

Shire of Shark Bay

2020/2021

ANNUAL REPORT

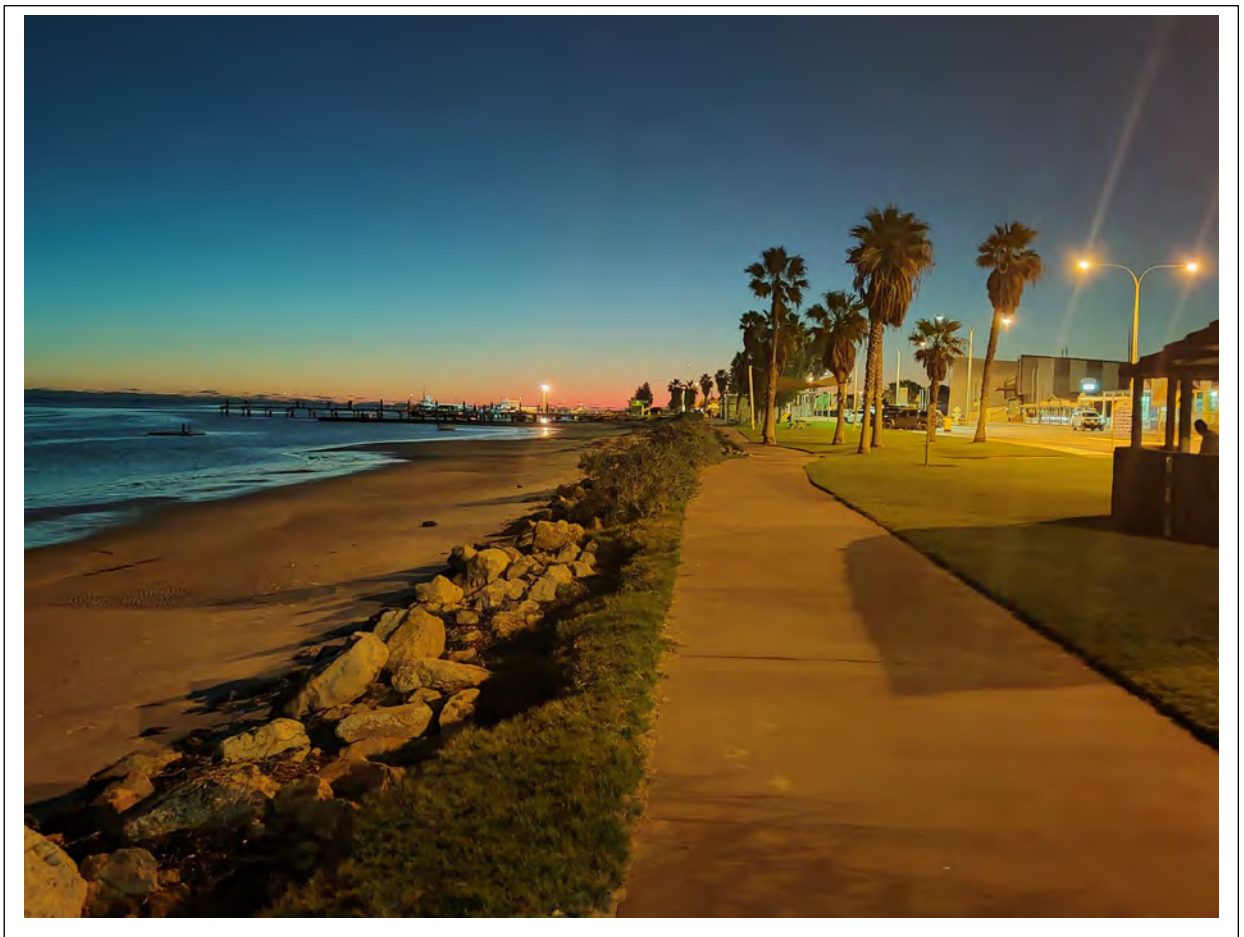


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PRESIDENT'S REPORT

Denham was nominated in late 2020 for the Tidy Towns Award in three categories and won the award for the Litter Prevention and Waste Management category, due to the effective waste management system instigated by the Shire which reduces litter and contributes to the recycling of our waste.

Included in the nomination was, the Shark Bay Bring Centre, Clean-Up Australia Day, the Shire's bin sticker art project, the Community Resource Centre low tide clean-up walk, Ocean Park dive clean-up and our local War on Waste boomerang shopping bags. Congratulations to all involved in the nomination and to all our local recyclers – keep up the excellent work!

There has been a significant influx of visitors to the Bay since the Covid-19 pandemic commenced and State border restrictions were introduced. Whilst the positive aspect is the amount of Western Australian tourists now aware of the amazing natural assets that Shark Bay has to offer, the down-side is that the increased number of four-wheel drive vehicles has added pressure on the landscape and the creation of many new tracks in the area, as well as impacting local fish stocks.

However, the increase in visitation has certainly been a major boost for our businesses and the local economy. Without international tourists, due to the pandemic, the demographic of visitors and the tourism market has changed dramatically. Increased visitation has also resulted in a higher demand for both tourist and seasonal worker accommodation and highlighted a significant gap in regard to availability in both short and long-term accommodation in Denham.

Annual community events such as the Winter Markets, Far Western Speedway, Thank a Volunteer Day, Community Christmas Wonderland, Seniors Christmas Party, School Concert, Shark Bay Fishing Fiesta and performances by the Shark Bay Entertainers were very successful in attracting significant numbers of visitors to the Bay. The inaugural Denham Triathlon events were held this year and will hopefully become an annual occurrence.

During January, Minister MacTiernan was in the Bay to advise of additional funding for the Community Resource Centre and also announce the commencement of the Denham Hydrogen Plant trial, with over \$8m being committed to the project. The construction of this first-of-its-kind plant will test the capability of hydrogen as a dispatchable power source. Horizon Power representatives also provided presentations to the local community regarding the proposed stages of the project.

Two local businesses, the Denham Seaside caravan park and Heritage Resort, were recipients of State Government Regional Economic Grants to extend and/or upgrade their facilities, with the Ngala childcare centre building also being established via this funding avenue.

A second round of Federal Government funding of \$247,391, under the Covid-19 Recovery Plan, was allocated to the following projects – resurfacing of the multi-purpose courts, Little Lagoon upgrades to gazebos and signage, skate park upgrade to a pump track, establishment of a morgue and purchase of additional gym equipment.

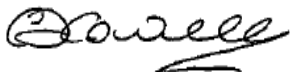
In April, the Shire applied for \$2.5m via the Building Better Regions Infrastructure Funding for the construction of 12 new aged care units to extend the current Herald Denham pensioner units, with an additional \$20,000 being sought from Department of Communities to replace the current roofs.

The Shire continues to provide Community Assistance Grants to local community- based groups in order to support and encourage them to continue to provide services and recreational pursuits for our community members. The local volunteers within these groups contribute significantly to our community, as well as to the wellbeing of our visitors. Thanks to all those volunteers who freely give their time, skills and energy to enhance our enviable lifestyle and our enjoyment of living in the Bay!

Our public facilities, including Little Lagoon, the Denham foreshore and adventure playground, continue to attract very positive feedback from both local residents and our increasing number of visitors.

I acknowledge the outstanding job that all the Shire staff do by continuing to provide excellent service whilst also maintaining our community infrastructure, roads, grounds and amenities in great condition – thus contributing to both resident and visitor enjoyment and also generating local community pride.

Council continues to encourage new development and business opportunities in the Bay which will ultimately lead to population increases and provide additional services, amenities and infrastructure for the community. However, as Shark Bay's natural assets and environment are a major attraction for both residents and visitors, it is imperative that Council also maintains the balance between the community's expectations and sustainable economic development for Shark Bay.



Cheryl Cowell
SHIRE PRESIDENT

GENERAL INFORMATION

The Shire of Shark Bay is made up of two peninsulas on the western most point of Australia it includes 1,500 km of coastline, together with some 25,000 square kilometres of hinterland. The Bay's main body of water covers an area of approximately 8,000 square kilometres with average water depth of 10-15 metres and is divided by shallow banks and many peninsulas and islands.

The town of Denham, the main settlement within the Shire, is 833 km from Perth, 405 km from Geraldton, 330 km from Carnarvon and 129 km from the Overlander turnoff on the North West Coastal Highway. Shark Bay has a permanent population of 950 people and it is estimated that this figure doubles during the tourist season April to October.

Shark Bay enjoys a mild climate all year round with an average temperature of 26.5 degrees Celsius. The average annual rainfall is 228 mm, most of which occurs between May and August.

Outside Denham, settlements also exist at Monkey Mia, Nanga, Overlander, Billabong (Wannoo) and Useless Loop. Useless Loop is a "closed" mining town located 250 km from Denham by road or 25 km across the bay. The region's landscapes and habitats range from rugged sea cliffs along the coast to tranquil bays and inlets fringed with wide beaches of sand and shells. Shark Bay has a strong community spirit with several sporting, recreational, educational, youth, special interest groups, clubs and committees. Many of these groups organise annual and weekly events for residents and visitors in the Shire of Shark Bay.

Tourist Attractions

Shark Bay World Heritage Discovery and Visitor Centre, World Heritage Listing, Monkey Mia, Stromatolites, Shell Beach, Steep Point (the most western point on mainland Australia), fishing, indigenous culture, Dirk Hartog Island, Peron Peninsula, aquaculture and Cape Inscription (first documented landing by Europeans on Australian soil in 1616).

Local Industries

Pastoral, tourism, fishing, salt production, pearl culturing, shell grit mining.

Significant Local Events

Far Western Speedway Championship – July, Bowling Club Anniversary Meeting – July, Denham Golf Open – August, Fishing Fiesta – May

STRATEGIC OBJECTIVES

In order to discharge its responsibilities to the community, the Shire of Shark Bay has developed a set of operational and financial objectives. These objectives have been established on an overall basis reflected by the Shire’s Vision Statement and for each of its broad activities/programs. These objectives provide a framework for the future direction of the Shire of Shark Bay.

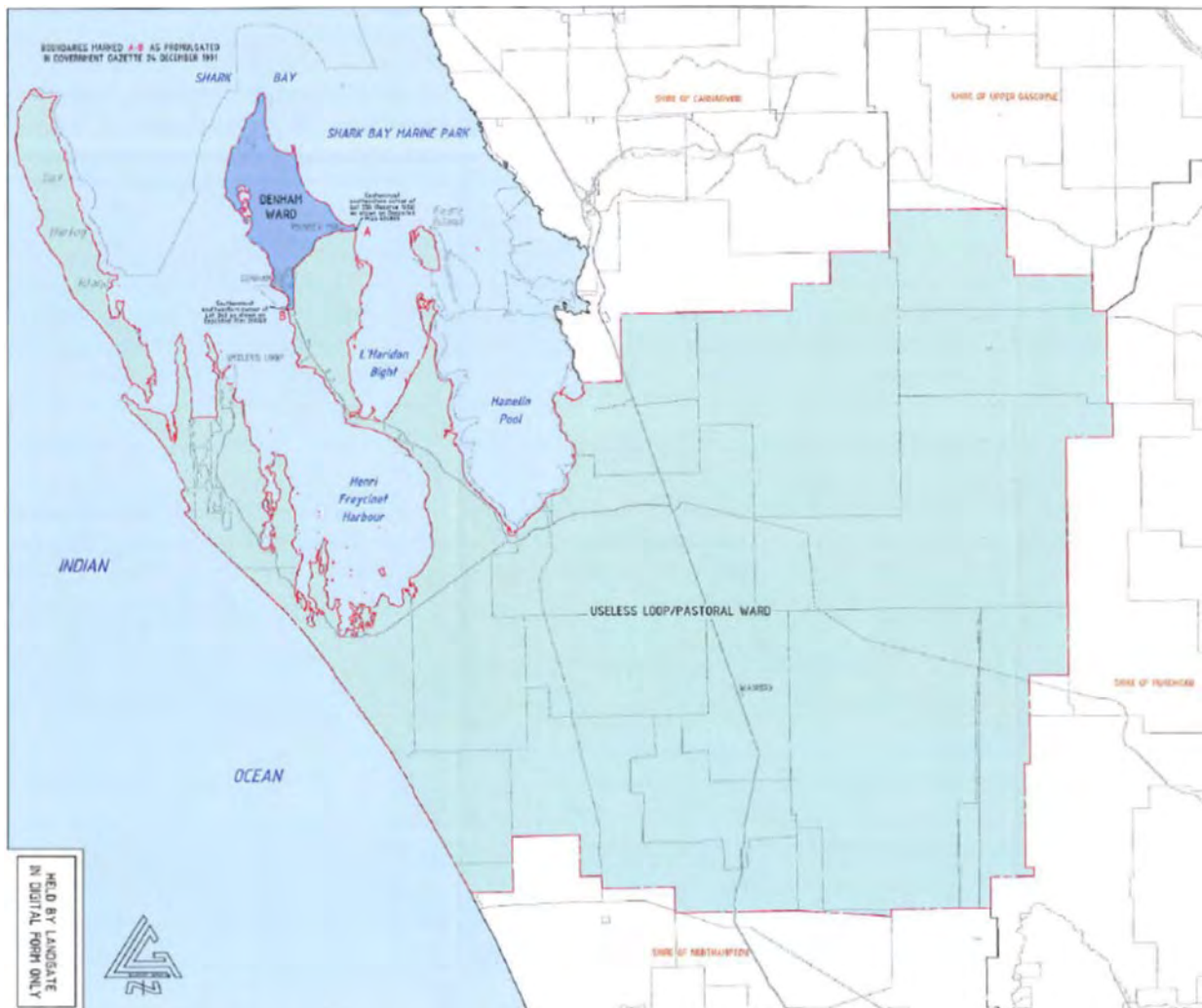
Shire of Shark Bay Vision Statement

Shark Bay is a proud unified community, respecting and sharing our pristine environment and great lifestyle.

