

Shire of Shark Bay

2021/2022

ANNUAL REPORT



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PRESIDENT'S REPORT

Throughout, and following, the Covid-19 pandemic there has been a substantial increase in visitor numbers into the Bay, resulting in greater awareness of the outstanding environmental assets that the Shark Bay area has to offer, driving positive economic benefit. However, the downside is the increased pressure on the local landscape and the impact on our fragile environment and fish stocks.

As a result of increased visitation and an altered tourist demographic post Covid, the market focus has resulted in higher demand for both tourist and seasonal workers' accommodation, which has identified a substantial shortfall in availability for both short and long-term accommodation options in Denham.

Shire Council and administration are actively exploring options to alleviate this gap in accommodation availability locally, including an application for Building Better Regions funding to construct 12 new aged care units to extend the current Herald Denham pensioner units.

The Shire has been effective in securing both State and Federal funding over the past 12 plus months, delivering projects such as upgrades to the existing skate park, solar lighting installation along Stella Rowley Drive and Francis Street footpaths, and installation of the Men's Shed in Hughes Street.

The Shire successfully applied for grant funding for the installation of a fixed NBN satellite for use in emergency situations at both the Recreation/Evacuation Centre and Emergency Services Precinct, which were installed in December 2021.

Council continued the provision of Community Assistance Grants to local community -based groups which provide vital services and recreational pursuits to the Bay's community. The local volunteers in these groups contribute their time, effort, and skills to the wellbeing of our residents and also visitors.

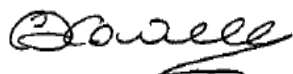
A big thanks to all of our local vollies!

The Shire's public facilities, including Little Lagoon, Denham foreshore and adventure playground, continue to receive positive accolades from visitors and appreciation from locals. The outstanding work and service that all the Shire staff provide in maintaining the infrastructure, roads, grounds, and amenities is commendable.

Council continues to explore options with all relevant parties in order to improve and expand our local medical services. The current situation is an area of major frustration and of great concern to the community's residents. However, we will continue to liaise with health providers to secure additional services.

Community consultation surveys have confirmed that whilst the local residents really do appreciate that they live in an incredibly unique and special place, they also desire a balanced economic and population growth, whilst maintaining our pristine environment and local character. Also, the goal of Council!

So, whilst encouraging on-going development and business opportunities in the Bay, Council is also aware of the imperative to maintain a balance between sustainable economic development and community expectation.



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.

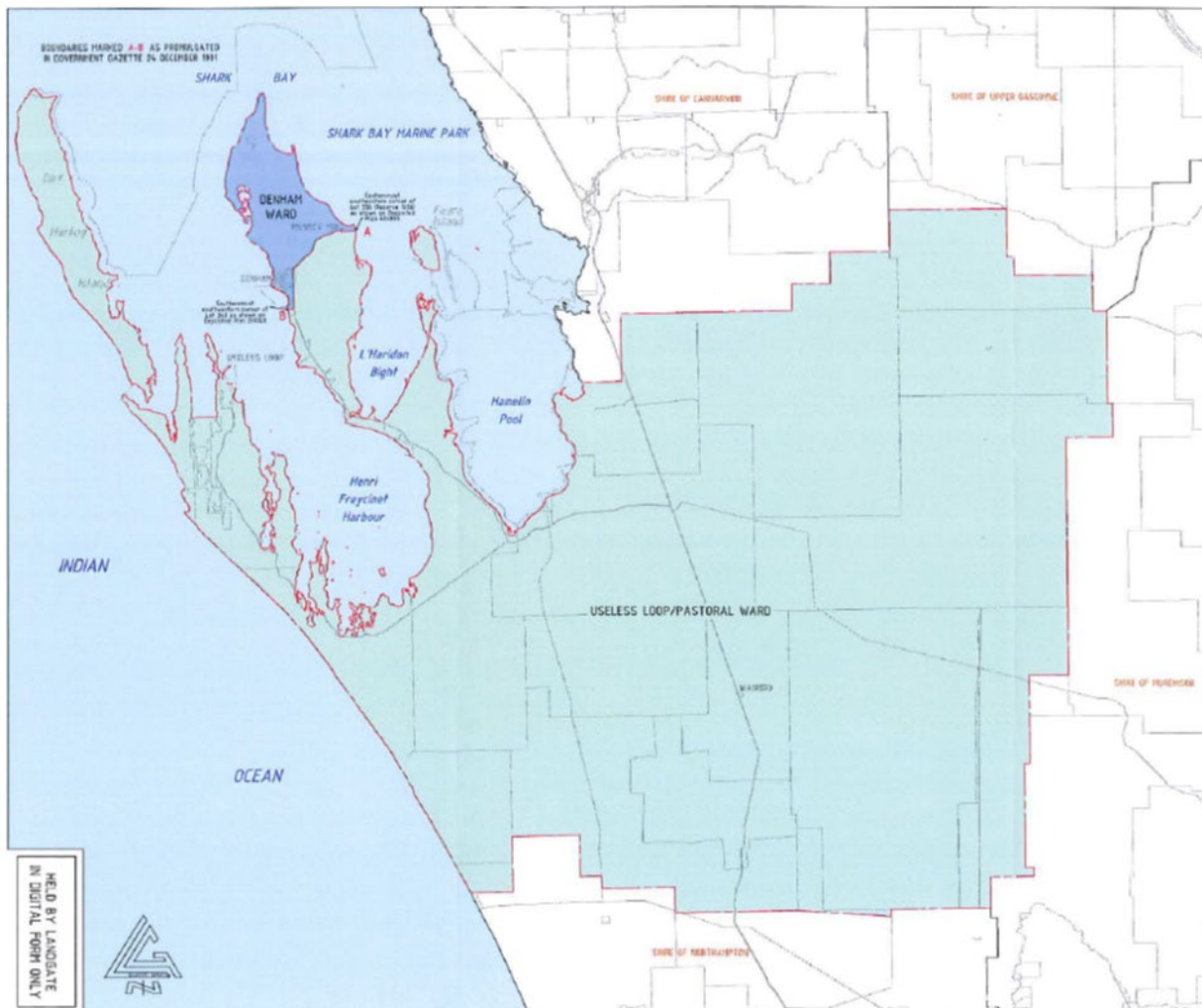
Shire of Shark Bay Vision Statement

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 2021/2022 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 2021/2022 financial year saw us emerge from the COVID-19 pandemic, and therefore a slow transition back to business as usual. I would like to particularly thank our dedicated Shire employees for their tireless commitment and contribution to the delivery of services to the Shark Bay community, particularly given the resourcing challenges often faced by small Local Governments. I would also like to pass on thanks to our dedicated contractors, and numerous other important stakeholders, whose hard work ensured the continued delivery of services to the community in an often-challenging remote environment.

I am happy to report that the strategies implemented to minimise financial risk through the preceding COVID-19 environment has resulted in the Shires overall 2021/2022 financial position remaining stable and strong.

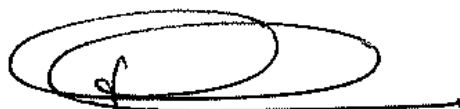
The Shires outside workforce are to be commended on the achievement on a number of key project outcomes and ongoing service delivery through 2021/2022.

- The delivery of a number of key capital projects, including stage 1 of the Durlacher Street upgrades, construction of the Mens Shed, and the installation of new dual use footpaths;
- A high standard of ongoing maintenance and operational activities; and
- Delivery on the Shires plant and equipment replacement program, and 5-year footpath and roads programs.

The Shires Community Development Team continued to provide a high level of community engagement, delivering numerous valued and well supported events, that catered for the demographic diversity that is the Shark Bay community. Additionally, an enormous amount of work continues to go into the preparation and submission of numerous grant funding applications for key community infrastructure projects and in support of new and continued community events.

The Shark Bay World Heritage Discovery and Visitor Centre welcomed a total of 67,133 people through the Centre's doors during the 2021/2022 financial year. The highest recorded day (in the Centre's history) occurred on 12 July 2021 during the school holiday period, with 915 people entering the Centre. The dedicated Discovery Centre team are to be commended on the high level of service provided to visitors to Shark Bay.

The Shire has again had to contend with, and overcome many challenges throughout 2021/2022, and should be proud of the ongoing service delivery to the community considering those challenges. Now settled in the role of Chief Executive Officer, I very much look forward to continuing to work closely with the Shire team, the community and key stakeholders as we continue to work towards achieving the community's long term economic, social and sustainability objectives through 2022/2023 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 through this period. The carried forward balance as of the 30 June 2022 is \$2,043,803. This result excludes Contract Liabilities, totalling \$628,328 detailed in Note 12 of the financial statements, comprising unspent specific grants at year end for the Department of Fire and Emergency Services, Day Care Accommodation Subsidy, Emergency Recovery Exercises, Shark Bay Discovery Centre Dugong Interactive Zone, Gascoyne Development Commission Workers Accommodation Business Case and Local Roads and Community Infrastructure Projects. These will be carried forward into the 2022/2023 financial year in readiness for project completion. Additionally, an early payment of the General-Purpose Financial Assistance Grant of \$1,510,335 for 2022/2023, been treated as operating revenue and contributed to this surplus.

Overall Income

Overall income of \$7,867,138 was greater than the budgeted amount of \$6,973,135 mainly due to the advance payment of the 2022/2023 Financial Assistance Grant (\$1,510,335) less the ongoing grants quarantined to Contract Liabilities (\$628,328) in readiness to offset against relevant project expenditure in the 2022/2023 year.

Operating Income

Operating income of \$6,506,437 was greater than the budgeted amount of \$4,935,726 due to operating grants received in advance of \$1,510,335.

Rates

The rates in the dollar for all differential categories were decreased by 7.75% due to a significant Landgate revaluation of all Gross Rental and Unimproved rate categories to ensure compliance with the overall increase of 4% in line with the Councils Strategic Plan. The total net general rate revenue for 2021-2022 was \$1,486,330 which was greater than the 2020/2021 rates revenue (\$1,436,864) by \$49,466.

Operating Expenditure

Operating expenditure of \$6,479,096 was under the budget of \$6,928,847 by \$449,751. This is mainly due to strategies implemented by the Council to reduce operating expenditure during the COVID-19 pandemic and reliance on external funding.

Capital Expenditure

Capital expenditure of \$2,245,163 was less than the budgeted amount of \$3,654,438 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 the 2022/2023 financial year.

Major projects carried forward include:

Asbestos Removal – Shire Properties	\$ 150,000
Conference and Media Equipment Upgrade	\$ 9,300
Executive Manager Finance and Administration Vehicle Replacement	\$ 38,000
Housing	\$ 50,000
Electronic Entry System for Town Hall/Recreation Centre	\$ 20,000
Hard Shade Structures – Playground	\$ 75,000

Recreation Centre Panel and Paint	\$ 41,755
Disability Beach/Water Access and Equipment	\$ 50,000
CCTV Upgrades	\$ 50,000
Town Oval and Recreation Centre Reticulation/Resurfacing	\$ 90,000
Access Bicycle and Walking Paths – Recreation Precinct	\$ 30,000
Charlie Sappie Park Bed Replacement	\$ 4,800
Library Automatic Sliding Door	\$ 25,000
Heritage Stables Refurbishment	\$ 38,322
Shark Bay Discovery Centre Airconditioner Upgrade	\$ 300,000
Depot Office Awning	\$ 6,810
Problematic Area Street Lighting	\$ 80,000
Footpath Construction	\$ 103,000
Town Gardeners Ute Replacement	\$ 50,950
Major Plant Items	\$ 5,605
Town Truck – 5 Tonne Replacement	\$ 80,000
Town Truck – 3 Tonne Replacement	\$ 65,000
Executive Manager Community Development Vehicle Replacement	\$ 38,000
Cemetery Shade	\$ 5,000
Hamelin Pool Carpark Upgrade	\$ 10,000

Total Debt

The Shire's total loan liability as of 30 June 2022 was \$770,776.

