste activities undertaken;
- it is probable that an outflow of economic benefits will be required to settle the obligation; and
- the amount of the provision can be measured reliably.

The estimated future obligations include the costs of restoring the affected areas and continued monitoring of the site.

The make good provision is the best estimate of the present value of the expenditure required to settle the remediation obligation at the reporting date. Future remediation costs are reviewed annually and any changes in the estimate are reflected in the present value of the make good provision at each reporting date.

# NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

## FOR THE YEAR ENDED 30 JUNE 2021

### 16. NOTES TO THE STATEMENT OF CASH FLOWS

#### Reconciliation of Cash

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

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Cash and cash equivalents	8,934,223	2,134,223	6,235,956
<b>Reconciliation of Net Cash Provided By Operating Activities to Net Result</b>			
Net result	(3,555,660)	8,230,065	922,969
Non-cash flows in Net result:			
Depreciation on non-current assets	7,414,109	7,454,631	7,721,744
(Profit)/loss on sale of asset	170,526	162,301	0
Loss on revaluation of fixed assets	1,394,281	0	0
Changes in assets and liabilities:			
(Increase)/decrease in receivables	1,117,829	1,500,000	332,062
(Increase)/decrease in inventories	22,284	0	38,359
Increase/(decrease) in payables	63,790	1,000,000	(295,791)
Increase/(decrease) in employee provisions	97,901	0	(552,802)
Increase/(decrease) in other provisions	130,237	0	0
Increase/(decrease) in other liabilities	471,705	(866,513)	(223,486)
Non-operating grants, subsidies and contributions	(1,828,621)	(16,233,630)	(6,635,262)
Net cash from operating activities	5,498,381	1,246,854	1,307,793

# NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2021

## 17. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2021 \$	2020 \$
Governance	2,309,339	1,924,990
General purpose funding	9,873,349	7,256,670
Law, order, public safety	547,363	508,148
Health	559,241	281,674
Education and welfare	1,680,251	1,113,557
Housing	9,114,131	7,950,870
Community amenities	10,882,595	11,506,970
Recreation and culture	20,148,322	15,973,662
Transport	289,302,913	150,896,107
Economic services	4,568,897	4,978,006
Other property and services	1,488,528	3,198,848
	350,474,929	205,589,502

# NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

## FOR THE YEAR ENDED 30 JUNE 2021

### 18. CONTINGENT LIABILITIES

The Shire of Derby / West Kimberley has in compliance with the *Contaminated Sites Act 2003* section 11 listed sites to be possible sources of contamination - details of those sites:

Derby Airport  
Myalls Bore  
Fitzroy Crossing Works Depot  
Derby Works Depot  
Derby Landfill Site  
Derby Cemetery  
Fitzroy Crossing Landfill Site  
Fitzroy Crossing Cemetery  
Cambalih Cemetery  
Cambalih Landfill Sites

Until the Shire conducts an investigation to determine the presence and scope of contamination, assess the risk and agree with the Department of Water and Environment Regulation the need and criteria for remediation using on a risk based approach, the amount of the contingent liability is unknown. This approach is consistent with the Department of Water and Environment Regulation Guidelines.

# NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

## FOR THE YEAR ENDED 30 JUNE 2021

### 19. ELECTED MEMBERS REMUNERATION

	2021 Actual \$	2021 Budget \$	2020 Actual \$
<b>Elected member - President</b>			
President's annual allowance	62,727	65,000	47,045
Meeting attendance fees	22,125	16,500	23,458
Annual allowance for ICT expenses	0	750	1,333
	84,852	82,250	71,836
<b>Elected member - Deputy President</b>			
Deputy President's annual allowance	15,682	15,000	15,682
Meeting attendance fees	16,500	16,500	17,833
Annual allowance for ICT expenses	0	750	1,333
	32,182	32,250	34,848
<b>Elected member - Member 1</b>			
Meeting attendance fees	16,500	16,500	17,833
Annual allowance for ICT expenses	0	750	1,333
	16,500	17,250	19,166
<b>Elected member - Member 2</b>			
Meeting attendance fees	16,500	16,500	15,155
Annual allowance for ICT expenses	0	750	0
	16,500	17,250	15,155
<b>Elected member - Member 3</b>			
Meeting attendance fees	16,500	16,500	28,478
Annual allowance for ICT expenses	0	750	1,732
Travel and accommodation expenses	2,591	0	707
	19,091	17,250	30,917
<b>Elected member - Member 4</b>			
Meeting attendance fees	16,500	16,500	12,501
Annual allowance for ICT expenses	1,333	750	933
Travel and accommodation expenses	0	0	299
	17,833	17,250	13,733
<b>Elected member - Member 5</b>			
Meeting attendance fees	16,500	16,500	12,501
Annual allowance for ICT expenses	0	750	933
Travel and accommodation expenses	120	0	0
	16,620	17,250	13,434
<b>Elected member - Member 6</b>			
Meeting attendance fees	16,500	16,500	12,850
Annual allowance for ICT expenses	0	750	933
Travel and accommodation expenses	0	0	350
	16,500	17,250	14,133
<b>Elected member - Member 7</b>			
Meeting attendance fees	16,500	16,500	15,703
Annual allowance for ICT expenses	0	0	933
Travel and accommodation expenses	2,019	0	3,848
	18,519	16,500	20,484
<b>Elected member 8</b>			
Meeting attendance fees	0	0	5,333
Annual allowance for ICT expenses	0	0	401
	0	0	5,734

# NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2021

## 19. ELECTED MEMBERS REMUNERATION

	2021 Actual \$	2021 Budget \$	2020 Actual \$
<b>Elected member 9</b>			
Meeting attendance fees	0	0	5,333
Annual allowance for ICT expenses	0	0	401
	0	0	5,734
<b>Elected member 10</b>			
Meeting attendance fees	0	0	5,333
Annual allowance for ICT expenses	0	0	401
	0	0	5,734
<b>Elected member 11</b>			
Meeting attendance fees	0	0	5,333
Annual allowance for ICT expenses	0	0	401
	0	0	5,734
	238,597	234,500	256,642
Fees, expenses and allowances to be paid or reimbursed to elected council members.			
President's allowance	62,727	65,000	47,045
Deputy President's allowance	15,682	15,000	15,682
Meeting attendance fees	154,125	148,500	177,644
Annual allowance for ICT expenses	1,333	6,000	11,067
Travel and accommodation expenses	4,730	0	5,204
	238,597	234,500	256,642

# NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

## FOR THE YEAR ENDED 30 JUNE 2021

### 20. RELATED PARTY TRANSACTIONS

#### Key Management Personnel (KMP) Compensation Disclosure

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

	2021 Actual	2020 Actual
	\$	\$
Short-term employee benefits	1,388,739	1,717,281
Post-employment benefits	152,489	178,529
Other long-term benefits	89,956	156,156
Termination benefits	25,960	38,922
	<hr/> 1,657,144	<hr/> 2,090,888

#### *Short-term employee benefits*

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

#### *Post-employment benefits*

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

#### *Other long-term benefits*

These amounts represent long service benefits accruing during the year.

#### *Termination benefits*

These amounts represent termination benefits paid to KMP (Note: may or may not be applicable in any given year).

#### Transactions with related parties

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

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

	2021 Actual	2020 Actual
	\$	\$
The following transactions occurred with related parties:		
Sale of goods and services	4,566	13,110
Purchase of goods and services	38,740	0
<b>Amounts outstanding from related parties:</b>		
Trade and other receivables	505	5,656
<b>Amounts payable to related parties:</b>		
Trade and other payables	25,470	333,980

#### Related Parties

##### The Shire's main related parties are as follows:

###### i. Key management personnel

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

###### ii. Other Related Parties

An associate person of KMP 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.