The Council Wards

There are two Wards in the Shire of Shark Bay

- Denham Ward
- Useless Loop / Pastoral Ward



CHIEF EXECUTIVE OFFICER'S REPORT

I am pleased to report to the Shire of Shark Bay community that during the 2020/2021 financial year the Shire continued to provide a high level of service delivery, manage and improve Shire infrastructure and other assets, and operate in an open, efficient, compliant and probity driven manner.

The 2020/2021 financial year continued to present numerous challenges because of the COVID-19 pandemic, and therefore a huge thanks goes out to the dedicated Shire employees, contractors, and numerous other stakeholders, whose hard work ensured the continued delivery of services to the community whilst having to deal with an extremely challenging and ever-changing environment.

I am happy to report that the strategies implemented to minimise financial risk through the COVID-19 environment has resulted in the Shires overall 2020/2021 financial position remaining stable and strong.


Despite continued challenges through 2020/2021, the Shires outside workforce are to be commended on the achievement of several key outcomes.

- The delivery of a number of key capital projects;
- A high standard of ongoing maintenance and operational activities; and
- Plant and equipment procurement in line the Shires plant replacement program.

The Shires Community Development Team continued to punch above its weight, providing a high level of community engagement and delivering numerous valued and well supported events, that catered for the demographic diversity that is the Shark Bay community.

The Shark Bay World Heritage Discovery and Visitor Centre emerged from the COVID-19 challenges of 2019/2020 to welcome 76,004 people in 2020/2021.

The Shire has again had to contend with, and overcome many challenges throughout 2020/2021, and should be proud of the ongoing service delivery to the community considering those challenges. As the new Chief Executive Officer at the Shire of Shark Bay, I very much look forward to working closely with the Shire team, the community and key stakeholders to better understand and work towards achieving the communities long term economic, social and sustainability objectives through 2021/2022 and beyond.



Dale Chapman
Chief Executive Officer

FINANCE AND ADMINISTRATION REPORT

Overall Financial Position

The financial position of the Shire of Shark Bay remains stable irrespective of the impact of COVID-19 due to the strategies implemented to minimise the Councils financial risk as a result of the pandemic.

The carried forward balance as at the 30 June 2021 is \$1,747,398. This result excludes Contract Liabilities, totaling \$466,036 detailed in Note 14 of the financial statements, comprising unspent specific grants at year end for Fire and Emergency Services, Little Lagoon Trial Planning Program, Pensioner Unit Roof Upgrade, Regional Road Group Useless Loop Road, Roads to Recovery Brockman Street Upgrade and Local Roads and Community Infrastructure Projects which will be carried forward into the 2021-2022 financial year in readiness for project completion. In addition, an early payment of \$1,025,688 for 2021/2022 General Purpose Financial Assistance Grant has been treated as operating revenue and contributed to this surplus.

Overall Income

Overall income of \$7,094,465 was greater than the budgeted amount of \$6,553,308 mainly due to the advance payment of the 2021/2022 Financial Assistance Grant (\$1,025,688) less the ongoing grants quarantined to Contract Liabilities (\$466,036) in readiness to offset against relevant project expenditure in the 2021/2022 year.

Operating Income

Operating income of \$6,220,383 was greater than the budgeted amount of \$5,016,754 due to operating grants received in advance of \$1,025,688.

Rates

The rates in the dollar for all differential categories were not increased in line with Councils resolution for 2020/2021 due to COVID-19. The total net general rate revenue for 2020/2021 was \$1,436,864 which was less than the 2019/2020 rates (\$1,446,352) by \$9,488. This is due to an additional \$28,186 in back rates levied in the 2019/2020 financial year compared to 2020/2021. The remaining \$18,545 is due to changes in gross rental and unimproved valuations imposed throughout the year.

Operating Expenditure

Operating expenditure of \$6,518,780 was under annual budget being \$6,982,208 by \$463,428. This is mainly due to strategies implemented by the Shire to reduce operating expenditure during the COVID-19 pandemic and reliance on external funding.

Capital Expenditure

Capital expenditure of \$1,516,041 was less than the budgeted amount of \$2,914,043 due savings in the acquisition of Major Plant and Equipment and the COVID-19 pandemic causing delays and deferrals for the following capital projects which will be carried forward into 2021/2022 financial year.

Major projects carried forward include:

- Asbestos Removal – Shire Properties - \$150,000
- Morgue - \$70,000

- Housing - \$75,000
- Town Hall Access - \$40,000
- Men's Shed - \$120,287
- Recreation Centre Panel and Paint - \$50,000
- Shark Bay Discovery and Visitor Centre Door Upgrade - \$12,500
- Heritage Stables Refurbishment - \$50,000
- Depot Office Awning - \$10,000
- Street Lighting - \$160,000
- Footpath Construction - \$100,000
- Adventure Park Lighting Upgrade - \$15,000
- Little Lagoon Gazebo and Bollard Upgrades - \$35,000
- Skate Park Upgrade - \$30,200
- Chief Executive Officer Vehicle Replacement - \$70,000
- Cemetery Shade - \$5,000
- Hamelin Pool Carpark Upgrade - \$10,000
- Charlie Sappie Park Bed Replacement - \$20,000
- Road Projects - \$146,130
- Depot Tools and Major Plant - \$20,000

Total Debt

The Shire's total loan liability as of 30 June 2021 was \$837,907.

This loan liability is made up of the following:

- Monkey Mia Bore - \$70,012
- Town Oval Bore - \$ 767,895

Cash Backed Reserves

The Shire's cash backed reserves increased over the year by \$978,851. Significant transfers from these reserves in 2020/2021 included \$130,197 for the infrastructure upgrades, \$255,278 for plant replacement and \$19,547 for Recreation Facilities Upgrades. Transfers to reserves included \$449,300 for plant replacement, \$683,489 for strategic infrastructure renewal, \$45,394 for Pensioner Unit Maintenance and upgrades, \$24,530 for Employee Leave Reserves and \$181,000 for Recreation Facility Replacement and upgrades.

WORKS REPORT

The Shire's outside employees contributed to capital projects undertaken either as total construction by the Shire or in a supporting role with outside contractors. Their performance was commendable and with the addition of normal operational duties, they performed in an enthusiastic manner throughout 2020/2021 with positive outcomes achieved.

During the 2020/2021 year the following capital projects were finalised;

- Eagle Bluff Road had the first 1.5 Km sealed;
- Upgrades on the Useless Loop Road including 8 Km of reseal;
- Stage two of the Brockman Street upgrades, including asphalt and new dual use paths;
- Construction of a limestone wall on the foreshore;
- Replacement of soft fall in the oval playground;
- Replacement of outdoors multipurpose court lights; and
- Resurfacing of outdoors multipurpose courts.

Due to the COVID-19 pandemic some capital work projects were held over, these projects have since been reinstated in the 2021/2022 budget.

The Bring Centre is still proving to be an ongoing success with the community and has maintained consistent throughput of recyclable products during the year.

The container deposit scheme has reduced the number of aluminium cans and drink containers going through the Bring Centre. The markets for the sale of remaining recyclable products is still difficult, however the reduction in waste to landfill has and continues to be a positive result.

The standard of maintenance and operational activities associated with the Shire's, day to day, routine operations continued throughout the year. The Town oval, foreshore parks, foreshore playground and the Shark Bay Recreation Centre are among some of the more significant maintenance requirements along with refuse and recycling and road maintenance.

These more major activities are undertaken along with numerous minor and or reactive activities that are just as important and essential to the successful outcomes associated with the Shire of Shark Bay. Shire staff have performed these duties in a conscientious and responsible manner and should be commended.

Plant and machinery purchased during the year was in accordance with the Shire's plant replacement program. This ensures that plant and machinery used in the Shire operations is safe and fit for purpose. Comprehensive evaluations are undertaken to ensure best value for money outcomes are achieved.

I would like to thank the Shire of Shark Bay's country, town and administrative employees for their ongoing support throughout the year, especially with the continuation of the COVID-19 pandemic. All staff have performed their duties admirably and 2020/2021 was still a positive and productive year even with the ongoing pandemic uncertainty. I look forward to these continued performances in 2021/2022.

TOURISM, COMMUNITY AND ECONOMIC DEVELOPMENT REPORT

COMMUNITY ENGAGEMENT

The Shire of Shark Bay maximises the use of the mobile phone SMS system allowing a Shire-to-resident communication strategy. SMS communications are distributed to 311 people in one hit, thus proving to be an efficient way to keep the community informed.

The Shire's Facebook page is a functional tool with which to communicate important information to the broader community, the page has 1658 followers. With the option of sharing the messages with over 7,000 members on the two local community administrated Facebook group pages.

The Shire's website and noticeboard is updated on a regular basis with the latest news and information.

COMMUNITY EVENTS

The Shark Bay Winter Festival Markets was not held during the 2020/2021 financial year due to COVID-19 restrictions.

The Shire's successful grant funding from Keep Australia Beautiful, supported Eco-Faeries to travel to Denham and host a range of workshops for all ages, promoting initiatives to reduce litter by reusing and recycling plastic. The workshops were held on 4 & 5 November, in collaboration with the Shark Bay School and the Shark Bay Community Resource Centre.

Thank a Volunteer Day celebrations were held on 5 December at the Shark Bay Recreation Centre to acknowledge the outstanding and essential work of all volunteers in our community. The value of our community volunteer contribution was recognized with the presentation of a certificate and small gift. This event was partly funded by the Department for Communities.

The annual Australia Day breakfast event, held in collaboration with the Shark Bay Community Centre was held at the Shark Bay Bowling, Sport and Recreation Club. The event included the presentation of the Shark Bay Citizen of the Year Awards recognising outstanding community contribution under four categories, Citizen of the Year, Citizen of the Year (Youth), Citizen of the Year (Senior) and Citizen of the Year (Community Group).

The Shire supported the annual Keep Australia Beautiful community clean-up on 7 March with 43 Shark Bay community members participating. Participants collected a total of 40 bags of rubbish from the main streets, the foreshore, Little Lagoon, and along Denham Shark Bay Road. The hard-working participants were treated to a BBQ breakfast after the event.

The State Returned and Services League held a commemoration service for Remembrance Day in November and for ANZAC Day in April. The Shire supported the Returned Services League financially for the two services to take place in Denham.

The Shark Bay Police hosted a NAIDOC Week morning tea and flag raising ceremony at the Police Station on Friday 13 November 2020. The Shire received \$250 sponsorship from the Gascoyne Development Commission to contribute towards the catering for the event. The event was well attended by the community, with Shark Bay School Year 6 students assisting with raising the flags.

The Shire was successful in receiving funding from Horizon Power for the inaugural Shark Bay Christmas Wonderland event held at the Shark Bay Recreation Centre and Town Oval on 12

December. The funding contributed towards hiring inflatable activities, face painting and Christmas activities, as well as the prizes for Shark Bay Christmas decoration competition.

SPORT AND RECREATION

The Shark Bay Recreation Centre continues to be managed by Shark Bay Community Resource Centre. The users participated in a range of open courts, nightly sports, school holiday programs and toddler activities during the year. The Shark Bay Recreation Centre receives consistent attendance throughout the year, with total of 5148 participants registered for this financial year.

The Shire formed a partnership with Department of Local Government, Sport and Cultural Industries for the Gascoyne Sports Modelling and Activation Planning. The joint funded project engaged with sport consultant Michelle McManus to conduct a review of infrastructure usage and delivery models for sport and recreation within the Shire. The plan was reported at the October 2020 Ordinary Council Meeting.

The Shire was successful in receiving funding from the Department of Local Government, Sport & Cultural Industries to facilitate three capacity building workshops with our local sporting and community groups. Workshops were well attended with ten clubs/groups represented. The participants gained skills in club governance, volunteer management and grant writing skills.

The Shark Bay Community Gym has a total of 128 annual gym members. A survey was distributed to the gym members in July to get data on the usage of the Shark Bay Community Gym and to audit the gym equipment. This will be used to help decide future equipment purchases and/or upgrades. The facility has also had a new entry card system installed after the old system failed.

The Shark Bay Public Library continues to be a popular service for all ages of the community with 500 Library members. E-Resources are also accessible with the membership, such as Borrowbox, RBDigital, Kanopy and Kanopy Kids, Storybox Library and Busy.

YOUTH

The Shire has provided strategic support to young people in Shark Bay through School-to-Work Transition work experience and volunteering opportunities. Council continues to support the Shark Bay Youth Group by providing free use of the Shark Bay Recreation Centre facility, once a week during School term. In addition, the Shark Bay Youth Group have been offered opportunities to fundraise at various Shire organised events throughout the year.

The Shire supported the Shark Bay Youth Group to host three activities during the 2021 Youth Week in April. The events included a movie matinee, superhero disco and 'all about me' youth fun day.

The Shire funded award-winning entertainer Pierie Ulric for the Wacky Magic and Mad Science show, a family friendly interactive show where young participants could learn skills in science and magic. The show was held at the Town Hall on 19 June.

SENIORS

On 3 September, the Community Development Officer presented via zoom, representing the Shire of Shark Bay at the Local Government Professionals Australia Age Friendly Communities

Forum. The presentation highlighted the Shire's initiatives for our senior resident's wellbeing during COVID-19 restrictions.

National Seniors Week in November was celebrated at the Shark Bay Bowling, Sport, and Recreation Club in collaboration with the Shark Bay Community Resource Centre. The participants enjoyed a variety of physically and mentally active games.

The annual Seniors Christmas Lunch was held at the Shark Bay Bowling, Sport, and Recreation Club on 11 December. The three-course meal was catered by local businesses and Shark Bay Entertainers provided carols and entertainment. The event was supported by Shark Bay Community Resource Centre

Shark Bay Community Men's Shed continue to meet on a weekly basis and operate from a private temporary premise in Denham. The Shire was successful in receiving grant funding from the Gaming Community Trust. The grant for \$110,287 creates an opportunity to construct a permanent facility for Shark Bay Community Men's Shed on Hughes Street, due to open in 2021/2022.