This loan liability is made up of the following:

Monkey Mia Bore	\$ 34,975
Town Oval Bore	\$ 735,801

Cash Backed Reserves

The Shire's cash backed reserves increased over the year by \$717,255. Significant transfers from these reserves in 2021/2022 included \$349,153 for infrastructure upgrades, \$222,700 for plant replacement and \$16,448 for Pensioner Unit Upgrades. Transfers to reserves included \$371,570 for plant replacement, \$897,985 for strategic infrastructure renewal, \$35,191 for Pensioner Unit Maintenance and upgrades.

WORKS REPORT

The Shire's outside workforce contributed to several capital projects undertaken, either in their entirety as total construction, or in a supporting role with outside contractors. Their performance has been admirable, and in addition to normal operational duties, they performed in a keen and enthusiastic manner throughout 2021/2022 with positive outcomes achieved.

During the 2021/2022 year the following capital projects were undertaken:

- Eagle Bluff Road had the second 1.5 Km sealed;
- Upgrades on the Useless Loop Road;
- Stage one of the Durlacher Street upgrades, including asphalt and new dual use paths;
- Replacement of the Pensioner Unit Roofs;
- Relocation of the Morgue;
- Little Lagoon Upgrades, Gazebo, Bollards and Signage;
- Construction of the Mens Shed Building;
- Francis Street / Stella Rowley Drive Solar lighting; and
- Dual purpose footpath along Stella Rowley Drive

The above major projects were delivered along with numerous minor and/or reactive activities, all key to the overall successful outcomes associated with the Shire of Shark Bay. Shire staff have performed these duties in a conscientious and reliable manner and are highly commended for their efforts.

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, the foreshore playground, the Shark Bay Recreational Centre, refuse and recycling and road maintenance represent some of the teams more significant ongoing maintenance requirements.

The Bring Centre is still proving to be an ongoing success with the community and has maintained a consistent throughput of recyclable products being deposited during the year. The container deposit scheme continues to reduce the number of aluminium cans and drink containers going into the Bring Centre. Markets for the sale of remaining recyclable products is still difficult but inroads are being made, however the reduction in waste to landfill has and continues to be a positive result.

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 Shires operations is safe and fit for purpose. Comprehensive evaluations are undertaken to ensure best value for money is achieved with all procurement processes.

I would like to acknowledge the Shire of Shark Bay's country, town, and administrative employees for their ongoing support throughout the year. All staff have performed their duties admirably with 2021/2022 being a positive and productive year. I look forward to continued performance and improvement in 2022/2023.

TOURISM, COMMUNITY AND ECONOMIC DEVELOPMENT REPORT

COMMUNITY ENGAGEMENT

The Shire of Shark Bay maximizes the use of the mobile phone SMS system allowing a Shire-to-resident communication strategy. SMS communications are distributed to 319 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 1,800 followers and by "sharing" the messages to up to four of the local community administrated Facebook group pages, the Shire can access a further 16,000 followers of these pages.

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

COMMUNITY FACILITIES

The Shark Bay Recreation Centre continues to be managed by the Shark Bay Community Resource Centre. Users of the Centre participated in a range of open courts, nightly sports, school holiday programs and toddler activities during the year. The Centre receives consistent attendance throughout the year, with a total of 5,317 participants registered for the financial year. The busiest month was July 2021, with 922 participants, and the quietest month was December 2021, with 237 participants.

The Shark Bay Community Gym has a total of 150 gym members. This is an increase from 90 members in the 2019/2020 financial year. There has also been an increase in 1-month memberships, and approximately 20% of these gym members have a permanent address outside of Shark Bay. The Shire Administration Office receives about one enquiry a week for a weekly gym pass, and often these visitors choose to sign up for a month (the shortest time available) as the \$30 monthly membership fee is in line with a weekly membership fee in the Perth metropolitan area. There have been 8 requests from active gym members for new equipment, however due to lack of space in the facility, this is not currently possible.

A new footpath and several new door ramps have been installed at the Town Hall to increase accessibility to the facility. These were funded through the Federal Local Roads and Community Infrastructure program. Audio equipment has also been updated to include Bluetooth capability making the equipment in the Hall more user friendly, while also reducing the risk of damage to the back-end system.

A new pump track was installed at the Denham skate park in February. This was funded by the Australian Government under their Infrastructure Investment Program Stimulus and has been well received by the community and visiting tourists.

A new Men's Shed was installed behind the Community Hub on Hughes Street. This facility was funded by the Gaming Community Trust, and the Men's Shed community group has entered into a Memorandum of Understanding with the Shire to use the facilities.

The Shire of Shark Bay continues to manage 13 social housing rental accommodation units at the Herald Denham Pensioner Units on Hughes Street. The Shire continues to investigate ways to upgrade and expand on these independent living units, which are aging and are requiring more upkeep and maintenance.

The Shark Bay Public Library continues to be a popular service for all ages of the community. In the 2021/2022 financial year, 736 visits were made to the library to borrow books and DVD's.

E-Resources, such as Borrowbox, RBDigital, Kanopy and Kanopy Kids, Storybox Library and Busy, are also included with the library membership.

COMMUNITY EVENTS

The Shark Bay Winter Festival Markets was held at George Wear Park on 11 July 2021 during the school holidays. Entertainment was organised and funded by the Shire to complement the market activities. The Shark Bay Winter Market hosted 28 unique stallholders across 49 stalls and received an estimated attendance of over 1,000 people.

A Monster Inflatables activity day was also held at the Denham Town Oval in July. This event included inflatable obstacle courses, slides and sumo wrestling, and was run during school holidays to help keep the community entertained and active. 155 people participated (adults – 39 tourists, 26 locals; children – 50 tourists, 40 locals) with lots of fun all around.

In September the Department of Biodiversity, Conservation and Attractions launched their Biodiversity of the Bay Exhibition at the Rose de Freycinet Gallery. This exhibition featured paintings, drawings, and photographs from many of the local community, including beautiful art works from the school students, created under the guidance of visiting artist in residence Angela Rossen. The exhibition opened with an evening of live music, speeches, awards, and canapes. This was a huge success, with over 100 people attending on the night. The exhibition then ran until 8 October, with many local residents and visiting tourists enjoying the display.

The Shire collaborated with the Shark Bay Community Resource Centre to run a Mental Health Week event in October. The event began with a Community Colour Run, market stalls and a community barbecue, all of which took place at the Town Oval. The event then continued at the Town Hall with a travelling cinema bus run by the Chapman Valley Men's Shed. Free popcorn was provided by the Men's Shed, and the hall was full of people.

The Shire also collaborated with the Shark Bay Youth Group in October to run Children's Week after successfully applying for a Healthway grant. Nearly 50 children gathered at the Recreation Centre to take part in the Go For 2&5 Children's Week Glow in The Dark Dodgeball Tournament. Many parents also came along to watch. The children all received a new white shirt which they painted with neon paint, before playing 2 hours of dodgeball under black lights. After these games and a community barbecue the adults had their turn, with 4 teams turning up to play in the adult's tournament.

Thank a Volunteer Day celebrations was held on 5 December at Boolbardie Country Club 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 of Communities. More than 60 people registered to attend the event.

Christmas Festival Markets were also held on 5 December at the Denham Town Oval. With 16 market stalls, a travelling circus, a slippery slide for the kids, and a visit from Santa, the 2021 Christmas Festival Markets was a successful event. A Christmas Lights Decoration Competition was also held throughout December, although the small number of participating residents and businesses has led to alternatives being considered for future years.

The 2021 Seniors Christmas Lunch took place at the Town Hall, with over 40 seniors attending the event. Attendees were provided with a three-course meal, which was catered by the Shark Bay Youth Group, Community Resource Centre and Shire staff. Each senior was gifted a tin of biscuits from the Shire and a calendar from the Community Resource Centre.

On Australia Day the Shire partnered with the Community Resource Centre to hold the annual Citizen of the Year Awards Ceremony at the Shark Bay Bowling and Recreation Centre. The event included a Citizenship Ceremony, and over 80 people turned up for the event to celebrate the award winners and the newest Australian citizens. Breakfast was provided by the Community Resource Centre, with the Shark Bay Fish Factory donating 50 mullet and 50 whiting fillets.

The Shire supported the annual Keep Australia Beautiful community clean-up in March with 35 Shark Bay community members participating. Participants collected a total of 15 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 Shire collaborated with the Shark Bay Youth Group to run Youth Week events in April. A full day of activities took place on Wednesday 13 April for the youth in Shark Bay. The day started with two hours of fun playing giant bubble soccer in the Recreation Centre indoor courts. The fun then continued down at the foreshore with a Life Skills Scavenger Hunt, where local teens completed a range of skill activities such as changing a nappy and making a bed, before having cheeseburgers for lunch. In the afternoon a game of Glow in the Dark Dodgeball took place on the indoor courts, followed by a movie in the Town Hall in the evening.

The second annual Denham Triathlon was held in June, in collaboration with the Geraldton Triathlon Club. 80 participants gathered from around the state to compete in the event; a big increase from 28 participants the year before. The event consisted of a 400m swim, 3km run and 10.5km or 21km bike ride and several local volunteers helped on the day.

The Shire also financially supported several community groups to run events in the 2021/2022 financial year. This included the following:

- Shark Bay RSL, with \$500 contributed to a Remembrance Day Memorial Service in November and \$1,000 contributed to ANZAC Day celebrations in April;
- Shark Bay Community Resource Centre, with \$300 contributed to National Seniors Week in November;
- HMAS Sydney Association, with \$3,000 and \$6,610 of in-kind support to run events for the 80th Anniversary of the sinking of the HMAS Sydney;
- Shark Bay Fishing Fiesta with \$8,000 cash and \$6,000 in kind support;
- 2021 Downwinder with \$5,000 cash; and
- Shark Bay Speedway with \$8,000 for the 2021 Far Western Speedway Event.

EMERGENCY MANAGEMENT

The Covid-19 pandemic has continued to impact the community and the Shire throughout the 2021/2022 financial year. In early 2022 the State Government removed WA's hard borders with the rest of Australia, which resulted in sometimes daily changes to isolation and vaccination requirements, as well as other state-wide mandates. During this time the Shire staff worked to prepare the community for increased COVID-19 cases, by producing flyers and an information pack on how to manage Covid-19 at home and distributing information on the Shire's website and social media channels. The Department of Health also provided the Shire with 200 pulse oximeters to be distributed free of charge to at-risk members of the community.

In November six Shire staff and the Shire President attended a four-day training program in the Recovery component of Emergency Management. This training was funded through an AWARE (All Western Australians Reducing Emergencies) grant, secured by the Shire's Community Emergency Services Manager. It was a very informative and engaging exercise. While organisations such as the Department of Fire and Emergency Services (supported by our local volunteer Emergency Services Groups) have a substantial role to play in the Prevention, Preparation and Response components of Emergency Management, Local Governments have

responsibility under the Emergency Management Act 2005 to undertake Recovery for the entire region following any emergency/disaster situations.