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

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

# NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2021

## 21. RATING INFORMATION

### (a) Rates

RATE TYPE	Number of Properties	2020/21 Actual Rateable Value		2020/21 Actual Rate Revenue		2020/21 Actual Interim Rates		2020/21 Actual Back Rates		2020/21 Actual Total Revenue		2020/21 Budget Rate Revenue		2020/21 Budget Interim Rate		2020/21 Budget Back Rate		2020/21 Budget Total Revenue		2019/20 Actual Total Revenue	
		Rate in \$	Value \$	Revenue \$																	
<b>Gross rental valuations</b>																					
GRV General	1,491	36,931,348	4,643,970	33,338	43,225	4,720,533						4,654,583	0	0	0	4,654,583	5,048,664				
<b>Unimproved valuations</b>																					
UV Pastoral	47	57,911,187	3,496,272	(1,508,376)	61,619	2,049,515						3,496,272	0	0	0	3,496,272	1,000,898				
UV Mining	103	3,525,185	425,652	(27,713)	(2,918)	395,021						427,803	5,000	5,000	5,000	437,803	927,196				
UV Other	0	0	0	0	0	0						0	0	0	0	0	0	0	0	278,696	
<b>Sub-Total</b>	<b>1,641</b>	<b>98,367,720</b>	<b>8,565,894</b>	<b>(1,502,751)</b>	<b>101,926</b>	<b>7,165,069</b>						<b>8,578,658</b>	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>	<b>8,588,658</b>	<b>7,255,454</b>				
<b>Minimum payment</b>																					
<b>Gross rental valuations</b>																					
GRV General	181	768,256	185,887	0	0	185,887						185,887	0	0	0	185,887	78,361				
<b>Unimproved valuations</b>																					
UV Pastoral	8	89,180	8,216	0	0	8,216						10,270	0	0	0	10,270	1,817				
UV Mining	630	155,025	61,110	0	0	61,110						66,150	0	0	0	66,150	55,011				
<b>Sub-Total</b>	<b>286</b>	<b>1,012,461</b>	<b>255,213</b>	<b>0</b>	<b>0</b>	<b>255,213</b>						<b>262,307</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>262,307</b>	<b>135,189</b>				
<b>Discounts/concessions (Note 21(b))</b>																					
<b>Total amount raised from general rate</b>																					

### SIGNIFICANT ACCOUNTING POLICIES

#### Rates

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

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

# NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2021

## 21. RATING INFORMATION (Continued)

### (b) Discounts, Incentives, Concessions, & Write-offs

#### Rates Discounts

Rate or Fee Discount Granted	Discount %	Discount \$	2021 Actual	2021 Budget	2020 Actual	Circumstances in which Discount is Granted
Discount		0	\$ 55,038	\$ 55,000	\$ 48,239	

#### Waivers or Concessions

Rate or Fee and Charge to which the Waiver or Concession is Granted	Type	Discount %	Discount \$	2021 Actual	2021 Budget	2020 Actual
Rates concessions	Concession	0.00%	161,300	0	0	161,300
Royal Flying Doctor Service	Waiver	100.00%	0	0	20,000	30,805
50% of facility hire fees	Waiver	50.00%	0	650	2,000	5,920
				650	22,000	198,025
Total discounts/concessions				\$ 55,688	\$ 77,000	\$ 246,264

Rate or Fee and Charge to which the Waiver or Concession is Granted	Circumstances in which the Waiver or Concession is Granted and to whom it was available	Objects of the Waiver or Concession	Reasons for the Waiver or Concession
Rates concessions	Concession to a vacant island which is minimum rates, two parcels of land outside the town boundary which are minimum rated and one rural property which is rated on the basis of a reduced area.		To allow for limited services provided and cultural related matters.
Royal Flying Doctor Service	100% of landing fees incurred by Royal Flying Doctor Service		To retain the RFDS services in the community and acknowledge the vital community service.
50% of facility hire fees	50% of use for some community organisations and shire staff.		To support clubs for contributions made to the community and to protect the health and lifestyle of shire staff.

# NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2021

## 21. RATING INFORMATION (Continued)

### (b) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge	Instalment Plan Interest Rate	Unpaid Rates Interest Rate
		\$	%	%
<b>Option One</b>				
Single full payment	16/09/2020	0.00	0.00%	8.00%
<b>Option Two</b>				
First instalment	16/09/2020	15.00	5.50%	8.00%
Second instalment	18/01/2021	15.00	5.50%	8.00%
<b>Option Three</b>				
First instalment	16/09/2020	15.00	5.50%	8.00%
Second instalment	17/11/2020	15.00	5.50%	8.00%
Third instalment	18/01/2021	15.00	5.50%	8.00%
Fourth instalment	22/03/2021	15.00	5.50%	8.00%
		2021 Actual	2021 Budget	2020 Actual
		\$	\$	\$
Interest on unpaid rates		209,146	200,000	467,066
Interest on instalment plan		29,396	18,000	16,773
Charges on instalment plan		11,760	12,000	12,210
		250,302	230,000	496,049

# NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

## FOR THE YEAR ENDED 30 JUNE 2021

### 22. RATE SETTING STATEMENT INFORMATION

Note	2020/21 (30 June 2021) Carried Forward)	2020/21		2019/20 (30 June 2020) Carried Forward)		
		Budget (30 June 2021)	Carried Forward)			
<b>(a) Non-cash amounts excluded from operating activities</b>						
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .						
<b>Adjustments to operating activities</b>						
Less: Profit on asset disposals	9(a)	(28,788)	(41,258)	0		
Movement in liabilities associated with restricted cash		402,441	0	0		
Movement in pensioner deferred rates (non-current)		15,140	0	(22,074)		
Movement in employee benefit provisions (non-current)		78,375	0	(27,133)		
Movement in other provisions (non-current)		130,237	0	(331,914)		
Add: Loss on disposal of assets	9(a)	199,314	203,559	0		
Add: Loss on revaluation of fixed assets	8(a)	1,394,281	0	0		
Add: Depreciation on non-current assets	9(b)	7,414,109	7,454,631	7,721,744		
<b>Non cash amounts excluded from operating activities</b>		9,605,109	7,616,932	7,340,623		
<b>(b) Surplus/(deficit) after imposition of general rates</b>						
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.						
<b>Adjustments to net current assets</b>						
Less: Reserves - cash backed	4	(975,801)	(1,110,801)	(1,502,654)		
Add: Current liabilities not expected to be cleared at end of year						
- Current portion of borrowings	13(a)	368,840	18,697	373,274		
- Employee benefit provisions		402,441	452,441	0		
<b>Total adjustments to net current assets</b>		(204,520)	(639,663)	(1,129,380)		
<b>Net current assets used in the Rate Setting Statement</b>						
Total current assets		11,688,096	5,937,047	10,114,802		
Less: Total current liabilities		(5,694,098)	(5,297,384)	(5,143,511)		
Less: Total adjustments to net current assets		(204,520)	(639,663)	(1,129,380)		
<b>Net current assets used in the Rate Setting Statement</b>		5,789,478	0	3,841,911		

# NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

## FOR THE YEAR ENDED 30 JUNE 2021

### 23. FINANCIAL RISK MANAGEMENT

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

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

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

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

#### (a) Interest rate risk

##### Cash and cash equivalents

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

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

	Weighted Average Interest Rate	Carrying Amounts	Fixed Interest Rate	Variable Interest Rate	Non Interest Bearing									
					\$									
<b>2021</b>														
Cash and cash equivalents	0.16%	8,934,223	1,272,289	7,588,849	73,085									
<b>2020</b>														
Cash and cash equivalents	0.90%	6,235,956	1,000,000	5,189,426	46,530									
<b>Sensitivity</b>														
Profit or loss is sensitive to higher/lower interest income from cash and cash equivalents as a result of changes in interest rates.														
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;"></th> <th style="width: 25%; text-align: center;">2021</th> <th style="width: 25%; text-align: center;">2020</th> </tr> <tr> <th style="text-align: center;">\$</th> <th style="text-align: center;">\$</th> <th style="text-align: center;">\$</th> </tr> </thead> <tbody> <tr> <td>Impact of a 1% movement in interest rates on profit and loss and equity*</td> <td style="text-align: center;">88,611</td> <td style="text-align: center;">61,895</td> </tr> </tbody> </table>							2021	2020	\$	\$	\$	Impact of a 1% movement in interest rates on profit and loss and equity*	88,611	61,895
	2021	2020												
\$	\$	\$												
Impact of a 1% movement in interest rates on profit and loss and equity*	88,611	61,895												

\* Holding all other variables constant

##### Borrowings

Borrowings are subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs. The Shire manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation. The Shire does not consider there to be any interest rate risk in relation to borrowings. Details of interest rates applicable to each borrowing may be found at Note 13(b).

# NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

## FOR THE YEAR ENDED 30 JUNE 2021

### 23. 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. Whilst the Shire was historically able to charge interest on overdue rates and annual charges at higher than market rates, which further encourage payment.