ACCESS & INCLUSION

The Shire's Access and Inclusion Plan 2019 – 2024 continues to be implemented.

The Shire continues to manage 13 low-cost long-term accommodation units at the Herald Denham Pensioner Units for our aged community. In September, the Shire Administration facilitated an informal survey for our tenants at the Pensioner Units. The survey identified improvements for the Shire's service as the property lessor along with future planning opportunities. Overall, positive feedback was received in relation to the tenant's satisfaction with the safety and standard of living.

MENTAL HEALTH

The Shire and Shark Bay Community Resource Centre collaborated to host a car scavenger hunt for the mental health week event on 10 October. The event encouraged local community members of all ages to register a team to complete a range of tasks in the Denham township. The Shark Bay Community Resource Centre successfully obtained funding from Lotterywest for the event.

The WA Primary Health Alliance hosted a free 2-day Mental Health First Aid Training Course in November, attended by community members.

EMERGENCY SERVICES

The Shark Bay region was placed on red alert in April during Tropical Cyclone Seroja. The Shark Bay Recreation Centre was activated as the local Evacuation Centre, with a number of local community members and travelers being evacuated to the premise.

ARTS

A community art project was undertaken during the Shark Bay Fishing Fiesta for the Western Australian Local Government Association Banners in the Terrace. The digital banner was on display at Yagan Square.

The Shark Bay World Heritage Discovery & Visitor Centre works with Art on the Move each year to show travelling exhibitions at the Rose de Freycinet Art Gallery. The Gallery hosted Rules of Summer by Shaun Tan during the months of April and May.

ECONOMIC

Council allocated \$50,000 for the Shire's Community Assistance Grants during the 2020/2021 financial year. The grant program facilitates the Shire's investment in people, community, health, and wellness at the grassroots level by assisting local community groups to offer a range of activities for the community and strengthen skills and capacity.

Four community groups were successful in Round 1 of the 2020/2021 Community Assistance Grants, for a total of \$11,160.83 for community projects. Five community groups were successful in Round 2 of the 2020/2021 Community Assistance Grants to the value of \$8,000. The Shark Bay Speedway Club, the Shark Bay Fishing Club, the Malgana Aboriginal Corporation & the Shark Bay Business and Tourism Association were successful in receiving funding through the Significant Event Sponsorship for ongoing and new events.

The Shire has an ongoing partnership with Ngala Bright Stars Child Care Services, with the Shire providing minimum rent for the Day Care Facility on Hughes Street. The Family Day Care educator provides day care to a range of families throughout the year. The Shire supported Ngala Bright Stars to source funding for a new building and was successful in receiving \$300,000 to construct a new building within the recreation precinct opposite the Shark Bay School. The new facility opened in March.

The Shire is now accredited as a Film Friendly location, providing a one-stop-shop for future filmmakers to film in our area.

The Shark Bay World Heritage Discovery & Visitor Centre is proud to have several local suppliers have their merchandise items in the gift store, as well as specific Shark Bay branded items. The average sale value per customer throughout 2020/21 was \$21.38.

AWARDS

Denham was announced as the State winner for the 2020 Tidy Towns Sustainable Awards in the category of Litter Prevention and Waste Management. The Shire of Shark Bay submitted the award nomination to recognise the community's efforts in keeping our town clean on land and sea.

Denham was also nominated in the GWN7 Top Tourism Town Awards in the category of Small Tourism Town.

TOURISM

The Shark Bay World Heritage Discovery and Visitor Centre and the Shark Bay region was promoted through a variety of media outlets. The Centre operates social media accounts, including Facebook and Instagram. These posts have generated traffic to our website and enquiries regarding tour bookings and accommodation. 3,561 people follow the Discovery Centre’s Facebook page, and 6,841 followers on the Instagram page. Shark Bay has also been promoted on TV, newspaper, and radio throughout the financial year.

The permanent ‘Fire on the Water’ HMAS Sydney 3D film continues to be a popular attraction for the Discovery Centre. The free 17-minute film runs every half hour during opening hours. A guest book is available for visitors to provide their feedback. It is noted that positive comments are written on a weekly basis about the film and the visitor experience of discovering the history of the largest Australian naval disaster.

The opening hours of the Discovery Centre have varied throughout the year, due to the impact of COVID-19 travelling boarder restrictions. The intrastate travel has been beneficial to our region; the Centre welcomed 67,004 people, at an average of 195 people per day. The highest recorded day was 700 people on Monday, 6 July 2020.

OTHER INFORMATION

Report on Complaints made against Councillor's

Section 5.53(2)(hb) of the Local Government Act requires disclosure of entries made in the register of complaints against Councillor's for the year.

For 2020/2021 there were no complaints lodged of any Breaches **of the Local Government Act 1995**.

Record Keeping Plan

The Shire's Record Keeping Plan outlines the control, retention and disposal policies and procedures for all shire records. The Shire's Record Keeping Plan was formally approved by the State Records Commission on 18 March 2008 in accordance with Section 28 of the *State Records Act 2000*. This plan was reviewed at the Ordinary Meeting of Council held on the 27 February 2013 and was reviewed by State Records in February 2018. The Shire's Record Keeping Plan will need to be reviewed again before the 31 May 2023.

The Shire of Shark Bay's records storage has now been addressed with the installation of a separate storage unit installed at the Shire depot. Records have been transferred to the site and has room for administration and financial records.

The State Records Act also requires the shire to maintain a recordkeeping training program that is to be reviewed on a regular basis. To comply with this requirement a records induction program has been developed and a review of the Records Policy and Procedures manual has commenced. This will ensure that all future Shire employees are informed of their responsibilities in regard to recordkeeping.

FREEDOM OF INFORMATION

Access to information / documents may be granted to members of the community under the *Freedom of Information Act 1992*. The Shire of Shark Bay complies with the Freedom of Information Act 1992. An Information Statement is available along with application forms on the Council's website. The statement is a guide on the Freedom of Information process and also lists the types of documents available outside of Freedom of Information. The Chief Executive Officer is the Shire's Freedom of Information Coordinator. Any formal application information that is not already freely available at the Council may be made through the Freedom of Information Coordinator.

Between 1 July 2020 and 30 June 2021, the Shire received no Freedom of Information requests.

NATIONAL COMPETITION POLICY

The National Competition Policy statement requires Local Governments to include in the Annual Report, ongoing statements on the following.

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

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

Competitive Neutrality

There are several tests to apply that assist in determining if there is a “significant business enterprise”:

- 1) Does the activity receive revenue from external sources that exceeds \$200,000 per annum? (This threshold excludes grant income, internal charges, and statutory fees)
- 2) Would the benefits to be realised from the implementation of competitive neutrality exceed the costs?

From an examination of the income statement of the Shire of Shark Bay for 2016/2017, there is no activity that satisfies this first part of the test, and therefore the principles of competitive neutrality do not apply to any of the Shire of Shark Bay’s activities.

Structural Reform of public monopolies

The Shire of Shark Bay is not classified as a natural monopoly, nor does it conduct any business activities that could be classed as public monopolies. Therefore, the principle of structural monopolies does not apply to the Shire of Shark Bay.

Legislation Review

The Shire has a portfolio of local laws (previously known as by-laws), which may or may not conflict with the Competition Principles Agreement. The Shire of Shark Bay has undertaken a review of its local laws and a further review will commence in the 2021/2022 financial year.

The Shire also has an obligation under the *Local Government Act 1995* to review its Local Laws every 8 years. This was undertaken in May 2014.

ACCESS AND INCLUSION PLAN

The Shire of Shark Bay is committed to facilitating the inclusion of people with disabilities through the improvement of access to its information facilities and services. Towards this goal, the Shire adopted its first Disability Service Plan in 1995 to address the access barriers within the community.

Since the adoption of the initial Disability Service Plan, the Shire has implemented many initiatives and made significant progress towards better access. This includes all new public buildings and facilities that incorporate a Disability Service Plan being:

- The Shark Bay World Heritage Discovery and Visitor Centre;
- Shark Bay School;
- Silver Chain medical facility;
- The Shark Bay Recreation Centre;
- All new footpaths, and dual use paths; and
- Finalised new Town Planning Scheme along with a Town Centre Strategy.

The Disability Service Plan has been renamed as the “Access and Inclusion Plan” to better reflect the views and expectations as a community.

The Shire’s Access and Inclusion Plan 2019 – 2024 was endorsed in September 2020 by Council.

ELECTED MEMBERS AND OFFICER COMPLIANCE STATISTICS

The Local Government (Administration) Regulations 1996 Part 5 – Annual reports and planning, regulation 19B (1) and (2) was amended and as of the 7 November 2020 and now requires the following statistics to be included in the annual report:

Regulation - 19B (2) (a) & (b) and Prescribed Information for Payments to Employees

Section 5.53(2)(g) of the *Local Government Act 1995* requires disclosure of information as prescribed in relation to salary of \$130,000 or more made to employees.

For the 2020/2021 year there was one employee entitled to an annual salary in the band of \$160,000 to \$170,000.

Regulation - 19B (2) (c)

Elected Member Allowances 2020/2021 for Standards Panel costs for hearing a complaint regarding one of its council members and any amount that the Standards Panel orders to be reimbursed is nil.

Regulation - 19B (2) (d)

Any amount ordered under section 5.110(6)(b)(iv) to be paid by a person against whom a complaint was made under section 5.107(1), 5.109(1) or 5.114(1) to the local government during the financial year 2020/2021 was nil

Regulation - 19B (2) (e)

Chief Executive Officer Remuneration Paid 2020/2021 - \$203,080.

Regulation - 19B (2) (f)

Elected Member Meeting Attendance / Ordinary Council Meetings 2020/2021

A	ATTENDED
LA	LEAVE APPROVED
N	APOLOGY

Councillor Name	JUL 20	AUG 20	SEPT 20	OCT 20	NOV 20	DEC 20	JAN 21	FEB 21	MAR 21	APR 21	MAY 21	JUN 21
Cr Bellottie	A	A	A	LA	A	A	No	A	A	A	A	A
Cr Burton	A	A	LA	A	A	A	O C M	LA	A	A	A	LA
Cr Cowell President	A	A	A	A	A	A		A	A	A	A	A
Cr Fenny	LA	LA	A	A	A	A		A	A	A	A	A
Cr Ridgley	A	A	A	A	A	A		A	A	A	A	A
Cr Smith	A	A	A	A	A	A		A	A	A	A	LA
Cr Stubberfield	A	A	A	A	LA	A		A	A	A	A	A

Elected Member Meeting Attendance / Audit Committee Meetings 2020/2021

	FEB 21
Cr Bellottie	A
Cr Burton	N
Cr Cowell - President	A
Cr Fenny	A
Cr Ridgley	A
Cr Smith	A
Cr Stubberfield	A

Elected Member Meeting Attendance / Special Council Meetings 2020/2021

	6 AUG 20
Cr Bellottie	A
Cr Burton	A
Cr Cowell - President	A
Cr Fenny	N
Cr Ridgley	N
Cr Smith	A
Cr Stubberfield	A

Regulation - 19B (2) (h)

Elected Member Age Groups

Councillor Age Group	30-40 Years of Age	41-50 Years of Age	51-60 Years of Age	61-70 Years of Age
	2		2	3

Regulation - 19B (2) (i)

Aboriginal or Torres-Strait Islander Councillor's for 2020/2021

Aboriginal Councillor's	1
Torres-Strait Islander Councillor's	0

Regulation - 19B (2) (j)

There were no modifications made to the Shire of Shark Bay's Strategic Community Plan during the 2020/2021 financial year.

Regulation - 19B (2) (k)

There were no significant modifications made to the Shire of Shark Bay's Corporate Business Plan during the 2020/2021 financial year.

Regulation – 29C (2) (d)

The name of each Council member who lodged a primary return or annual return for the 2020/2021 financial year.

Councillor Name	Annual Return Completed	Primary Return Completed
Cr Bellottie	6/08/2020	
Cr Burton	14/08/2020	
Cr Cowell - President	24/07/2020	
Cr Fenny	11/08/2020	
Cr Ridgley	10/08/2020	
Cr Smith	31/08/2020	
Cr Stubberfield	04/08/2020	

Regulation – 29C (2) (e)

The position of each employee who lodged a primary return or annual return for the 2020/2021 financial year

Employee Position Held	Annual Return Completed	Primary Return Completed
Chief Executive Officer	2/07/2020	
Executive Manager Finance and Administration	3/07/2020	
Executive Manager Community Development	2/07/2020	
Works Manager	16/08/2020	
Shark Bay World Heritage Discovery and Visitor Centre – Co-Ordinator	20/08/2020	
Shark Bay World Heritage Discovery and Visitor Centre – Acting Co-Ordinator	16/07/2020	
Executive Assistant	1/07/2020	
Community Development Officer	1/07/2020	
Supervisor – Town	14/08/2020	
Supervisor – Works	17/08/2020	

Local Government Act 1995 Section 5.127 – Report on training

S5.127 (1) A local government must prepare a report for each financial year on the training completed by council members in the financial year.

Elected Member Training Attendance 2020/2021 – No Training was undertaken by Councillor's in the 2020/2021 financial year.

Councillor Name	Conflicts of Interest	Understanding Local Government	Serving on Council	Understanding Financial Reports and Budgets	Meeting Procedures
Cr Bellottie					
Cr Burton					
Cr Cowell - President					
Cr Fenny					
Cr Ridgley					
Cr Smith					
Cr Stubberfield					

STRATEGIC COMMUNITY PLAN 2020 - 2030

Section 5.53 (e) of the *Local Government Act 1995* requires that the Annual Report has an overview of the strategic community plan for the Shire made in accordance with section 5.56 of the *Local Government Act 1995*, including major initiatives that are proposed to commence or to continue in the next financial year.