The training presented an opportunity for Shire staff to use the current Recovery Plan in a disaster scenario to determine its strengths and shortfalls. Coming out of the training, Community Development staff applied for further funding to run a Recovery Exercise and to update the Recovery Plan. The Shire received \$36,323 from the Preparing Australian Communities – Local Stream program to run two Emergency Recovery Exercises to test the town's resilience and preparedness. These exercises will be taking place in the 2022/2023 financial year. The outcome of the funding application to update the Recovery Plan will not be known until the 2022/2023 financial year.

ACCESS & INCLUSION

The Shire's Access and Inclusion Plan 2019 – 2024 continues to be implemented. Several initiatives have been implemented to improve access and inclusion, including installing a new electronic sliding door at the Shark Bay World Heritage Discovery and Visitor Centre. This door was funded through the federal Local Roads and Community Infrastructure grant program. Various town footpaths have also been resurfaced and upgraded, including upgrading pathways at the Denham Town Hall. Several new ramps have also been installed at the Denham Town Hall to improve accessibility into the building.

ECONOMIC

Community Assistance Grants

Council allocated \$50,000 to the Shire's Community Assistance Grants during the 2021/2022 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. Overall, the Community Assistance Grants distributed \$34,916.90 to the local community in 2021/2022.

- Four community groups were funded by Council in Round 1 (projects valued \$2,000-\$5,000), with a total commitment of \$14,916.90. This funding opportunity was open in August, and was distributed to the following projects:
 - St John Ambulance received \$4,840.00 for new satellite phones;
 - Shark Bay Pistol Club received \$3,200.00 for a new generator. This money was not all spent as a cheaper generator was purchased, and \$1,209.99 was returned to the Shire;
 - Boolbardi Country Club received \$2,013.00 to upgrade the sand green cup; and
 - Shark Bay Men's Shed received \$4,863.90 for equipment to run a range of community workshops. As a result of a change in committee, this money was returned to the Shire.
- Three community groups were funded by Council in Round 2 (equipment valued at a maximum of \$1,000), with a total commitment of \$2,000.00. This funding opportunity was opened in April, and was distributed to the following projects:
 - Boolbardi Country Club received \$1,000.00 to provide catering for the 2022 Denham Golf Open event; and
 - Volunteer Marine Rescue Shark Bay received \$1,000.00 for a stormwater drain and soakwell at their facilities.
- Three community groups were funded by Council in the Significant Event Grants, with a total commitment of \$18,000.00. This funding opportunity was open all year round, and was distributed to the following events:

- Shark Bay Business and Tourism Association received \$5,000.00 to contribute to the 2022 Shark Bay Downwinder event;
- Shark Bay Community Resource Centre received \$8,000.00 to contribute to the 2022 Shark Bay Fiesta event (formerly the Shark Bay Fishing Fiesta); and
- Creality (previously Gascoyne in May) received \$5,000.00 to contribute to the 2022 Barefoot Black-Tie Festival event.

FUNDED PROJECTS

2021/2022 was a busy year for grants, while substantial funding was made available to all local governments through the Local Roads and Community Infrastructure program, many other grants were secured through competitive grant application processes, highlighting the grant writing skills of the Shire Administrative staff.

- **Local Roads and Community Infrastructure Funding**

- There are three phases to this grant program. Several Phase 1 and Phase 2 projects to the value of \$518,811 were completed in the 2021/2022 financial year, including:

- Upgrades to the Little Lagoon creek area with a new gazebo and signage;
- New pump track at the Denham Skatepark;
- Works underway to restore the Old Stables;
- Accessible pathways and access to the Town Hall;
- New pathway from Denham Seaside Caravan Park to Stella Rowley lookout (partially completed);
- Installation of a new security system at the Recreation Centre and Gym;
- Installation of an accessible automatic door at the Discovery Centre;
- Purchase of two new pieces of equipment for the community gym;
- Replacement of and upgrade to the uplights on the foreshore and playground;
- Relocation of, building and outfitting a new morgue; and
- Installation of solar streetlights along Stella Rowley Drive and Francis Street.

- **Funding for Little Lagoon trails development**

- \$15,000 was received from the Department of Sport and Recreation to create a new trails Masterplan for the area to the south of the Little Lagoon creek.

- **Fixed NBN satellites**

- The Shire was able to secure two NBN satellites through the Strengthening Telecommunications Against Natural Disasters program. Designed for activation and use in emergency situations, these were installed in the Recreation (Evacuation) Centre and the Emergency Services Building in December 2021.

- **Funding for community events**

- The Shire received funding for two events in the 2021/2022 financial year:
 - \$900 from the Department of Communities for the 2021 Thank a Volunteer Day event; and
 - \$610 from Healthway for a Glow in the Dark Dodgeball Tournament event for Children's Week.

- The Shire was also successful in receiving multiple funding streams for a new event that will be taking place in the 2022/2023 financial year, Beats in the Bay Festival. This included:
 - \$20,000 from Lotterywest;
 - \$8,932.85 from Horizon Power;
 - \$5,000 from RAC Monkey Mia Dolphin Resort; and
 - \$500 from the Gascoyne Development Commission.
- **Funding for emergency management**
 - \$36,323 from the Preparing Australian Communities – Local Stream program to run two Emergency Recovery Exercises to test the town’s resilience and preparedness. These exercises will be taking place in the 2022/2023 financial year.
- **Funding for a road safety project**
 - \$2,040.99 from the Road Safety Commission for brochures to educate visiting tourists on safely exploring 4WD tracks in Shark Bay.
- **Funding for infrastructure maintenance**
 - \$30,000 from the Department of Communities Social Housing Economic Recovery Program to re-roof 9 out of the 13 Herald Denham Pensioner Units. This work was completed in May 2022; and
 - \$80,000 as an Election Promise to install new lights and towers at the Shark Bay Bowling, Sport and Recreation Club. This work was completed in May 2022
- **Funding for a new Shark Bay Men’s Shed building**
 - \$110,287 from the Gaming Community Trust Funding in the 2020/2021 financial year to build a new Men’s Shed building. This building was completed in the 2021/2022 financial year, and the shed was handed over to the Shark Bay Men’s Shed committee in December 2021.
- **Funding for Discovery Centre’s Dugong Interactive Zone**
 - \$29,500 for the development and installation of Dugong Interactive Zone at the Discovery Centre. The funding was announced in February 2022 and the Centre Manager engaged with software developer, Hungry Sky to create an educational interactive zone highlighting the significance of dugongs in the Shark Bay environment. The permanent addition to the museum provides a fun attraction for all ages and is expected to be installed in September 2022.
- **Funding for Rose de Freycinet Art Gallery**
 - Art on the Move funding for the value of \$19,496 from the Public Regional Galleries Improvement Fund. The funding contributed towards purchasing new lighting, and equipment to assist installing artwork and hosting events in the gallery space.

- **Funding for touch screen in the Discovery Centre**

- \$1,293 from The Culture, Heritage and Arts Regional Tourism program. The funding contributed to purchasing touch screen and associated artwork, now installed within the museum to display Department of Biodiversity, Conservation & Attractions – Dirk Hartog Return to 1616 virtual reality.

TOURISM

Promotion of the Shark Bay World Heritage Discovery and Visitor Centre and the Shark Bay region continued throughout 2021/2022 with consistent posts on social media, including Facebook and Instagram. These posts have generated traffic to our website and enquiries regarding tour bookings and accommodation. Shark Bay has also been promoted on radio, newspaper and TV, including the promotional filming for the national TV show The Bachelorette.

The Centre Manager nominated Denham in the 2022 Tourism Council's Top Tourism Town (Tiny Town Category). The town was awarded the title at the Tourism Conference in May 2022. In addition, Denham was nominated as a finalist for the National Top Tourism Town Awards.

In commemoration of the 80th Anniversary of the HMAS Sydney II, the Shire supported the event hosted by the HMAS Sydney Association in November 2021. The event attracted several hundred people into Town, including a number of dignitaries.

Shark Bay World Heritage Discovery & Visitor Centre

A total of 67,133 people were welcomed through the Centre's doors during the financial year. The highest recorded day (of the Centre's history) occurred on 12 July 2021 during the School Holiday period, with 915 people entering the Centre.

The Centre hosted a Shark Bay School work experience student, one-day a week for 10 weeks. The student gained skills in customer service and sales.

Building maintenance was completed at the Centre with roof repairs and installation of an automatic front door.

The Centre continues to have strong sales in merchandise, tour and accommodation booking commission, camping and museum entry fees.

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.

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 2021 and 30 June 2022, 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 2021/2022 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 2021/2022 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 2021/2022 was nil

Regulation - 19B (2) (e)

Chief Executive Officer Remuneration Paid 2021/2022 - \$280,685

Regulation - 19B (2) (f)

Elected Member Meeting Attendance / Ordinary Council Meetings 2021/2022

A	ATTENDED
LA	LEAVE APPROVED
N	APOLOGY

Councillor Name	JUL 21	AUG 21	SEPT 21	OCT 21	NOV 21	DEC 21	JAN 22	FEB 22	MAR 22	APR 22	2 JUN 22	29 JUN 22	
Cr Bellottie	A	A	A	A	LA	LA	NO MEETINGS HELD IN JANUARY	LA	A	LA	A	LA	
Cr Burton	A	A	LA										
Cr Cowell <small>President</small>	A	A	A	A	A	A		A	A	A	A	A	A
Cr Fenny	A	LA	A	A	A	A			LA	A	A	A	A
Cr Ridgley	A	A	A	A	N	A			LA	A	A	A	A
Cr Smith	A	A	A	A	A	A			A	A	LA	A	A
Cr Stubberfield	A	A	A	A	A	A			A	A	A	A	A
Cr Vankova				A	A	A			A	A	A	A	A

Elected Member Meeting Attendance / Audit Committee Meetings 2021/2022

Meeting Date	30 March 2022	2 June 2022
Cr Bellottie	A	A
Cr Cowell - President	A	A
Cr Fenny	A	A
Cr Ridgley	A	A
Cr Smith	A	A
Cr Stubberfield	A	A
Cr Vankova	A	A

Elected Member Meeting Attendance / Special Council Meetings 2021/2022

Meeting Date	4 August 2021	12 August 2021	12 August 2021	27 October 2021
Cr Bellottie	A	A	A	A
Cr Burton	A	A	A	
Cr Cowell - President	A	A	A	A
Cr Fenny	A	A	A	A
Cr Ridgley	A	A	A	A
Cr Smith	A	N	N	A
Cr Stubberfield	A	N	N	A
Cr Vankova				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	1	2	3

Regulation - 19B (2) (i)

Aboriginal or Torres-Strait Islander Councillor's for 2021/2022

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 2021/2022 financial year.

Regulation - 19B (2) (k)

There were no significant modifications made to the Shire of Shark Bay's Corporate Business Plan during the 2021/2022 financial year.

Regulation – 29C (2) (d)

The name of each Council member who lodged a primary return or annual return for the 2021/2022 financial year.