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

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

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

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

	Current	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total
<b>30 June 2021</b>					
Rates receivable					
Expected credit loss	0.46%	7.39%	10.88%	74.47%	
Gross carrying amount	963,589	522,189	255,964	533,121	2,274,863
Loss allowance	5,095	38,599	27,854	397,002	468,550
<b>30 June 2020</b>					
Rates receivable					
Expected credit loss	0.10%	0.72%	1.31%	56.64%	
Gross carrying amount	169,945	1,134,394	664,239	1,106,415	3,074,993
Loss allowance	190	8,168	8,702	658,320	675,380

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

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
<b>30 June 2021</b>					
Trade and other receivables					
Expected credit loss	0.87%	0.88%	0.99%	80.57%	
Gross carrying amount	401,750	138,312	88,379	448,982	1,077,423
Loss allowance	3,976	1,216	876	361,767	367,835
<b>30 June 2020</b>					
Trade and other receivables					
Expected credit loss	0.10%	0.16%	0.59%	73.93%	
Gross carrying amount	820,565	163,831	63,839	304,189	1,352,424
Loss allowance	817	262	377	224,892	226,348

# NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

## FOR THE YEAR ENDED 30 JUNE 2021

### 23. FINANCIAL RISK MANAGEMENT (Continued)

#### (c) Liquidity risk

##### Payables and borrowings

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

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

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
<b>2021</b>					
Payables	3,745,714	0	0	3,745,714	3,745,714
Borrowings	484,644	2,339,353	1,186,008	4,010,005	3,435,361
Contract liabilities	1,001,277	0	0	1,001,277	1,001,277
	5,231,635	2,339,353	1,186,008	8,756,996	8,182,352
<b>2020</b>					
Payables	3,681,924	0	0	3,681,924	3,681,924
Borrowings	501,859	2,367,333	1,642,671	4,511,863	3,808,635
Contract liabilities	529,572	0	0	529,572	529,572
	4,713,355	2,367,333	1,642,671	8,723,359	8,020,131

# NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2021

## 24. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

No subsequent events were noted that require disclosure.

# NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

## FOR THE YEAR ENDED 30 JUNE 2021

### 25. TRUST FUNDS

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

	1 July 2020	Amounts Received	Amounts Paid	30 June 2021
	\$	\$	\$	\$
Public open space	295,891	0	0	295,891
	295,891	0	0	295,891

# NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

## FOR THE YEAR ENDED 30 JUNE 2021

### 26. OTHER SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

#### b) Current and non-current classification

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

#### c) Rounding off figures

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

#### d) Comparative figures

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

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

#### e) Budget comparative figures

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

#### f) Superannuation

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

#### g) Fair value of assets and liabilities

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

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

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

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

#### h) Fair value hierarchy

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

##### Level 1

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

##### Level 2

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

##### Level 3

Measurements based on unobservable inputs for the asset or liability.

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

#### Valuation techniques

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

##### Market approach

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

##### Income approach

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

##### Cost approach

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

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

##### i) Impairment of assets

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

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

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

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

# NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

## FOR THE YEAR ENDED 30 JUNE 2021

### 27. ACTIVITIES/PROGRAMS

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

PROGRAM NAME AND OBJECTIVES	ACTIVITIES
<b>GOVERNANCE</b> To provide a decision making process for the efficient allocation of scarce resources.	Administration and operation of facilities and services to members of council. Other costs that relate to the tasks of assisting elected members and ratepayers on matters which do not concern specific council services.
<b>GENERAL PURPOSE FUNDING</b> To collect revenue to allow for the provision of services.	Rates, general purpose government grants and interest revenue.
<b>LAW, ORDER, PUBLIC SAFETY</b> To provide services to help ensure a safer and environmentally conscious community.	Supervision of various by-laws, fire prevention, emergency services and animal control.
<b>HEALTH</b> To provide an operational framework for environmental and community health.	Food quality and pest control, inspection of abattoir and operation of child health clinic, analytical testing and environmental health administration.
<b>EDUCATION AND WELFARE</b> To provide services to disadvantaged persons, the elderly, children and youth.	Year round care, housing for the aged and educational services.
<b>HOUSING</b> Help ensure adequate housing.	Management and maintenance of staff and rental housing.
<b>COMMUNITY AMENITIES</b> To provide services required by the community.	Rubbish collections, recycling, refuse site operations, litter control, administration of the town planning scheme, cemetery operations, public toilet facilities, sewerage and protection of the environment.
<b>RECREATION AND CULTURE</b> To establish and effectively manage infrastructure and resources which help the social well being of the community.	Maintenance and operation of the Town Hall, the aquatic centre, recreation centre, library, community arts program, cultural activities and various services.
<b>TRANSPORT</b> To provide safe, effective and efficient transport services to the community.	Construction and maintenance of streets, roads, bridges, footpaths, street lighting, traffic management and airport. Purchase and disposal of Council's road plant, parking control and police licensing.
<b>ECONOMIC SERVICES</b> To help promote the Shire and its economic well being.	Building control, saleyards, tourism and area promotion, standpipes and pest control.
<b>OTHER PROPERTY AND SERVICES</b> To monitor and control the Shire's overheads operating accounts.	Private works operations, plant repairs and operation costs, stock and materials, property leases and rental, salaries and wages for council employees.

# NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

## FOR THE YEAR ENDED 30 JUNE 2021

### 28. FINANCIAL RATIOS

	2021 Actual	2020 Actual	2019 Actual
Current ratio	1.84	1.71	0.66
Asset consumption ratio	1.00	0.87	0.96
Asset renewal funding ratio	N/A	N/A	N/A
Asset sustainability ratio	0.48	0.53	1.31
Debt service cover ratio	5.95	0.38	3.56
Operating surplus ratio	(0.40)	(0.48)	(0.54)
Own source revenue coverage ratio	0.46	0.48	0.47

The above ratios are calculated as follows:

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

# INDEPENDENT AUDITOR'S REPORT

## FOR THE YEAR ENDED 30 JUNE 2021



### Auditor General

#### INDEPENDENT AUDITOR'S REPORT 2021 Shire of Derby-West Kimberley

To the Councillors of the Shire of Derby-West Kimberley

### Report on the audit of the annual financial report

#### Opinion

I have audited the financial report of the Shire of Derby-West Kimberley (Shire) which comprises:

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

In my opinion the financial report of the Shire of Derby-West Kimberley:

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

#### Basis for opinion

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

#### Emphasis of matter

I draw attention to note 8(a) Infrastructure of the financial report which discloses that the Shire has recognised a net revaluation increment of \$134.5 million in respect of infrastructure assets. My opinion is not modified in respect of this matter.

# INDEPENDENT AUDITOR'S REPORT

## FOR THE YEAR ENDED 30 JUNE 2021

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

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

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

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

### Auditor's responsibility for the audit of the financial report

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

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

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

### Report on other legal and regulatory requirements

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

- (i) In my opinion, the following material matters indicate a significant adverse trend in the financial position of the Shire:
  - a) The Operating Surplus Ratio as reported in Note 28 of the annual financial report is below the Department of Local Government, Sport and Cultural Industries (DLGSCI) standard for the last three financial years.
  - b) The Asset Sustainability Ratio as reported in Note 28 of the annual financial report is below the DLGSCI standard for the last two years and the current year is below last year.
- (ii) The following material matters indicating non-compliance with Part 6 of the Act, the Regulations or applicable financial controls of any other relevant written law were identified during the course of my audit:
  - a) The Shire has not fully developed its formal policies and supporting procedures for proper control over its fixed assets.
  - b) The Shire has insufficient controls in place to appropriately manage access, including privileged access, to the Shire's network and key systems.

# INDEPENDENT AUDITOR'S REPORT

## FOR THE YEAR ENDED 30 JUNE 2021

- c) The Shire has not reported the Asset Renewal Funding Ratio in the annual financial report as planned capital renewals and required capital expenditure were not estimated in a long-term financial plan and asset management plan respectively.
- (iii) All required information and explanations were obtained by me.
- (iv) All audit procedures were satisfactorily completed.
- (v) In my opinion, the Asset Consumption Ratio included in the financial report were supported by verifiable information and reasonable assumptions.

### Other information

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

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

### Matters relating to the electronic publication of the audited financial report

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



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

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**4.2 QUESTIONS FROM ELECTORS ON ITEMS RELATING TO THE ANNUAL REPORT**

- NIL.

**5 GENERAL BUSINESS**

**5.1 QUESTIONS FROM ELECTORS ON ITEMS RELATING TO OTHER MATTERS**

- Nil.

**6 CLOSURE**

**6.1 Closure of Meeting**

The Presiding Member closed the meeting at 4:32pm.

**These minutes were confirmed at a meeting on**

.....

**Signed:** .....

**Presiding Person at the meeting at which these minutes were confirmed.**

**Date:** .....