Principal Objective	Outcomes, Strategies and Achievements
<p>Economic Objective- a progressive, resilient, and diverse economy</p>	<p>1.1 Appropriate transport infrastructure and services in line with demand.</p> <p>Achievements:</p> <ul style="list-style-type: none"> • Road program completed in accordance with Councils Budget. <p>2. Support local business and encourage further investment in the district.</p> <p>Achievements:</p> <ul style="list-style-type: none"> • Ongoing building and planning services and support resulting in continued building investment within the Shire. • The Shire in partnership with Ngala Children's Services built a new Day Care Centre in 2020/2021. • Ongoing support provided to assist Strandline Resources with the development of the Coburn Mineral Sands Project. • Ongoing support provided to Horizon Power relative to their Hydrogen Demonstration Plant. <p>2.1 Maintain relationships with educational organisations.</p> <p>Achievements:</p> <ul style="list-style-type: none"> • The Shire has provided strategic support to young people in Shark Bay through School-to-Work transition work experience and volunteering opportunities. • The Shire provides ongoing sponsorship and community bus allowances to the Shark Bay School. • Partnered with Ngala Children's Service and completed a new Day Care Centre primarily to operate Education and Care and other community programs focusing on children up to five years old. <p>2.2 Promote and support our tourism industry</p> <p>Achievements:</p> <ul style="list-style-type: none"> • The Shark Bay World Heritage Discovery and Visitor Centre continuously promotes the tourism industry via social media thereby increasing traffic to its website. In

	<p>addition, it provides counter service incorporating recommendations of tourism services to visitors and the public and is a booking agent for most tourism services within the region.</p> <ul style="list-style-type: none"> • The Shire has promoted the area through a series of scheduled television and radio advertising promoting the brand “Shark Bay Sink Your Teeth In”. • Promoting Shark Bay via sponsorship in the Desert Vet Series 2 television series. <p>2.3 Advocate to support new industries and local business.</p> <p>Achievements:</p> <ul style="list-style-type: none"> • Ongoing support provided to assist Strandline Resources with the development of the Coburn Mineral Sands Project near Nanga. • Relinquishing 20 Hectares of Crown Reserve 49809 to Horizon Power for the purposes of constructing a new Hydrogen Demonstration Plant and associated infrastructure. • Ongoing promotion of the Shark Bay Investment Prospectus which details investment and business opportunities and general information on starting a local business. This is also available on the Shire’s website. • Community Assistant Grants supported Significant Events run by Shark Bay Speedway Club, Shark Bay Fishing Club, Malgana Aboriginal Corporation and Shark Bay Business and Tourism Association which boosted tourism and local business trade throughout the term of the events.
<p>Environment Objective – help protect our unique natural and built environment</p>	<p>3. A natural environment for the benefit and enjoyment of current and future generations.</p> <p>Achievements:</p> <ul style="list-style-type: none"> • Continued work towards the implementation of findings out of the Strategic Waste Management Plan commissioned and delivered by ASK Waste Management Consultants. This includes the investigation of a Regional Waste Strategy/Approach. • Ongoing work to Development of the Regional Waste Strategy progressing with the engagement of Ask Waste Management Consultants to undertake a Recycling and Refuse Site Review. • The Shire supported the annual Keep Australia Beautiful community clean-up of rubbish from the main streets, the foreshore, Little Lagoon, and along Denham Shark Bay Road. • Granted approval to the RAC Monkey Mia Resort to sublet a portion of Reserve 40727 Lot 130 and Reserve



	<p>49108 Lot 556 Monkey Mia Road for the purposes of a Research Station/Accommodation and Storage Shed for the University of Zurich.</p> <p>3.1 Promote reduced environmental impact with the Shire</p> <p>Achievements:</p> <ul style="list-style-type: none"> • Continued installation of signage and bollards at Little Lagoon area to reduce impact on the environment. • Continued sourcing avenues of grant funding to further develop the Master plan for the Little Lagoon region. <p>4. A well planned built environment and infrastructure supporting our community.</p> <p>Achievements:</p> <ul style="list-style-type: none"> • Increased use of the Bring Recycling Transfer Station resulting in reduced impact of waste products on the environment. <p>4.1 Ongoing development, maintenance, and upgrade of infrastructure.</p> <p>Achievements:</p> <ul style="list-style-type: none"> • The Shire's day to day routine operations have continued, resulting in a high level of maintenance to the Shires infrastructure inclusive of the Town Oval, Foreshore Parks and Playground, the Shark Bay Recreation Centre, Refuse and Recycling Facility and roads and footpaths. • Stage Two upgrade of Brockman Street and installation of new dual use paths. • Upgrades to Useless Loop Road including 8.0 kilometres of reseal completed. • Commenced a two-coat sealing program for Eagle Bluff Road (0 - 4.38 SLK) to be staged over a 2-year period. • Constructed of a limestone wall on the foreshore. • Replacement of soft fall in the Town Oval playground. • Replacement of outdoor multipurpose court lights. • Resurfacing of outdoor multipurpose courts. • Commencement of the relocation of the morgue. • Conversion and upgrade of the old Childcare Centre to a Community Hub as a new Child Care Centre has been built. • Commencement of a Men's Shed to be added to the Community Hub. • Upgrade of Recreation and Gym Centre Entry System. • West End Toilet Roof Replacement. • Foreshore Playground Fence replacement.
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	<ul style="list-style-type: none"> • Commencement of Foreshore Playground Lighting upgrade. • Ongoing installation of Little Lagoon signage and bollards. • Commencement of Skate Park Upgrade to provide a pump track. • Completion of replacement of Depot Fencing.
<p>Social Objective – A safe and inclusive community.</p>	<p>5. Strong sense of spirit and pride in an inclusive community.</p> <p>5.1 Support provision of essential community services and facilities. Achievements:</p> <ul style="list-style-type: none"> • Ongoing commitment and support to emergency and volunteer groups inclusive of hosting Thank A Volunteer Day. • Grant funding received for numerous community events and initiatives. • Ongoing advocacy for improvements to communications and health services technology. • Community Assistance Grants available upon application to assist local community groups to offer more activities to the community. <p>5.2 Encourage inclusion, involvement, and wellbeing Achievements:</p> <ul style="list-style-type: none"> • Dual Purposes pathways were installed at Brockman Streets to aid mobility throughout town. • New directional signage was installed within the Town Recreation Centre. • The Shire continues to manage 13 low-cost long-term accommodation units at the Herald Denham Pensioner Units for our aged community. • The Shire and Shark Bay Community Resource Centre hosted a car scavenger hunt for mental health week where community members of all ages register as a team to complete a range of tasks within the town area. • WA Primary Health Alliance hosted a free two-day Mental Health First Aid Training Course for community members. • The Shire use of a mobile phone SMS system distributing to 311 community members at one time enabling recipients to be kept informed of upcoming events and meetings.
<p>Leadership Objective – a transparent, resilient, organisation demonstrating leadership and governance.</p>	<p>6. A strategically focused, unified Council, functioning efficiently.</p> <p>Achievements:</p>

	<ul style="list-style-type: none"> All Strategic and Operational plans regularly reviewed, and budgets reflective of strategic objectives. <p>6.1 Effectively represent and promote the Shire of Shark Bay.</p> <p>Achievements:</p> <ul style="list-style-type: none"> Ongoing participation in State and regional boards and committees. <p>7. A transparent, resilient organisation demonstrating leadership and governance.</p> <p>Achievements:</p> <ul style="list-style-type: none"> Accountability and Financial responsibility have been maintained in line with long term financial plans. All areas of operational expenditure are regularly reviewed through monthly reports presented to Council and annual and midyear budget reviews. A High Level of Legislative compliance has been maintained throughout the organisation. <p>7.1 Encourage and support community engagement</p> <p>Achievements:</p> <ul style="list-style-type: none"> National Seniors Week supported by the Shire. The Shire has commenced the development of Community Men’s Shed new permanent premise at the Community Hub. Annual Seniors Christmas Lunch was hosted by the Shire. Shire hosted the Horizon Power Shark Bay Christmas Wonderland Event and ran the Shark Bay Christmas Decoration Competition. Several events such as Thank a Volunteer Day, Keep Australia Beautiful, Australia Day and Citizen of the Year Awards, Remembrance Day, ANZAC Day and NAIDOC Week were either organised or supported by the Shire, and resulted in strong community engagement. <p>7.2 Provide appropriate services to the community in a professional and efficient manner</p> <p>Achievements:</p> <ul style="list-style-type: none"> The Shire provides 13 low-cost rental accommodation at the Denham Pensioner Units and continues to source funding to increase the number of, and the upgrade of existing units. The Shire is a Department of Transport agent. The Shire supports the Local Health Services via the provision of car hire for visiting doctors and medical professionals.
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	<ul style="list-style-type: none">• The Shire provides Western Australian Library Services to the local community and visitors.• The Shire provides and maintains Street Lighting.• The Shire provides twice weekly Kerbside Waste Collection Services and weekly Street Sweeping Services.• The Shire keeps the community informed using mobile phone SMS and posting regular updates to Facebook.• The Shark Bay Recreation Centre is fully funded by the Shire and hosts many community group functions and sporting activities.
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SHIRE OF SHARK BAY
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

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COMMUNITY VISION

Shark Bay is a proud unified community, respecting and sharing our pristine environment and great lifestyle.

Principal place of business:
65 Knight Terrace
Denham WA 6537



SHIRE OF SHARK BAY
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 Shark Bay 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 Shark Bay 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 4th day of April 2022

Dale Chapman

Chief Executive Officer

Dale Chapman

Name of Chief Executive Officer



William Buck Audit (WA) Pty Ltd

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

NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$	
Revenue				
Rates	23(a)	1,436,864	1,441,525	1,446,352
Operating grants, subsidies and contributions	2(a)	2,800,535	1,776,701	2,544,097
Fees and charges	2(a)	1,727,124	1,644,391	1,663,496
Interest earnings	2(a)	20,927	9,650	25,944
Other revenue	2(a)	234,933	144,487	180,747
		<u>6,220,383</u>	<u>5,016,754</u>	<u>5,860,636</u>
Expenses				
Employee costs		(2,180,520)	(2,227,427)	(2,101,211)
Materials and contracts		(1,950,335)	(2,299,530)	(1,698,481)
Utility charges		(154,075)	(194,865)	(170,879)
Depreciation on non-current assets	11(b)	(1,753,544)	(1,758,645)	(1,882,880)
Interest expenses	2(b)	(27,537)	(31,159)	(12,040)
Insurance expenses		(165,088)	(168,073)	(153,625)
Other expenditure	2(b)	(172,843)	(162,877)	(186,369)
		<u>(6,403,942)</u>	<u>(6,842,576)</u>	<u>(6,205,485)</u>
		(183,559)	(1,825,822)	(344,849)
Non-operating grants, subsidies and contributions	2(a)	853,694	1,536,052	539,520
Profit on asset disposals	11(a)	19,096	502	2,909
(Loss) on asset disposals	11(a)	(114,838)	(139,632)	(866,916)
Fair value adjustments to financial assets at fair value through profit or loss		1,292	0	4,678
		<u>759,244</u>	<u>1,396,922</u>	<u>(319,809)</u>
		<u>575,685</u>	<u>(428,900)</u>	<u>(664,658)</u>
Net result for the period				
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	12	0	0	3,034,388
Total other comprehensive income for the period				
		<u>0</u>	<u>0</u>	<u>3,034,388</u>
Total comprehensive income for the period				
		<u>575,685</u>	<u>(428,900)</u>	<u>2,369,730</u>

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



William Buck Audit (WA) Pty Ltd

SHIRE OF SHARK BAY
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30 JUNE 2021

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
Revenue				
	2(a)			
Governance		3,403	2,000	7,939
General purpose funding		3,432,340	2,392,939	3,452,045
Law, order, public safety		72,204	69,900	119,048
Health		2,260	1,800	1,657
Housing		126,631	128,580	133,534
Community amenities		337,824	335,876	343,861
Recreation and culture		458,632	325,630	256,520
Transport		838,122	849,679	520,525
Economic services		893,037	870,350	937,303
Other property and services		55,930	40,000	88,204
		6,220,383	5,016,754	5,860,636
Expenses				
	2(b)			
Governance		(210,788)	(266,173)	(286,160)
General purpose funding		(102,145)	(106,220)	(97,135)
Law, order, public safety		(307,703)	(272,004)	(258,446)
Health		(64,453)	(87,889)	(62,601)
Housing		(189,893)	(212,910)	(198,269)
Community amenities		(593,470)	(693,071)	(544,950)
Recreation and culture		(1,984,319)	(2,115,600)	(2,010,313)
Transport		(2,032,586)	(2,131,515)	(1,718,919)
Economic services		(953,857)	(1,026,167)	(968,217)
Other property and services		62,809	100,132	(48,435)
		(6,376,405)	(6,811,417)	(6,193,445)
Finance Costs				
	2(b)			
Governance		(288)	(289)	(1,552)
Recreation and culture		(23,093)	(26,716)	(4,823)
Economic services		(4,156)	(4,154)	(5,665)
		(27,537)	(31,159)	(12,040)
		(183,559)	(1,825,822)	(344,849)
Non-operating grants, subsidies and contributions	2(a)	853,694	1,536,052	539,520
Profit on disposal of assets	11(a)	19,096	502	2,909
(Loss) on disposal of assets	11(a)	(114,838)	(139,632)	(866,916)
Fair value adjustments to financial assets at fair value through profit or loss		1,292	0	4,678
		759,244	1,396,922	(319,809)
Net result for the period		575,685	(428,900)	(664,658)
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	12	0	0	3,034,388
Total other comprehensive income for the period		0	0	3,034,388
Total comprehensive income for the period		575,685	(428,900)	2,369,730