Councillor Name	Annual Return Completed	Primary Return Completed
Cr Bellottie	17/08/2021	
Cr Burton	28/07/2021	
Cr Cowell - President	20/07/2021	
Cr Fenny	19/08/2021	
Cr Ridgley	13/08/2021	
Cr Smith	31/08/2021	
Cr Stubberfield	20/08/2021	
Cr Vankova		10/12/2021

Regulation – 29C (2) (e)

The position of each employee who lodged a primary return or annual return for the 2021/2022 financial year

Employee Position Held	Annual Return Completed	Primary Return Completed
Chief Executive Officer ¹	01/07/2021	
Chief Executive Officer ²		06/10/2021
Executive Manager Finance and Administration	20/07/2021	
Executive Manager Community Development	08/07/2021	
Works Manager	20/08/2021	
Shark Bay World Heritage Discovery and Visitor Centre – Co-Ordinator		23/06/2021
Executive Assistant	01/07/2021	
Community Development Officer		24/09/2021
Supervisor – Town		20/08/2021
Supervisor – Works		18/08/2021

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 2021/2022 – No Training was undertaken by Councillor's in the 2021/2022 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					
Cr Vankova					

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. • Completion of the Mens Shed project and ongoing support provided to the Club to aid community and local businesses. • 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 provides ongoing sponsorship and community bus allowances to the Shark Bay School. • Partnered with Ngala Children's Service and the completion of and the operation of 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 addition, it provides counter service incorporating

	<p>recommendations of tourism services to visitors and the public and is a booking agent for most tourism operators 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. • The Shire relinquished 20 Hectares of Crown Reserve 49809 to Horizon Power in 2020/2021 for the purposes of constructing a new Hydrogen Demonstration Plant and associated infrastructure which is still in the planning and construction phase. • 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, projects and equipment upgrades for the St Johns Ambulance, Shark Bay Pistol Club, Boolbardie Country Club, Shark Bay Men’s Shed, Volunteer Marine Rescue Shark Bay, Shark Bay Business and Tourism Association, Shark Bay Fiesta Event via the Shark Bay Community Resource Centre and Creality (previously Gascoyne in May) 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"> • 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 49108 Lot 556 Monkey Mia Road for the purposes of a Research Station/Accommodation and Storage Shed for the University of Zurich to facilitate ongoing research.



	<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. • Funding was received from the Department of Sport and Recreation to create a new trails Masterplan for the area to the south of the Little Lagoon creek. • 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"> • Ongoing use and management of the Bring Recycling Transfer Station with a view to reducing impact of waste to landfill. • Commencement of the Containers for Change program with the aim of all net proceeds to support future waste and environment initiatives and community groups/events. <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. • Completion of the upgrade of Brockman Street and installation of new dual use paths. • Completion of the Durlacher Street Upgrade and installation of new dual use paths. • Upgrades to Useless Loop Road including emergency work to restore road to acceptable and safe condition. • Continued work on a two-coat sealing program for Eagle Bluff Road which has been staged over a 2-year period. • Installation of a 1st stage of a new dual use footpath for Stella Rowley Drive which is forecast to be completed by 2023/2024. • Completion of new solar street lighting on Francis Street and Stella Rowley Drive. • Installation of an automatic entrance door at the Shark Bay World Heritage Discovery and Visitor Centre.
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	<ul style="list-style-type: none"> • Shark Bay World Heritage Discovery and Visitor Centre Roof Upgrade. • Commencement of the Charlie Sappie Park Upgrade. • Commencement of the Heritage Stables Refurbishment due for completion in the 2022/2023 financial year. • Upgrades including lighting to the Shark Bay World Heritage Discovery and Visitor Centre - Rose de Freycinet Gallery. • Commencement of the Shark Bay Shark Bay World Heritage Discovery and Visitor Centre Dugong Interactive Zone Exhibit. • Installation of new external lighting upgrade at the Shark Bay Bowling Club. • Completion of the new Skate Park Pump track at the Town oval. • Commencement of the Shark Bay Recreation Centre Panel and Paint Upgrade. • Upgrades to Little Lagoon inclusive of signage, gazebo and seating. • Installation of new lighting at Foreshore Adventure Park. • Installation of new access paths at Town Hall. • Completion of Pensioner Unit roof upgrades. • Installation of a new fuel tank and bowser at Tamala Camp to support future road works. • Installation of new generator for the refuse site recycling shed. • Installation of new rear verandah at the Emergency Services building.
<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.</p> <p>Achievements:</p> <ul style="list-style-type: none"> • Ongoing commitment and support to emergency and volunteer groups inclusive of hosting Thank A Volunteer Day. • \$50,000 capital contribution toward the internal fitout for the Useless Loop State Emergency Service Shed. • Installation of a new rear verandah for the Denham State Emergency Service Building. • Grant funding received for numerous community events and initiatives. • Ongoing advocacy for improvements to communications and health services technology inclusive of two National Network Broadband satellites at the Emergency Evacuation Centre and Emergency Services Building.

	<ul style="list-style-type: none"> • Obtained funding to support two emergency management recovery exercises and manual inclusive of all the relevant emergency organisations within the region. • 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.</p> <p>Achievements:</p> <ul style="list-style-type: none"> • Dual Purpose pathways were installed at Brockman and Durlacher Streets to aid mobility throughout town. • The Shire continues to manage 13 low-cost long-term accommodation units at the Herald Denham Pensioner Units for our aged community. • The Shire collaborated with the Shark Bay Youth Group to run the Youth Week events inclusive of giant bubble soccer, life skills scavenger hunt, Glow in the Dark Dodgeball, and a movie at the Town Hall. • The second annual Denham Triathlon in collaboration with the Geraldton Triathlon Club was held in June. • The Shire use of a mobile phone SMS system distributing to 319 community members at one time enabling recipients to be kept informed of upcoming events and meetings. • The Shire financially supported the several community groups running: <ul style="list-style-type: none"> ○ Shark Bay RSL – Remembrance Day Memorial Service and ANZAC Day Celebrations ○ Shark Bay Community Resource Centre – National Seniors Week ○ HMAS Sydney Association – 80th Anniversary of the sinking of the HMAS Sydney ○ Shark Bay Fiesta ○ 2021 Downwinder Event ○ Shark Bay Speedway – 2021 Far Western Event
<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 completed a new Community Men’s Shed permanent premise at the Community Hub. • Annual Seniors Christmas Lunch was supported by the Shire. • Several events such as Winter Markets, 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. • 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 2022

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

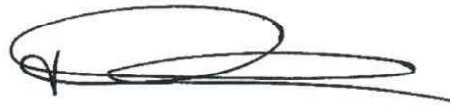
Shark Bay is a proud unified community, respecting and sharing our pristine environment and great lifestyle.

Principal place of business:
65 Knight Terrace
Denham WA 6537

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

The attached financial report of the Shire of Shark Bay for the financial year ended 30 June 2022 is based on proper accounts and records to present fairly the financial position of the Shire of Shark Bay at 30 June 2022 and the results of the operations for the financial year then ended in accordance with the Local Government Act 1995 and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.

Signed on the 24th day of March 2023



Chief Executive Officer

Dale Chapman

Name of Chief Executive Officer



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

	NOTE	2022 Actual \$	2022 Budget \$	2021 Actual \$
Revenue				
Rates	24(a),2(a)	1,486,330	1,483,381	1,436,864
Operating grants, subsidies and contributions	23(b),2(a)	2,997,796	1,526,637	2,800,535
Fees and charges	23(c),2(a)	1,845,011	1,746,697	1,727,124
Interest earnings	2(a)	11,159	8,640	20,927
Other revenue	2(a)	166,141	170,371	234,933
		6,506,437	4,935,726	6,220,383
Expenses				
Employee costs		(2,245,513)	(2,311,035)	(2,180,520)
Materials and contracts		(1,801,602)	(2,264,350)	(1,950,335)
Utility charges		(187,451)	(179,475)	(154,075)
Depreciation	10(a)	(1,812,956)	(1,753,645)	(1,753,544)
Finance costs	2(b)	(24,727)	(24,622)	(27,537)
Insurance		(189,761)	(192,630)	(165,088)
Other expenditure	2(b)	(217,086)	(203,090)	(172,843)
		(6,479,096)	(6,928,847)	(6,403,942)
		27,341	(1,993,121)	(183,559)
Capital grants, subsidies and contributions	23(b),2(a)	1,340,515	2,009,128	853,694
Profit on asset disposals	10(b)	18,187	28,281	19,096
Loss on asset disposals	10(b)	(80,000)	(18,362)	(114,838)
Fair value adjustments to financial assets at fair value through profit or loss		1,999	0	1,292
		1,280,701	2,019,047	759,244
Net result for the period	23(b)	1,308,042	25,926	575,685
Total other comprehensive income for the period	15	0	0	0
Total comprehensive income for the period		1,308,042	25,926	575,685

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



**SHIRE OF SHARK BAY
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022**

	NOTE	2022 \$	2021 \$
CURRENT ASSETS			
Cash and cash equivalents	3	7,873,796	6,875,899
Trade and other receivables	5	98,923	219,020
Inventories	6	140,182	122,963
Other assets	7	149,457	39,216
TOTAL CURRENT ASSETS		8,262,358	7,257,098
NON-CURRENT ASSETS			
Trade and other receivables	5	9,949	14,311
Other financial assets	4	38,902	36,903
Property, plant and equipment	8(a)	24,994,973	25,127,739
Infrastructure	9(a)	66,680,356	66,364,898
TOTAL NON-CURRENT ASSETS		91,724,180	91,543,851
TOTAL ASSETS		99,986,538	98,800,949
CURRENT LIABILITIES			
Trade and other payables	11	725,238	922,786
Other liabilities	12	628,325	466,036
Borrowings	13	69,278	67,131
Employee related provisions	14	246,534	219,675
TOTAL CURRENT LIABILITIES		1,669,375	1,675,628
NON-CURRENT LIABILITIES			
Borrowings	13	701,498	770,776
Employee related provisions	14	37,009	83,931
TOTAL NON-CURRENT LIABILITIES		738,507	854,707
TOTAL LIABILITIES		2,407,882	2,530,335
NET ASSETS		97,578,656	96,270,614
EQUITY			
Retained surplus		38,736,137	38,145,350
Reserve accounts	27	4,618,458	3,901,203
Revaluation surplus	15	54,224,061	54,224,061
TOTAL EQUITY		97,578,656	96,270,614

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 2022**

	NOTE	RETAINED SURPLUS \$	RESERVE ACCOUNTS \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2020		38,548,516	2,922,352	54,224,061	95,694,929
Change in accounting policy		0	0	0	0
Correction of error		0	0	0	0
Restated balance at the beginning of the financial year		38,548,516	2,922,352	54,224,061	95,694,929
Comprehensive income for the period					
Net result for the period		575,685	0	0	575,685
Other comprehensive income for the period	15	0	0	0	0
Total comprehensive income for the period		575,685	0	0	575,685
Transfers from reserves	27	405,022	(405,022)	0	0
Transfers to reserves	27	(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
Change in accounting policies		0	0	0	0
Correction of error		0	0	0	0
Restated balance at 1 July 2021		38,145,350	3,901,203	54,224,061	96,270,614
Comprehensive income for the period					
Net result for the period		1,308,042	0	0	1,308,042
Other comprehensive income for the period	15	0	0	0	0
Total comprehensive income for the period		1,308,042	0	0	1,308,042
Transfers from reserves	27	588,301	(588,301)	0	0
Transfers to reserves	27	(1,305,556)	1,305,556	0	0
Balance as at 30 June 2022		38,736,137	4,618,458	54,224,061	97,578,656