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



William Buck Audit (WA) Pty Ltd

SHIRE OF SHARK BAY
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	NOTE	2021 \$	2020 \$
CURRENT ASSETS			
Cash and cash equivalents	3	6,875,899	4,912,395
Trade and other receivables	6	217,457	101,121
Inventories	7	122,963	129,990
Other assets	8	39,216	1,554
TOTAL CURRENT ASSETS		7,255,535	5,145,060
NON-CURRENT ASSETS			
Trade and other receivables	6	8,229	7,688
Other financial assets	5	36,903	35,611
Property, plant and equipment	9	25,127,739	25,534,693
Infrastructure	10	66,364,898	66,576,124
TOTAL NON-CURRENT ASSETS		91,537,769	92,154,116
TOTAL ASSETS		98,793,304	97,299,176
CURRENT LIABILITIES			
Trade and other payables	13	922,786	324,150
Contract liabilities	14	466,036	33,488
Borrowings	15(a)	67,131	74,958
Employee related provisions	16	218,112	263,385
TOTAL CURRENT LIABILITIES		1,674,065	695,981
NON-CURRENT LIABILITIES			
Borrowings	15(a)	770,776	837,907
Employee related provisions	16	77,849	70,359
TOTAL NON-CURRENT LIABILITIES		848,625	908,266
TOTAL LIABILITIES		2,522,690	1,604,247
NET ASSETS		96,270,614	95,694,929
EQUITY			
Retained surplus		38,145,350	38,548,516
Reserves - cash backed	4	3,901,203	2,922,352
Revaluation surplus	12	54,224,061	54,224,061
TOTAL EQUITY		96,270,614	95,694,929

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



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

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2019		40,231,132	1,904,394	51,189,673	93,325,199
Comprehensive income					
Net result for the period		(664,658)	0	0	(664,658)
Other comprehensive income	12	0	0	3,034,388	3,034,388
Total comprehensive income		(664,658)	0	3,034,388	2,369,730
Transfers from reserves	4	543,930	(543,930)	0	0
Transfers to reserves	4	(1,561,888)	1,561,888	0	0
Balance as at 30 June 2020		38,548,516	2,922,352	54,224,061	95,694,929
Comprehensive income					
Net result for the period		575,685	0	0	575,685
Total comprehensive income		575,685	0	0	575,685
Transfers from reserves	4	405,022	(405,022)	0	0
Transfers to reserves	4	(1,383,873)	1,383,873	0	0
Balance as at 30 June 2021		38,145,350	3,901,203	54,224,061	96,270,614

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



William Buck Audit (WA) Pty Ltd

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

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		1,457,316	1,441,525	1,443,034
Operating grants, subsidies and contributions		3,098,487	1,776,701	2,548,397
Fees and charges		1,718,509	1,644,391	1,663,496
Interest received		20,927	9,650	25,944
Other revenue		234,933	144,487	180,746
		6,530,172	5,016,754	5,861,617
Payments				
Employee costs		(2,179,235)	(2,227,427)	(2,008,044)
Materials and contracts		(1,415,412)	(2,299,530)	(1,677,141)
Utility charges		(154,075)	(194,865)	(170,879)
Interest expenses		(27,537)	(31,159)	(12,040)
Insurance paid		(165,088)	(168,073)	(153,625)
Goods and services tax paid		(108)	0	(888)
Other expenditure		(172,843)	(162,877)	(186,369)
		(4,114,298)	(5,083,931)	(4,208,986)
Net cash provided by (used in) operating activities	17	2,415,874	(67,177)	1,652,631
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	9(a)	(789,555)	(1,439,487)	(396,591)
Payments for construction of infrastructure	10(a)	(726,486)	(1,474,556)	(1,703,264)
Non-operating grants, subsidies and contributions	2(a)	853,694	1,536,052	539,520
Proceeds from sale of property, plant & equipment	11(a)	284,935	257,182	162,727
Net cash provided by (used in) investment activities		(377,412)	(1,120,809)	(1,397,608)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	15(b)	(74,958)	(74,957)	(50,598)
Proceeds from new borrowings	15(b)	0	0	800,000
Net cash provided by (used in) financing activities		(74,958)	(74,957)	749,402
Net increase (decrease) in cash held		1,963,504	(1,262,943)	1,004,425
Cash at beginning of year		4,912,395	4,000,128	3,907,970
Cash and cash equivalents at the end of the year	3	6,875,899	2,737,185	4,912,395

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



William Buck Audit (WA) Pty Ltd

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

NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$	
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)	24 (b)	1,601,685	1,601,685	1,753,452
		1,601,685	1,601,685	1,753,452
Revenue from operating activities (excluding rates)				
Governance		4,695	2,502	12,617
General purpose funding		2,032,580	988,518	1,905,216
Law, order, public safety		72,204	69,900	119,048
Health		2,260	1,800	1,657
Education and welfare		0	0	0
Housing		126,631	128,580	133,534
Community amenities		337,824	335,876	343,861
Recreation and culture		458,632	325,630	256,520
Transport		838,122	849,679	520,525
Economic services		893,037	870,350	937,303
Other property and services		75,026	40,000	91,113
		4,841,011	3,612,835	4,321,394
Expenditure from operating activities				
Governance		(211,076)	(266,462)	(293,621)
General purpose funding		(102,145)	(106,220)	(97,135)
Law, order, public safety		(307,703)	(272,004)	(258,446)
Health		(64,453)	(87,889)	(62,601)
Education and welfare		0	0	0
Housing		(189,893)	(212,910)	(198,269)
Community amenities		(593,470)	(693,071)	(544,950)
Recreation and culture		(2,060,487)	(2,142,316)	(2,838,870)
Transport		(2,032,586)	(2,131,515)	(1,718,919)
Economic services		(958,013)	(1,030,321)	(973,882)
Other property and services		1,046	(39,500)	(85,708)
		(6,518,780)	(6,982,208)	(7,072,401)
Non-cash amounts excluded from operating activities	24(a)	1,854,943	1,897,775	2,718,575
Amount attributable to operating activities		1,778,859	130,087	1,721,020
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	2(a)	853,694	1,536,052	539,520
Proceeds from disposal of assets	11(a)	284,935	257,182	162,727
Purchase of property, plant and equipment	9(a)	(789,555)	(1,439,287)	(396,591)
Purchase and construction of infrastructure	10(a)	(726,486)	(1,474,756)	(1,703,264)
Amount attributable to investing activities		(377,412)	(1,120,809)	(1,397,608)
FINANCING ACTIVITIES				
Repayment of borrowings	15(b)	(74,958)	(74,957)	(50,598)
Proceeds from borrowings	15(b)	0	0	800,000
Transfers to reserves (restricted assets)	4	(1,383,873)	(1,380,265)	(1,561,888)
Transfers from reserves (restricted assets)	4	405,022	1,041,523	543,930
Amount attributable to financing activities		(1,053,809)	(413,699)	(268,556)
Surplus/(deficit) before imposition of general rates		347,638	(1,404,421)	54,856
Total amount raised from general rates	23(a)	1,399,760	1,404,421	1,546,829
Surplus/(deficit) after imposition of general rates	24(b)	1,747,398	0	1,601,685

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



SHIRE OF SHARK BAY
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FOR THE YEAR ENDED 30 JUNE 2021

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

1. BASIS OF PREPARATION

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

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

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

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

THE LOCAL GOVERNMENT REPORTING ENTITY

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

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

All monies held in the Trust Fund are excluded from the financial statements. No monies were held in the Trust Fund during this financial year.

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:

- Employee expenses
- Other financial assets
- Property, Plant and Equipment
- Infrastructure
- Borrowing liabilities
- Provisions

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

2. REVENUE AND EXPENSES

(a) Grant revenue

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

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Operating grants, subsidies and contributions			
General purpose funding	1,947,951	922,263	1,963,276
Law, order, public safety	56,691	54,210	100,877
Recreation and culture	435	200	3,299
Transport	779,969	787,078	455,823
Economic services	15,489	12,950	20,822
	2,800,535	1,776,701	2,544,097
Non-operating grants, subsidies and contributions			
Recreation and culture	250,112	422,787	16,766
Transport	603,582	1,113,265	522,754
	853,694	1,536,052	539,520
	3,654,229	3,312,753	3,083,617
Fees and charges			
General purpose funding	9,699	4,905	5,164
Law, order, public safety	3,407	4,500	9,319
Health	4,860	2,800	1,657
Housing	123,118	124,780	121,863
Community amenities	338,304	335,876	343,861
Recreation and culture	316,411	253,030	203,746
Transport	58,153	62,600	64,703
Economic services	873,172	855,900	913,183
	1,727,124	1,644,391	1,663,496

Grants, subsidies and contributions

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

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

Fees and Charges

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

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

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Contracts with customers and transfers for recognisable non-financial assets

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

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Operating grants, subsidies and contributions	791,420	796,048	1,031,466
Fees and charges	1,689,319	1,616,331	1,663,496
Other revenue	119,336	105,597	1,855
Non-operating grants, subsidies and contributions	853,694	1,536,052	539,520
	3,453,769	4,054,028	3,236,337

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	33,488	0	16,766
Revenue from contracts with customers recognised during the year	2,566,587	2,517,976	2,696,817
Revenue from transfers intended for acquiring or constructing recognisable non financial assets during the year	853,694	1,536,052	522,754
	3,453,769	4,054,028	3,236,337

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	191,035		60,262
Contract liabilities from contracts with customers	(466,036)		(33,488)

Contract assets primarily relate to the Shire's right to consideration for work completed but not billed at 30 June 2021. Assets associated with contracts with customers were not subject to an impairment charge.

Impairment of assets associated with contracts with customers are detailed at note 2 (b) under 'Other expenditure'.

Contract liabilities for contracts with customers primarily relate to grants with performance obligations received in advance, for which revenue is recognised over time as the performance obligations are met.

Information is not provided about remaining performance obligations for contracts with customers that had an original expected duration of one year or less.

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

Performance obligations in relation to contract liabilities from transfers for recognisable non financial assets are satisfied as project milestones are met or completion of construction or acquisition of the asset. All associated performance obligations are expected to be met over the next 12 months.

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

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Revenue from statutory requirements

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

General rates

Specified area rates

Statutory permits and licences

Fines

Other revenue

Reimbursements and recoveries

Other

Interest earnings

Interest on reserve funds

Rates instalment and penalty interest (refer Note 23(c))

Other interest earnings

	2021 Actual \$	2021 Budget \$	2020 Actual \$
	1,399,760	1,404,421	1,546,829
	37,104	37,104	38,917
	35,205	27,060	50,853
	2,600	1,000	4,512
	1,474,669	1,469,585	1,641,111
	115,597	38,890	87,098
	119,336	105,597	93,649
	234,933	144,487	180,747
	9,053	3,500	7,576
	4,864	2,650	8,793
	7,010	3,500	9,575
	20,927	9,650	25,944

SIGNIFICANT ACCOUNTING POLICIES

Interest earnings

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

Interest earnings (continued)

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

(b) Expenses

Auditors remuneration

- Audit of the Annual Financial Report

Interest expenses (finance costs)

Borrowings

Other expenditure

Sundry expenses

Note	2021 Actual \$	2021 Budget \$	2020 Actual \$
	42,900	43,000	42,020
	42,900	43,000	42,020
15(b)	27,537	31,159	12,040
	27,537	31,159	12,040
	172,843	162,877	186,369
	172,843	162,877	186,369

SHIRE OF SHARK BAY
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
Specified area rates	Rates charge for specific defined purpose	Over time	Payment dates adopted by Council during the year	Refund in event monies are unspent	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Service charges	Charge for specific service	Over time	Payment dates adopted by Council during the year	Refund in event monies are unspent	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Grant contracts with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants, subsidies or contributions for the construction of non-financial assets	Construction or acquisition of recognisable non-financial assets to be controlled by the local government	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants 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, development and animal management, having the same nature as a licence regardless of naming.	Single point in time	Full payment prior to issue	None	Set by State legislation or limited by legislation to the cost of provision	Based on timing of issue of the associated rights	No refunds	On payment and issue of the licence, registration or approval
Pool inspections	Compliance safety check	Single point in time	Equal proportion based on an equal annually fee	None	Set by State legislation	Apportioned equally across the inspection cycle	No refunds	After inspection complete based on a 4 year cycle
Other inspections	Regulatory Food, Health and Safety	Single point in time	Full payment prior to inspection	None	Set by State legislation or limited by legislation to the cost of provision	Applied fully on timing of inspection	Not applicable	Revenue recognised after inspection event occurs
Waste management collections	Kerbside collection service	Over time	Payment on an annual basis in advance	None	Adopted by council annually	Apportioned equally across the collection period	Not applicable	Output method based on regular weekly and fortnightly period as proportionate to collection service
Waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	Adopted by council annually	Based on timing of entry to facility	Not applicable	On entry to facility
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
Memberships	Gym membership	Over time	Payment in full in advance	Refund for unused portion on application	Adopted by council annually	Apportioned equally across the access period	Returns limited to repayment of transaction price	Output method Over 12 months matched to access right
Fees and charges for other goods and services	Cemetery services, library fees, 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
Sale of stock	Visitor centre stock	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	Adopted by council annually, set by mutual agreement	Applied fully based on timing of provision	Returns limited to repayment of transaction price	Output method based on goods
Commissions	Commissions on licencing and ticket sales	Over time	Payment in full on sale	None	Set by mutual agreement with the customer	On receipt of funds	Not applicable	When assets are controlled
Reimbursements	Insurance claims	Single point in time	Payment in arrears for claimable event	None	Set by mutual agreement with the customer	When claim is agreed	Not applicable	When claim is agreed

SHIRE OF SHARK BAY
 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		6,875,899	4,912,395
Total cash and cash equivalents		6,875,899	4,912,395
Restrictions			
The following classes of assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:			
- Cash and cash equivalents		4,367,239	2,955,840
		4,367,239	2,955,840
The restricted assets are a result of the following specific purposes to which the assets may be used:			
Reserves - cash backed	4	3,901,203	2,922,352
Contract liabilities from contracts with customers	14	466,036	33,488
Total restricted assets		4,367,239	2,955,840

SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

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

Restricted assets

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

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

4. RESERVES - CASH BACKED

	2021 Actual		2021 Actual		2021 Budget		2021 Budget		2020 Actual		2020 Actual	
	Opening Balance	Transfer to	Actual	Transfer (from)	Opening Balance	Transfer to	Actual	Transfer (from)	Opening Balance	Transfer to	Actual	Closing Balance
(a) Reserves cash backed - Leave Reserve	\$ 171,006	\$ 24,530	\$ 195,536	\$ 0	\$ 171,006	\$ 24,680	\$ 195,686	\$ 0	\$ 170,156	\$ 850	\$ 171,006	\$ 0
(b) Reserve cash backed - Plant Replacement Reserve	401,851	449,300	595,873	(255,278)	401,851	450,300	532,151	(320,000)	70,302	505,351	401,851	(173,802)
(c) Reserve cash backed - Infrastructure Reserve	1,847,922	683,489	2,401,214	(130,197)	1,847,922	679,265	1,963,164	(564,023)	1,332,163	885,887	1,847,922	(370,128)
(d) Reserve cash backed - Pensioner Unit Maintenance Reserve	127,114	45,394	172,508	0	127,114	45,030	137,144	(35,000)	10,916	116,198	127,114	0
(e) Reserve cash backed - Recreation Facilities Upgrade Reserve	322,812	181,000	484,265	(19,547)	322,812	180,850	381,162	(122,500)	269,467	53,345	322,812	0
(f) Reserve cash backed - Monkey Mia Jetty Reserve	22,087	68	22,155	0	22,087	60	22,147	0	21,977	110	22,087	0
(g) Reserve cash backed - Shared Fire System Reserve	29,560	92	29,652	0	29,560	80	29,640	0	29,413	147	29,560	0
	2,922,352	1,383,873	3,901,203	(405,022)	2,922,352	1,380,265	3,261,094	(1,041,523)	1,904,394	1,561,888	2,922,352	(543,930)

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) Reserves cash backed - Leave Reserve	Ongoing	To be used for the provision of employees' long service leave.
(b) Reserve cash backed - Plant Replacement Reserve	2021/22	To be used for the purchase of major plant and equipment.
(c) Reserve cash backed - Infrastructure Reserve	2021/22	To be used to fund the future replacement and construction of infrastructure in the Shire.
(d) Reserve cash backed - Pensioner Unit Maintenance Reserve	2021/22	To be used to fund the replacement and major maintenance of the pensioner units.
(e) Reserve cash backed - Recreation Facilities Upgrade Reserve	Ongoing	To be used to fund the upgrade/maintenance of the Shire recreation facilities.
(f) Reserve cash backed - Monkey Mia Jetty Reserve	Ongoing	To be used for the upgrade and major maintenance of the Monkey Mia Jetty.
(g) Reserve cash backed - Shared Fire System Reserve	Ongoing	Shared with the Department of Biodiversity, Conservation and Attractions and to be used to fund the future system replacement.

5. OTHER FINANCIAL ASSETS

Non-current assets

Financial assets at fair value through profit and loss

	2021	2020
	\$	\$
	36,903	35,611
	<u>36,903</u>	<u>35,611</u>
Financial assets at fair value through profit and loss		
Units in Local Government House Trust	36,903	35,611

Financial assets at fair value through profit and loss

Units in Local Government House Trust

SIGNIFICANT ACCOUNTING POLICIES

Financial assets at fair value through profit and loss

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

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

Impairment and risk

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

6. TRADE AND OTHER RECEIVABLES

Current

Rates receivable	
Trade and other receivables	
GST and FBT Receivables	
Tenancy Bond - 12 Mead Street	
ELS Levied	
State Revenue Pensioner Rebate	

Non-current

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

	2021	2020
	\$	\$
	14,151	32,544
	191,035	60,262
	8,423	8,315
	1,100	0
	25	0
	2,723	0
	<u>217,457</u>	<u>101,121</u>
	8,229	7,688
	<u>8,229</u>	<u>7,688</u>

SIGNIFICANT ACCOUNTING POLICIES

Trade and other receivables

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

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

Impairment and risk exposure

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

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.

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

7. INVENTORIES

Current

Fuel and materials
 Merchandise

	2021	2020
	\$	\$
	26,431	17,973
	96,532	112,017
	122,963	129,990

The following movements in inventories occurred during the year:

Balance at beginning of year
 Inventories expensed during the year
 Additions to inventory
 Balance at end of year

	129,990	129,611
	272,515	(93,504)
	(279,542)	93,883
	122,963	129,990

SIGNIFICANT ACCOUNTING POLICIES

General

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

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

8. OTHER ASSETS

Other assets - current

Prepayments
Accrued income

	2021	2020
	\$	\$
	0	365
	39,216	1,189
	<u>39,216</u>	<u>1,554</u>

SIGNIFICANT ACCOUNTING POLICIES

Other current assets

Other non-financial assets include accrued income which represent monies which have been earned in the current year but for which no cash has been received.

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

9. 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 - non- specialised \$	Buildings - specialised \$	Total land and buildings \$	Furniture and equipment \$	Plant and equipment \$	Heritage Assets \$	Total property, plant and equipment \$
Balance at 1 July 2019	1,947,848	2,842,153	14,834,088	19,624,089	846,287	2,592,823	1,096,722	24,159,921
Additions	0	0	39,278	39,278	20,784	336,529	0	396,591
(Disposals)	0	0	0	0	0	(203,000)	(819,091)	(1,022,091)
Revaluation increments / (decrements) transferred to revaluation surplus	(137,848)	292,158	2,298,092	2,452,402	128,334	427,216	26,436	3,034,388
Depreciation (expense)	0	(143,611)	(500,279)	(643,890)	(130,651)	(212,111)	(47,464)	(1,034,116)
Transfers	0	0	(66,579)	(66,579)	66,579	0	0	0
Balance at 30 June 2020	1,810,000	2,990,700	16,604,600	21,405,300	931,333	2,941,457	256,603	25,534,693
Comprises:								
Gross balance amount at 30 June 2020	1,810,000	2,990,700	16,604,600	21,405,300	1,060,884	3,175,825	290,015	25,932,024
Accumulated depreciation at 30 June 2020	0	0	0	0	(129,551)	(234,368)	(33,412)	(397,331)
Accumulated impairment loss at 30 June 2020	0	0	0	0	0	0	0	0
Balance at 30 June 2020	1,810,000	2,990,700	16,604,600	21,405,300	931,333	2,941,457	256,603	25,534,693
Additions	0	0	304,625	304,625	8,946	475,984	0	789,555
(Disposals)	0	0	0	0	0	(327,602)	0	(327,602)
Depreciation (expense)	0	(116,598)	(372,304)	(488,902)	(129,708)	(233,441)	(16,856)	(868,907)
Balance at 30 June 2021	1,810,000	2,874,102	16,536,921	21,221,023	810,571	2,856,398	239,747	25,127,739
Comprises:								
Gross balance amount at 30 June 2021	1,810,000	2,990,700	16,909,225	21,709,925	1,069,830	3,268,810	290,015	26,338,580
Accumulated depreciation at 30 June 2021	0	(116,598)	(372,304)	(488,902)	(259,259)	(412,412)	(50,268)	(1,210,841)
Accumulated impairment loss at 30 June 2021	0	0	0	0	0	0	0	0
Balance at 30 June 2021	1,810,000	2,874,102	16,536,921	21,221,023	810,571	2,856,398	239,747	25,127,739

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

9. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Value Measurements

(i) Fair Value	Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
	Land and buildings					
	Land	2	Market approach using recent observable market data for similar properties.	Independent Registered Valuers	June 2020	Price Per Hectare.
	Buildings - non-specialised	2	Market approach using recent observable market data for similar properties.	Independent Registered Valuers	June 2020	Observable open market values of similar assets, adjusted for conditions and comparability, at their highest and best use.
	Buildings - specialised	3	Cost approach using depreciated replacement cost.	Independent Registered Valuers	June 2020	Construction costs, current condition, residual values and remaining useful life assessments.
(ii) Cost						
	Furniture and equipment	3	Cost approach using depreciated replacement cost.	Independent Registered Valuers	July 2019	Replacement costs, current condition, residual values and remaining useful life assessments.
	Plant and equipment	2	Market approach using recent observable market data for similar assets.	Independent Registered Valuers	July 2019	Market Price per Item, current condition, residual values and remaining useful life assessments.
	Plant and equipment	3	Cost approach using depreciated replacement cost.	Independent Registered Valuers	July 2019	Replacement costs, current condition, residual values and remaining useful life assessments.
	Heritage Assets	3	Cost approach using depreciated replacement cost.	Independent Registered Valuers	June 2020	Replacement costs, current condition, residual values and remaining useful life assessments.

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

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

Following a change to Local Government (Financial Management) Regulation 17A, plant and equipment type assets (being plant and equipment and furniture and equipment) are to be measured under the cost model, rather than at fair value. This change 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.

SHIRE OF SHARK BAY
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10. 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 - roads town	Infrastructure - footpaths	Infrastructure - drainage	Infrastructure - streetscapes	Infrastructure - public facilities	Total Infrastructure
Balance at 1 July 2019	\$ 46,920,762	\$ 6,675,164	\$ 1,787,090	\$ 4,579,392	\$ 226,416	\$ 5,537,443	\$ 65,726,267
Additions	338,176	189,544	206,118	104,337	0	865,089	1,703,264
(Disposals)	0	0	0	0	0	(4,643)	(4,643)
Revaluation increments / (decrements) transferred to revaluation surplus	0	0	0	0	0	0	0
Depreciation (expense)	(387,006)	(71,181)	(20,432)	(36,779)	(11,525)	(321,841)	(848,764)
Transfers	0	0	0	0	0	0	0
Balance at 30 June 2020	46,871,932	6,793,527	1,972,776	4,646,950	214,891	6,076,048	66,576,124
Comprises:							
Gross balance at 30 June 2020	47,808,491	6,929,272	2,014,329	4,728,427	237,940	6,721,450	68,439,909
Accumulated depreciation at 30 June 2020	(936,559)	(135,745)	(41,553)	(81,477)	(23,049)	(645,402)	(1,863,785)
Accumulated impairment loss at 30 June 2020	0	0	0	0	0	0	0
Balance at 30 June 2020	46,871,932	6,793,527	1,972,776	4,646,950	214,891	6,076,048	66,576,124
Additions	332,380	191,271	4,420	0	0	198,415	726,486
(Disposals)	0	0	0	0	0	(53,075)	(53,075)
Revaluation increments / (decrements) transferred to revaluation surplus	0	0	0	0	0	0	0
Revaluation (loss) / reversals transferred to profit or loss	0	0	0	0	0	0	0
Impairment (losses) / reversals	0	0	0	0	0	0	0
Depreciation (expense)	(397,184)	(78,140)	(23,771)	(38,374)	(11,104)	(336,064)	(884,637)
Transfers	0	0	0	0	0	0	0
Balance at 30 June 2021	46,807,128	6,906,658	1,953,425	4,608,576	203,787	5,885,324	66,364,898
Comprises:							
Gross balance at 30 June 2021	48,140,871	7,120,543	2,018,749	4,728,427	237,940	6,847,215	69,093,745
Accumulated depreciation at 30 June 2021	(1,333,743)	(213,885)	(65,324)	(119,851)	(34,153)	(961,891)	(2,728,847)
Accumulated impairment loss at 30 June 2021	0	0	0	0	0	0	0
Balance at 30 June 2021	46,807,128	6,906,658	1,953,425	4,608,576	203,787	5,885,324	66,364,898

SHIRE OF SHARK BAY
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 FOR THE YEAR ENDED 30 JUNE 2021

10. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Infrastructure - roads other	3	Cost approach using depreciated replacement cost.	Independent Registered Valuers	June 2018	Construction cost (Level 2), current condition, residual values and remaining useful life assessment (Level 3) inputs.
Infrastructure - roads town	3	Cost approach using depreciated replacement cost.	Independent Registered Valuers	June 2018	Construction cost (Level 2), current condition, residual values and remaining useful life assessment (Level 3) inputs.
Infrastructure - footpaths	3	Cost approach using depreciated replacement cost.	Independent Registered Valuers	June 2018	Construction cost (Level 2), current condition, residual values and remaining useful life assessment (Level 3) inputs.
Infrastructure - drainage	3	Cost approach using depreciated replacement cost.	Independent Registered Valuers	June 2018	Construction cost (Level 2), current condition, residual values and remaining useful life assessment (Level 3) inputs.
Infrastructure - streetscapes	3	Cost approach using depreciated replacement cost.	Independent Registered Valuers	June 2018	Construction cost (Level 2), current condition, residual values and remaining useful life assessment (Level 3) inputs.
Infrastructure - public facilities	3	Cost approach using depreciated replacement cost.	Independent Registered Valuers	June 2018	Construction cost (Level 2), current condition, residual values and remaining useful life assessment (Level 3) inputs.

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

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

11. FIXED ASSETS

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

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

Initial recognition and measurement between mandatory revaluation dates

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

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

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

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

Revaluation

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

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.