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



**SHIRE OF SHARK BAY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022**

NOTE	2022 Actual \$	2022 Budget \$	2021 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Rates	1,463,855	1,462,335	1,457,316
Operating grants, subsidies and contributions	3,319,383	1,463,615	3,098,487
Fees and charges	1,845,011	1,681,997	1,718,509
Interest received	11,159	8,640	20,927
Other revenue	166,141	146,671	234,933
	6,805,549	4,763,258	6,530,172
Payments			
Employee costs	(2,235,568)	(2,287,732)	(2,179,235)
Materials and contracts	(2,156,101)	(2,155,494)	(1,415,412)
Utility charges	(187,451)	(178,475)	(154,075)
Finance costs	(24,727)	(24,622)	(27,537)
Insurance paid	(189,761)	(192,630)	(165,088)
Goods and services tax paid	(12,881)	0	(108)
Other expenditure	(217,086)	(160,504)	(172,843)
	(5,023,575)	(4,999,457)	(4,114,298)
Net cash provided by (used in) operating activities	16(b) 1,781,974	(236,199)	2,415,874
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of property, plant & equipment	8(a) (1,014,006)	(1,888,084)	(789,555)
Payments for construction of infrastructure	9(a) (1,231,157)	(1,766,354)	(726,486)
Non-operating grants, subsidies and contributions	1,340,515	1,340,515	853,694
Proceeds from sale of property, plant & equipment	10(b) 187,702	321,158	284,935
Net cash provided by (used in) investing activities	(716,946)	(1,992,765)	(377,412)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings	26(a) (67,131)	(67,132)	(74,958)
Net cash provided by (used in) financing activities	(67,131)	(67,132)	(74,958)
Net increase (decrease) in cash held	997,897	(2,296,096)	1,963,504
Cash at beginning of year	6,875,899	6,875,899	4,912,395
Cash and cash equivalents at the end of the year	16(a) 7,873,796	4,579,803	6,875,899

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



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

	NOTE	2022 Actual \$	2022 Budget \$	2021 Actual \$
NET CURRENT ASSETS - At start of financial year - surplus/(deficit)	25(b)	1,747,398	1,747,398	1,601,685
OPERATING ACTIVITIES				
Revenue from operating activities (excluding general rate)				
Rates (excluding general rate)	24(b)	36,884	36,884	37,104
Operating grants, subsidies and contributions		2,997,796	1,526,637	2,800,535
Fees and charges		1,845,011	1,746,697	1,727,124
Interest earnings		11,159	8,640	20,927
Other revenue		166,141	170,371	234,933
Profit on asset disposals	10(b)	18,187	28,281	19,096
Fair value adjustments to financial assets at fair value through profit or loss		1,999	0	1,292
		5,077,177	3,517,510	4,841,011
Expenditure from operating activities				
Employee costs		(2,245,513)	(2,311,035)	(2,180,520)
Materials and contracts		(1,801,602)	(2,264,350)	(1,950,335)
Utility charges		(187,451)	(179,475)	(154,075)
Depreciation		(1,812,956)	(1,753,645)	(1,753,544)
Finance costs		(24,727)	(24,622)	(27,537)
Insurance		(189,761)	(192,630)	(165,088)
Other expenditure		(217,086)	(203,090)	(172,843)
Loss on asset disposals	10(b)	(80,000)	(18,362)	(114,838)
		(6,559,096)	(6,947,209)	(6,518,780)
Non-cash amounts excluded from operating activities	25(a)	1,830,210	1,743,726	1,854,943
Amount attributable to operating activities		348,291	(1,685,973)	177,174
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions		1,340,515	2,009,128	853,694
Proceeds from disposal of assets	10(b)	187,702	321,158	284,935
Purchase of property, plant and equipment	8(a)	(1,014,006)	(1,888,084)	(789,555)
Purchase and construction of infrastructure	9(a)	(1,231,157)	(1,766,354)	(726,486)
		(716,946)	(1,324,152)	(377,412)
Non-cash amounts excluded from investing activities	25(a)	0	0	0
Amount attributable to investing activities		(716,946)	(1,324,152)	(377,412)
FINANCING ACTIVITIES				
Repayment of borrowings	26(a)	(67,131)	(67,132)	(74,958)
Transfers to reserves (restricted assets)	27	(1,305,556)	(1,304,277)	(1,383,873)
Transfers from reserves (restricted assets)	27	588,301	1,187,639	405,022
Amount attributable to financing activities		(784,386)	(183,770)	(1,053,809)
Surplus/(deficit) before imposition of general rates		594,357	(1,446,497)	347,638
Total amount raised from general rates	24(a)	1,449,446	1,446,497	1,399,760
Surplus/(deficit) after imposition of general rates	25(b)	2,043,803	0	1,747,398

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



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

1. BASIS OF PREPARATION

The financial report comprises general purpose financial statements which have been prepared in accordance with 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, and is considered a zero cost concessionary lease. All right-of-use assets under zero cost concessionary leases are measured at zero cost rather than at fair value, except for vested improvements on concessionary land leases such as roads, buildings or other infrastructure which continue to be reported at fair value, as opposed to the vested land which is measured at zero cost. The measurement of vested improvements at fair value is a departure from AASB 16 which would have required the 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.

All monies held in the Trust Fund are excluded from the financial statements. As at 30 June 2022 the trust fund balance is zero.

Judgements and estimates

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

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

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

- estimated fair value of certain financial assets
- impairment of financial assets
- estimation of fair values of land and buildings, and infrastructure.

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

2. REVENUE AND EXPENSES

(a) Revenue

Contracts with customers

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Timing of revenue recognition
Operating grants, subsidies and contributions with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Output method based on project milestones and/or completion date matched to performance obligations
Fees and Charges - licences, registrations and approvals	Building planning, development and animal management	Single point in time	Full payment prior to issue	None	On payment of the licence, registration or approval
Fees and charges - waste management entry fees	Waste treatment, recycling and disposal service at disposal site	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	On entry to facility
Fees and charges - sale of stock	Visitor Centre Stock	Single point in time	In full at time of sale	Refund for faulty goods	Output method based on goods sold
Other revenue - private works	Contracted private works	Single point in time	Monthly in arrears	None	Output method based on works done

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

Revenue Recognition

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

For the year ended 30 June 2022

Nature or type	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	1,486,330	0	1,486,330
Operating grants, subsidies and contributions	2,997,796	0	0	0	2,997,796
Fees and charges	1,774,688	0	70,323	0	1,845,011
Interest earnings	0	0	3,391	7,768	11,159
Other revenue	0	0	0	166,141	166,141
Non-operating grants, subsidies and contributions	0	1,340,515	0	0	1,340,515
Total	4,772,484	1,340,515	1,560,044	173,909	7,846,952

For the year ended 30 June 2021

Nature or type	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	1,436,864	0	1,436,864
Operating grants, subsidies and contributions	2,800,535	0	0	0	2,800,535
Fees and charges	1,689,319	0	37,805	0	1,727,124
Interest earnings	0	0	4,864	16,063	20,927
Other revenue	119,336	0	0	115,597	234,933
Non-operating grants, subsidies and contributions	0	853,694	0	0	853,694
Total	4,609,190	853,694	1,479,533	131,660	7,074,077

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

2. REVENUE AND EXPENSES (Continued)

Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
(a) Revenue (Continued)			
Interest earnings			
Interest on reserve funds	4,319	3,040	9,053
Rates instalment and penalty interest (refer Note 24(f))	3,391	2,600	4,864
Other interest earnings	3,449	3,000	7,010
	<u>11,159</u>	<u>8,640</u>	<u>20,927</u>
(b) Expenses			
Auditors remuneration			
- Audit of the Annual Financial Report	40,000	43,000	42,900
- Other services	6,000	2,000	0
	<u>46,000</u>	<u>45,000</u>	<u>42,900</u>
Finance costs			
Borrowings	24,727	24,622	27,537
26(a)	<u>24,727</u>	<u>24,622</u>	<u>27,537</u>
Other expenditure			
Councillor Fees and Allowances	74,178	75,675	37,837
Council Assistance Programs	38,093	50,000	41,888
Contributions to Local/Community Associations	18,766	11,000	11,378
Refunds Expenditure	58,776	61,815	63,204
Sundry expenses	27,273	4,600	18,536
	<u>217,086</u>	<u>203,090</u>	<u>172,843</u>

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

3. CASH AND CASH EQUIVALENTS

	Note	2022	2021
Cash at bank and on hand		\$ 7,873,796	\$ 6,875,899
Total cash and cash equivalents	16(a)	7,873,796	6,875,899
Held as			
- Unrestricted cash and cash equivalents		2,627,013	2,508,660
- Restricted cash and cash equivalents	16(a)	5,246,783	4,367,239
		7,873,796	6,875,899

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.

Bank overdrafts are reported as short term borrowings in current liabilities in the statement of financial position.

Restricted financial assets

Restricted financial asset balances are not available for general use by the local government due to externally imposed restrictions. Restrictions are specified in an agreement, contract or legislation. This applies to reserves, unspent grants, subsidies and contributions and unspent loans that have not been fully expended in the manner specified by the contributor, legislation or loan agreement and for which no liability has been recognised.

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

4. OTHER FINANCIAL ASSETS

Non-current assets

Financial assets at fair value through profit and loss

Financial assets at fair value through profit and loss

Units in Local Government House Trust

	2022	2021
	\$	\$
	38,902	36,903
	38,902	36,903
	38,902	36,903
	38,902	36,903

SIGNIFICANT ACCOUNTING POLICIES

Financial assets at fair value through profit and loss

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

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

Impairment and risk

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

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

5. TRADE AND OTHER RECEIVABLES

Current

	Note	2022 \$	2021 \$
Rates receivable		34,985	14,151
Trade and other receivables		34,901	191,035
GST and FBT receivable		21,304	8,423
Receivables for employee related provisions	14	5,486	1,563
Tenancy Bond - 12 Mead Street		0	1,100
ESL Levied		0	25
State Revenue Pensioner Rebate		2,247	2,723
		98,923	219,020

Non-current

Pensioner's rates and ESL deferred		9,353	8,229
Receivables for employee related provisions	14	596	6,082
		9,949	14,311

SIGNIFICANT ACCOUNTING POLICIES

Trade and other receivables

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

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

Impairment and risk exposure

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 21.

Classification and subsequent measurement

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

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

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

6. INVENTORIES

Current

	Note	2022 \$	2021 \$
Fuel and materials		43,284	26,431
Merchandise		96,898	96,532
		140,182	122,963

The following movements in inventories occurred during the year:

Balance at beginning of year		122,963	129,990
Inventories expensed during the year		297,310	272,515
Additions to inventory		(280,091)	(279,542)
Balance at end of year		140,182	122,963

SIGNIFICANT ACCOUNTING POLICIES

General

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

Net realisable value is the estimated selling price in the

ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

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

7. OTHER ASSETS

Other assets - current

Prepayments

Accrued income

	2022	2021
	\$	\$
Prepayments	7,045	0
Accrued income	142,412	39,216
	<u>149,457</u>	<u>39,216</u>

SIGNIFICANT ACCOUNTING POLICIES

Other current assets

Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

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

8. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Balances

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

	Note	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 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	10(a)	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)
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
Additions		0	36,447	509,727	546,174	45,774	410,380	11,678	1,014,006
Disposals		0	0	(80,000)	(80,000)	0	(169,515)	0	(249,515)
Depreciation	10(a)	0	(116,756)	(381,169)	(497,925)	(132,184)	(249,973)	(17,175)	(897,257)
Balance at 30 June 2022		1,810,000	2,793,793	16,585,479	21,189,272	724,161	2,847,290	234,250	24,994,973
Comprises:									
Gross balance amount at 30 June 2022		1,810,000	3,027,148	17,338,951	22,176,099	1,115,604	3,453,409	301,693	27,046,805
Accumulated depreciation at 30 June 2022		0	(233,355)	(753,472)	(986,827)	(391,443)	(606,119)	(67,443)	(2,051,832)
Balance at 30 June 2022		1,810,000	2,793,793	16,585,479	21,189,272	724,161	2,847,290	234,250	24,994,973

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

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Land and buildings					
Land	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.

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

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

(ii) Cost

Furniture and equipment

Not Applicable Cost Not Applicable Not Applicable

Plant and equipment

Not Applicable Cost Not Applicable Not Applicable

Heritage Assets

Not Applicable Cost Not Applicable Not Applicable

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

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

9. INFRASTRUCTURE

(a) Movements in Balances

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

Note	Infrastructure - roads other	Infrastructure - roads town	Infrastructure - footpaths	Infrastructure - drainage	Infrastructure - streetscapes	Infrastructure - public facilities	Total Infrastructure
	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 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)
Depreciation	(397,184)	(78,140)	(23,771)	(38,374)	(11,104)	(336,064)	(884,637)
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)
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
Additions	409,125	259,480	214,196	137,770	0	210,586	1,231,157
(Disposals)	0	0	0	0	0	0	0
Depreciation	(423,270)	(86,735)	(24,185)	(38,564)	(11,104)	(331,841)	(915,699)
Balance at 30 June 2022	46,792,983	7,079,403	2,143,436	4,707,782	192,683	5,764,069	66,680,356
Comprises:							
Gross balance at 30 June 2022	48,549,986	7,380,023	2,232,944	4,866,196	237,940	7,057,801	70,324,900
Accumulated depreciation at 30 June 2022	(1,757,013)	(300,620)	(89,508)	(158,414)	(45,257)	(1,293,732)	(3,644,544)
Balance at 30 June 2022	46,792,983	7,079,403	2,143,436	4,707,782	192,683	5,764,069	66,680,356

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

9. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

(i) Fair Value	Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
	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.

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

10. FIXED ASSETS

(a) Depreciation

	Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
Buildings - non-specialised	8(a)	116,756	116,210	116,598
Buildings - specialised	8(a)	381,169	367,590	372,304
Furniture and equipment	8(a)	132,184	130,095	129,708
Plant and equipment	8(a)	249,973	236,020	233,441
Heritage Assets	8(a)	17,175	16,865	16,856
Infrastructure - roads other	9(a)	423,270	397,185	397,184
Infrastructure - roads town	9(a)	86,735	78,055	78,140
Infrastructure - footpaths	9(a)	24,185	23,860	23,771
Infrastructure - drainage	9(a)	38,564	38,380	38,374
Infrastructure - streetscapes	9(a)	11,104	11,105	11,104
Infrastructure - public facilities	9(a)	331,841	338,280	336,064
		1,812,956	1,753,645	1,753,544

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

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

10. FIXED ASSETS (Continued)

(b) Disposals of assets

	2022 Actual Net Book Value	2022 Actual Sale Proceeds	2022 Actual Profit	2022 Actual Loss	2022 Budget Net Book Value	2022 Budget Sale Proceeds	2022 Budget Profit	2022 Budget Loss	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Buildings - specialised	80,000	0	0	(80,000)	0	0	0	0	327,602	284,935	19,096	(61,763)
Plant and equipment	169,515	187,702	18,187	0	311,239	321,158	28,281	(18,362)	53,075	0	0	(53,075)
Infrastructure - public facilities	0	0	0	0	0	0	0	0	380,677	284,935	19,096	(114,838)
	249,515	187,702	18,187	(80,000)	311,239	321,158	28,281	(18,362)				

The following assets were disposed of during the year.

	2022 Actual Net Book Value	2022 Actual Sale Proceeds	2022 Actual Profit	2022 Actual Loss
	\$	\$	\$	\$
Plant and Equipment				
Governance				
CEO Vehicle	53,396	57,273	3,877	0
Recreation and culture				
Shark Bay Bowling Club Sport and Recreation Building External Lights	80,000	0	0	(80,000)
Other property and services				
Dual Cab Ute - Gardener	21,928	35,454	13,526	0
Refuse Site Loader	94,191	94,975	784	0
	249,515	187,702	18,187	(80,000)

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

10. FIXED ASSETS (Continued)

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

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

Initial recognition and measurement for assets held at cost

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

Initial recognition and measurement between mandatory revaluation dates for assets held at fair value

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

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

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

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

Revaluation

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

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

Revaluation (continued)

For property, plant and equipment and infrastructure, 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. Subsequent increases are then recognised in profit or loss to the extent they reverse a net revaluation decrease previously recognised in profit or loss for the same class of asset.

Depreciation

The depreciable amount of all property, plant and equipment and infrastructure, are depreciated on a straight-line basis over the individual asset's useful life from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

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

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

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

Depreciation on revaluation

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

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

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

11. TRADE AND OTHER PAYABLES

Current

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

	2022	2021
	\$	\$
	487,795	721,315
	24,832	25,349
	184,697	134,533
	873	21,029
	26,819	18,833
	0	1,727
	222	0
	725,238	922,786

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

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

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

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

Trade and other payables

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

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

Prepaid rates

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

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

12. OTHER LIABILITIES

Current

Contract liabilities

Reconciliation of changes in contract liabilities

Opening balance

Additions

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

	2022	2021
	\$	\$
	628,325	466,036
	628,325	466,036
	466,036	33,488
	628,325	465,036
	(466,036)	(32,488)
	628,325	466,036

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

SIGNIFICANT ACCOUNTING POLICIES

Contract liabilities

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

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

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

13. BORROWINGS

	Note	2022			2021		
		Current	Non-current	Total	Current	Non-current	Total
Secured		\$	\$	\$	\$	\$	\$
Debentures		69,278	701,498	770,776	67,131	770,776	837,907
Total secured borrowings	26(a)	69,278	701,498	770,776	67,131	770,776	837,907

Secured liabilities and assets pledged as security

Debentures are secured by a floating charge over the assets of the Shire of Shark Bay.

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

SIGNIFICANT ACCOUNTING POLICIES

Borrowing costs

Borrowing costs are recognised as an expense when incurred.

Fair values of borrowings are not materially different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short term nature.

Borrowings fair values are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 22(i)) due to the unobservable inputs, including own credit risk.

Risk

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

Details of individual borrowings required by regulations are provided at Note 26(a).

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

14. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions

**Current provisions
Employee benefit provisions**

Annual Leave
Long Service Leave

Non-current provisions

Long Service Leave

	2022	2021
	\$	\$
	142,377	113,343
	104,157	106,332
	246,534	219,675
	37,009	83,931
	37,009	83,931
	283,543	303,606

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

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

Amounts are expected to be settled on the following basis:

Less than 12 months after the reporting date
More than 12 months from reporting date

Note	2022	2021
	\$	\$
	225,931	210,719
	57,612	92,887
	283,543	303,606

Expected reimbursements of employee related provisions from other WA local governments included within other receivables

5	6,082	7,645
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SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

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

Short-term employee benefits

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

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

Other long-term employee benefits

Long-term employee benefits provisions are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

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

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

15. REVALUATION SURPLUS

	2022 Opening Balance	2022 Closing Balance	2021 Opening Balance	2021 Closing Balance
	\$	\$	\$	\$
Revaluation surplus - land and buildings	9,241,466	9,241,466	9,241,466	9,241,466
Revaluation surplus - Furniture and equipment	659,571	659,571	659,571	659,571
Revaluation surplus - Plant and equipment	1,167,447	1,167,447	1,167,447	1,167,447
Revaluation surplus - Heritage Assets	624,162	624,162	624,162	624,162
Revaluation surplus - Infrastructure - roads other	34,832,544	34,832,544	34,832,544	34,832,544
Revaluation surplus - Infrastructure - roads town	3,392,502	3,392,502	3,392,502	3,392,502
Revaluation surplus - Infrastructure - footpaths	72,273	72,273	72,273	72,273
Revaluation surplus - Infrastructure - drainage	4,161,867	4,161,867	4,161,867	4,161,867
Revaluation surplus - Infrastructure - streetscapes	1,447	1,447	1,447	1,447
Revaluation surplus - Infrastructure - public facilities	70,782	70,782	70,782	70,782
	54,224,061	54,224,061	54,224,061	54,224,061

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 2022

16. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

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

	Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
Cash and cash equivalents	3	7,873,796	4,579,803	6,875,899

Restrictions

The following classes of financial assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:

- Cash and cash equivalents	3	5,246,783	4,017,841	4,367,239
		<u>5,246,783</u>	<u>4,017,841</u>	<u>4,367,239</u>

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

Restricted reserve accounts	27	4,618,458	4,017,841	3,901,203
Contract Liabilities	12	628,325	0	466,036
Total restricted financial assets		<u>5,246,783</u>	<u>4,017,841</u>	<u>4,367,239</u>

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

Net result		1,308,042	25,926	575,685
Non-cash items:				
Adjustments to fair value of financial assets at fair value through profit and loss		(1,999)	0	(1,292)
Depreciation/amortisation		1,812,956	1,753,645	1,753,544
(Profit)/loss on sale of asset		61,813	(9,919)	95,742
Changes in assets and liabilities:				
(Increase)/decrease in trade and other receivables		124,459	118,857	(116,877)
(Increase)/decrease in other assets		(110,241)	(80,500)	(37,662)
(Increase)/decrease in inventories		(17,219)	(15,000)	7,027
Increase/(decrease) in trade and other payables		(197,548)	(165,000)	598,636
Increase/(decrease) in employee related provisions		(20,063)	(20,080)	(37,783)
Increase/(decrease) in other liabilities		162,289	165,000	432,548
Non-operating grants, subsidies and contributions		(1,340,515)	(2,009,128)	(853,694)
Net cash provided by/(used in) operating activities		<u>1,781,974</u>	<u>(236,199)</u>	<u>2,415,874</u>

(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		0		(1,655)
Total amount of credit unused		<u>65,000</u>		<u>63,345</u>

Loan facilities

Loan facilities - current		69,278		67,131
Loan facilities - non-current		701,498		770,776
Total facilities in use at balance date		<u>770,776</u>		<u>837,907</u>

Unused loan facilities at balance date

0

0

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

17. CAPITAL COMMITMENTS

	2022	2021
	\$	\$
Contracted for:		
- capital expenditure projects	20,852	484,948
- plant & equipment purchases	337,063	0
	<u>357,915</u>	<u>484,948</u>
Payable:		
- not later than one year	357,915	484,948

18. CONTINGENT LIABILITIES

Under the Contaminated Sites Act 2003, the Shire is required to report known and suspected contaminated sites to the Department of Water and Environmental Regulation (DWER). In accordance with the Contaminated Sites Act 2003, DWER classifies these sites on the basis of the risk to human health, the environment and environmental values. Where sites are classified as contaminated – remediation required or possibly contaminated – investigation required, the Shire may have a liability in respect of investigation or remediation expenses.

At reporting date, the Shire has 1 site that has been classified as ‘possibly contaminated – investigation required’ by the DWER. The Shire may have a liability in respect of investigation or remediation expenses. Until the Shire conducts an investigation to determine the presence and scope of contamination, assess the risk, and agree with DWER on the need and criteria for remediation using a risk based approach, the Shire is unable to estimate the potential costs associated with remediation of this site.

19. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

No matters or circumstances have arisen since the end of the financial year that have a significant effect on the financial statements.

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

20. RELATED PARTY TRANSACTIONS

(a) Elected Member Remuneration

Shire President - Cr Cheryl Cowell

Note	2022 Actual	2022 Budget	2021 Actual
President's annual allowance	11,620	11,978	5,989
Meeting attendance fees	11,314	11,663	5,831
Annual allowance for ICT expenses	2,143	2,143	1,072
	<u>25,077</u>	<u>25,784</u>	<u>12,892</u>

Deputy Shire President/Elected Member - Cr Ed Fenny

Deputy President's annual allowance	871	878	1,497
Meeting attendance fees	5,504	5,673	2,836
Annual allowance for ICT expenses	2,079	2,143	1,072
	<u>8,454</u>	<u>8,694</u>	<u>5,405</u>

Deputy Shire President - Cr Mira Vankova

Deputy President's annual allowance	2,034	2,117	
Meeting attendance fees	3,854	1,663	0
Annual allowance for ICT expenses	1,456	1,515	0
	<u>7,344</u>	<u>5,295</u>	<u>0</u>

Elected member - Cr Jamie Burton

Meeting attendance fees	1,649	4,010	2,836
Annual allowance for ICT expenses	623	628	1,072
	<u>2,272</u>	<u>4,638</u>	<u>3,908</u>

Elected member - Cr Greg Ridley

Meeting attendance fees	5,673	5,673	2,836
Annual allowance for ICT expenses	2,143	2,143	1,072
	<u>7,816</u>	<u>7,816</u>	<u>3,908</u>

Elected member - Cr Mark Smith

Meeting attendance fees	5,673	5,673	2,836
Annual allowance for ICT expenses	2,143	2,143	1,072
	<u>7,816</u>	<u>7,816</u>	<u>3,908</u>

Elected member - Cr Pietr Stubberfield

Meeting attendance fees	5,673	5,673	2,836
Annual allowance for ICT expenses	2,143	2,143	1,072
	<u>7,816</u>	<u>7,816</u>	<u>3,908</u>

Elected member - Cr Laurence Bellottie

Meeting attendance fees	5,504	5,673	2,836
Annual allowance for ICT expenses	2,079	2,143	1,072
	<u>7,583</u>	<u>7,816</u>	<u>3,908</u>
	<u>74,178</u>	<u>75,675</u>	<u>37,837</u>

Fees, expenses and allowances to be paid or reimbursed to elected council members.

	2022 Actual	2022 Budget	2021 Actual
	\$	\$	\$
President's annual allowance	11,620	11,978	5,989
Deputy President's annual allowance	2,905	2,995	1,497
Meeting attendance fees	44,844	45,701	22,847
Annual allowance for ICT expenses	14,809	15,001	7,504
	<u>74,178</u>	<u>75,675</u>	<u>37,837</u>

(b) Key Management Personnel (KMP) Compensation

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

	2022 Actual	2021 Actual
	\$	\$
Short-term employee benefits	497,407	507,803
Post-employment benefits	61,717	64,683
Employee - other long-term benefits	95,091	129,337
Employee - termination benefits	74,909	0
	<u>729,124</u>	<u>701,823</u>

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

20. RELATED PARTY TRANSACTIONS (continued)

(b) Key Management Personnel (KMP) Compensation Continued

Short-term employee benefits

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

Post-employment benefits

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

Other long-term benefits

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

Council member costs

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

(c) Transactions with related parties

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

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

	2022 Actual	2021 Actual
	\$	\$
Sale of goods and services	73,984	69,584
Purchase of goods and services	77,299	53,907
Short term employee benefits - other related parties	212,059	116,881
Amounts outstanding from related parties:		
Trade and other receivables	2,605	524

(d) Related Parties

The Shire's main related parties are as follows:

i. Key management personnel

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

ii. Other Related Parties

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

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

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 2022**

21. FINANCIAL RISK MANAGEMENT

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

Risk	Exposure arising from	Measurement	Management
Market risk - interest rates	Long term borrowings at variable rates	Sensitivity analysis	Utilise fixed interest rate borrowings
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

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

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

(a) Interest rate risk

Cash and cash equivalents

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

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 Treasury bonds held disclosed as financial assets at amortised cost are reflected in the table below.

	Weighted Average Interest Rate	Carrying Amounts	Fixed Interest Rate	Variable Interest Rate	Non Interest Bearing
	%	\$	\$	\$	\$
2022					
Cash and cash equivalents	0.10%	7,873,796	0	7,872,717	1,079
2021					
Cash and cash equivalents	0.14%	6,875,899	0	6,874,820	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.

	2022	2021
	\$	\$
Impact of a 1% movement in interest rates on profit and loss and equity*	78,727	68,748

* 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 26(a).

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

21. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

Payables and borrowings

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The Shire manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required and disclosed in Note 16(c).

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

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
2022					
Trade and other payables	725,238	0	0	725,238	725,238
Borrowings	86,647	199,387	648,007	934,041	770,776
	<u>811,885</u>	<u>199,387</u>	<u>648,007</u>	<u>1,659,279</u>	<u>1,496,014</u>
2021					
Trade and other 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>

**SHIRE OF SHARK BAY
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FOR THE YEAR ENDED 30 JUNE 2022**

22. 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. enforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

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

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

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

h) Interest earnings

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

i) Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

j) Impairment of assets

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

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

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

For non-cash generating specialised assets that are measured under the revaluation model, such as roads, drains, public buildings and the like, no annual assessment of impairment is required. Rather AASB 116 31 applies and revaluations need only be made with sufficient regularity to ensure the carrying value does not differ materially from that which would be determined using fair value at the end of the reporting period.

k) Initial application of accounting standards

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

New accounting standards for application in future years

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

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

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

**SHIRE OF SHARK BAY
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FOR THE YEAR ENDED 30 JUNE 2022**

23. FUNCTION AND ACTIVITY

(a) Service objectives and descriptions

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

Objective	Description
GOVERNANCE To provide a decision making process for the efficient allocation of scarce resources.	Expenses associated with the provision of services to members of council and elections.
GENERAL PURPOSE FUNDING To collect revenue to allow for the provision of services.	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.
LAW, ORDER, PUBLIC SAFETY To provide services to help ensure a safer and environmentally conscious community.	Enforcement of Local Laws, fire prevention, animal control and the provision of ranger services.
HEALTH To provide an operational framework for environmental and community health.	Health inspection services, food quality control and mosquito control.
HOUSING To provide and maintain housing for the elderly and staff.	Provision and maintenance of rented housing accommodation for pensioners and employees.
COMMUNITY AMENITIES To provide services required by the community.	Sanitation, stormwater drainage, protection of the environment, public conveniences, cemeteries and town planning.
RECREATION AND CULTURE To establish and effectively manage infrastructure and resources which will help the social wellbeing of the community.	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.
TRANSPORT To provide safe, effective and efficient transport services to the community.	Construction and maintenance of roads, footpaths, drainage, parking facilities, traffic control, depot operations, marine facilities and street cleaning.
ECONOMIC SERVICES To help promote the Shire and its economic wellbeing.	Tourism, community development, building services and private works.
OTHER PROPERTY AND SERVICES To monitor and control council's overhead operating accounts.	Plant maintenance, administration, labour overheads and stock.

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

23. FUNCTION AND ACTIVITY (Continued)

(b) Income and expenses

Income excluding grants, subsidies and contributions

	2022 Actual	2022 Budget	2021 Actual
	\$	\$	\$
Governance	7,145	17,013	4,695
General purpose funding	1,526,617	1,514,749	1,484,389
Law, order, public safety	14,795	11,968	15,513
Health	2,738	1,800	2,260
Housing	127,725	132,470	126,631
Community amenities	391,765	349,584	337,824
Recreation and culture	397,306	381,120	458,197
Transport	59,223	57,333	58,153
Economic services	937,444	921,333	877,548
Other property and services	64,069	50,000	75,026
	3,528,827	3,437,370	3,440,236

Grants, subsidies and contributions

General purpose funding	2,445,620	935,285	1,947,951
Law, order, public safety	153,532	76,213	56,691
Housing	20,000	20,000	0
Recreation and culture	232,304	301,310	250,547
Transport	1,476,413	2,152,257	1,383,551
Economic services	10,442	50,700	15,489
	4,338,311	3,535,765	3,654,229

Total Income

7,867,138 **6,973,135** **7,094,465**

Expenses

Governance	(211,608)	(338,950)	(211,076)
General purpose funding	(117,738)	(117,947)	(102,145)
Law, order, public safety	(278,134)	(310,286)	(307,703)
Health	(57,574)	(90,370)	(64,453)
Housing	(180,976)	(218,961)	(189,893)
Community amenities	(627,529)	(702,612)	(593,470)
Recreation and culture	(2,111,640)	(2,221,762)	(2,007,412)
Transport	(1,834,629)	(1,778,107)	(2,085,661)
Economic services	(1,029,857)	(1,118,714)	(958,013)
Other property and services	(109,411)	(49,500)	1,046
	(6,559,096)	(6,947,209)	(6,518,780)

Total expenses

(6,559,096) **(6,947,209)** **(6,518,780)**

Net result for the period

1,308,042 **25,926** **575,685**

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

23. FUNCTION AND ACTIVITY (Continued)

(c) Fees and Charges

	2022 Actual	2022 Budget	2021 Actual
	\$	\$	\$
General purpose funding	9,614	6,525	9,699
Law, order, public safety	5,516	3,300	3,407
Health	2,738	1,800	4,860
Housing	123,334	127,670	123,118
Community amenities	392,059	349,584	338,304
Recreation and culture	320,837	291,920	316,411
Transport	57,106	57,333	58,153
Economic services	933,807	908,565	873,172
	1,845,011	1,746,697	1,727,124

(d) Total Assets

	2022	2021
	\$	\$
Governance	2,096,042	2,087,040
General purpose funding	3,486,281	3,190,859
Law, order, public safety	1,254,698	1,210,341
Housing	2,713,604	2,761,990
Community amenities	1,085,070	1,047,834
Recreation and culture	17,767,126	18,015,327
Transport	70,274,345	69,107,176
Economic services	1,266,088	1,353,951
Other property and services	43,284	26,431
	99,986,538	98,800,949