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

11. FIXED ASSETS

(a) Disposals of Assets

	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss	2021 Budget Net Book Value	2021 Budget Sale Proceeds	2021 Budget Profit	2021 Budget Loss	2020 Actual Net Book Value	2020 Actual Sale Proceeds	2020 Actual Profit	2020 Actual Loss
Plant and equipment	\$ 327,602	\$ 284,935	\$ 19,096	\$ (61,763)	\$ 396,312	\$ 257,182	\$ 502	\$ (139,632)	\$ 203,000	\$ 162,727	\$ 2,909	\$ (43,182)
Heritage Assets	0	0	0	0	0	0	0	0	819,091	0	0	(819,091)
Infrastructure - public facilities	53,075	0	0	(53,075)	0	0	0	0	4,643	0	0	(4,643)
	380,677	284,935	19,096	(114,838)	396,312	257,182	502	(139,632)	1,026,734	162,727	2,909	(866,916)

The following assets were disposed of during the year.

	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss
Plant and Equipment				
Transport				
Dual Cab Ute - Works Manager	34,002	41,425	7,423	0
Dual Cab Ute - Town	32,800	37,273	4,473	0
Dual Cab Ute - Country	32,800	40,000	7,200	0
Country Loader	138,000	110,000	0	(28,000)
Vibration Roller	90,000	56,237	0	(33,763)
	327,602	284,935	19,096	(61,763)
Infrastructure - public facilities				
Recreation and culture				
Sofffall with Limestone Surrounds	39,200	0	0	(39,200)
Playground Fencing - Powder Coated Steel Pool Fencing with Assorted Timber Posts	13,875	0	0	(13,875)
	53,075	0	0	(53,075)
	380,677	284,935	19,096	(114,838)

SHIRE OF SHARK BAY
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 FOR THE YEAR ENDED 30 JUNE 2021

11. FIXED ASSETS

(b) Depreciation

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Buildings - non-specialised	116,598	116,615	143,611
Buildings - specialised	372,304	369,065	500,279
Furniture and equipment	129,708	127,695	130,651
Plant and equipment	233,441	236,300	212,111
Heritage Assets	16,856	16,865	47,464
Infrastructure - roads other	397,184	397,185	387,006
Infrastructure - roads town	78,140	78,055	71,181
Infrastructure - footpaths	23,771	23,860	20,432
Infrastructure - drainage	38,374	38,380	36,779
Infrastructure - streetscapes	11,104	11,105	11,525
Infrastructure - public facilities	336,064	343,520	321,841
	1,753,544	1,758,645	1,882,880

SIGNIFICANT ACCOUNTING POLICIES

Depreciation

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

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

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

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

Depreciation rates

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

Asset Class	Useful life
Buildings	10 - 50 Years
Furniture and equipment	5 to 10 Years
Plant and equipment	5 to 25 Years
Sealed Roads and streets	
subgrade	Not Depreciated
pavement	80 to 100 Years
seal	
- bituminous seals	15 to 22 Years
- asphalt surfaces	25 Years
Formed Roads (unsealed)	
subgrade	Not Depreciated
pavement	12 Years
Footpaths	40 to 80 Years
Drainage systems	
drains and kerbs	40 to 60 Years
culverts	60 Years
pipes	80 Years
pits	60 Years

Depreciation on revaluation

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

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

SHIRE OF SHARK BAY
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12. REVALUATION SURPLUS

	2021		2021		2021		2020		2020		2020		2020	
	Opening Balance	Revaluation Increment	Revaluation (Decrement)	Movement on Revaluation	Closing Balance	Opening Balance	Revaluation Increment	Revaluation (Decrement)	Movement on Revaluation	Closing Balance	Opening Balance	Revaluation Increment	Revaluation (Decrement)	Movement on Revaluation
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land and buildings	9,236,084	0	0	0	9,236,084	6,783,682	2,590,250	(137,848)	2,452,402	9,236,084	6,783,682	2,590,250	(137,848)	2,452,402
Revaluation surplus - Furniture and equipment	659,571	0	0	0	659,571	531,237	128,334	0	128,334	659,571	531,237	128,334	0	128,334
Revaluation surplus - Plant and equipment	1,167,447	0	0	0	1,167,447	740,231	427,216	0	427,216	1,167,447	740,231	427,216	0	427,216
Revaluation surplus - Heritage Assets	629,544	0	0	0	629,544	603,108	26,436	0	26,436	629,544	603,108	26,436	0	26,436
Revaluation surplus - Infrastructure - roads other	34,832,544	0	0	0	34,832,544	34,832,544	0	0	0	34,832,544	34,832,544	0	0	0
Revaluation surplus - Infrastructure - roads town	3,392,502	0	0	0	3,392,502	3,392,502	0	0	0	3,392,502	3,392,502	0	0	0
Revaluation surplus - Infrastructure - footpaths	72,273	0	0	0	72,273	72,273	0	0	0	72,273	72,273	0	0	0
Revaluation surplus - Infrastructure - drainage	4,161,867	0	0	0	4,161,867	4,161,867	0	0	0	4,161,867	4,161,867	0	0	0
Revaluation surplus - Infrastructure - streetscapes	1,447	0	0	0	1,447	1,447	0	0	0	1,447	1,447	0	0	0
Revaluation surplus - Infrastructure - public facilities	70,782	0	0	0	70,782	70,782	0	0	0	70,782	70,782	0	0	0
	54,224,061	0	0	0	54,224,061	51,189,673	3,172,236	(137,848)	3,034,388	54,224,061	51,189,673	3,172,236	(137,848)	3,034,388

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

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

13. TRADE AND OTHER PAYABLES

Current

Sundry creditors
Prepaid rates
Accrued expenditure
ATO liabilities
Bonds and deposits held
Prepaid Income

	2021	2020
	\$	\$
	721,315	156,983
	25,349	22,749
	134,533	116,494
	21,029	0
	18,833	17,607
	1,727	10,317
	<u>922,786</u>	<u>324,150</u>

SIGNIFICANT ACCOUNTING POLICIES

Trade and other payables

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

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

Prepaid rates

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

14. CONTRACT LIABILITIES

Current
 Contract liabilities

2021	2020
\$	\$
466,036	33,488
466,036	33,488

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
\$	\$
466,036	0
466,036	0

SIGNIFICANT ACCOUNTING POLICIES

Contract liabilities

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

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

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

SHIRE OF SHARK BAY
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15. INFORMATION ON BORROWINGS (Continued)

	2021	2020
	\$	\$
(c) Undrawn Borrowing Facilities		
Credit Standby Arrangements		
Bank overdraft limit	50,000	50,000
Bank overdraft at balance date	0	0
Credit card limit	15,000	15,000
Credit card balance at balance date	(1,655)	(434)
Total amount of credit unused	63,345	64,566
Loan facilities		
Loan facilities - current	67,131	74,958
Loan facilities - non-current	770,776	837,907
Total facilities in use at balance date	837,907	912,865
Unused loan facilities at balance date	NIL	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.

Risk

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

16. EMPLOYEE RELATED PROVISIONS

(a) Employee Related Provisions

Opening balance at 1 July 2020

Current provisions
 Non-current provisions

Additional provision
 Amounts used

Balance at 30 June 2021

Comprises

Current
 Non-current

	Provision for Annual Leave	Provision for Long Service Leave	Total
	\$	\$	\$
Opening balance at 1 July 2020			
Current provisions	138,427	124,958	263,385
Non-current provisions	0	70,359	70,359
	138,427	195,317	333,744
Additional provision	30,575	27,180	57,755
Amounts used	(55,659)	(39,879)	(95,538)
Balance at 30 June 2021	113,343	182,618	295,961
Comprises			
Current	113,343	104,769	218,112
Non-current	0	77,849	77,849
	113,343	182,618	295,961

Amounts are expected to be settled on the following basis:

Less than 12 months after the reporting date
 More than 12 months from reporting date
 Expected reimbursements from other WA local governments

	2021	2020
	\$	\$
Less than 12 months after the reporting date	210,719	248,694
More than 12 months from reporting date	77,597	77,405
Expected reimbursements from other WA local governments	7,645	7,645
	295,961	333,744

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.

17. 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	6,875,899	2,737,185	4,912,395
Reconciliation of Net Cash Provided By Operating Activities to Net Result			
Net result	575,685	(428,900)	(664,658)
Non-cash flows in Net result:			
Adjustments to fair value of financial assets at fair value through profit and loss	(1,292)	0	(4,678)
Depreciation on non-current assets	1,753,544	1,758,645	1,882,880
(Profit)/loss on sale of asset	95,742	139,130	864,007
Changes in assets and liabilities:			
(Increase)/decrease in receivables	(116,877)	(167,177)	(16,018)
(Increase)/decrease in other assets	(37,662)	(38,000)	46,927
(Increase)/decrease in inventories	7,027	10,000	(379)
Increase/(decrease) in payables	598,636	(64,823)	35,138
Increase/(decrease) in employee provisions	(37,783)	(40,000)	32,210
Increase/(decrease) in Contract liabilities	432,548	300,000	16,722
Non-operating grants, subsidies and contributions	(853,694)	(1,536,052)	(539,520)
Net cash provided by/(used in) operating activities	2,415,874	(67,177)	1,652,631

18. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2021	2020
	\$	\$
Governance	2,079,991	2,071,237
General purpose funding	3,190,859	2,092,090
Law, order, public safety	1,210,341	1,249,900
Housing	2,761,990	2,817,814
Community amenities	1,047,834	1,075,109
Recreation and culture	18,015,327	18,010,514
Transport	69,107,176	68,569,505
Economic services	1,353,355	1,395,033
Other property and services	26,431	17,974
	<u>98,793,304</u>	<u>97,299,176</u>

19. CONTINGENT LIABILITIES

The Shire does not have any contingent liabilities.

20. CAPITAL COMMITMENTS

(a) Capital Expenditure Commitments

Contracted for:

- capital expenditure projects
- plant & equipment purchases

	2021	2020
	\$	\$
	440,862	0
	0	0
	440,862	0
Payable:		
- not later than one year	440,862	0

1. Skate Park Upgrades - 50% Deposit Paid - due for completion in 2021-2022 - \$30,200. - Contract Awarded.
2. Little Lagoon Trail Planning - Initial Phase complete - due for completion in 2021-2022 \$20,403. Contract Awarded.
3. Mens Shed Capital Project commenced - due for completion in 2021-2022 \$84,497. - Contract Awarded.
4. Roads to Recovery Brockman Street Upgrade 20-21 not completed until 2021-2022 \$105,975.
5. RRG Useless Loop Road Capital Works not finalised until July 2021 \$40,155.
6. Stella Rowley Solar Street Lighting not finalised until 2021-2022 \$78,765. Contract Awarded.
7. Francis Street Solar Street Lighting not finalised until 2021-2022 \$80,867. Contract Awarded.

21. ELECTED MEMBERS REMUNERATION

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Shire President - Cr Cheryl Cowell			
President's annual allowance	5,989	5,989	11,620
Meeting attendance fees	5,831	5,831	11,314
Annual allowance for ICT expenses	1,072	1,072	2,079
	12,892	12,892	25,013
Deputy Shire President/Elected Member - Cr Ed Fenny			
Deputy President's annual allowance	1,497	1,497	2,010
Meeting attendance fees	2,836	2,836	5,673
Annual allowance for ICT expenses	1,072	1,072	2,143
	5,405	5,405	9,826
Deputy Shire President - Cr Kevin Laundry			
Deputy President's annual allowance	0	0	895
Meeting attendance fees	0	0	1,696
Annual allowance for ICT expenses	0	0	641
	0	0	3,232
Elected member - Cr Jamie Burton			
Meeting attendance fees	2,836	2,836	5,673
Annual allowance for ICT expenses	1,072	1,072	2,143
	3,908	3,908	7,816
Elected member - Cr Greg Ridley			
Meeting attendance fees	2,836	2,836	5,503
Annual allowance for ICT expenses	1,072	1,072	2,079
	3,908	3,908	7,582
Elected member - Cr Mark Smith			
Meeting attendance fees	2,836	2,836	3,808
Annual allowance for ICT expenses	1,072	1,072	1,438
	3,908	3,908	5,246
Elected member - Cr Pietr Stubberfield			
Meeting attendance fees	2,836	2,836	3,808
Annual allowance for ICT expenses	1,072	1,072	1,438
	3,908	3,908	5,246
Elected member - Cr Laurence Bellottie			
Meeting attendance fees	2,836	2,836	5,673
Annual allowance for ICT expenses	1,072	1,072	2,143
	3,908	3,908	7,816
	37,837	37,837	71,777
Fees, expenses and allowances to be paid or reimbursed to elected council members.			
President's allowance	5,989	5,989	11,620
Deputy President's allowance	1,497	1,497	2,905
Meeting attendance fees	22,847	22,847	43,148
Annual allowance for ICT expenses	7,504	7,504	14,104
	37,837	37,837	71,777

SHIRE OF SHARK BAY
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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22. RELATED PARTY TRANSACTIONS

Key Management Personnel (KMP) Compensation Disclosure

	2021 Actual \$	2020 Actual \$
The total of remuneration paid to KMP of the Shire during the year are as follows:		
Short-term employee benefits	507,803	454,940
Post-employment benefits	64,683	49,747
Other long-term benefits	129,337	66,047
	701,823	570,734

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 term benefits including both annual leave as well as long service leave accruing during the 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.

	2021 Actual \$	2020 Actual \$
The following transactions occurred with related parties:		
Sale of goods and services	69,584	39,919
Purchase of goods and services	53,907	59,447
Short term employee benefits - other related parties	116,881	128,977
Amounts outstanding from related parties:		
Trade and other receivables	524	1,357
Amounts payable to related parties:		
Trade and other payables	0	7,529

Related Parties

The Shire's main related parties are as follows:

i. Key management personnel

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

ii. Other Related Parties

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

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.