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

24. RATING INFORMATION

(a) General Rates

RATE TYPE Rate Description	Basis of valuation	Number of Properties	2021/22 Actual		2021/22 Actual		2021/22 Actual		2021/22 Budget		2021/22 Budget		2020/21 Actual	
			Rateable Value *	Revenue	Interim Rates	Actual Back Rates	Rate	Revenue	Back Rate	Revenue	Total Revenue	Total Revenue		
GRV Residential	Gross rental valuation	326	3,980,144	413,752	2,896	175	0	870	413,752	(341)	414,281	394,983		
GRV Commercial	Gross rental valuation	41	2,135,007	232,406	0	0	0	0	232,406	0	232,406	225,638		
GRV Vacant	Gross rental valuation	18	333,731	34,966	2,391	0	0	1,796	34,966	0	36,762	36,415		
GRV Rural Commercial	Gross rental valuation	5	315,380	34,720	0	0	0	0	34,720	0	34,720	33,709		
GRV Industrial/Residential	Gross rental valuation	48	658,843	77,228	0	0	0	0	77,228	0	77,228	73,790		
GRV Rural Resort	Gross rental valuation	2	1,346,800	156,506	0	0	0	0	156,506	0	156,506	151,949		
UV General	Unimproved valuation	7	714,543	152,412	0	0	0	0	152,412	0	152,412	177,936		
UV Pastoral	Unimproved valuation	11	544,676	87,487	(3,146)	(2,664)	0	0	87,487	0	87,487	91,105		
UV Mining	Unimproved valuation	1	8,500	2,473	0	0	0	21,867	2,473	0	24,340	2,377		
UV Exploration	Unimproved valuation	1	941,576	228,318	22,195	2,148	0	(3,146)	228,318	0	225,172	219,051		
Sub-Total		469	10,979,200	1,420,268	24,336	(341)	0	21,387	1,420,268	(341)	1,441,314	1,406,953		
Minimum payment														
GRV Residential	Gross rental valuation	50	379,378	44,900	0	0	0	0	44,900	0	44,900	44,676		
GRV Commercial	Gross rental valuation	17	93,833	15,266	0	0	0	0	15,266	0	15,266	14,892		
GRV Vacant	Gross rental valuation	81	249,219	72,738	0	0	0	0	72,738	0	72,738	70,080		
GRV Industrial/Residential	Gross rental valuation	898	12,741	1,796	0	0	0	0	1,796	0	1,796	2,628		
UV General	Unimproved valuation	754	9,438	4,524	0	0	0	0	4,524	0	4,524	4,410		
UV Mining	Unimproved valuation	943	700	943	0	0	0	0	943	0	943	920		
UV Exploration	Unimproved valuation	1	2,115	943	0	0	0	0	943	0	943	920		
Sub-Total		158	747,424	141,110	0	0	0	0	141,110	0	141,110	138,526		
Exempt properties														
Gross rental valuations														
Exempt Property	Gross rental valuation	129	357,172	0	0	0	0	0	0	0	0	0		
Non Rateable	Gross rental valuation	1	48,068	0	0	0	0	0	0	0	0	0		
Non Rateable	Unimproved Valuation	1	44,000	0	0	0	0	0	0	0	0	0		
Sub-Total		131	449,240	0	0	0	0	0	0	0	0	0		
Concessions on general rates (Refer note 24(e))														
Total amount raised from general rates		758	12,175,864	1,561,378	24,336	(341)	0	21,387	1,561,378	(341)	1,582,424	1,545,479		
Total amount raised from general rates														
* Rateable value is based on the value of properties at the time the rate is raised.														
(b) Rates (excluding general rates)														
Specified Area Rates														
Monkey Mia Bore Replacement	Gross rental valuation	1	1,300,000	36,884	0	0	0	0	36,884	0	36,884	37,104		
Sub-Total		1	1,300,000	36,884	0	0	0	0	36,884	0	36,884	37,104		
Total amount raised from rates (excluding general rates)														
(c) Total Rates														
Total amount raised from rates (excluding general rates)														
Sub-Total														
Total amount raised from rates (including general rates)														
Sub-Total														

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

SHIRE OF SHARK BAY
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24. RATING INFORMATION (Continued)

(d) Specified Area Rate

Specified Area Rate	Purpose of the rate	Area/properties Rate Imposed	2021/22 Actual Rate Applied to Costs	2021/22 Actual Rate Set Aside to Reserve	2021/22 Budget Rate Applied to Costs	2021/22 Budget Rate Set Aside to Reserve	2021/22 Budget Rate Applied to Costs
	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	\$ 36,884	\$ 0	\$ 36,884	\$ 0	\$ 0
			\$ 36,884	\$ 0	\$ 36,884	\$ 0	\$ 0

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

Waivers or Concessions

Rate or Fee and
Charge to which
the Waiver or
Concession is Granted

Type	Waiver/ Concession	Discount %	Discount \$	2022 Actual \$	2022 Budget \$	2021 Actual \$
Rate	Concession		52,740	52,740	52,740	59,545
General Rate	Concession		78,511	78,511	78,511	81,634
General Rate	Waiver	100.00%		1,157	1,157	3,417
General Rate	Waiver	25.00%		3,519	3,519	1,123
				135,927	135,927	145,719
				135,927	135,927	145,719

Total discounts/concessions (Note 24)

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
UV Pastoral	To address the disparity between UV Rates.	To provide equitable rates for properties in this category.
UV Exploration	To address the inequalities of the valuation system.	To recognise that these properties are not in the production phase.
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.
Yadgalah Aboriginal Corporation	To address anomalies in the valuation system.	To recognise that the use of the land is partly used for charitable purposes.

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

24. RATING INFORMATION (Continued)

(f) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
Option One				
Single full payment	24/09/2021	0.0	0.00%	7.00%
Option Two				
First instalment	24/09/2021	10.0	5.50%	7.00%
Second instalment	18/01/2022	10.0	5.50%	7.00%
Option Three				
First instalment	24/09/2021	10.0	5.50%	7.00%
Second instalment	26/11/2021	10.0	5.50%	7.00%
Third instalment	28/01/2022	10.0	5.50%	7.00%
Fourth instalment	1/04/2022	10.0	5.50%	7.00%

	2022 Actual \$	2022 Budget \$	2021 Actual \$
Interest on unpaid rates	3,391	2,600	4,864
Charges on instalment plan	5,386	5,000	7,010
	8,777	7,600	11,874

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

25. RATE SETTING STATEMENT INFORMATION

		2021/22 Budget	2020/21
	2021/22 (30 June 2022 Carried Forward)	(30 June 2022 Carried Forward)	(30 June 2021 Carried Forward)
Note	\$	\$	\$
(a) Non-cash amounts excluded from operating activities			
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .			
Adjustments to operating activities			
Less: Profit on asset disposals	10(b)	(18,187)	(19,096)
Less: Fair value adjustments to financial assets at fair value through profit and loss		(1,999)	(1,292)
Add: Loss on disposal of assets	10(b)	80,000	114,838
Add: Depreciation	10(a)	1,812,956	1,753,544
Non-cash movements in non-current assets and liabilities:			
Pensioner deferred rates		(1,124)	(541)
Employee benefit provisions		(41,436)	7,490
Non-cash amounts excluded from operating activities		1,830,210	1,854,943
(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: Reserve accounts	27	(4,618,458)	(3,901,203)
Add: Current liabilities not expected to be cleared at end of year - Current portion of borrowings	13	69,278	67,131
Total adjustments to net current assets		(4,549,180)	(3,834,072)
Net current assets used in the Rate Setting Statement			
Total current assets		8,262,358	7,257,098
Less: Total current liabilities		(1,669,375)	(1,675,628)
Less: Total adjustments to net current assets		(4,549,180)	(3,834,072)
Net current assets used in the Rate Setting Statement		2,043,803	1,747,398

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

26. BORROWING AND LEASE LIABILITIES

(a) Borrowings

Purpose	Actual										Budget		
	Loan Number	Principal at 1 July 2020	New Loans		Principal at 30 June 2021	Principal Repayments		New Loans	Principal at 30 June 2022	Principal at 1 July 2021	New Loans		Principal at 30 June 2022
			During 2020-21	During 2020-21		During 2020-21	During 2021-22				During 2021-22	During 2021-22	
Staff Housing	56	9,900	0	0	(9,900)	0	0	0	0	0	0	0	0
Town Oval Bore	58	800,000	0	767,895	(32,105)	(32,829)	0	735,066	767,895	0	0	(32,829)	735,066
Monkey Mia Bore	57	102,965	0	70,012	(32,953)	(34,302)	0	35,710	70,012	0	0	(34,303)	35,709
Total Borrowings	13	912,865	0	837,907	(74,958)	(67,131)	0	770,776	837,907	0	0	(67,132)	770,775

Borrowing Interest Repayments

Purpose	Note	Function and activity	Loan Number	Institution	Interest Rate	Actual for year ending 30 June 2022	Budget for year ending 30 June 2022	Actual for year ending 30 June 2021
Staff Housing		Housing	56	WATC	5.99%	0	0	(288)
Town Oval Bore		Recreation and culture	58	WATC	2.24%	(22,140)	(22,040)	(23,093)
Monkey Mia Bore		Economic services	57	WATC	4.06%	(2,587)	(2,582)	(4,156)
Total						(24,727)	(24,622)	(27,537)
Total Interest Repayments	2(b)					(24,727)	(24,622)	(27,537)

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

27. RESERVE ACCOUNTS

	2022		2022		2022		2022		2022		2021		2021	
	Actual Opening Balance	Actual Transfer to	Actual Transfer (from)	Actual Closing Balance	Budget Opening Balance	Budget Transfer to	Budget Transfer (from)	Budget Closing Balance	Actual Opening Balance	Actual Transfer to	Actual Transfer (from)	Actual Closing Balance		
(a) Leave reserve	\$ 195,536	\$ 216	\$ 0	\$ 195,752	\$ 195,536	\$ 350	\$ 0	\$ 195,886	\$ 171,006	\$ 24,530	\$ 0	\$ 195,536		
(b) Plant replacement reserve	595,873	371,570	(222,700)	744,743	595,873	371,410	(367,056)	600,227	401,851	449,300	(255,278)	595,873		
(c) Infrastructure reserve	2,401,214	897,985	(349,153)	2,950,046	2,401,214	896,827	(744,133)	2,553,908	1,847,922	683,489	(130,197)	2,401,214		
(d) Pensioner unit maintenance reserve	172,508	35,191	(16,448)	191,251	172,508	35,120	(26,450)	181,178	127,114	45,394	0	172,508		
(e) Recreation facilities upgrade reserve	484,265	539	0	484,804	484,265	500	(50,000)	434,765	322,812	181,000	(19,547)	484,265		
(f) Monkey Mia jetty reserve	22,155	25	0	22,180	22,155	30	0	22,185	22,087	68	0	22,155		
(g) Shared fire system reserve	29,652	30	0	29,682	29,652	40	0	29,692	29,560	92	0	29,652		
	3,901,203	1,305,556	(588,301)	4,618,458	3,901,203	1,304,277	(1,187,639)	4,017,841	2,922,352	1,383,873	(405,022)	3,901,203		

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

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

Name of Reserve	Anticipated date of use	Purpose of the reserve
(a) Leave reserve	Ongoing	To be used for the provision of employees' long service leave.
(b) Plant replacement reserve	2022/23	To be used for the purchase of major plant and equipment.
(c) Infrastructure reserve	2022/23	To be used to fund the future replacement and construction of infrastructure in the Shire.
(d) Pensioner unit maintenance reserve	2022/23	To be used to fund the replacement and major maintenance of the pensioner units.
(e) Recreation facilities upgrade reserve	Ongoing	To be used to fund the upgrade/maintenance of the Shire recreation facilities.
(f) Monkey Mia jetty reserve	Ongoing	To be used for the upgrade and major maintenance of the Monkey Mia Jetty.
(g) Shared fire system reserve	Ongoing	Shared with the Department of Biodiversity, Conservation and Attractions and to be used to fund the future system replacement.



Auditor General

INDEPENDENT AUDITOR'S REPORT 2022 Shire of Shark Bay

To the Councillors of the Shire of Shark Bay

Opinion

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

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

In my opinion, the financial report is:

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

Basis for opinion

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

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

Other information

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

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

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

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

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

The Chief Executive Officer of the Shire is responsible for:

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

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

- assessing the Shire's ability to continue as a going concern
- disclosing, as applicable, matters related to going concern
- using the going concern basis of accounting unless the State Government has made decisions affecting the continued existence of the Shire.

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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

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

Matters relating to the electronic publication of the audited financial report

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

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