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

23. RATING INFORMATION

(a) Rates

RATE TYPE	Number of Properties	2020/21		2020/21		2020/21		2020/21		2020/21		2020/21		2019/20		
		Rate In \$	Actual Rateable Value \$	Actual Rate Revenue \$	Actual Interim Rates \$	Actual Back Rates \$	Actual Total Revenue \$	Budget Rate Revenue \$	Budget Interim Rate \$	Budget Back Rate \$	Budget Total Revenue \$	Budget Rate Revenue \$	Budget Interim Rate \$	Budget Back Rate \$	Budget Total Revenue \$	Actual Total Revenue \$
Differential general rate / general rate																
Gross rental valuations																
GRV Residential	326	0.10284	3,906,052	391,511	3,319	153	394,983					394,828			390,160	
GRV Commercial	41	0.10569	2,135,017	225,168	470	0	225,638					225,168			223,477	
GRV Vacant	18	0.10284	330,101	37,033	(618)	0	36,415					37,033			37,033	
GRV Rural Commercial	5	0.10688	315,380	33,709	0	0	33,709					33,709			33,709	
GRV Industrial/Residential	48	0.11380	658,843	72,860	930	0	73,790					72,860			71,689	
GRV Industrial/Residential Vacant	0	0.10284	0	0	0	0	0					0			1,060	
GRV Rural Resort	2	0.11282	1,346,800	151,949	0	0	151,949					151,949			171,214	
Unimproved valuations																
UV General	7	0.20709	859,232	177,936	0	0	177,936					177,936			171,402	
UV Pastoral	11	0.14182	598,906	91,105	0	0	91,105					91,105			87,556	
UV Mining	1	0.28245	8,415	2,377	0	0	2,377					2,245			2,245	
UV Exploration	10	0.27158	806,582	219,051	0	0	219,051					219,052			214,532	
Sub-Total	469		10,965,328	1,402,699	4,101	153	1,406,953					1,405,885	5,576	153	1,411,614	1,404,077
Minimum payment																
Gross rental valuations																
GRV Residential	50	876	372,142	44,676	0	0	44,676					44,676			45,552	
GRV Commercial	17	876	93,823	14,892	0	0	14,892					14,892			14,694	
GRV Vacant	81	876	256,029	70,080	0	0	70,080					70,080			72,708	
GRV Rural Commercial	0	876	0	0	0	0	0					0			0	
GRV Industrial/Residential	2	876	12,741	2,628	0	0	2,628					2,628			2,628	
GRV Industrial/Residential Vacant	546	876	0	0	0	0	0					0			0	
GRV Rural Resort	0	876	0	0	0	0	0					0			0	
Unimproved valuations																
UV General	6	735	9,385	4,410	0	0	4,410					4,410			4,410	
UV Pastoral	0	920	0	0	0	0	0					0			0	
UV Mining	1	920	693	920	0	0	920					920			920	
UV Exploration	1	920	2,073	920	0	0	920					920			920	
Sub-Total	158		746,886	138,526	0	0	138,526					138,526	0	0	1,840	1,42,752
Discounts/concessions (Note 23(c))	627		11,712,214	1,541,225	4,101	153	1,545,479					1,544,411	5,576	153	1,550,140	1,546,829
Total amount raised from general rate							(145,719)					(145,719)			1,404,421	(139,394)
Specified Area Rate (Note 23(b))							1,399,760					1,404,421			1,407,435	1,407,435
Totals							37,104					37,104			38,917	38,917
							1,436,864					1,441,525			1,446,352	1,446,352

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.

SHIRE OF SHARK BAY
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23. RATING INFORMATION (Continued)

(b) Specified Area Rate		2020/21		2020/21		2020/21		2020/21		2020/21		2020/21		2019/20		
Specified Area Rate	Basis of Valuation	Rate in \$	2020/21 Rateable Value	2020/21 Rate Revenue	2020/21 Interim Rate Revenue	2020/21 Back Rate Revenue	2020/21 Total Specified Area Rate Revenue	2020/21 Budget Rate Revenue	2020/21 Budget Back Rate Revenue	2020/21 Budget Interim Rate Revenue	2020/21 Total Budget Revenue	2019/20 Total Actual Revenue				
Monkey Mia Bore Replacement	GRV	0.03480	1,066,000	37,104	0	0	37,104	37,104	0	0	37,104	38,917				
			1,066,000	37,104	0	0	37,104	37,104	0	0	37,104	38,917				
Specified Area Rate	Purpose of the rate															
	Area/properties Rate Imposed															
Monkey Mia Bore Replacement	The specified area rate is designated for the repayment of the principle and interest of the loan funds utilised for the replacement of the bore at Monkey Mia.		Monkey Mia	37,104	0	0	37,104	37,104	0	0	37,104	38,917				

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

23. RATING INFORMATION (Continued)

(c) Discounts, Incentives, Concessions, & Write-offs
 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
General Rate	Concession		\$ 59,545	\$ 59,545	\$ 59,545	\$ 57,226
General Rate	Concession		81,634	81,634	81,634	77,628
General Rate	Waiver	100.00%		3,417	3,417	3,417
General Rate	Waiver	25.00%		1,123	1,123	1,123
Total discounts/concessions (Note 23(a))				145,719	145,719	139,394

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
General Rate	UV Pastoral	To address the disparity between UV Rates.	To provide equitable rates for properties in this category.
General Rate	UV Exploration	To address the inequalities of the valuation system.	To recognise that these properties are not in the production phase.
General Rate	Australian Wildlife Conservancy Faure Island - Landing Only	To address the anomalies in the valuation system.	To recognise the use of the land as a landing point.
General Rate	Yadgalah Aboriginal Corporation	To address anomalies in the valuation system.	To recognise that the use of the land is partly used for charitable purposes.

23. RATING INFORMATION (Continued)

(c) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
Option One				
Single full payment	7/09/2020	0.00	0.00%	8.00%
Option Two				
First instalment	7/09/2020	10.00	5.50%	8.00%
Second instalment	11/01/2021	10.00	5.50%	8.00%
Option Three				
First instalment	7/09/2020	10.00	5.50%	8.00%
Second instalment	9/11/2020	10.00	5.50%	8.00%
Third instalment	11/01/2021	10.00	5.50%	8.00%
Fourth instalment	15/03/2021	10.00	5.50%	8.00%

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Interest on unpaid rates	4,864	2,650	8,793
Charges on instalment plan	7,010	3,880	9,575
	11,874	6,530	18,368

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NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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24. RATE SETTING STATEMENT INFORMATION

Note	2020/21	2020/21	2020/21	2019/20		
	(30 June 2021 Carried Forward) \$	Budget (30 June 2021 Carried Forward) \$	(1 July 2020 Brought Forward) \$	(30 June 2020 Carried Forward) \$		
(a) Non-cash amounts excluded from operating activities						
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .						
Adjustments to operating activities						
	Less: Profit on asset disposals	11(a)	(19,096)	(502)	(2,909)	(2,909)
	Less: Fair value adjustments to financial assets at fair value through profit and loss		(1,292)	0	(4,678)	(4,678)
	Movement in pensioner deferred rates (non-current)		(541)		(2,091)	(2,091)
	Movement in employee benefit provisions (non-current)		7,490		(21,543)	(21,543)
	Add: Loss on disposal of assets	11(a)	114,838	139,632	866,916	866,916
	Add: Depreciation on non-current assets	11(b)	1,753,544	1,758,645	1,882,880	1,882,880
	Non cash amounts excluded from operating activities		1,854,943	1,897,775	2,718,575	2,718,575
(b) Surplus/(deficit) after imposition of general rates						
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.						
Adjustments to net current assets						
	Less: Reserves - cash backed	4	(3,901,203)	(3,261,094)	(2,922,352)	(2,922,352)
	Add: Current liabilities not expected to be cleared at end of year - Current portion of borrowings	15(a)	67,131	67,131	74,958	74,958
	Total adjustments to net current assets		(3,834,072)	(3,193,963)	(2,847,394)	(2,847,394)
Net current assets used in the Rate Setting Statement						
	Total current assets		7,255,535	3,500,000	5,145,060	5,145,060
	Less: Total current liabilities		(1,674,065)	(306,037)	(695,981)	(695,981)
	Less: Total adjustments to net current assets		(3,834,072)	(3,193,963)	(2,847,394)	(2,847,394)
	Net current assets used in the Rate Setting Statement		1,747,398	0	1,601,685	1,601,685

25. FINANCIAL RISK MANAGEMENT

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

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

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

(a) Interest rate risk

Cash and cash equivalents

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

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

	Weighted Average Interest Rate	Carrying Amounts	Fixed Interest Rate	Variable Interest Rate	Non Interest Bearing
	%	\$	\$	\$	\$
2021					
Cash and cash equivalents	0.14%	6,875,899	0	6,874,820	1,079
2020					
Cash and cash equivalents	0.4916%	4,912,395	0	4,911,316	1,079

Sensitivity

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

	2021	2020
Impact of a 1% movement in interest rates on profit and loss and equity*	\$ 68,748	\$ 49,113

* 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 15(b).

25. FINANCIAL RISK MANAGEMENT (Continued)

(b) 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 15(c).

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

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
2021					
Payables	922,786	0	0	922,786	922,786
Borrowings	86,646	286,033	648,008	1,020,687	837,907
	<u>1,009,432</u>	<u>286,033</u>	<u>648,008</u>	<u>1,943,473</u>	<u>1,760,693</u>
2020					
Payables	324,150	0	0	324,150	324,150
Borrowings	96,844	272,987	747,700	1,117,531	912,865
	<u>420,994</u>	<u>272,987</u>	<u>747,700</u>	<u>1,441,681</u>	<u>1,237,015</u>

26. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

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

SHIRE OF SHARK BAY
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27. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

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

c) Rounding off figures

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

d) Comparative figures

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

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

e) Budget comparative figures

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

f) Superannuation

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

g) Fair value of assets and liabilities

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

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

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

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

h) Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

i) Impairment of assets

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

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

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

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

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

28. ACTIVITIES/PROGRAMS

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

PROGRAM NAME AND OBJECTIVES	ACTIVITIES
<p>GOVERNANCE</p> <p>To provide a decision making process for the efficient allocation of scarce resources.</p>	Expenses associated with the provision of services to members of council and elections.
<p>GENERAL PURPOSE FUNDING</p> <p>To collect revenue to allow for the provision of services.</p>	Rates and associated revenues, general purpose government grants, interest revenue and other miscellaneous revenues such as commission on Police Licensing. This also includes the costs associated with raising these revenues e.g. valuation expenses, debt collection and overheads.
<p>LAW, ORDER, PUBLIC SAFETY</p> <p>To provide services to help ensure a safer and environmentally conscious community.</p>	Enforcement of Local Laws, fire prevention, animal control and the provision of ranger services.
<p>HEALTH</p> <p>To provide an operational framework for environmental and community health.</p>	Health inspection services, food quality control and mosquito control.
<p>HOUSING</p> <p>To provide and maintain housing for the elderly and staff.</p>	Provision and maintenance of rented housing accommodation for pensioners and employees.
<p>COMMUNITY AMENITIES</p> <p>To provide services required by the community.</p>	Sanitation, stormwater drainage, protection of the environment, public conveniences, cemeteries and town planning.
<p>RECREATION AND CULTURE</p> <p>To establish and effectively manage infrastructure and resources which will help the social wellbeing of the community.</p>	Parks, gardens and recreation reserves, library services, television and radio re-broadcasting, swimming facilities, walk trails, youth recreation, Shark Bay World Heritage Discovery and Visitor Centre, foreshore, public halls and the Shark Bay Recreation Centre.
<p>TRANSPORT</p> <p>To provide safe, effective and efficient transport services to the community.</p>	Construction and maintenance of roads, footpaths, drainage, parking facilities, traffic control, depot operations, marine facilities and street cleaning.
<p>ECONOMIC SERVICES</p> <p>To help promote the Shire and its economic wellbeing</p>	Tourism, community development, building services and private works.
<p>OTHER PROPERTY AND SERVICES</p> <p>To monitor and control council's overhead operating accounts.</p>	Plant maintenance, administration, labour overheads and stock.

29. FINANCIAL RATIOS

	2021 Actual	2020 Actual	2019 Actual
Current ratio	2.91	4.62	5.94
Asset consumption ratio	0.96	0.98	0.96
Asset renewal funding ratio	1.14	1.13	1.00
Asset sustainability ratio	0.70	0.82	0.57
Debt service cover ratio	14.67	11.03	15.53
Operating surplus ratio	(0.09)	(0.38)	(0.30)
Own source revenue coverage ratio	0.50	0.45	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	$\frac{\text{own source operating revenue}}{\text{operating expense}}$



Auditor General

INDEPENDENT AUDITOR'S REPORT 2021 Shire of Shark Bay

To the Councillors of the Shire of Shark Bay

Report on the audit of the annual financial report

Opinion

I have audited the financial report of the Shire of Shark Bay (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 Shark Bay:

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

Basis for opinion

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

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

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

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

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

Auditor's responsibility for the audit of the financial report

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

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

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

Report on other legal and regulatory requirements

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

- (i) In my opinion, the following material matter indicates a significant adverse trend in the financial position of the Shire:
 - a) The Operating Surplus Ratio has been below the Department of Local Government, Sport and Cultural Industries' standards for the past 3 years. The financial ratio is reported at Note 29 to the financial report.
- (ii) All required information and explanations were obtained by me.
- (iii) All audit procedures were satisfactorily completed.
- (iv) In my opinion, the Asset Consumption Ratio and the Asset Renewal Funding Ratio included in the financial report were supported by verifiable information and reasonable assumptions.

Other matter

The financial ratios for 2019 in Note 29 of the financial report were audited by another auditor when performing their audit of the Shire for the year ending 30 June 2019. The auditor expressed an unmodified opinion on the financial report for that year.

Other information

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

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

Matters relating to the electronic publication of the audited financial report

This auditor's report relates to the financial report of the Shire of Shark Bay 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
5 April 2022